

FINANCIAL STATEMENTS OF BMW AG

Financial Year 2014



BMW AG

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		2014	2013	Change in %
Revenues	€ million	66,599	60,474	10.1
Export ratio	%	81.7	81.5	
Production				
Automobiles ¹	units	2,165,566	2,006,366	7.9
Motorcycles	units	133,615	110,127	21.3
Sales volume				
Automobiles ¹	units	2,166,772	1,995,903	8.6
Motorcycles	units	133,635	110,039	21.4
Capital expenditure	€ million	3,150	3,203	-1.7
Depreciation, amortisation and impairment losses	€ million	1,890	1,732	9.1
Workforce at end of year		80,675	77,110	4.6
Tangible, intangible and investment assets	€ million	13,945	12,833 ²	8.7
Current assets, prepayments and surplus of pension and similar plan assets over liabilities	€ million	20,291	20,932	-3.1
Subscribed capital	€ million	656	656	-
Reserves	€ million	9,506	8,166	16.4
Equity	€ million	12,066	10,529	14.6
as % of tangible, intangible and investment assets	%	86.5	82.0	
Balance sheet total	€ million	34,236	33,765	1.4
Cost of materials	€ million	47,008	43,402	8.3
Personnel costs	€ million	6,786	6,419	5.7
Taxes	€ million	1,934	1,674	15.5
Net profit	€ million	3,229	2,289	41.1
Dividend	€ million	1,904³	1,707	11.5
per share of common stock with a par value of €1 each	€	2.90³	2.60	
per share of preferred stock with a par value of €1 each	€	2.92³	2.62	

¹ Including supplies of series parts to BMW Brilliance Automotive Ltd., Shenyang.

² Including transfer of non-current assets in conjunction with merger of BMW Peugeot Citroën Electrification GmbH, Munich.

³ Proposed by the Board of Management.

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Financial Statements

Publication

The BMW AG Financial Statements and Management Report for the financial year 2014 will be submitted to the operator of the electronic version of the German Federal Gazette and can be obtained via the Company Register website. The Management Report of BMW AG is combined with the Group Management Report and published in the BMW Group Annual Report 2014.

The Annual Financial Statements and Management Report of BMW AG are also available on the BMW Group's website at www.bmwgroup.com/ir.

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in € million	Notes	2014	2013
Assets			
Intangible assets	1	405	474
Property, plant and equipment		10,304	8,982
Investments	2	3,236	3,377
Tangible, intangible and investment assets		13,945	12,833
Inventories	3	3,859	3,863
Trade receivables	4	697	659
Receivables from subsidiaries	4	5,200	4,871
Other receivables and other assets	4	2,502	3,194
Marketable securities	5	3,572	3,429
Cash and cash equivalents	6	3,073	3,757
Current assets		18,903	19,773
Prepayments		265	169
Surplus of pension and similar plan assets over liabilities	7	1,123	990
Total assets		34,236	33,765
Equity and liabilities			
Subscribed capital	8	656	656
Capital reserves	8	2,084	2,069
Revenue reserves	9	7,422	6,097
Unappropriated profit available for distribution		1,904	1,707
Equity		12,066	10,529
Registered profit-sharing certificates	10	31	32
Pension provisions		12	43
Other provisions		7,308	7,299
Provisions	11	7,320	7,342
Liabilities to banks		1,864	1,463
Trade payables		4,784	4,818
Liabilities to subsidiaries		6,872	8,795
Other liabilities		216	285
Liabilities	12	13,736	15,361
Deferred income	13	1,083	501
Total equity and liabilities		34,236	33,765

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Income Statement

in € million	Notes	2014	2013
Revenues	14	66,599	60,474
Cost of sales		-51,812	-47,067
Gross profit		<u>14,787</u>	<u>13,407</u>
Selling expenses		-3,533	-3,528
Administrative expenses		-2,259	-2,141
Research and development expenses		-4,152	-4,362
Other operating income and expenses	15 16	28	542
Result on investments	17	741	373
Financial result	18	-449	-328
Profit from ordinary activities		<u>5,163</u>	<u>3,963</u>
Income taxes	19	-1,884	-1,629
Other taxes		-50	-45
Net profit		<u>3,229</u>	<u>2,289</u>
Transfer to revenue reserves	20	-1,325	-582
Unappropriated profit available for distribution		<u>1,904</u>	<u>1,707</u>

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The financial statements of BMW AG have been drawn up in accordance with the accounting provisions contained in the German Commercial Code (HGB) and law applicable to stock corporations. Figures are presented in millions of euros (€ million) unless otherwise stated.

In order to improve clarity, individual items are aggregated in the balance sheet and income statement and presented separately in the notes to the financial statements.

Purchased intangible assets are valued at acquisition cost and amortised over their estimated useful economic lives using the straight-line method. Internally generated intangible assets are not capitalised.

Property, plant and equipment are stated at acquisition or at manufacturing cost, less accumulated depreciation and impairment losses. Impairment losses are recorded when the decline in value of an asset is considered to be of a lasting nature. When the reasons for impairment no longer exist, impairment losses previously recorded are reversed, at a maximum up to their amortised cost. Property, plant and equipment are generally depreciated straight-line. The reducing-balance method is also applied in specific cases, whereby a switch is made to straight-line depreciation as soon as this gives rise to a higher depreciation expense. Items acquired during the year are depreciated on a time-apportioned basis. Assets with an acquisition or manufacturing cost of up to €150 are recognised directly as an expense in the year of purchase/construction. Assets with an acquisition or manufacturing cost of between €150 and €1,000 are depreciated using the straight-line method over a period of five years.

Factory and office buildings as well as distribution facilities which form an inseparable part of such buildings are depreciated over eight to 40 years, residential buildings over 25 to 50 years, technical plant and machinery over four to 21 years and other facilities, factory and office equipment mainly over five years. For machinery used in multiple-shift operations, depreciation rates are increased to account for the additional utilisation.

Investments in subsidiaries and participations are stated at cost or, if lower, at their fair value. When the reasons for impairment no longer exist, impairment losses previously recorded are reversed, at a maximum up to the level of original cost. Loans which bear no or a below-

market rate of interest are discounted to their present value.

The composition of and changes in long-lived assets are shown in the Analysis of Changes in Tangible, Intangible and Investment Assets.

Inventories of raw materials, supplies and goods for resale are stated at the lower of cost and net realisable value. All direct material and production costs, an appropriate proportion of material and production overheads (including depreciation of plant and equipment relating to production) as well as an appropriate proportion of general production-related administrative and social expenses are taken into account in the measurement of unfinished goods, finished goods and leased-out products at production cost. Write-downs are made to cover risks arising from slow-moving items or reduced saleability.

Receivables and other assets are stated at the lower of their nominal value or net realisable value.

Investments in marketable securities are measured at cost or, if lower, at their fair value at the end of the reporting period. Fair value corresponds to the market price.

In order to meet obligations relating to pensions and pre-retirement part-time working arrangements, certain assets are managed on a trustee basis by BMW Trust e.V., Munich, in conjunction with Contractual Trust Arrangements (CTA). These assets are measured at their fair value which is offset against the related obligations. A provision is recognised when obligations exceed assets. When assets exceed obligations, the surplus is reported in the balance sheet as "Surplus of pension and similar plan assets over liabilities".

Pension obligations are measured in accordance with the projected unit credit method. The calculation is based on an independent actuarial valuation which takes into account all relevant biometric factors. For reasons of consistency, provisions for obligations relating to long-service awards and pre-retirement part-time working arrangements are measured using the same methodology.

Other provisions are recognised to take account of all identified risks. Provisions are measured at their

expected settlement amount. In the case of non-current provisions, amounts are discounted using the average market interest rate – calculated and published by the Deutsche Bundesbank – which corresponds to the remaining term of the provision.

Liabilities are stated at their expected settlement amount at the balance sheet date.

Foreign currency receivables and payables are translated using the mid-spot exchange rate applicable at transaction date. Gains arising on the translation of period-end foreign currency receivables and payables with a remaining term of less than one year are recognised with income statement effect. Unrealised losses resulting from changes in exchange rates are recognised by restating the foreign currency amount in the balance sheet to the closing rate. Financial assets and financial liabilities denominated in a foreign currency are mostly hedged, in which case they are translated using the relevant hedge rate.

BMW AG invoices a number of its affiliated selling companies that are based outside the euro zone in the relevant local currency. The resulting currency exposures are hedged by derivative currency instruments. The underlying hedged items comprise highly probable forecast transactions which are aggregated with these derivative currency instruments into valuation units.

The Company uses derivative financial instruments to hedge interest rate, currency and commodity price risks arising in conjunction with operating activities. Where there is a direct hedging relationship, the derivative financial instrument and the hedged item are accounted for as a valuation unit. If there is no hedging relationship, or if the hedging relationship is deemed to be insufficient, pending losses are recognised with income statement effect.

Deferred income relates to amounts received before the balance sheet date, which represent income for a specific period after the end of the reporting period. This also includes revenues billed for services which are rendered after the end of the reporting period. Revenues from sales with multiple components are analysed into the various performance components on the basis of fair values which can be determined objectively and reliably. The portion of revenues relating to services not

performed by the end of the reporting period are presented as deferred income.

Deferred taxes are calculated for temporary differences between the tax base and accounting carrying amounts of assets, liabilities and deferred/prepaid items. Deferred tax assets and liabilities are measured on the basis of a combined income tax rate of 30.7% relevant for the BMW AG tax group. This combined rate covers corporation tax, municipal trade tax and solidarity surcharge. In the case of temporary differences arising on assets, liabilities and deferred/prepaid items of partnership entities, in which BMW AG participates in the capacity of a shareholder, deferred taxes are measured on the basis of an income tax rate of 15.83% which covers corporation tax and solidarity surcharge. In the year under report, the BMW AG tax group has a surplus of deferred tax assets over deferred tax liabilities, mainly as a result of temporary differences between the tax base and accounting carrying amounts of provisions for pensions and similar obligations (before offset of plan assets), other provisions and property, plant and equipment. BMW AG, as head of the German tax group, has elected not to recognise the surplus amount of deferred tax assets.

The share-based remuneration programmes for Board of Management members and senior heads of department entitle BMW AG to elect whether to settle its commitments in cash or with shares of BMW AG common stock. Following the decision to settle in cash, the two share-based programmes are accounted for as cash-settled share-based transactions. Share-based programmes expected to be settled in cash are revalued to their fair value at each balance sheet date between the grant date and the settlement date and on the settlement date itself. The expense for such programmes is recognised in the income statement (as personnel expense) over the vesting period of the options and presented in the balance sheet as a provision. Further information regarding the two share-based programmes is provided in note 20 to the BMW Group Financial Statements 2014.

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1 – Intangible assets

Intangible assets comprise mainly purchased software, franchises and licenses.

2 – Investments

BMW AG holds shares in SGL Carbon SE, Wiesbaden.
The carrying amount of this investment was written

down to its lower market value at the end of the reporting
period, giving rise to an impairment loss of €196 million.

3 – Inventories

in € million	31.12.2014	31.12.2013
Raw materials and supplies	666	620
Work in progress, unbilled contracts	299	285
Finished goods and goods for resale	2,891	2,914
Leased products	3	44
	3,859	3,863

4 – Receivables and other assets

in € million	31.12.2014	31.12.2013
Trade receivables	697	659
Receivables from subsidiaries	5,200	4,871
— thereof due later than one year €155 million (2013: €550 million)		
Other receivables and other assets		
— Receivables from other companies in which an investment is held	755	852
— Other assets	1,747	2,342
— thereof due later than one year €76 million (2013: €131 million)		
	2,502	3,194
	8,399	8,724

Receivables from subsidiaries relate to financing and
trade receivables.

Unless stated otherwise, receivables and other assets
are due within one year.

Other assets include primarily tax receivables and
receivables in conjunction with securities repurchase
agreements.

5 – Marketable securities

Marketable securities comprise mainly 100% of the
shares in a special investment fund (not subject to daily

redemption restrictions), money market funds and com-
mercial paper.

The following table shows the acquisition cost and fair value of the different classes of items included in the special investment fund at 31 December 2014:

in € million	Acquisition cost		Fair value	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Fixed-income securities	2,578	2,194	2,732	2,264
Other marketable securities	213	6	213	6
Shares	72	71	100	87
Receivables and payables	39	18	39	18
Cash and cash equivalents	6	39	6	39
Derivative instruments	-	-	-	-
	2,908	2,328	3,090	2,414

The acquisition cost of BMW AG's investment in the special investment fund totalled €2,576 million.

6 – Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, of which €16 million (2013: €25 million) relates to subsidiaries and cash on hand.

7 – Surplus of pension and similar plan assets over liabilities

Assets held to secure obligations relating to pensions and pre-retirement part-time work arrangements are offset against the related liabilities. The assets concerned comprise mainly holdings in investment fund assets and a receivable resulting from a so-called "Capitalisation Transaction" (Kapitalisierungsgeschäft).

The surplus arising on the offset of assets and liabilities relating to pre-retirement part-time work arrangements can be analysed as follows:

in € million	31.12.2014	31.12.2013
Acquisition cost of assets held to cover obligations relating to pre-retirement part-time work arrangements	318	354
Fair value of assets held to cover obligations relating to pre-retirement part-time work arrangements	387	419
Obligations relating to pre-retirement part-time work arrangements	328	361
Surplus arising on offset of assets and liabilities	59	58

A reconciliation of the surplus (€1,064 million) arising on the offset of assets and liabilities relating to pension obligations is shown in note 11. In total, the surplus

arising on the offset of assets and liabilities amounted to €1,123 million.

8 – Subscribed capital and capital reserves

in € million	31.12.2014	31.12.2013
Subscribed capital	656	656
Capital reserves	2,084	2,069

BMW AG's issued share capital of €656 million comprises 601,995,196 shares of common stock, each with a par value of €1, and 54,499,544 shares of non-voting

preferred stock, each with a par value of €1. Preferred stock bears an additional dividend of €0.02 per share. All of the Company's stock is issued to bearer.

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239,777 shares of preferred stock were issued to employees at a reduced price of €37.08 per share in conjunction with an employee share scheme. These shares are entitled to receive dividends with effect from the financial year 2015. 20 shares of preferred stock were bought back via the stock exchange in order to service the Company's employee share scheme.

non-voting preferred stock. The authorised capital of BMW AG amounted at the balance sheet date to €4.8 million. The Company is authorised to issue shares of non-voting preferred stock amounting to nominal €5.0 million prior to 14 May 2019. The share premium of €14.6 million arising in 2014 was transferred to capital reserves.

The issued share capital increased by €0.2 million as a result of the issue to employees of 239,757 shares of

9 – Revenue reserves

in € million	31.12.2014	31.12.2013
Statutory reserves	1	1
Other revenue reserves		
— Balance brought forward	6,096	5,514
— Transfer from net profit	1,325	582
	7,421	6,096
	7,422	6,097

Fair value measurement of assets held to service obligations for pensions and pre-retirement part-time working

arrangements gives rise to an amount of €1,835 million which is not available for distribution.

10 – Registered profit-sharing certificates

Up to 1989, employees were entitled to subscribe to registered profit-sharing certificates in conjunction with a wealth accumulation scheme for employees. This was

replaced by the current scheme to subscribe to preferred stock. At 31 December 2014, there were 639,767 registered profit-sharing certificates (2013: 652,730 certificates).

11 – Provisions

in € million	31.12.2014	31.12.2013
Pension provisions	12	43
Tax provisions	1,178	1,468
Other provisions	6,130	5,831
	7,320	7,342

The measurement of pension obligations is based, as in previous years, on the assumptions set out in the

biometric tables of Prof. Dr. Klaus Heubeck (2005 G). In addition, the following assumptions are applied:

in %	31.12.2014	31.12.2013
Discount rate	4.53	4.89
Future salary increases	2.60	3.00
Future pension increases	1.60	2.00

The discount rate used to discount pension obligations corresponds to the average market interest rate for the past seven financial years for an assumed maturity term

of 15 years, as calculated and published by the Deutsche Bundesbank.

The provision for pensions can be analysed as follows:

in € million	31.12.2014	31.12.2013
Acquisition cost of assets held to cover pension obligations	5,493	5,424
Fair value of assets held to cover pension obligations	7,258	6,693
Present value of defined benefit obligations	6,206	5,804
Provision for pensions	12	43
Surplus of pension and similar plan assets over liabilities	1,064	932

BMW AG provides pension benefits to its employees in various forms. The majority of current employees participate in a pension plan, the benefits of which are based on the relevant final salary of the employee. The amount by which pension plan assets exceed obligations is presented in the balance sheet line "Surplus of pension and similar plan assets over liabilities".

An additional pension plan is also in place – covered by trust assets – which pays benefits that are predominantly dependent on the contributions made by the Company, investment income earned and a guaranteed minimum rate of interest.

BMW AG also gives employees the opportunity to participate in a voluntary remuneration conversion plan.

Expenses resulting from the reversal of the discounting of pension obligations, the effect of the change in the

discount rate applied as well as income and expenses resulting from the measurement of assets which are offset against liabilities are reported as part of the financial result. All other components of pension expense are included in the income statement under costs by function.

Tax provisions decreased primarily as a result of tax payments made in 2014 for prior years.

Other provisions include obligations for personnel-related expenses, warranties, selling and marketing activities, service and maintenance contracts as well as litigation and liability risks. In addition, this line item also includes provisions for pending losses on onerous currency, commodity and other contracts, manufacturer's liability and the collection and recycling of end-of-life vehicles.

12 – Liabilities

in € million	31.12.2014		31.12.2013	
		Remaining term of up to one year		Remaining term of up to one year
Liabilities to banks	1,864	621	1,463	99
Trade payables	4,784	4,628	4,818	4,585
Liabilities to subsidiaries	6,872	6,572	8,795	8,795
Other liabilities				
— Advance payments received on orders	27	27	44	44
— Payables to entities in which a participation is held	11	11	5	5
— Liabilities to BMW Unterstützungsverein e.V.	4	-	4	-
— Sundry other liabilities	174	162	232	200
— thereof for social security	(46)	(46)	(45)	(45)
— thereof for taxes	(7)	(7)	(3)	(3)
	216	200	285	249
	13,736	12,021	15,361	13,728

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Liabilities to subsidiaries comprise financing and trade liabilities. The total amount of liabilities with a remaining term of more than five years comprises liabilities to banks amounting to €409 million (2013: €45 million),

liabilities to subsidiaries amounting to €300 million (2013: €- million) and liabilities to BMW Unterstützungsverein e.V., Munich amounting to €4 million (2013: €4 million).

13 – Deferred income

Deferred income includes revenue received for services to be performed in future accounting periods. Revenues from sales with multiple components are analysed into the various performance components on the basis of fair values which can be determined objectively and reliably.

The increase is primarily attributable to income from service and maintenance contracts, for which all of the related work had not been carried out by the end of the reporting period.

Contingent liabilities

in € million	31.12.2014	31.12.2013
Guarantees for bonds under the EMTN programme — thereof in favour of subsidiaries €30,903 million (2013: €27,393 million)	30,903	27,393
Guarantees for commercial paper — thereof in favour of subsidiaries €6,054 million (2013: €6,240 million)	6,054	6,240
Guarantees for other debt securities — thereof in favour of subsidiaries €5,093 million (2013: €5,025 million)	5,093	5,025
Other — of which to subsidiaries €988 million (2013: €886 million)	1,032	934
	43,082	39,592

Based on the information available to BMW AG at the date of the preparation of the financial statements regarding the financial condition of the principal debtors, BMW AG considers that the obligations underlying the contingent liabilities shown above can be fulfilled by the relevant principal debtors. BMW AG therefore considers it unlikely that it will be called upon in conjunction with these contingent liabilities.

GmbH, Munich, instead of the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.), of which BMW Bank GmbH is a member. The maximum liability per customer is capped at 30 % of the relevant equity of BMW Bank GmbH.

BMW AG is liable for the full extent and amount of customer deposits taken in by the subsidiary, BMW Bank

Guarantees have been given in the ordinary course of business in relation to the sale of Rover Cars and Land Rover activities.

Other financial obligations and off-balance-sheet transactions

Other financial obligations and off-balance sheet items totalled €2,411 million, and comprise mainly obligations arising from rental, leasing and maintenance contracts.

The total amount of these obligations can be analysed by maturity as follows:

in € million	31.12.2014
2015	735
2016 – 2019	761
later than 2019	915
	2,411

Of these amounts, €1,026 million relate to subsidiaries.

Purchase commitments for capital expenditure are at a typical level for the industry.

As part of BMW AG's refinancing activities, some receivables have been sold to other BMW Group entities and sale-and-lease-back transactions entered into in

previous years. No significant risks and rewards remain with BMW AG in conjunction with these transactions.

Related party transactions

Transactions with related parties are all conducted on an arm's length basis.

Derivative financial instruments

in € million	Nominal volume		Market values	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Currency-related contracts				
Forward currency contracts	23,734	21,911	-592	98
thereof positive market values			284	563
thereof negative market values			-876	-465
Currency options	12,318	13,245	11	256
thereof positive market values			109	297
thereof negative market values			-98	-41
Cross currency swaps	139	200	1	11
thereof positive market values			3	12
thereof negative market values			-2	-1
	36,191	35,356	-580	365
Interest rate-related instruments				
Interest swaps	4,628	5,096	-	-
thereof positive market values			6	9
thereof negative market values			-6	-9
Purchasing-related instruments				
Commodity derivatives	4,180	3,393	-409	-283
thereof positive market values			61	43
thereof negative market values			-470	-326

Provisions of €390 million (2013: €181 million) were recognised to cover negative market value changes. €94 million of option fees incurred in conjunction with currency option contracts are included in "Other assets" and €42 million of option fees are included in "Other liabilities". In addition, the fair values of forward currency contracts relating to sales companies are included in "Other assets" (positive amount of €37 million) and in "Other liabilities" (negative amount of €13 million).

The nominal amounts of derivative financial instruments correspond to the purchase or sale amounts or to the contracted amounts of hedged items. The fair values for

currency and interest-related transactions shown are measured on the basis of market information available at the balance sheet date or using appropriate measurement techniques e.g. the discounted cash flow method. Options are measured on the basis of quoted prices or option price models using appropriate market data.

The fair values of commodity hedging contracts are determined on the basis of current reference prices as adjusted for forward premium and discount amounts. The fair values of derivative financial instruments derived for the relevant nominal values do not take account of any offsetting change in the fair value of the hedged items.

Amounts were discounted at 31 December 2014 on the basis of the following interest rates:

in %	EUR	USD	GBP	JPY	CNY
Interest rate for six months	0.13	0.31	0.68	0.07	4.91
Interest rate for one year	0.16	0.43	0.74	0.14	4.44
Interest rate for five years	0.36	1.78	1.45	0.22	4.16
Interest rate for ten years	0.82	2.31	1.87	0.52	4.22

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Valuation units

The Company is exposed to exchange rate, commodity price and interest rate risks from underlying and forecast transactions, which for the most part are hedged by derivative financial instruments.

At 31 December 2014 BMW AG held currency derivative instruments with terms of up to 60 months (2013: 60 months). These currency derivatives are used to hedge the exchange rates relating to highly probable forecast foreign currency trade receivables and foreign currency financial assets. Derivative financial instruments also include back-to-back contracts entered into with subsidiaries and banks.

Hedges for future purchases of commodities relate to highly probable forecast transactions. Changes in prices of these raw materials have an impact on BMW AG's production costs. Hedging strategies have therefore been put in place for raw materials management purposes, based on forecast purchase volumes. At 31 December 2014 the BMW AG held commodity derivative instruments with terms of up to 59 months (2013: 60 months).

In addition, BMW AG held interest rate derivative instruments at 31 December 2014 with terms of up to

36 months (2013: 48 months), including back-to-back derivative financial instruments entered into with subsidiaries and banks. Fixed-interest financial instruments are used as a hedge against interest-rate risks.

Where there is a direct hedging relationship, the derivative financial instrument and the hedged item/forecast transaction are accounted for as a valuation unit. Portfolio hedges are created for highly probable forecast transactions in connection with foreign-currency-denominated sales to the BMW Group's sales companies. The so-called "Valuation Freeze Method" (Einfrierungsmethode) is applied until the foreign currency receivables arise, at which stage the "Booking Through Method" (Durchbuchungsmethode) is applied. In the case of a late designation, the forward currency contracts are treated as stand-alone derivatives until the date of designation. Micro-hedges are created for currency and interest rate derivatives used to hedge financial assets and for back-to-back derivative financial instruments. Portfolio hedges are created for commodity derivatives. BMW AG has elected to apply the "Valuation Freeze Method" for these hedging relationships.

in € million	Volume hedged		Amount of risk hedged	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Currency risk hedges				
— Assets	137	199	2	1
— Forecast transactions	13,522	8,303	628	9
— Executory contracts	76	402	47	50
Interest rate hedges				
— Assets	5	24	-	-
— Executory contracts	-11	-10	5	12
Commodity hedges				
— Forecast transactions	2,396	2,206	255	233

The amounts disclosed for volumes hedged relate to the carrying amounts of hedged assets, the nominal amount of forecast transactions and the fair value of hedged contracts over the period of the valuation unit. The figures disclosed for the amount of risk hedged relate to the non-recognition of a provision for onerous contracts with negative fair values on the one hand and the non-recognition of write-downs on option premiums recognised as assets on the other.

Since the principal features of the transactions included in a valuation unit are matched, changes in fair values

or cash flows generally cancel each other. Hedging is in place for the whole term of the hedged item. Effectiveness is ensured as a general rule by the use of a critical term match.

The effectiveness of the portfolio hedge relating to foreign-currency-denominated sales to the BMW Group's sales companies is measured on the basis of regression analysis. The Dollar-Offset method is used to calculate the absolute amounts attributable to ineffectiveness.

BMW AGNotes to the Financial Statements
Notes to the Income Statement**14 – Revenues**

in € million	2014	2013
Automobiles	56,450	51,505
Motorcycles	1,241	1,009
Other revenues	8,908	7,960
	66,599	60,474
Germany	12,187	11,193
United Kingdom	5,655	4,513
Rest of Europe	13,581	12,280
North America	14,600	13,025
Asia	17,049	15,969
Other markets	3,527	3,494
	66,599	60,474

15 – Other operating income

Other operating income totalling €2,253 million (2013: €2,044 million) includes primarily realised exchange gains and other ancillary revenues. Other operating income relating to prior periods amounted to €260 million

(2013: €446 million) in the year under report. Gains resulting from the measurement of foreign currency items using closing exchange rates totalled €47 million (2013: €96 million).

16 – Other operating expenses

Other operating expenses amounted to €2,225 million (2013: €1,502 million). Significant items include realised exchange losses, allocations to provisions and expenses incurred for premiums on options. An expense of

€77 million (2013: €59 million) arose in the year under report from the measurement of foreign currency items at closing exchange rates.

17 – Result on investments

in € million	2014	2013
Income from investments	1	4
Income from profit and loss transfer agreements	741	404
Expense of assuming losses under profit and loss transfer agreements	1	35
	741	373

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18 – Financial result

in € million	2014	2013
Other interest and similar income	208	179
— thereof from subsidiaries €105 million (2013: €85 million)		
Impairment losses on non-current investments and on current marketable securities	196	16
Interest and similar expenses	461	491
— thereof to subsidiaries €131 million (2013: €110 million)		
— thereof financial expense relating to pension and other long-term personnel provisions €64 million (2013: €132 million)		
— thereof expense from reversal of discounting on liabilities and other provisions €158 million (2013: €159 million)		
	-449	-328

The financing expense for pension and long-term personnel expense-related provisions results from netting the following items:

in € million	2014	2013
Income from fund assets offset against liabilities	545	304
Expense from unwinding discounted pension and long-term personnel expense-related provisions and effect of changes in interest rate	609	436
	-64	-132

19 – Income taxes

The expense for income taxes relates primarily to current tax for the financial year.

20 – Transfer to revenue reserves

An amount of €1,325 million was transferred from net profit for the year to other revenue reserves.

Cost of materials

in € million	2014	2013
Cost of raw materials and goods for resale	45,229	41,438
Cost of purchased services	1,779	1,964
	47,008	43,402

Personnel expense

in € million	2014	2013
Wages and salaries	6,021	5,614
Social security, pension and welfare costs	765	805
— thereof pension costs €- 54 million (2013: €33 million)		
	6,786	6,419

Average workforce during the year	2014	2013
Head office and Munich plant	31,050	29,815
Dingolfing plant	17,780	17,612
Regensburg plant	8,664	8,428
Landshut plant	3,399	3,213
Leipzig plant	4,179	3,473
Berlin plant	2,628	2,552
Branches	5,244	5,435
	72,944	70,528
Apprentices and students gaining work experience	5,990	5,645
	78,934	76,173

Fee expense

The total fee of the external auditor is disclosed in the notes to the Group Financial Statements.

BMW AG

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Analysis of Changes in Tangible, Intangible and Investment Assets in 2014

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in € million	1.1.2014	Additions	Reclassifi- cations	Disposals	Acquisition or manufacturing costs — 31.12.2014
Intangible assets	781	60	-	1	840
Land, titles to land, buildings, including buildings on third party land	5,069	248	-257	-23	5,551
Plant and machinery	21,290	1,605	-1,177	-997	23,075
Other facilities, factory and office equipment	1,365	115	-7	-84	1,403
Advance payments made and construction in progress	1,808	1,122	-1,441	-	1,489
Property, plant and equipment	29,532	3,090	-	1,104	31,518
Investments in subsidiaries	2,991	-7	-	-	2,998
Participations	544	48	-	-	592
Other non-current loans receivable	2	-	-	-	2
Investments	3,537	55	-	-	3,592
Tangible, intangible and investment assets	33,850	3,205	-	1,105	35,950

Depreciation, amortisation and impairment losses				Carrying amount			
1.1.2014	Current year	Disposals	31.12.2014	31.12.2014	31.12.2013		
307	128	-	435	405	474		Intangible assets
2,309	132	21	2,420	3,131	2,760		Land, titles to land, buildings, including buildings on third party land
17,193	1,522	995	17,720	5,355	4,097		Plant and machinery
1,048	108	82	1,074	329	317		Other facilities, factory and office equipment
-	-	-	-	1,489	1,808		Advance payments made and construction in progress
<u>20,550</u>	<u>1,762</u>	<u>1,098</u>	<u>21,214</u>	<u>10,304</u>	<u>8,982</u>		Property, plant and equipment
-	-	-	-	2,998	2,991		Investments in subsidiaries
159	196	-	355	237	385		Participations
1	-	-	1	1	1		Other non-current loans receivable
<u>160</u>	<u>196</u>	<u>-</u>	<u>356</u>	<u>3,236</u>	<u>3,377</u>		Investments
<u>21,017</u>	<u>2,086</u>	<u>1,098</u>	<u>22,005</u>	<u>13,945</u>	<u>12,833</u>		Tangible, intangible and investment assets

List of investments

The List of Investments of BMW AG will be filed with the operator of the electronic version of the Federal Gazette. This list will also be posted on the BMW Group website at www.bmwgroup.com/ir.

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Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer (born 1956)
Chairman

Mandates

- Siemens Aktiengesellschaft
(since 27. 01. 2015)
- Henkel AG & Co. KGaA (Shareholders' Committee)

Milagros Caiña Carreiro-Andree (born 1962)
Human Resources, Industrial Relations Director

Dr.-Ing. Herbert Diess (born 1958)

Development
(until 09. 12. 2014)

Dr.-Ing. Klaus Draeger (born 1956)

Purchasing and Supplier Network

Dr. Friedrich Eichiner (born 1955)

Finance

Mandates

- Allianz Deutschland AG
- FESTO Aktiengesellschaft
- BMW Brilliance Automotive Ltd. (Deputy Chairman)
- FESTO Management Aktiengesellschaft

Klaus Fröhlich (born 1960)

Development
(since 09. 12. 2014)

Harald Krüger (born 1965)

Production

Mandates

- BMW (South Africa) (Pty) Ltd. (Chairman)
- BMW Motoren GmbH (Chairman)

Dr. Ian Robertson (HonDSc) (born 1958)

Sales and Marketing BMW,
Sales Channels BMW Group

Mandates

- Dyson James Group Limited

Peter Schwarzenbauer (born 1959)

MINI, Motorcycles, Rolls-Royce,
Aftersales BMW Group

Mandates

- Rolls-Royce Motor Cars Limited (Chairman)

General Counsel:

Dr. Jürgen Reul

BMW AG

Notes to the Financial Statements
Members of the Supervisory Board

Prof. Dr.-Ing. Dr. h. c. Dr.-Ing. E. h.**Joachim Milberg** (born 1943)

Chairman

Former Chairman of the Board of
Management of BMW AG

Chairman of the Presiding Board, Personnel Committee
and Nomination Committee; member of Audit Committee
and the Mediation Committee

Mandates

- Bertelsmann Management SE (Deputy Chairman)
- Bertelsmann SE & Co. KGaA (Deputy Chairman)
- FESTO Aktiengesellschaft (Deputy Chairman)
(until 25.04.2014)
- Deere & Company
- FESTO Management Aktiengesellschaft (Deputy Chairman)
(until 25.04.2014)

Manfred Schoch¹ (born 1955)

Deputy Chairman

Chairman of the European and
General Works Council
Industrial Engineer

Member of the Presiding Board, Personnel Committee,
Audit Committee and Mediation Committee

Stefan Quandt (born 1966)

Deputy Chairman

Entrepreneur

Member of the Presiding Board, Personnel Committee,
Audit Committee, Nomination Committee and Mediation
Committee

Mandates

- DELTON AG (Chairman)
- AQTON SE (Chairman)
- DataCard Corp. (until 11.11.2014)
- Entrust Datacard Corp. (since 12.11.2014)

Stefan Schmid¹ (born 1965)

Deputy Chairman

Chairman of the Works Council, Dingolfing

Member of the Presiding Board, Personnel Committee,
Audit Committee and Mediation Committee

Dr. jur. Karl-Ludwig Kley (born 1951)

Deputy Chairman

Chairman of the Executive Management of
Merck KGaA

Chairman of the Audit Committee and Independent
Finance Expert; member of the Presiding Board,
Personnel Committee and Nomination Committee

Mandates

- Bertelsmann Management SE
- Bertelsmann SE & Co. KGaA
- Deutsche Lufthansa Aktiengesellschaft

Christiane Benner² (born 1968)

(since 15.05.2014)

Executive Member of the
Executive Board of IG Metall

Mandates

- Robert Bosch GmbH
- T-Systems International GmbH (until 31.07.2014)

Bertin Eichler² (born 1952)

(until 15.05.2014)

Former Executive Member of the
Executive Board of IG Metall

Mandates

- C. + H. Winter GmbH (since 01.05.2014)
- Luitpoldhütte AG
- ThyssenKrupp AG (Deputy Chairman)
(until 17.01.2014)
- BGAG Beteiligungsgesellschaft der
Gewerkschaften GmbH (Chairman Advisory Board)

¹ Employee representatives (company employees).² Employee representatives (union representatives).³ Employee representatives (members of senior management).

— Membership of other statutory supervisory boards.

— Membership of equivalent national or foreign boards of business enterprises.

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Franz Haniel (born 1955)
Engineer, MBA

Mandates

- DELTON AG (Deputy Chairman)
- Franz Haniel & Cie. GmbH (Chairman)
- Heraeus Holding GmbH
- Metro AG (Chairman)
- secunet Security Networks AG (until 14. 05. 2014)
- Giesecke & Devrient GmbH (until 08. 04. 2014)
- TBG Limited

Prof. Dr. rer. nat. Dr. h. c. Reinhard Hüttl (born 1957)
Chairman of the Executive Board of
Helmholtz-Zentrum Potsdam Deutsches
GeoForschungsZentrum – GFZ
University Professor

Prof. Dr. rer. nat. Dr.-Ing. E. h.

Henning Kagermann (born 1947)
President of acatech – Deutsche Akademie der
Technikwissenschaften e. V.

Mandates

- Deutsche Bank AG
- Deutsche Post AG
- Franz Haniel & Cie GmbH
- Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft in München
- Nokia Corporation (until 17. 06. 2014)
- Wipro Limited (until 30. 06. 2014)

Susanne Klatten (born 1962)
Entrepreneur

Member of the Nomination Committee

Mandates

- ALTANA AG (Deputy Chairman)
- SGL Carbon SE (Chairman)
- UnternehmerTUM GmbH (Chairman)

Prof. Dr. rer. pol. Renate Köcher (born 1952)
Director of Institut für Demoskopie Allensbach
Gesellschaft zum Studium der öffentlichen
Meinung mbH

Mandates

- Allianz SE
- Infineon Technologies AG
- Nestlé Deutschland AG
- Robert Bosch GmbH

Ulrich Kranz³ (born 1958)
(since 15. 05. 2014)
Head of Product Line BMW i

Dr. h. c. Robert W. Lane (born 1949)
Former Chairman and Chief Executive Officer of
Deere & Company

Mandates

- General Electric Company
- Northern Trust Corporation
- Verizon Communications Inc.

Horst Lischka² (born 1963)
General Representative of IG Metall Munich

Mandates

- KraussMaffei Group GmbH
- KraussMaffei Technologies GmbH
- MAN Truck & Bus AG

Willibald Löw¹ (born 1956)
Chairman of the Works Council, Landshut

Wolfgang Mayrhuber (born 1947)
Chairman of the Supervisory Board of
Deutsche Lufthansa Aktiengesellschaft

Mandates

- Deutsche Lufthansa Aktiengesellschaft (Chairman)
- Infineon Technologies AG (Chairman)
- Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft in München
- HEICO Corporation

¹ Employee representatives (company employees).

² Employee representatives (union representatives).

³ Employee representatives (members of senior management).

— Membership of other statutory supervisory boards.

— Membership of equivalent national or foreign boards of business enterprises.

Dr. Dominique Mohabeer¹ (born 1963)
Member of the Works Council, Munich

Brigitte Rödiger¹ (born 1963)
Member of the Works Council, Dingolfing

Dr. Markus Schramm³ (born 1963)
(until 15.05.2014)
Head of Development Aftersales
Business Management and
Mobility Services BMW Group

Jürgen Wechsler² (born 1955)
Regional Head of IG Metall Bavaria
Mandates
— Schaeffler AG (Deputy Chairman)

Werner Zierer¹ (born 1959)
Chairman of the Works Council, Regensburg

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Disclosures pursuant to § 160 (1) no. 8 of the Stock Corporation Act (AktG)

A number of shareholdings in the Company exist at the end of the reporting period, which have been notified in accordance with § 21 (1) of the German Securities Trading Act (WpHG) and published in accordance with § 26 (1) WpHG with the aim of circulation across Europe. The voting power percentages disclosed below may have changed subsequent to the dates stated, if these changes were not required to be reported to the Company. Due to the fact that the Company's shares are issued to bearer, the Company is generally only aware of changes in shareholdings if such changes are subject to mandatory notification rules.

Voluntary notifications at 31 December 2014 relating to investments that exceed 10% of the voting rights at the end of the reporting period are disclosed in the Management Report.

Notification on 29 December 2014:

- “On 29 December 2014, BlackRock HoldCo 2, Inc., Wilmington, DE, USA, has informed us according to § 21 para. 1 WpHG (German Securities Trading Act) that by acquisition of shares to which voting rights are attached its voting rights in Bayerische Motoren Werke Aktiengesellschaft, München, Germany, have exceeded the 3% threshold of voting rights on 23 December 2014 and on that day amounted to 3.01% (this corresponds to 18,121,742 voting rights).
1.42% of voting rights (this corresponds to 8,563,994 voting rights) are attributed to the company in accordance with § 22 para. 1, sentence 1, no. 1 WpHG.
1.76% of voting rights (this corresponds to 10,612,331 voting rights) are attributed to the company in accordance with § 22 para. 1, sentence 1, no. 6 in connection with sentence 2 WpHG.
Please note that the total amount stated above does not necessarily equal the sum of the detailed attributed holdings. This results from voting rights having multiple attributions within the BlackRock group structure.”

Notification on 10 December 2014:

- “On 9 December 2014, BlackRock Financial Management, Inc., New York, NY, USA, has informed us according to § 21 para. 1 WpHG (German Securities Trading Act) that by disposal of shares its voting rights in Bayerische Motoren Werke Aktiengesellschaft, München, Germany, have fallen below the 3% threshold of voting rights on 5 December 2014 and on that day amounted to 2.99% (this corresponds to 17,993,028 voting rights).
1.52% of voting rights (this corresponds to 9,134,631 voting rights) are attributed to the company in accordance to § 22 para. 1, sentence 1, no. 1 WpHG.

0.01% of voting rights (this corresponds to 41,209 voting rights) are attributed to the company in accordance to § 22 para. 1, sentence 1, no. 6 WpHG.

1.66% of voting rights (this corresponds to 10,020,652 voting rights) are attributed to the company in accordance to § 22 para. 1, sentence 1, no. 6 in connection with sentence 2 WpHG.

Please note that the total amount stated above does not necessarily equal the sum of the detailed attributed holdings. This results from voting rights having multiple attributions within the BlackRock group structure.”

Notification on 30 September 2014

- On 30 September 2014 we received the following notification pursuant to § 21 (1) WpHG:
“Following a review, conducted in close collaboration with the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), of the way BlackRock has interpreted its voting rights disclosure obligations under German law, BlackRock entities are filing today a statement representing their holdings as at the settlement date of 25 September 2014 in Bayerische Motoren Werke Aktiengesellschaft.
The statement does not reflect a change in BlackRock's current holdings of voting rights. The statement simply updates information currently in the market regarding BlackRock's holdings in Bayerische Motoren Werke Aktiengesellschaft. Further, the statement does not signify any change in investment strategies. Also, BlackRock issues a press release detailing the BlackRock group entities and their respective voting rights applicable to Bayerische Motoren Werke Aktiengesellschaft and other relevant German issuers on <http://www.blackrock.com/corporate/en-gb/news-and-insights/press-releases> and on Bloomberg.
Voting rights disclosure, BlackRock, Inc., §§ 21, 22 WpHG:
BlackRock, Inc., New York, NY, USA, hereby informs you pursuant to § 21 (1) WpHG that its share in the voting rights of Bayerische Motoren Werke Aktiengesellschaft (ISIN DE0005190003) on 25 September 2014 amounts to 3.44% (this corresponds to 20,698,662 out of a total of 601,995,196 voting rights (The “Total Voting Rights”)).
1.64% of the Total Voting Rights (this corresponds to 9,855,045 voting rights) are to be attributed to BlackRock, Inc. pursuant to § 22 para.1, sentence 1, no. 1 WpHG.
0.001% of the Total Voting Rights (this corresponds to 5,975 voting rights) are to be attributed to BlackRock, Inc. pursuant to § 22 para.1, sentence 1, no. 2 in connection with sentence 2 WpHG.
1.61% of the Total Voting Rights (this corresponds to 9,689,544 voting rights) are to be attributed to BlackRock, Inc. pursuant to § 22 para.1, sentence 1, no. 6

in connection with sentence 2 WpHG. 0.19% of the Total Voting Rights (this corresponds to 1,154,073 voting rights) are to be attributed pursuant to § 22 para.1, sentence 1, no. 1 WpHG as well as pursuant to § 22 para.1, sentence 1, no. 6 in connection with sentence 2 WpHG.”

Declaration with respect to the Corporate Governance Code

The Declaration with respect to the Corporate Governance Code pursuant to § 161 AktG is reproduced in the Annual Report 2014 of the BMW Group and is available to shareholders on the BMW Group’s website (www.bmwgroup.com/ir).

Total remuneration of the Board of Management and the Supervisory Board

For financial years beginning after 1 January 2011, BMW AG has added a share-based remuneration component to the existing compensation system for Board of Management members.

Subject to the approval of the proposed dividend at the Annual General Meeting of Shareholders, the remuneration of current members of the Board of Management for the financial year 2014 amounts to €35.4 million (2013: €34.5 million). This comprised fixed components of €7.7 million (2013: €7.9 million), variable components of €27.0 million (2013: €25.9 million) and a share-based compensation component totalling €0.7 million (2013: €0.7 million).

The grant of the share-based remuneration component related to 8,258 shares of BMW AG common stock and a corresponding cash-based settlement, measured at the relevant market shares price prevailing on grant date.

The remuneration of former members of the Board of Management and their surviving dependants amounted to €5.8 million (2013: €4.7 million).

Pension obligations to former members of the Board of Management and their dependants are fully covered by pension provisions amounting to €53.9 million (2013: €50.8 million).

The present value of pension obligations for the purposes of the Company Financial Statements is measured on the basis of an actuarial report using an interest rate of 4.53%, compared to an interest rate of 2.10% used in the Group Financial Statements.

The compensation of the members of the Supervisory Board for the financial year 2014 amounted to €4.8 million (2013: €4.6 million). This comprised fixed compo-

nents of €2.0 million (2013: €2.0 million) and variable components of €2.8 million (2013: €2.6 million).

The compensation systems for members of the Supervisory Board do not include any stock options, value appreciation rights comparable to stock options or any other stock-based compensation components. Apart from vehicle lease contracts entered into on customary market conditions, no advances and loans were granted by the Company to members of the Board of Management and the Supervisory Board, nor were any contingent liabilities entered into on their behalf.

Further details about the remuneration system of current members of the Board of Management and of the Supervisory Board can be found in the Compensation Report included in the BMW Group Annual Report 2014. The Compensation Report is part of the Combined Company and Group Management Report.

Munich, 19 February 2015

Bayerische Motoren Werke
Aktiengesellschaft

The Board of Management

Dr.-Ing. Dr.-Ing. E. h.
Norbert Reithofer

Milagros Caiña
Carreiro-Andree

Dr.-Ing. Klaus Draeger

Dr. Friedrich Eichiner

Klaus Fröhlich

Harald Krüger

Dr. Ian Robertson
(HonDSc)

Peter Schwarzenbauer

BMW AG

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**Responsibility Statement of the Legal Representatives
of the Company pursuant to § 264 (2) sentence 3 and
§ 289 (1) sentence 5 HGB**

“To the best of our knowledge, and in accordance with the applicable reporting principles, we confirm that the annual financial statements of Bayerische Motoren Werke Aktiengesellschaft give a true and fair view of the assets, liabilities, financial position and profit of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.”

Munich, 19 February 2015

Bayerische Motoren Werke
Aktiengesellschaft

The Board of Management

Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer

Milagros Caiña Carreiro-Andree

Dr.-Ing. Klaus Draeger

Dr. Friedrich Eichiner

Klaus Fröhlich

Harald Krüger

Dr. Ian Robertson (HonDSc)

Peter Schwarzenbauer

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system and the management report of the Bayerische Motoren Werke Aktiengesellschaft for the business year from 1 January to 31 December 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance.

Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Munich, 5 March 2015

KPMG AG

Wirtschaftsprüfungsgesellschaft

Pastor
Wirtschaftsprüfer

Feege
Wirtschaftsprüfer

BMW AG

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	2014	2013	2012	2011	
Revenues	€ million	66,599	60,474	58,805	55,007
Change	%	10.1	2.8	6.9	20.2
Export ratio	%	81.7	81.5	79.6	77.3
Production					
Automobiles ¹	units	2,165,566	2,006,366	1,861,826	1,738,160
Motorcycles ²	units	133,615	110,127	113,811	110,360
Sales volume					
Automobiles ¹	units	2,166,772	1,995,903	1,868,158	1,723,637
Motorcycles ²	units	133,635	110,039	110,857	110,145
Capital expenditure	€ million	3,150	3,203	2,776	2,032
Depreciation, amortisation and impairment losses	€ million	1,890	1,732	1,613	1,578
Workforce at end of year ³		80,675	77,110	74,571	71,630
Tangible, intangible and investment assets ⁴	€ million	13,945	12,833	11,078	9,663
Current assets, prepayments and surplus of pension and similar plan assets over liabilities	€ million	20,291	20,932	20,887	17,845
Subscribed capital	€ million	656	656	656	655
Reserves	€ million	9,506	8,166	7,568	6,059
Equity	€ million	12,066	10,529	9,864	8,222
as % of tangible, intangible and investment assets	%	86.5	82.0	89.0	85.1
Balance sheet total	€ million	34,236	33,765	31,965	27,508
Cost of materials	€ million	47,008	43,402	42,178	39,324
Personnel costs ³	€ million	6,786	6,419	6,030	5,758
Taxes	€ million	1,934	1,674	1,666	2,096
Net profit	€ million	3,229	2,289	3,131	1,970
Dividend	€ million	1,904 ⁵	1,707	1,640	1,508
per share of common stock	€	2.90 ⁵	2.60	2.50	2.30
per share of preferred stock	€	2.92 ⁵	2.62	2.52	2.32

¹ Including supplies of series parts to BMW Brilliance Automotive Ltd., Shenyang.

² From 2006 up to 2008 including BMW G 650 X assembly by Piaggio S.p.A., Pontedera.

³ From 2009 onward including personnel seconded from other group entities.

⁴ From 2010 onward including property, plant and equipment transferred in conjunction with the merger of BMW Ingenieur-Zentrum GmbH + Co oHG, Dingolfing.

From 2011 onward including property, plant and equipment transferred in conjunction with the merger of BMW Maschinenfabrik Spandau GmbH, Berlin.

From 2013 onward including property, plant and equipment transferred in conjunction with the merger of BMW Peugeot Citroën Electrification GmbH, Munich.

⁵ Proposed by the Board of Management.

⁶ Before buy-back of treasury shares.

2010	2009	2008	2007	2006	2005	
45,773	37,980	44,313	48,310	42,417	41,801	Revenues
20.5	14.3	8.3	13.9	1.5	3.0	Change
76.7	73.8	75.6	76.1	74.3	73.0	Export ratio
						Production
1,481,253	1,258,417	1,439,918	1,541,503	1,366,838	1,323,119	Automobiles ¹
99,236	82,631	104,220	104,396	103,759	92,012	Motorcycles ²
						Sales volume
1,460,923	1,231,893	1,446,055	1,551,490	1,358,119	1,334,426	Automobiles ¹
97,586	86,451	103,077	104,076	102,786	95,343	Motorcycles ²
1,582	1,667	2,064	1,670	1,324	1,472	Capital expenditure
1,540	1,505	1,569	1,791	1,765	1,770	Depreciation, amortisation and impairment losses
69,518	70,223	71,596	76,064	76,156	76,536	Workforce at end of year ³
8,273	6,984	6,643	9,909	10,171	10,577	Tangible, intangible and investment assets ⁴
16,073	17,663	16,673	12,707	10,874	9,225	Current assets, prepayments and surplus of pension and similar plan assets over liabilities
655	655	654	654	654	661	Subscribed capital
5,581	4,502	4,487	4,300	3,809	4,023	Reserves
7,088	5,354	5,338	5,648	4,921	5,108	Equity
85.7	76.7	80.4	57.0	48.4	48.3	as % of tangible, intangible and investment assets
24,346	24,647	23,316	22,616	21,045	19,802	Balance sheet total
32,875	28,300	34,044	36,638	31,867	31,010	Cost of materials
5,428	5,850	5,125	4,797	5,503	6,128	Personnel costs ³
1,106	403	11	131	75	-37	Taxes
1,506	202	384	1,184	485	424	Net profit
852	197	197	694	458	424 ⁶	Dividend
1.30	0.30	0.30	1.06	0.70	0.64	per share of common stock
1.32	0.32	0.32	1.08	0.72	0.66	per share of preferred stock

BMW AG

Financial Calendar

Annual Accounts Press Conference ————— 18 March 2015
Analyst and Investor Conference ————— 19 March 2015
Quarterly Report to 31 March 2015 ————— 6 May 2015
Annual General Meeting ————— 13 May 2015
Quarterly Report to 30 June 2015 ————— 4 August 2015
Quarterly Report to 30 September 2015 ————— 3 November 2015

Annual Report 2015 ————— 16 March 2016
Annual Accounts Press Conference ————— 16 March 2016
Analyst and Investor Conference ————— 17 March 2016
Quarterly Report to 31 March 2016 ————— 2 May 2016
Annual General Meeting ————— 12 May 2016
Quarterly Report to 30 June 2016 ————— 2 August 2016
Quarterly Report to 30 September 2016 ————— 4 November 2016

BMW AG

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