

BMW Group

Financial Analysts' Meeting

March 16, 2006

Stefan Krause

**Member of the Board of Management of
BMW AG,
Finance**

BMW Group

Rolls-Royce
Motor Cars Limited



BMW Group.

Overview 2005.

- Despite adverse external factors and fair value measurements, group earnings at previous year's level.
- Profit before tax € 3,287 million.
- Net profit € 2,239 million.
- Earnings per share of € 3.33 for common stock and € 3.35 for preferred stock.
- Free cash flow from industrial operations achieves a new high of € 3,717 million.

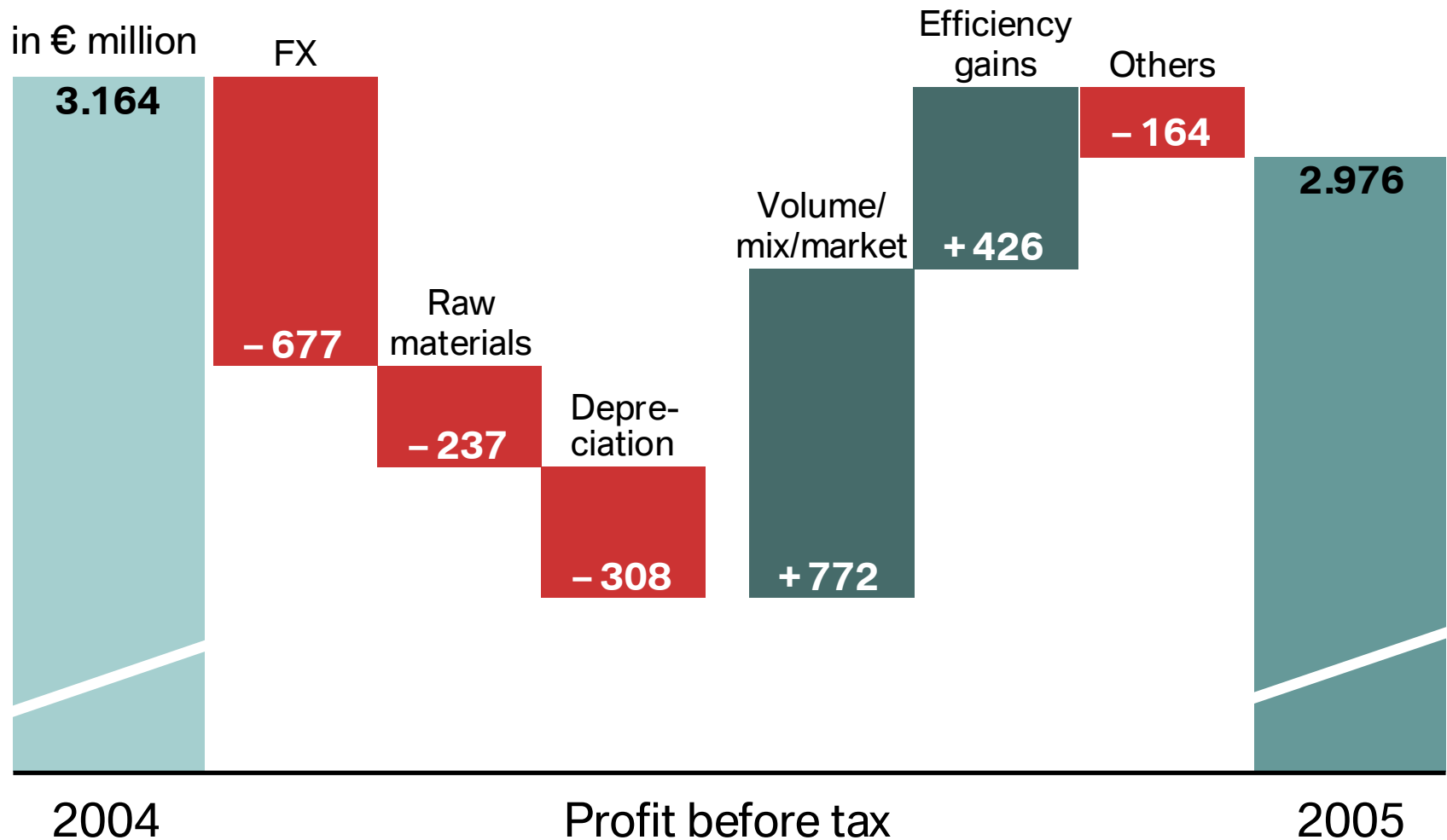
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New Accounting Option in Accordance with IAS 19.

- New accounting option for recognising actuarial gains and losses arising in conjunction with defined benefit pension obligations.
- Revision of IAS 19 in December 2004.
- New: direct recognition in equity without affecting income.
- Previously: corridor method (10%) affecting income.
- Higher Transparency

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Analysis of Profit before Tax Automobiles Segment.



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Gross Profit.

million €	2005	%	2004*	%	Change in %
Revenues	46,656	100.0	44,335	100.0	+ 5.2
Cost of sales	– 35,992	77.1	– 34,040	76.8	– 5.7
Gross profit	10,664	22.9	10,295	23.2	+ 3.6

* Values for 2004 adjusted

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Profit before Financial Result.

million €	2005	%	2004*	%	Change in %
Gross profit	10,664	22.9	10,295	23.2	+ 3.6
Sales and administrative costs	– 4,762	10.2	– 4,648	10.5	– 2.5
Research and development costs	– 2,464	5.3	– 2,334	5.3	– 5.6
Other operating income and expenses	+ 355	0.7	+ 461	1.1	– 23.0
Profit before financial result	3,793	8.1	3,774	8.5	+ 0.5

* Values for 2004 adjusted

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Research and Development Costs.

million €	2005	2004	Change in %
R&D costs in Income Statement	2,464	2,334	+ 5.6
Depreciation	– 745	– 637	– 17.0
Development costs*	+ 1,396	+ 1,121	+ 24.5

Total R&D costs	3,115	2,818	+ 10.5
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Capitalisation ratio	44.8%	39.8%	
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R&D in percentage of revenues	5.3%	5.3%	
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* recognised as assets

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Financial Result and Profit before Tax.

million €	2005	%	2004*	%	Change in %
Profit before financial result	3,793	8.1	3,774	8.5	+ 0.5
Financial result	– 506	1.1	– 191	0.4	– 164.9
thereof:					
Result on investments	42		94		
Net interest expense	– 242		– 278		
Other financial result	– 306		– 7		
Profit before tax	3,287	7.0	3,583	8.1	– 8.3

* Values for 2004 adjusted

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Net Profit.

million €	2005	%	2004	%	Change in %
Profit before tax	3,287	7.0	3,583	8.1	– 8.3
Income taxes	– 1,048	2.2	– 1,341	3.0	+ 21.8
Net profit	2,239	4.8	2,242	5.1	– 0.1
Tax rate	31.9%		37.4%		

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Earnings per Share.

	2005	2004
Earnings per share of common stock (€)	3.33	3.33
Number of common stock shares in 1,000*	619,816	622,228
Earnings per share of preferred stock (€)	3.35	3.35
Number of preferred stock shares in 1,000*	51,488	51,301

Net profit (€ million)	2,239	2,242
Total number of shares in 1,000*	671,304	673,529

* Average number of shares

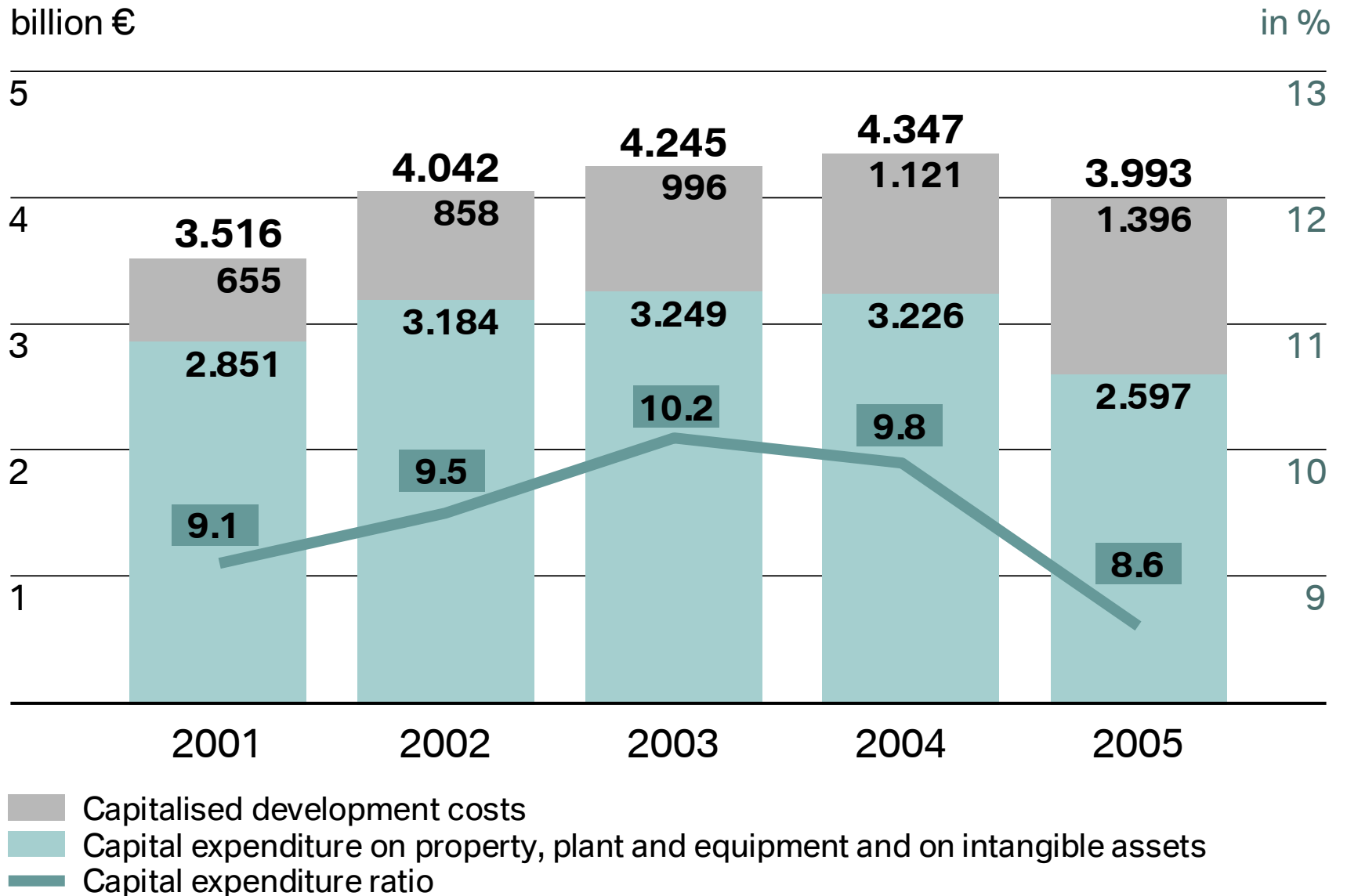
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Profit before Tax by Segment.

million €	2005	%	2004	%	Change in %
Automobiles	2,976	6.5	3,164	7.4	– 5.9
Motorcycles	60	4.9	31	3.0	+ 93.5
Financial Services	605	6.4	515	6.3	+ 17.5
Reconciliations	– 354		– 127		– 178.7
BMW Group	3,287	7.0	3,583	8,1	– 8.3

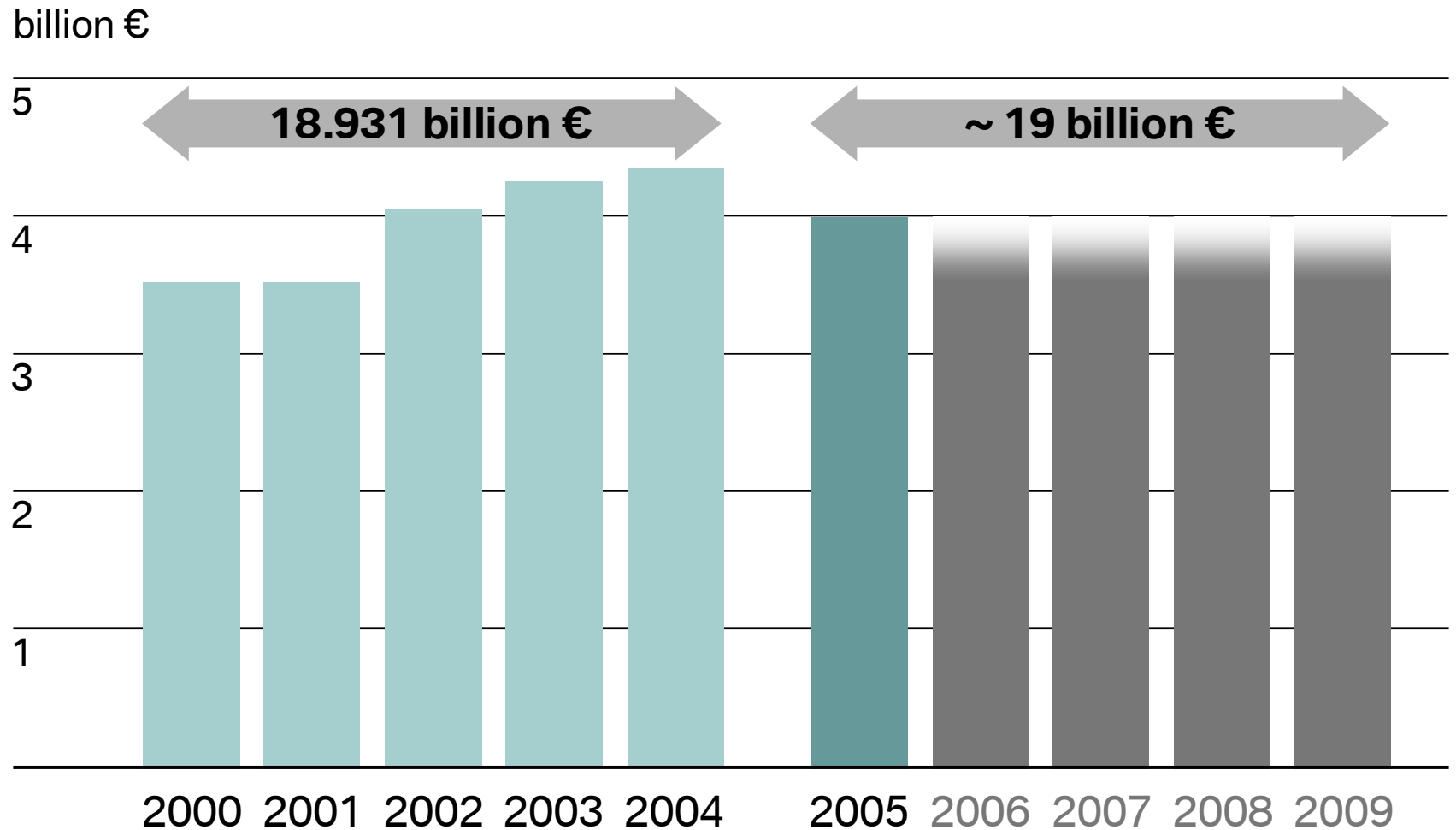
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Capital Expenditure.



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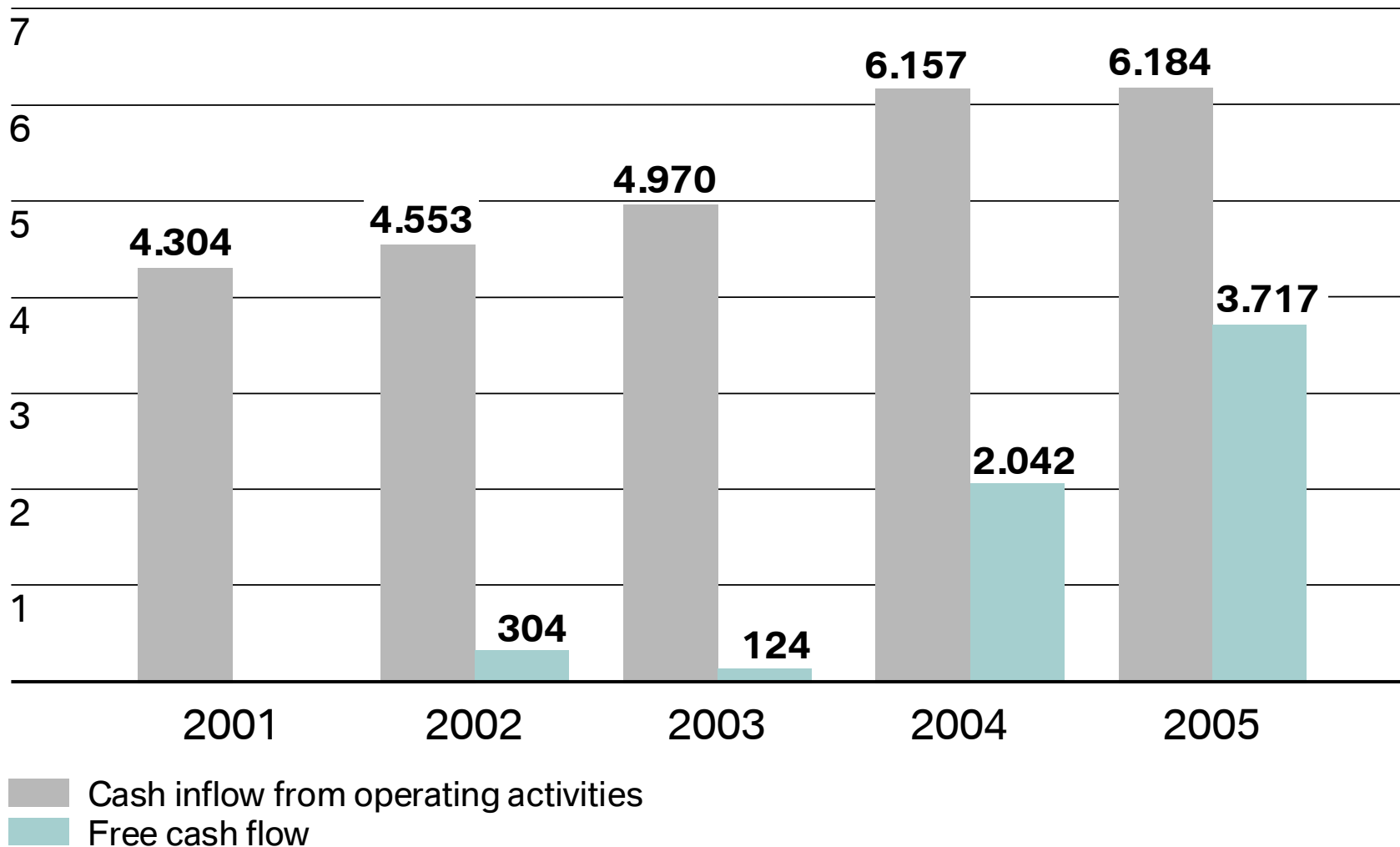
Capital Expenditure 2005 – 2009.



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Cash Flow and Free Cash Flow.

billion €

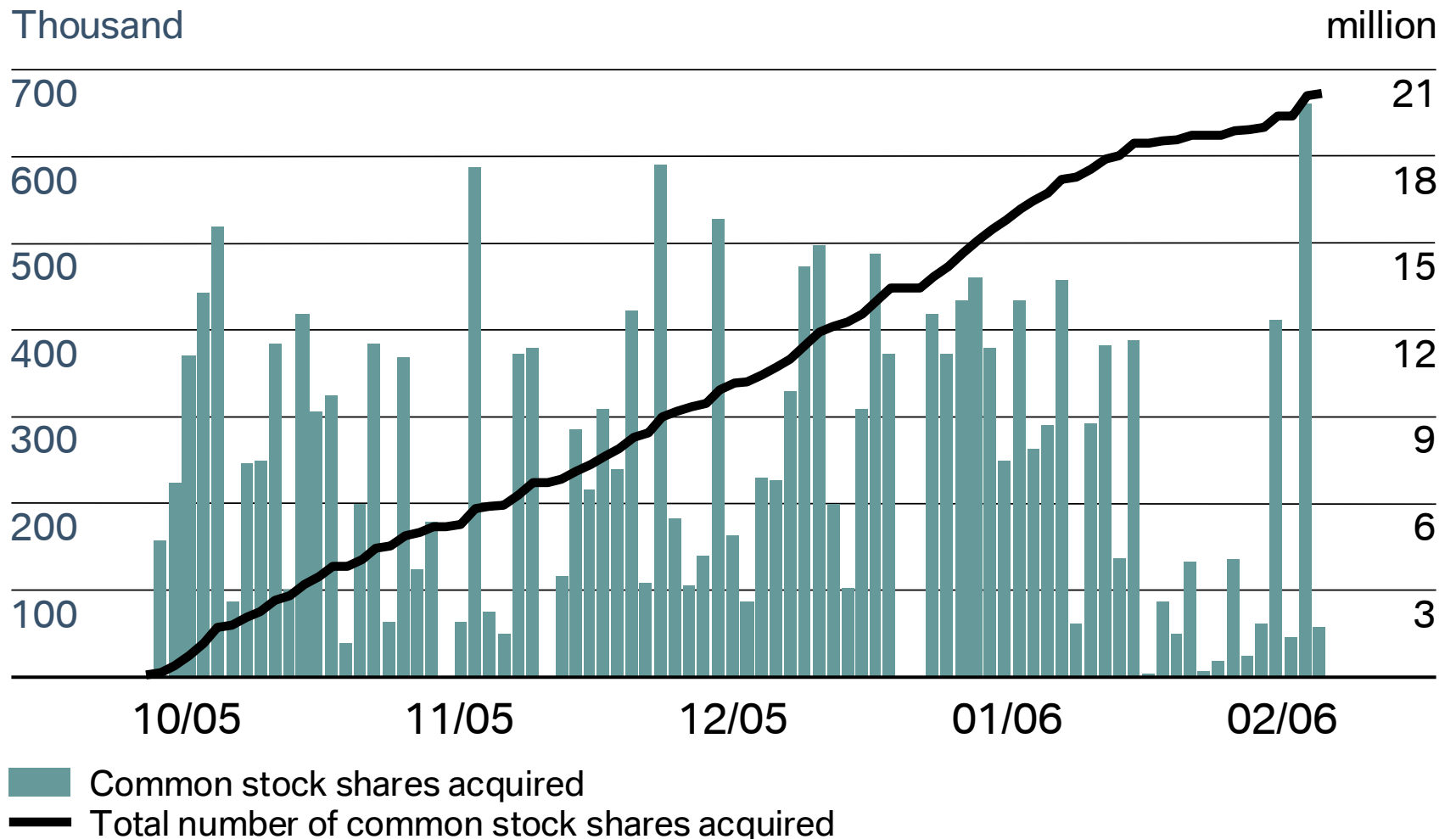


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Buy-back: 20.2 Million Common Stock Shares or 3% of the Share Capital.

Buyback of 15 Feb 2006:

20,232,722 common stock shares worth € 758,886,364



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Outlook for 2006.

- Adverse external factors persist, but the total volume will not reach the previous year's high level.
- Our target is to achieve a profit before tax of 4 billion € at a Group level.
- This includes the positive effects from the Rolls-Royce exchangeable of so far 350 million €.
- At an operating level, the current year will therefore be the best year to date in the company's history.

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Value Orientation.

Rolls-Royce
Motor Cars Limited



Group: Return on Assets



Automobiles:

Return on Capital
Employed

Vehicle projects:

Hurdle rate for
models on DCF basis



Motorcycles:

Return on Capital
Employed

Vehicle projects:

Hurdle rate for
models on DCF basis



Financial

Services:

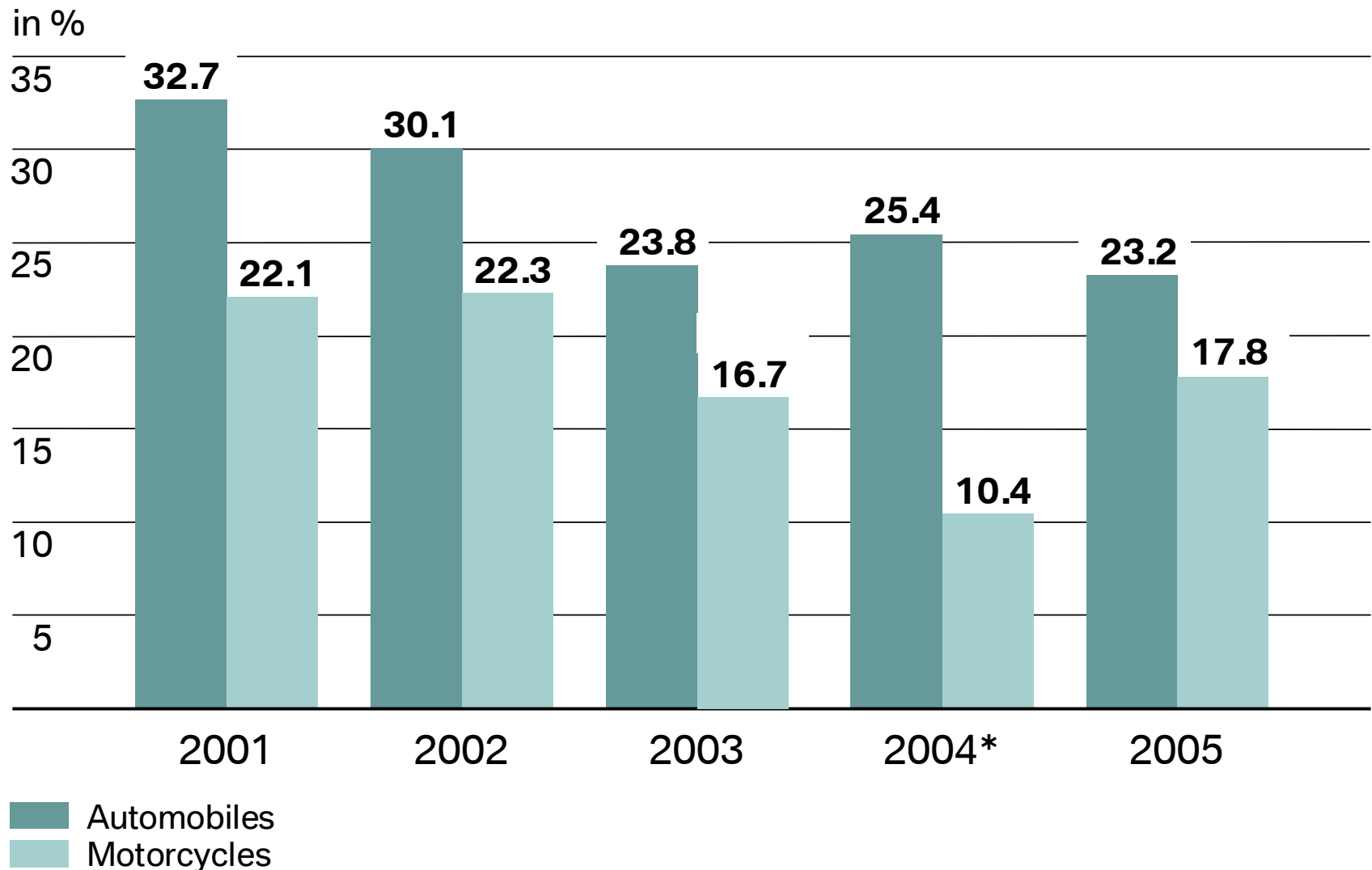
Return on Assets

Financing and leasing portfolio:

Cash flows

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Return on Capital Employed in the Automobiles and Motorcycles Segments.

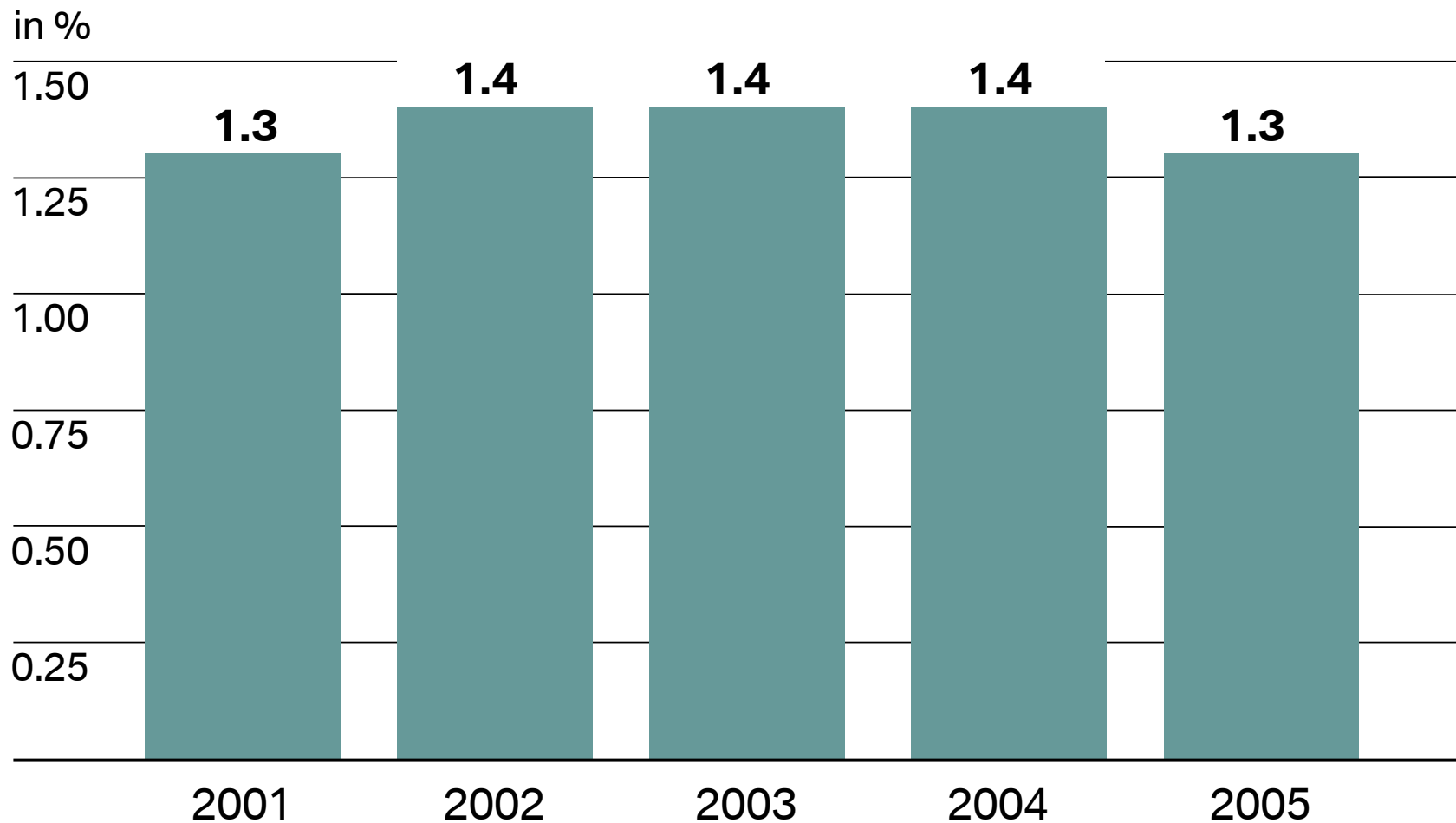


* 2004: adjusted after applying a new accounting option for pension obligations

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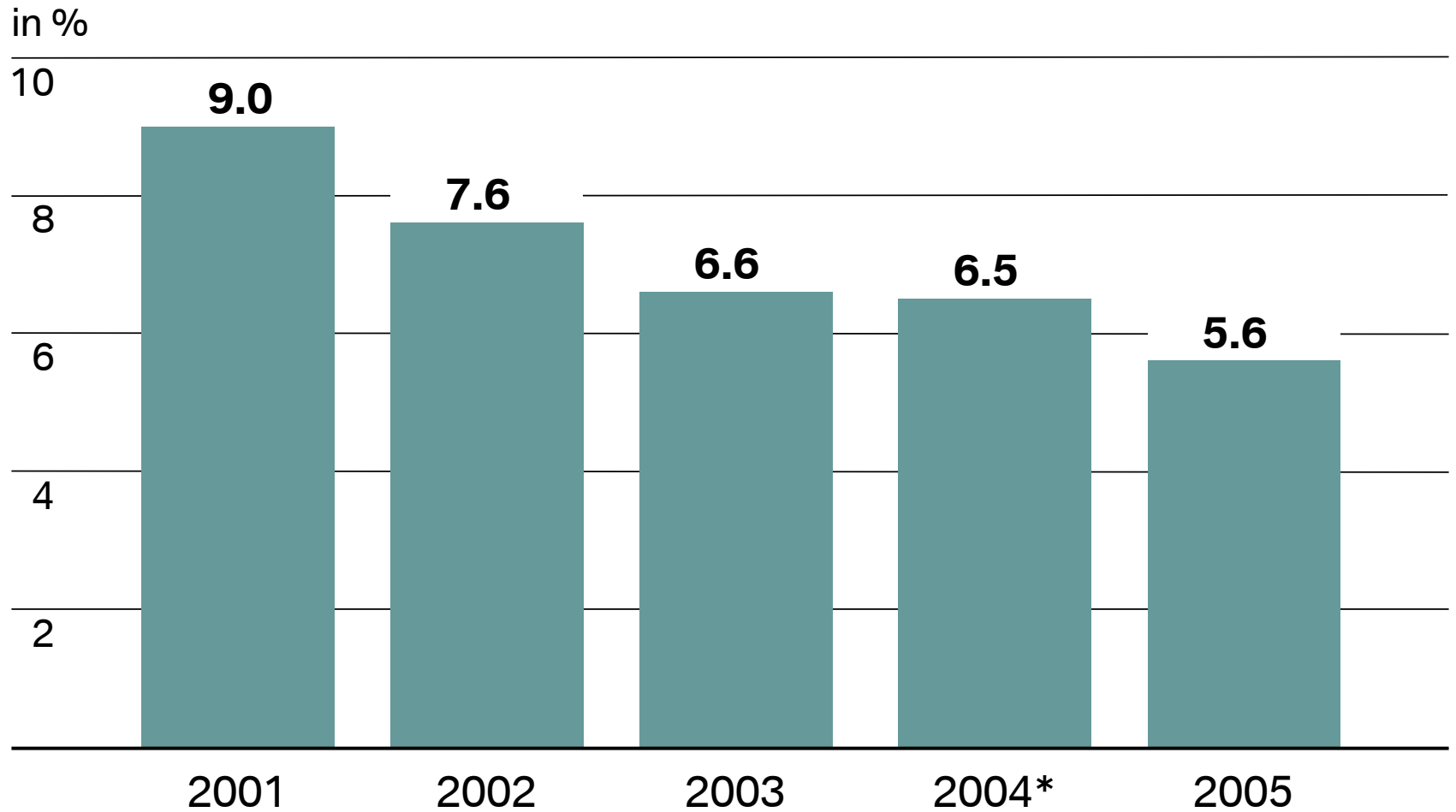
Return on Assets

in the Financial Services Segment.



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Return on Assets in the Group.



* 2004: adjusted after applying a new accounting option for pension obligations

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