

Financial Statements of BMW AG

Financial Year 2009

BMW Group

Rolls-Royce
Motor Cars Limited



BMW AG

in figures

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		2009	2008	Change in %
Revenues	euro million	37,980	44,313	-14.3
— Export ratio	%	73.8	75.6	—
Production				
— Automobiles	units	1,258,417	1,439,918	-12.6
— Motorcycles	units	82,631	104,220 ¹	-20.7
Sales volume				
— Automobiles	units	1,231,893	1,446,055	-14.8
— Motorcycles	units	86,451	103,077 ¹	-16.1
Capital expenditure	euro million	1,667	2,064	-19.2
Depreciation and amortisation	euro million	1,505	1,569	-4.1
Workforce at the end of year		70,223²	71,596	-1.9
Tangible, intangible and investment assets	euro million	6,984	6,643	5.1
Current assets and prepayments	euro million	17,663	16,673	5.9
Subscribed capital	euro million	655	654	0.2
Reserves	euro million	4,502	4,487	0.3
Equity	euro million	5,354	5,338	0.3
— as % of tangible, intangible and investment assets	%	76.7	80.4	—
Non-current liabilities ³	euro million	4,638	6,054	-23.4
Equity and non-current liabilities ⁴	euro million	9,992	11,398	-12.3
— as % of tangible, intangible and investment	%	143.1	171.6	—
Balance sheet total	euro million	24,647	23,316	5.7
Cost of materials	euro million	28,300	34,044	-16.9
Personnel costs	euro million	5,850²	5,125	14.1
Taxes	euro million	403	11	—
Net profit	euro million	202	384	-47.4
Dividend	euro million	197⁵	197	—
— per share of common stock with a par value of euro 1 each	euro	0.30⁵	0.30	—
— per share of preferred stock with a par value of euro 1 each	euro	0.32⁵	0.32	—

¹ including BMW G 650 X assembly at Piaggio S. p. A.

² included personnel seconded from other group entities

³ registered profit-sharing certificates, special untaxed reserves, pension provisions, payables to BMW Unterstützungsverein e.V., liabilities due after more than one year

⁴ equity, special untaxed reserves, non-current liabilities

⁵ Proposed by the Board of Management

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Financial Statements

The BMW AG Financial Statements and Management Report for the financial year 2009 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 2009.

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Balance Sheet at 31 Dezember

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in euro million	Notes	2009	2008
Assets			
Intangible assets	1	145	143
Property, plant and equipment		5,536	5,404
Investments	2	1,303	1,096
Tangible, intangible and investment assets		6,984	6,643
Inventories	3	2,620	2,586
Trade receivables	4	690	982
Receivables from subsidiaries	4	6,197	6,098
Other receivables and other assets	4	882	623
Marketable securities	5	4,987	2,360
Cash and cash equivalents	6	2,195	3,970
Current assets		17,571	16,619
Prepayments		92	54
Total assets		24,647	23,316
Equity and liabilities			
Subscribed capital	7	655	654
Capital reserves	7	2,001	1,991
Revenue reserves	8	2,501	2,496
Unappropriated profit available for distribution		197	197
Equity		5,354	5,338
Registered profit-sharing certificates	9	34	34
Special untaxed reserves		-	13
Pension provisions		4,586	3,791
Other provisions		6,323	6,142
Provisions	10	10,909	9,933
Liabilities to banks		2,488	3,049
Trade payables		1,548	1,276
Liabilities to subsidiaries		2,409	2,311
Other liabilities		1,902	1,338
Liabilities	11	8,347	7,974
Deferred income		3	24
Total equity and liabilities		24,647	23,316

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Income Statement

in euro million	Notes	2009	2008
Revenues	12	37,980	44,313
Cost of sales		-32,679	-37,833
Gross profit		<u>5,301</u>	<u>6,480</u>
Sales costs		-3,105	-3,085
Administrative costs		-1,379	-1,366
Research and development costs		-2,451	-2,646
Other operating income	13		
and expenses	14	1,243	-641
Result on investments	15	1,084	1,807
Financial result	16	-88	-154
Profit from ordinary activities		<u>605</u>	<u>395</u>
Income taxes	17	-393	3
Other taxes		-10	-14
Net profit		<u>202</u>	<u>384</u>
Transfer to revenue reserves	18	-5	-187
Unappropriated profit available for distribution		<u>197</u>	<u>197</u>

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Notes to the Financial Statements

Accounting Policies and Principles

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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 euro (euro 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 depreciated over their estimated useful lives using the straight-line method.

Property, plant and equipment are stated at acquisition or at manufacturing cost based on tax regulations, less accumulated depreciation. 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. With effect from the beginning of the 2009 financial year, additions to property, plant and equipment with a useful life of more than five years are depreciated, where permitted under German tax rules, using the reducing balance method and the highest rates permitted for tax purposes. The Company applies straight-line depreciation as soon as this gives rise to a higher depreciation expense. Assets with an acquisition or manufacturing cost of up to euro 150 are recognised directly as an expense in the year of purchase/ construction. Assets with an acquisition or manufacturing cost of between euro 150 and euro 1,000 are depreciated/ amortised using the straight-line method over a period of five years. The Company applies all special depreciation permitted under German tax legislation.

Factory and office buildings and distribution facilities which form an inseparable part of such buildings are depreciated over 8 to 33 years, residential buildings over 25 to 50 years, technical plant and machinery over 4 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, tangible, intangible and investment assets are shown on page 18 et seq.

Inventories of raw materials, supplies and goods for resale are stated at the lower of cost and net realisable value. With effect from the beginning of the 2009 financial year and in accordance with normal industry practice, all direct material and production costs, an appropriate proportion of material and production overheads, including depreciation of plant and equipment relating to production are taken into account in the measurement of work in progress and finished goods at production cost, as was already the case for leased products. 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 balance sheet date.

Provisions for pensions and similar obligations are measured using the projected unit credit method in accordance with IAS 19 (Employee Benefits) applying an interest rate of 5.30%. The computation is based on the assumptions set out in the biometric tables of Prof. Dr. Klaus Heubeck (2005 G). In addition, future remuneration and pension increases and assumptions relating to fluctuation are also taken into account in the calculation. For reasons of consistency, the provision for long-service awards is measured using the same method. Other provisions are recognised to take account of all identified risks. In addition, provisions are recognised for deferred expenditure, principally for major overhauls.

Liabilities are stated at their repayment amount at the balance sheet date.

Foreign currency assets and liabilities are translated at exchange rates prevailing on the date of the transaction. Foreign currency balance sheet items are generally hedged; any unhedged losses arising from changes in exchange rates are recognised by restating the foreign currency amount in the balance sheet to the closing rate.

The Company uses derivative financial instruments to hedge currency, interest rate and commodity price risks arising in conjunction with operating activities. Financing requirements resulting from operating activities are also hedged. 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 not sufficiently certain, a provision for unrealised losses on onerous contracts is recognised.

Revenues from the sale of vehicles to car rental companies are not recognised when there is an obligation to take back the vehicles. In accordance with the draft financial reporting pronouncement "Specific Issues relating to the Transfer of Beneficial Ownership and Profit Realisation in accordance with HGB" (IDW ERS HFA 13 revised version dated 29 November 2006) issued by the German Institute of Public Accountants (IDW), vehicles remain on the balance sheet, measured at amortised cost, because, on the basis of the criteria set out in the pronouncement, beneficial ownership has not been transferred to the car rental companies.

The German Accounting Law Modernisation Act (BilMoG) will be applied with effect from the beginning of the 2010 financial year.

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1 – Intangible assets

Intangible assets comprise mainly purchased software, franchises and licenses.

2 – Investments

Additions of investments in subsidiaries mainly relate to the contribution of BMW Financial Services Ibérica, E.F.C., S.A., Madrid, to BMW Bank GmbH, Munich.

The list of investments of BMW AG is shown on page 20 et seq.

3 – Inventories

in euro million	31.12.2009	31.12.2008
Raw materials and supplies	366	407
Work in progress, unbilled contracts	204	139
Finished goods and goods for resale	1,891	1,820
Leased products	159	220
	2,620	2,586

The change in accounting policy used to measure inventories resulted in a positive effect on earnings of euro 291 million.

4 – Receivables and other assets

in euro million	31.12.2009	31.12.2008
Trade receivables	690	982
Receivables from subsidiaries	6,197	6,098
Other receivables and other assets		
— Receivables from other companies in which an investment is held	165	99
— Other assets	717	524
— thereof due later than one year euro 246 million (2008: euro 109 million)		
	882	623
	7,769	7,703

Receivables from subsidiaries relate to trade and financing receivables.

Other assets include mainly tax receivables. A receivable

of euro 152 million relating to a “Kapitalisierungs-geschäft” has been transferred to BMW Trust e.V., Munich, on a trustee basis to secure pension liabilities.

5 – Marketable securities

in euro million	31.12.2009	31.12.2008
Other marketable securities	4,606	2,059
Deferred remuneration retirement scheme	381	301
	4,987	2,360

Other marketable securities include shares in securities funds. An amount of euro 976 million was invested in money market funds in 2009. The deferred remuneration

retirement scheme comprises employees' remuneration which has been converted into pension entitlements and invested in investment funds.

Funds were transferred to BMW Trust e.V., Munich, in conjunction with Contractual Trust Arrangements (CTA) in order to secure pre-retirement part-time work and pension obligations.

The carrying amount of the assets tied up in the trust is reported in the lines "Other marketable securities" (euro 2,555 million; 2008: euro 984 million) and "Deferred remuneration retirement scheme" (euro 381 million; 2008: euro 301 million).

6 – Cash and cash equivalents

in euro million	31.12.2009	31.12.2008
Cash and cash equivalents	2,195	3,970
— of which held by subsidiaries euro 539 million (2008: euro 12 million)		

7 – Subscribed capital and capital reserves

in euro million	31.12.2009	31.12.2008
Subscribed capital	655	654
Capital reserves	2,001	1,991

BMW AG's issued share capital of euro 655 million comprises 601,995,196 shares of common stock, each with a par value of euro 1, and 52,665,362 shares of non-voting preferred stock, each with a par value of euro 1. Preferred stock bears an additional dividend of euro 0.02 per share. All of the Company's stock is issued to bearer.

831,425 non-voting shares of preferred stock were issued to employees at a reduced price of euro 15.56 per share in conjunction with an employee share scheme. These shares are entitled to receive dividends with effect from the financial year 2010. 362,225 of the 363,130 shares of non-voting preferred stock held as treasury shares were used for the employee share scheme: the remaining 905 shares were sold on the capital market.

The issued share capital increased by euro 0.5 million as a result of the issue to employees of 469,200 shares of non-voting preferred stock. The Authorised Capital of BMW AG

amounted at the balance sheet date to euro 4.5 million. The Company is authorised to issue shares of non-voting preferred stock amounting to nominal euro 5.0 million prior to 13 May 2014. The share premium of euro 10.2 million arising in 2009 was transferred to capital reserves.

At the Annual General Meeting of BMW AG on 14 May 2009, the shareholders again authorised the Board of Management to acquire as treasury shares via the stock exchange, up to a maximum of 10 % of the share capital in place at the date of the resolution and to withdraw those shares from circulation without any further resolution by the Annual General Meeting. At the same time, the authorisation from 8 May 2008 to acquire treasury shares was rescinded. The authorisation from 14 May 2009 is valid until 12 November 2010. The authorisation was not exercised in 2009. It has not yet been decided whether or the extent to which the authorisation will be used in the future.

8 – Revenue reserves

in euro million	31.12.2009	31.12.2008
Statutory reserves	1	1
Reserve for treasury shares	-	5
Other revenue reserves		
— Balance brought forward	2,490	2,308
— Transfer to reserve for treasury shares	-	-5
— Transfer from reserve for treasury shares	5	-
— Transfer from net profit	5	187
	2,500	2,490
	2,501	2,496

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9 – 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 2009, there were 696,971 registered profit-sharing certificates outstanding (2008: 711,053 certificates).

10 – Provisions

in euro million	31.12.2009	31.12.2008
Pension provisions	4,586	3,791
Tax provisions	193	80
Other provisions	6,130	6,062
	10,909	9,933

Pension provisions include euro 2,668 million for vested benefits, euro 1,520 million for current pension payments and euro 398 million for the deferred remuneration retirement scheme. All pension obligations of BMW AG are fully covered by provisions.

Other provisions comprise mainly obligations for warranties, personnel-related expenses, dealer bonuses and other

sales-related obligations, collection and recycling of end-of-life vehicles and manufacturer's liability.

Provisions also relate to risks from legal disputes, guarantees and service contract obligations. In addition, the Company recognises provisions for maintenance expenses deferred during the financial year under report and caught up within the first three months of the new financial year as well as provisions for major overhauls.

11 – Liabilities

31 December in euro million	2009	2009	2009	2008
		Remaining term of up to one year	Remaining term of more than five years	
Liabilities to banks	2,488	2,479	-	3,049
Trade payables	1,548	1,544	-	1,276
Liabilities to subsidiaries	2,409	2,409	-	2,311
Liabilities to entities in which a participation is held	11	11	-	28
Other liabilities				
— Advance payments received on orders	13	13	-	20
— Liabilities to BMW Unterstützungsverein e.V.	4	-	4	4
— Sundry other liabilities	1,874	1,874	-	1,286
— thereof collateral pledge of finished products euro 3 million				
— thereof relating to social security	(47)	(47)	(-)	(22)
	1,891	1,887	4	1,310
	8,347	8,330	4	7,974

Contingent liabilities

in euro million	31.12.2009	31.12.2008
Guarantees for bonds issued by		
— BMW Finance N.V., The Hague	9,639	11,220
— BMW Australia Finance Ltd., Melbourne, Victoria	5,038	962
— BMW (UK) Capital plc, Bracknell	3,720	1,736
— BMW US Capital, LLC, Wilmington, Del.	3,030	5,521
— BMW Japan Finance Corp., Tokyo	1,600	220
Guarantees for bonds and notes issued by		
— BMW Finance N.V., The Hague	3,677	4,347
— BMW US Capital, LLC, Wilmington, Del.	1,886	3,482
— BMW Japan Finance Corp., Tokyo	578	758
— BMW Malta Finance Ltd., St. Julians	385	-
— BMW (UK) Capital plc, Bracknell	113	289
— BMW Canada Inc., Whitby	66	59
— BMW Australia Finance Ltd., Melbourne, Victoria	-	217
Guarantees on behalf of		
— BMW Finance N.V., The Hague	1,700	1,300
— BMW (UK) Capital plc, Bracknell	185	208
— BMW Canada Inc., Whitby	157	-
Other	972	923
— of which to subsidiaries euro 713 million (2008: euro 751 million)		
Guarantees	32,746	31,242
Guarantee letter on behalf of		
— BMW Bank GmbH, Munich	6,518	5,634

Joint and several liability applies in the case of investments in general partnerships.

The usual commercial guarantees have been given in relation to the sale of Rover Cars and Land Rover activities.

Other financial obligations and off-balance-sheet transactions

The present value of commitments under rental and lease agreements amounts to euro 3,018 million, analysed by due date as follows:

in euro million	31.12.2009
2010	699
2011–2014	788
later than 2014	1,531

Of these amounts, euro 2,265 million relate to subsidiaries.

Purchase commitments for capital expenditure totalled euro 1,150 million.

As part of BMW AG's refinancing activities, substantial amounts of receivables were sold to other BMW Group entities and, in previous years, sale-and-lease-back transactions entered into. No significant risks and rewards remained with BMW AG in conjunction with these transactions.

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Related party transactions

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

Derivative financial instruments

The Company is exposed to interest rate, exchange rate and commodity price risks from underlying and forecast

transactions. The related risks are hedged by derivative financial instruments.

in euro million	Nominal volume		Net fair values	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Currency-related instruments				
— Forward currency contracts	5,129	6,051	-32	29
— Currency options	-	1,683	-	-7
— Cross currency swaps	502	502	-44	24
	5,631	8,236	-76	46
Interest rate-related instruments				
— Interest rate swap	1,000	1,277	-20	-29
Purchasing-related instruments				
— Commodities	1,315	457	307	-182

Provisions of euro 27 million (2008: euro 46 million) were recognised to cover negative fair values of derivative financial instruments. No currency options were in place at the end of the reporting period. At the end of the previous year, option fees amounting to euro 22 million were recognised as other assets on the one hand and as other liabilities on the other in connection with back-to-back currency option contracts with subsidiaries and banks. 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 shown are measured on the basis of market information available at the end of the reporting period or using appropriate measurement techniques e.g. the discounted cash flow method. 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.

Other disclosures

Notifications pursuant to § 25 (1) WpHG (Securities Trading Act) on 9 April 2002:

- “Johanna Quandt, Bad Homburg v.d.H., has given notice to the Board of Management pursuant to § 41 (2) sentence 1 WpHG (in conjunction with §§ 21 (1), 22 (1) sentence 1 no. 1 of that Act) that she holds 16.7% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft, Munich on 1 April 2002. She has also given notice that 15.4% of these voting rights are attributable to her pursuant to § 22 (1) sentence 1 no. 1 WpHG.”
- “Johanna Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v.d.H., has given notice to the Board of Management pursuant to § 41 (2) sentence 1 WpHG (in conjunction with §§ 21 (1) of that Act) that it holds 15.4% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft, Munich on 1 April 2002.”
- “Susanne Klatten, Bad Homburg v.d.H., has given notice to the Board of Management pursuant to § 41 (2) sentence 1 WpHG (in conjunction with §§ 21 (1), 22 (1) sentence 1 no. 1 of that Act) that she holds 12.5% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft, Munich on 1 April 2002. She has also given notice that 11.5% of these voting rights are attributable to her pursuant to § 22 (1) sentence 1 no. 1 WpHG.”
- “Susanne Klatten GmbH & Co. KG für Automobilwerte, Bad Homburg v.d.H., has given notice to the Board of Management pursuant to § 41 (2) sentence 1 WpHG (in conjunction with § 21 (1) of that Act) that it holds 11.5% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft, Munich on 1 April 2002.”
- “Stefan Quandt, Bad Homburg v.d.H., has given notice to the Board of Management pursuant to § 41 (2) sentence 1 WpHG (in conjunction with §§ 21 (1), 22 (1) sentence 1 no. 1 of that Act) that he holds 17.4% of the

voting rights in Bayerische Motoren Werke Aktiengesellschaft, Munich on 1 April 2002. He has also given notice that 16.1% of these voting rights are attributable to him pursuant to § 22 (1) sentence 1 no. 1 WpHG.”

- “Stefan Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v. d. H., has given notice to the Board of Management pursuant to § 41 (2) sentence 1 WpHG (in conjunction with § 21 (1) of that Act) that it holds 16.1% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft, Munich on 1 April 2002.”

Notification pursuant to § 26 (1) WpHG (Securities Trading Act) on 17 December 2008:

- “AQTON SE (sole shareholder Stefan Quandt) with its seat in Munich, Federal Republic of Germany, has notified us in accordance with § 21 (1) WpHG that its voting rights in Bayerische Motoren Werke Aktiengesellschaft exceeded the thresholds of 3%, 5%, 10% and 15% on 12 December 2008 and amounted to 17.44% (104,979,435 voting rights) on this day. These voting rights are attributable to AQTON SE pursuant to § 22 (1) sentence 1 no. 1 WpHG. The voting rights attributable to AQTON SE are held through the following companies which are controlled by AQTON SE and the voting rights of which in Bayerische Motoren Werke Aktiengesellschaft amount to 3% or more in each case:
 - Stefan Quandt GmbH & Co. KG für Automobilwerte
 - Stefan Quandt Verwaltungs GmbH.”

Notifications pursuant to § 26 (1) WpHG (Securities Trading Act) on 22 December 2008:

- “Johanna Quandt GmbH with its seat in Bad Homburg v. d. Höhe, Germany, has notified us in accordance with § 41 (2) sentence 1 WpHG, that it held 15.38% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft on 1 April 2002. These voting rights are attributable to it pursuant to § 22 (1) sentence 1 no. 1 WpHG through Johanna Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v. d. Höhe.”
- “Susanne Klatten GmbH with its seat in Bad Homburg v. d. Höhe, Germany, has notified us in accordance with § 41 (2) sentence 1 WpHG, that it held 11.55% of the voting rights of Bayerische Motoren Werke Aktiengesellschaft on 1 April 2002. These voting rights are attributable to it pursuant to § 22 (1) sentence 1 no. 1 WpHG through Susanne Klatten GmbH & Co. KG für Automobilwerte, Bad Homburg v. d. Höhe.”
- “Stefan Quandt Verwaltungs GmbH with its seat in Bad Homburg v. d. Höhe, Germany, has notified us in accordance with § 41 (2) sentence 1 WpHG, that it

(previously operating under the name: Stefan Quandt GmbH) held 15.13% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft on 1 April 2002. These voting rights are attributable to it pursuant to § 22 (1) sentence 1 no. 1 WpHG through Stefan Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v. d. Höhe.”

Notification pursuant to § 26 (1) WpHG (Securities Trading Act) on 15 January 2009:

- “Susanne Klatten Beteiligungs GmbH (until 22 December 2008 operating under the name of DataCard Three GmbH) with its seat in Bad Homburg v. d. Höhe, Germany, has informed us by way of an amended and restated voluntary notification in accordance with § 21 (1) WpHG, that its voting rights in Bayerische Motoren Werke Aktiengesellschaft, after the change of its company name on 22 December 2008, exceeded as before 3%, 5% and 10% and amounted to 12.55% (75,562,421 voting rights) on 22 December 2008. All these voting rights are attributable to Susanne Klatten Beteiligungs GmbH through Susanne Klatten GmbH & Co. KG für Automobilwerte, Bad Homburg v. d. Höhe, Germany, and Susanne Klatten GmbH, Bad Homburg v. d. Höhe, Germany, according to § 22 (1.1) no. 1 WpHG. Reference is made to the notification of voting rights of DataCard Three GmbH dated 17 December 2008.”

Notification pursuant to § 26 (1) WpHG (Securities Trading Act) on 11 November 2009:

- “AXA S.A. with its seat in Paris, France, has informed us in accordance with § 21 Section 1 WpHG (Securities Trading Act) that its voting rights in Bayerische Motoren Werke Aktiengesellschaft exceeded the threshold of 3% of the voting rights on 5 November 2009 and amounted to 3.55% (21,373,577 voting rights). 3.54% (21,298,577 voting rights) thereof are attributable to AXA S.A. pursuant to § 22 Section 1 sentence 1 n° 6 in connection with sentence 2 WpHG (Securities Trading Act) and 0.01% (75,000 voting rights) thereof are attributable to AXA S.A. pursuant to § 22 Section 1 sentence 1 n° 1 WpHG (Securities Trading Act).”

Notifications pursuant to § 26 (1) WpHG (Securities Trading Act) on 19 November 2009:

- “The voting rights of AllianceBernstein L.P., New York, USA, exceeded on 13 November 2009 the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft and amounted, as of this day, to 3.20% (19,253,413 voting rights). These 3.20% (19,253,413 voting rights) are attributable pursuant to § 22 para. 1 sentence 1 n°. 6 WpHG.”

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- “The voting rights of AllianceBernstein Corporation, New York, USA, exceeded on 13 November 2009 the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft and amounted, as of this day, to 3.20% (19,253,413 voting rights). These 3.20% (19,253,413 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of Equitable Holdings LLC, New York, USA, exceeded on 13 November 2009 the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft and amounted, as of this day, to 3.20% (19,253,413 voting rights). These 3.20% (19,253,413 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of AXA Equitable Life Insurance Company, New York, USA, exceeded on 13 November 2009 the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft and amounted, as of this day, to 3.20% (19,253,413 voting rights). These 3.20% (19,253,413 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of AXA Equitable Financial Services, LLC, previously AXA Financial Services, LLC, New York, USA, exceeded on 13 November 2009 the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft and amounted, as of this day, to 3.20% (19,253,413 voting rights). These 3.20% (19,253,413 voting rights) are attributable pursuant to §22 para 1, sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of AXA Financial, Inc., New York, USA, exceeded on 13 November 2009 the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft and amounted, as of this day, to 3.20% (19,253,413 voting rights). These 3.20% (19,253,413 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of AllianceBernstein Corporation, New York, USA, have fallen short of the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft on 12/01/2010 and amounted, as of this day, to 2.80% (16,852,195 voting rights). These 2.80% (16,852,195 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of Equitable Holdings LLC, New York, USA, have fallen short of the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft on 12/01/2010 and amounted, as of this day, to 2.80% (16,852,195 voting rights). These 2.80% (16,852,195 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of AXA Equitable Life Insurance Company, New York, USA, have fallen short of the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft on 12/01/2010 and amounted, as of this day, to 2.80% (16,852,195 voting rights). These 2.80% (16,852,195 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of AXA Equitable Financial Services, LLC, previously AXA Financial Services, LLC, New York, USA, have fallen short of the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft on 12/01/2010 and amounted, as of this day, to 2.80% (16,852,195 voting rights). These 2.80% (16,852,195 voting rights) are attributable pursuant to §22 para 1, sentence 1 n°. 6 in connection with sentence 2 WpHG.”
- “The voting rights of AXA Financial, Inc., New York, USA, have fallen short of the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft on 12/01/2010 and amounted, as of this day, to 2.80% (16,852,195 voting rights). These 2.80% (16,852,195 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 in connection with sentence 2 WpHG.”

Notifications pursuant to §26 (1) WpHG (Securities Trading Act) on 18 January 2010:

- “The voting rights of AllianceBernstein L. P., New York, USA, have fallen short of the threshold of 3% of the voting rights in Bayerische Motoren Werke Aktiengesellschaft on 12/01/2010 and amounted, as of this day, to 2.80% (16,852,195 voting rights). These 2.80% (16,852,195 voting rights) are attributable pursuant to §22 para. 1 sentence 1 n°. 6 WpHG.”

The voting power percentages disclosed above may have changed subsequent to the dates stated above, 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. The voting rights stated above are based on mandatory notifications pursuant to §§21ff. WpHG; voluntary notifications at 31 December 2009 are disclosed in the Management Report.

BMW AG
Notes to the Financial Statements
Notes to the Income Statement

12— **Revenues**

in euro million	2009	2008
Automobiles	31,667	37,662
Motorcycles	742	875
Other revenues	5,571	5,776
	37,980	44,313
Germany	9,951	10,825
United Kingdom	3,076	4,563
Rest of Europe	10,395	12,820
North America	7,601	9,075
Asia	5,039	4,830
Other markets	1,918	2,200
	37,980	44,313

13— **Other operating income**

Other operating income, amounting to euro 1,680 million in the year under report (2008: euro 1,720 million), comprise mainly income from the reversal of provisions, amounts

recharged to group entities and exchange gains. Other operating income relating to prior periods amounted to euro 267 million in 2009.

14— **Other operating expenses**

Other operating expenses in 2009 amounted to euro 437 million (2008: euro 2,361 million) and include in particular

the expense of allocating amounts to provisions, exchange losses and commission expense for intragroup financing.

15— **Result on investments**

in euro million	2009	2008
Income from investments	329	-
— thereof from subsidiaries euro 329 million (2008: euro - million)		
Losses from subsidiaries	-	4
— thereof from subsidiaries euro - million (2008: euro 4 million)		
Income from profit and loss transfer agreements	855	1,853
Expense of assuming losses under profit and loss transfer agreements	100	42
	1,084	1,807

16— **Financial result**

in euro million	2009	2008
Other interest and similar income	305	340
— thereof from subsidiaries euro 160 million (2008: euro 187 million)		
Reversals of impairment losses on investments and current marketable securities	128	-
Write downs on investments and current marketable securities	-	138
Interest and similar expenses	521	356
— thereof to subsidiaries euro 105 million (2008: euro 228 million)		
	-88	-154

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17— Income taxes

A tax expense was recognised in the financial year 2009 in conjunction with a tax field audit covering prior years. The back-taxes were primarily related to the issue of intra-

group pricing arrangements. The resulting threat of double taxation at Group level is being avoided primarily by instigating bilateral mutual agreement procedures.

18— Transfer to revenue reserves

An amount of euro 5 million was transferred from net profit for the year to other revenue reserves.

19— Impact of tax regulations on net profit

The net profit for the financial year 2009 increased by euro 1 million (2008: reduced by euro 1 million) as a result of tax regulations.

Cost of materials

in euro million	2009	2008
Purchased raw materials and supplies	27,755	33,253
Purchased services	545	791
	28,300	34,044

Personnel expense

in euro million	2009*	2008
Wages and salaries	4,311	4,465
Social security, pension and welfare costs — thereof pension costs: euro 889 million (2008: euro 213 million)	1,539	660
	5,850	5,125
Average workforce during the year	2009	2008
Head office and Munich plant	26,448	26,945
Dingolfing plant	17,958	18,784
Regensburg plant	8,795	9,504
Landshut plant	2,973	3,164
Leipzig plant	2,643	2,505
Berlin plant	2,469	2,584
Branches	5,240	5,368
	66,526	68,854
Apprentices and students gaining work experience	4,654	5,112
	71,180	73,966

* included personnel seconded from other group entities

Fee expense

in euro million	2009	2008
Audit-related services	1	1
Tax advisory services	4	3
Other services	2	1
	<u>7</u>	<u>5</u>

The item "Audit-related services" includes fees for the audit of annual financial statements of BMW AG and of the audit of the Group Financial Statements.

BMW AG

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Analysis of changes in tangible, intangible and investment assets in 2009

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in euro million	Acquisition and manufacturing cost				— 31.12.2009
	1.1.2009	— Additions	— Reclassifi- cations	— Disposals	
Intangible assets	280	38	-	30	288
Land, titles to land, buildings, including buildings on third party land	2,987	43	-97	13	3,114
Plant and machinery	16,513	1,425	557	1,259	17,236
Other facilities, factory and office equipment	1,201	56	8	73	1,192
Advance payments made and construction in progress	695	105	-662	4	134
Property, plant and equipment	21,396	1,629	-	1,349	21,676
Investments in subsidiaries	1,093	207	-	-	1,300
Participations	7	-	-	-	7
Other non-current loans receivable	1	-	-	-	1
Investments	1,101	207	-	-	1,308
Tangible, intangible and investment assets	22,777	1,874	-	1,379	23,272

Depreciation and amortisation				Carrying amount			
1.1.2009	Current year	Disposals	31.12.2009	31.12.2009	31.12.2008		
137	35	29	143	145	143		Intangible assets
1,361	81	8	1,434	1,680	1,626		Land, titles to land, buildings, including buildings on third party land
13,674	1,300	1,244	13,730	3,506	2,839		Plant and machinery
957	89	70	976	216	244		Other facilities, factory and office equipment
-	-	-	-	134	695		Advance payments made and construction in progress
15,992	1,470	1,322	16,140	5,536	5,404		Property, plant and equipment
-	-	-	-	1,300	1,093		Investments in subsidiaries
4	-	-	4	3	3		Participations
1	-	-	1	-	-		Other non-current loans receivable
5	-	-	5	1,303	1,096		Investments
16,134	1,505	1,351	16,288	6,984	6,643		Tangible, intangible and investment assets

BMW AG

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Principal Subsidiaries

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Principal subsidiaries of BMW AG at 31 December 2009	Equity in euro million	Net result in euro million	Capital investment in %
Domestic¹			
BMW INTEC Beteiligungs GmbH, Munich ³	3,549	-	100
BMW Bank GmbH, Munich ³	404	-	100
BMW Finanz Verwaltungs GmbH, Munich	211	5	100
BMW Ingenieur-Zentrum GmbH+Co., Dingolfing	47	65	100
BMW Maschinenfabrik Spandau GmbH, Berlin	44	2	100
BMW Leasing GmbH, Munich ³	16	-	100
BMW Hams Hall Motoren GmbH, Munich ⁴	15	-	100
BMW Fahrzeugtechnik GmbH, Eisenach ³	11	-	100
BMW M GmbH Gesellschaft für individuelle Automobile, Munich ³	5	-	100

¹ In the case of German subsidiaries, based on financial statements drawn up in accordance with HGB.

² In the case of foreign subsidiaries, based on financial statements drawn up in accordance with uniform IFRSs accounting policies.
Equity and net result are translated at the closing rate.

³ profit and loss transfer agreement with BMW AG

⁴ profit and loss transfer agreement with a subsidiary of BMW AG

⁵ below euro 500,000

Principal subsidiaries of BMW AG at 31 December 2009	Equity in euro million	Net result in euro million	Capital investment in %
Foreign²			
BMW Österreich Holding GmbH, Steyr	1,219	266	100
BMW Motoren GmbH, Steyr	741	140	100
BMW China Automotive Trading Ltd., Beijing	472	405	100
BMW Russland Trading OOO, Moscow	71	-53	100
BMW Austria Gesellschaft m. b. H., Salzburg	50	-5	100
BMW Holding B.V., The Hague	5,165	1,428	100
BMW Australia Finance Ltd., Melbourne, Victoria	477	25	100
BMW (South Africa) (Pty) Ltd., Pretoria	444	71	100
BMW (Schweiz) AG, Dielsdorf	409	21	100
BMW Italia S.p.A., Milan	390	76	100
BMW Finance N.V., The Hague	337	1	100
— BMW Overseas Enterprises N.V., Willemstad	65	1	100
BMW Japan Corp., Tokyo	273	5	100
— BMW Japan Finance Corp., Tokyo	350	20	100
BMW Belgium Luxembourg S.A./N.V., Bornem	211	19	100
BMW France S.A., Montigny le Bretonneux	191	58	100
BMW Canada Inc., Whitby	142	73	100
BMW Australia Ltd., Melbourne, Victoria	70	19	100
BMW Portugal Lda., Lisbon	49	-3	100
BMW Korea Co., Ltd., Seoul	29	6	100
BMW Hellas Trade of Cars SA, Athens	25	-1	100
BMW New Zealand Ltd., Auckland	24	⁵	100
BMW Sverige AB, Stockholm	23	-3	100
BMW Automotive (Ireland) Ltd., Dublin	21	-3	100
BMW Nederland B.V., The Hague	-2	-12	100
BMW (UK) Holdings Ltd., Bracknell	497	-14	100
BMW (UK) Manufacturing Ltd., Bracknell	983	119	100
BMW (UK) Ltd., Bracknell	637	-119	100
BMW Financial Services (GB) Ltd., Hook	222	38	100
BMW (UK) Capital plc, Bracknell	153	40	100
BMW Malta Ltd., St. Julians	1,055	83	100
— BMW Malta Finance Ltd., St. Julians	833	43	100
— BMW Coordination Center V.o.F., Bornem	592	⁵	100
BMW España Finance S.L., Madrid	365	5	100
— BMW Ibérica S.A., Madrid	303	41	100
— BMW de Mexico, S.A. de C.V., Mexico City	3	1	100
BMW (US) Holding Corp., Wilmington, Del.	1,186	8	100
BMW Manufacturing, LLC, Wilmington, Del.	577	-105	100
BMW Financial Services NA, LLC, Wilmington, Del.	440	96	100
BMW of North America, LLC, Wilmington, Del.	342	15	100
BMW US Capital, LLC, Wilmington, Del.	276	49	100

BMW AG

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Members of the Supervisory Board

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**Prof. Dr.-Ing. Dr. h. c. Dr.-Ing. E. h.
Joachim Milberg**
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 AG
- FESTO AG
- SAP AG
- ZF Friedrichshafen AG
- Deere & Company

Manfred Schoch*
Deputy Chairman
Chairman of the General Works Council
Industrial Engineer

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

Stefan Quandt
Deputy Chairman
Entrepreneur

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

Mandates

- DELTON AG (Chairman)
- Karlsruher Institut für Technologie (KIT) (since 01.10. 2009)
- AQTON SE (Chairman of the Administrative Board)
- DataCard Corp.

Stefan Schmid*
Deputy Chairman
Chairman of the Works Council, Dingolfing

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

Prof. Dr. Jürgen Strube
Deputy Chairman
Former Chairman of the Supervisory Board of
BASF SE

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

Mandates

- Allianz Deutschland AG (until 02.04. 2009)
- BASF SE (Chairman) (until 30.04. 2009)
- Bertelsmann AG (Deputy Chairman)
- Fuchs Petrolub AG (Chairman)
- Hapag-Lloyd AG (until 17.03. 2009)

Ulrich Eckelmann*
(until 14.05. 2009)
Head of the Industry, Technology and
Environment section
IG Metall Executive Board

Mandates

- VOITH AG

Bertin Eichler*
Executive Member of the
Executive Board of IG Metall

Mandates

- BGAG Beteiligungsgesellschaft der
Gewerkschaften GmbH (Chairman)
- ThyssenKrupp AG (Deputy Chairman)

* Employee representative

— Membership of other statutory supervisory boards

— Membership of equivalent national or foreign boards of business enterprises

Franz Haniel
Engineer, MBA

Mandates

- DELTON AG (Deputy Chairman)
- Franz Haniel & Cie. GmbH (Chairman)
- Heraeus Holding GmbH
- Metro AG (Chairman)
- secunet Security Networks AG
- Giesecke & Devrient GmbH

Prof. Dr. rer. nat. Dr. h. c. Reinhard Hüttl
Chairman of the Executive Board of
Helmholtz-Zentrum Potsdam Deutsches
GeoForschungsZentrum – GFZ
University professor

Susanne Klatten
Entrepreneur

Mandates

- ALTANA AG (Deputy Chairman)
- SGL Carbon SE (since 25.11.2009)
- UnternehmerTUM GmbH (Chairman)

Dr. jur. Karl-Ludwig Kley
Chairman of the Executive Management of
Merck KGaA

Mandates

- Bertelsmann AG
- 1. FC Köln GmbH & Co. KGaA (Chairman)

Prof. Dr. rer. pol. Renate Köcher

Director of Institut für Demoskopie Allensbach
Gesellschaft zum Studium der öffentlichen
Meinung mbH

Mandates

- Allianz SE
- Infineon Technologies AG
- MAN SE

Dr. h. c. Robert W. Lane

(since 14.05.2009)
Chairman and former Chief Executive Officer of
Deere & Company

Mandates

- Deere & Company (Chairman)
- General Electric Company
- Northern Trust Corp.
- Verizon Communications Inc.

Horst Lischka*

(since 14.05.2009)
General Representative of IG Metall Munich

Mandates

- KraussMaffei AG
- MAN Nutzfahrzeuge AG

Willibald Löw*

Chairman of the Works Council, Landshut

Prof. Dr. rer. nat. Dr. h. c. mult. Hubert Markl
(until 14.05.2009)

Former President of Max-Planck-Gesellschaft
zur Förderung der Wissenschaften e. V.
Professor of Biology (retired)

Mandates

- Münchener Rückversicherungs-Gesellschaft AG
(until 22.04.2009)
- Georg von Holtzbrinck GmbH

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Wolfgang Mayrhuber

Chairman of the Board of Management of
Deutsche Lufthansa AG

Mandates

- Fraport AG
- Lufthansa Technik AG
- Münchener Rückversicherungs-Gesellschaft AG
- Austrian Airlines AG (since 14.07.2009)
- HEICO Corp.
- SN Brussels Airlines NV (since 24.06.2009)
- SWISS International Air Lines AG (until 19.10.2009)

Werner Neugebauer*

Regional Executive Officer of IG Metall Bavaria

Mandates

- ZF Sachs AG

Franz Oberländer*

Member of the Works Council, Munich

Anton Ruf*

Head of Development for the "Small Classes"
Product Line

Maria Schmidt*

Member of the Works Council, Dingolfing

Werner Zierer*

Chairman of the Works Council, Regensburg

*Employee representative

— Membership of other statutory supervisory boards

— Membership of equivalent national or foreign boards of business enterprises

BMW AG

Notes to the Financial Statements
Members of the Board of Management

Dr.-Ing. Norbert Reithofer
Chairman

Frank-Peter Arndt
Production

Mandates

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

Dr.-Ing. Herbert Diess
Purchasing and Supplier Network

Dr.-Ing. Klaus Draeger
Development

Dr. Friedrich Eichiner
Finance

Mandates

- Allianz Deutschland AG
- BMW Brilliance Automotive Ltd. (Deputy Chairman)
- BMW (US) Holding Corp. (until 31.03.2009)

Harald Krüger
Human Resources, Industrial Relations Director

Mandates

- BMW Brilliance Automotive Ltd. (until 31.01.2009)

Ian Robertson
Sales and Marketing

Mandates

- Rolls-Royce Motor Cars Limited (Chairman)

General Counsel:
Dr. Dieter Löchelt

— Membership of other statutory supervisory boards

— Membership of equivalent national or foreign boards of business enterprises

BMW AG

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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 2009 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

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 2009 amounts to euro 10.7 million (2008: euro 10.9 million). This comprises fixed components of euro 3.7 million (2008: euro 3.1 million) and variable components of euro 7.0 million (2008: euro 7.8 million).

The remuneration of former Board members and their surviving dependants amounts to euro 3.8 million (2008: euro 3.1 million).

Pension obligations to former members of the Board of Management and their surviving dependants are fully

covered by pension provisions amounting to euro 46.7 million (2008: euro 44.3 million).

The compensation of the members of the Supervisory Board for the financial year 2009 totalled euro 1.6 million, unchanged from the previous year, and comprises only fixed components, also unchanged from the previous year.

The compensation systems for members of the Board of Management and the Supervisory Board do not include any stock options, value appreciation rights comparable to stock options or any other stock-based compensation components. No advances and loans were granted 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 of current members of the Board of Management and of the Supervisory Board can be found in the Compensation Report on page 151 et seq. of the BMW Group Annual Report 2009. The Compensation Report is part of the combined Company and Group Management Report.

Munich, 19 February 2010

Bayerische Motoren Werke
Aktiengesellschaft

The Board of Management

BMW AG

Responsibility Statement by the Company's Legal Representatives

Responsibility Statement by 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 2010

Bayerische Motoren Werke

Aktiengesellschaft

The Board of Management

BMW AG

Auditors' Report (translation)

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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 combined Group and Company management report of Bayerische Motoren Werke Aktiengesellschaft, Munich, for the business year from 1 January to 31 December 2009. 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 Board of 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 the Board of 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, 26 February 2010

KPMG AG

Wirtschaftsprüfungsgesellschaft

Prof. Dr. Schindler
Wirtschaftsprüfer

Pastor
Wirtschaftsprüfer

BMW AG

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		2009	2008	2007	2006
Revenues	euro million	37,980	44,313	48,310	42,417
— Change	%	-14.3	-8.3	13.9	1.5
— Export ratio	%	73.8	75.6	76.1	74.3
Production					
— Automobiles	units	1,258,417	1,439,918	1,541,503	1,366,838
— Motorcycles ¹	units	82,631	104,220	104,396	103,759
Sales volume					
— Automobiles	units	1,231,893	1,446,055	1,551,490	1,358,119
— Motorcycles ¹	units	86,451	103,077	104,076	102,786
Capital expenditure	euro million	1,667	2,064	1,670	1,324
Depreciation and amortisation	euro million	1,505	1,569	1,791	1,765
Workforce at the end of year		70,223²	71,596	76,064	76,156
Tangible, intangible and investment assets	euro million	6,984	6,643	9,909	10,171
Current assets and prepayments	euro million	17,663	16,673	12,707	10,874
Subscribed capital	euro million	655	654	654	654
Reserves	euro million	4,502	4,487	4,300	3,809
Equity	euro million	5,354	5,338	5,648	4,921
— as % of tangible, intangible and investment assets	%	76.7	80.4	57.0	48.4
Non-current liabilities ³	euro million	4,638	6,054	4,068	4,786
Equity and non-current liabilities ⁴	euro million	9,992	11,398	9,733	9,707
— as % of tangible, intangible and investment assets	%	143.1	171.6	98.2	95.4
Balance sheet total	euro million	24,647	23,316	22,616	21,045
Cost of materials	euro million	28,300	34,044	36,638	31,867
Personnel costs	euro million	5,850²	5,125	4,797	5,503
Taxes	euro million	403	11	131	75
Net profit	euro million	202	384	1,184	485
Dividend	euro million	197⁵	197	694	458
— per share of common stock	euro	0.30⁵	0.30	1.06	0.70
— per share of preferred stock	euro	0.32⁵	0.32	1.08	0.72

¹ until 2002 including C1 production; from 2006 up to 2008 including BMW G 650 X assembly by Piaggio S.p.A.

² included personnel seconded from other group entities

³ registered profit-sharing certificates, special untaxed reserve, pension provisions, payables to BMW Unterstützungsvereins e. V., liabilities due after more than one year

⁴ equity, special untaxed reserves, non-current liabilities

⁵ Proposed by the Board of Management

⁶ before buy-back of treasury shares

2005	2004	2003	2002	2001	2000	
41,801	40,597	36,881	35,315	29,993	25,276	Revenues
3.0	10.1	4.4	17.7	18.7	16.1	Change
73.0	72.5	72.8	72.3	68.8	66.1	Export ratio
						Production
1,323,119	1,250,345	1,118,940	1,090,258	946,730	834,519	Automobiles
92,012	93,836	89,745	97,553	100,213	93,608	Motorcycles ¹
						Sales volume
1,334,426	1,241,659	1,117,267	1,082,735	939,521	831,975	Automobiles
95,343	91,797	93,625	102,418	98,146	88,194	Motorcycles ¹
1,472	2,321	2,293	2,140	1,610	1,215	Capital expenditure
1,770	1,535	1,322	1,222	1,093	893	Depreciation and amortisation
76,536	77,252	75,969	73,283	69,939	66,262	Workforce at the end of year
10,577	10,893	11,386	10,469	9,106	8,333	Tangible, intangible and investment assets
9,225	8,910	8,096	6,385	6,359	7,124	Current assets and prepayments
661	674	674	674	673	672	Subscribed capital
4,023	4,516	4,188	4,171	3,890	3,867	Reserves
5,108	5,609	5,254	5,196	4,913	4,849	Equity
48.3	51.5	46.1	49.6	54.0	58.2	as % of tangible, intangible and investment assets
4,723	3,849	2,834	2,316	1,985	1,650	Non-current liabilities ³
9,831	9,458	8,088	7,512	6,898	6,499	Equity and non-current liabilities ⁴
92.9	86.8	71.0	71.8	75.8	78.0	as % of tangible, intangible and investment assets
19,802	19,803	19,482	16,854	15,465	15,457	Balance sheet total
31,010	29,501	26,190	24,857	21,341	17,355	Cost of materials
6,128	5,888	5,398	4,762	4,596	4,002	Personnel costs
-37	327	118	48	15	-60	Taxes
424	747	392	615	350	310	Net profit
424 ⁶	419	392	351	350	310	Dividend
0.64	0.62	0.58	0.52	0.52	0.46	per share of common stock
0.66	0.64	0.60	0.54	0.54	0.48	per share of preferred stock

Financial Calendar

Annual Accounts Press Conference ————— 17 March 2010
Financial Analysts' Meeting ————— 18 March 2010
Quarterly Report to 31 March 2010 ————— 5 May 2010
Annual General Meeting ————— 18 May 2010
Quarterly Report to 30 June 2010 ————— 3 August 2010
Quarterly Report to 30 September 2010 ————— 3 November 2010

Annual Report 2010 ————— 15 March 2011
Annual Accounts Press Conference ————— 15 March 2011
Financial Analysts' Meeting ————— 16 March 2011
Quarterly Report to 31 March 2011 ————— 4 May 2011
Annual General Meeting ————— 12 May 2011
Quarterly Report to 30 June 2011 ————— 2 August 2011
Quarterly Report to 30 September 2011 ————— 3 November 2011

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