# Quarterly Report
to 30 September 2009

Q1 — Q2 — **Q3**

Rolls-Royce
Motor Cars Limited

# BMW Group

# BMW Group in figures

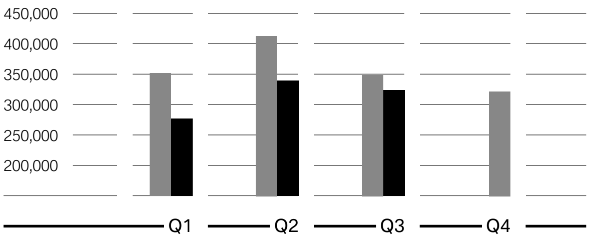


| | | **3rd quarter 2009** | 3rd quarter 2008 | Change in % |
|---|---|---|---|---|
| **Deliveries to customers** | | | | |
| Automobiles | units | **324,100** | 349,098 | –7.2 |
| Motorcycles[1] | units | **22,741** | 24,818 | –8.4 |
| **Vehicle production** | | | | |
| Automobiles | units | **333,783** | 334,976 | –0.4 |
| Motorcycles[2] | units | **15,646** | 23,284 | –32.8 |
| **Workforce at end of quarter** | | | | |
| BMW Group | | **98,358** | 103,850 | –5.3 |
| **Financial figures** | | | | |
| **Operating cash flow**[3] | euro million | **654** | **1,387** | **–52.8** |
| **Revenues** | euro million | **11,759** | **12,588** | **–6.6** |
| **Profit/loss before financial result (EBIT)** | euro million | **55** | **387** | **–85.8** |
| Automobiles | euro million | **–76** | 141 | – |
| Motorcycles | euro million | **–3** | –5 | 40.0 |
| Financial Services | euro million | **89** | –26 | – |
| Other Entities | euro million | **8** | 180 | –95.6 |
| Eliminations | euro million | **37** | 97 | –61.9 |
| **Profit/loss before tax** | euro million | **126** | **279** | **–54.8** |
| Automobiles | euro million | **–154** | 18 | – |
| Motorcycles | euro million | **–5** | –7 | 28.6 |
| Financial Services | euro million | **94** | –17 | – |
| Other Entities | euro million | **40** | 205 | –80.5 |
| Eliminations | euro million | **151** | 80 | 88.8 |
| **Income taxes** | euro million | **–48** | **19** | **–** |
| **Net profit** | euro million | **78** | **298** | **–73.8** |
| **Earnings per share**[4] | euro | **0.12/0.12** | **0.45/0.45** | **–73.3/–73.3** |

[1] excluding Husqvarna Motorcycles (2,926 motorcycles)
[2] including BMW G 650 X assembly at Piaggio S.p.A., Noale, Italy, excluding Husqvarna Motorcycles (2,981 motorcycles)
[3] cash inflow from operating activities of the Automobiles segment
[4] Calculated for common/preferred stock in accordance with IAS 33. In computing earnings per share of preferred stock, earnings to cover the additional dividend of euro 0.02 per share of preferred stock are spread over the quarters of the corresponding financial year.

## Deliveries of automobiles

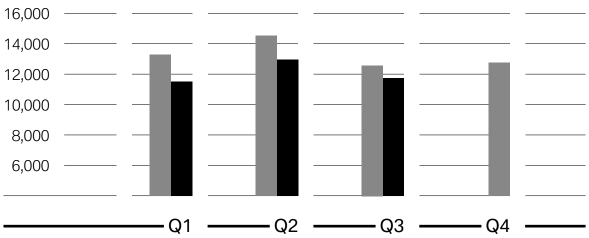
in units




| | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| 2008 | 351,787 | 413,087 | 349,098 | 321,904 |
| **2009** | **277,264** | **338,190** | **324,100** | |

## Revenues

in euro million



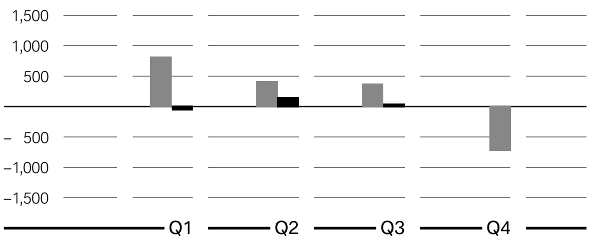

| | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| 2008 | 13,285 | 14,552 | 12,588 | 12,772 |
| **2009** | **11,509** | **12,971** | **11,759** | |

| | | 1 January to 30 September 2009 | 1 January to 30 September 2008 | Change in % |
|---|---|---|---|---|
| **Deliveries to customers** | | | | |
| Automobiles | units | **939,554** | 1,113,972 | –15.7 |
| Motorcycles[1] | units | **69,715** | 80,750 | –13.7 |
| **Vehicle production** | | | | |
| Automobiles | units | **907,429** | 1,154,282 | –21.4 |
| Motorcycles[2] | units | **65,909** | 83,845 | –21.4 |
| **Workforce at end of quarter** | | | | |
| BMW Group | | **98,358** | 103,850 | –5.3 |
| **Financial figures** | | | | |
| **Operating cash flow**[3] | euro million | **2,763** | **3,770** | **–26.7** |
| **Revenues** | euro million | **36,239** | **40,425** | **–10.4** |
| **Profit/loss before financial result (EBIT)** | euro million | **169** | **1,639** | **–89.7** |
| Automobiles | euro million | **–358** | 1,155 | – |
| Motorcycles | euro million | **51** | 87 | –41.4 |
| Financial Services | euro million | **234** | 92 | – |
| Other Entities | euro million | **46** | 304 | –84.9 |
| Eliminations | euro million | **196** | 1 | – |
| **Profit/loss before tax** | euro million | **79** | **1,522** | **–94.8** |
| Automobiles | euro million | **–783** | 882 | – |
| Motorcycles | euro million | **45** | 80 | –43.8 |
| Financial Services | euro million | **247** | 131 | 88.5 |
| Other Entities | euro million | **82** | 542 | –84.9 |
| Eliminations | euro million | **488** | –113 | – |
| **Income taxes** | euro million | **–32** | **–230** | **86.1** |
| **Net profit** | euro million | **47** | **1,292** | **–96.4** |
| **Earnings per share**[4] | euro | **0.06/0.07** | **1.97/1.98** | **–97.0/–96.5** |

[1] excluding Husqvarna Motorcycles (7,793 motorcycles)
[2] including BMW G 650 X assembly at Piaggio S.p.A., Noale, Italy, excluding Husqvarna Motorcycles (7,098 motorcycles)
[3] cash inflow from operating activities of the Automobiles segment
[4] Calculated for common/preferred stock in accordance with IAS 33. In computing earnings per share of preferred stock, earnings to cover the additional dividend of euro 0.02 per share of preferred stock are spread over the quarters of the corresponding financial year.

## Profit/loss before financial result

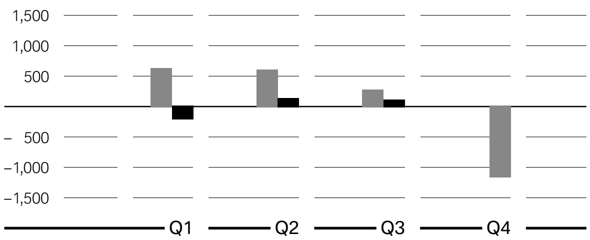
in euro million




| | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| 2008 | 827 | 425 | 387 | –718 |
| **2009** | **–55** | **169** | **55** | |

## Profit/loss before tax

in euro million




| | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| 2008 | 641 | 602 | 279 | –1,171 |
| **2009** | **–198** | **151** | **126** | |

# Interim Group Management Report
## The BMW Group – an Overview



The BMW Group's reported results for the third quarter and for the first nine months of 2009 were dampened by the impact of the international economic and financial crisis and by intense competition on the automobile markets. Although there were some early signs of recovery, particularly in August and September, and the pace of decline in sales volumes slowed down, the number of cars and motorcycles sold in the nine-month period up to September 2009 was well down on those seen one year earlier.

**Third-quarter car sales volume down on last year**
The BMW Group sold 324,100 BMW, MINI and Rolls-Royce brand cars worldwide during the third quarter, 7.2 % fewer than in the previous year. Car sales for the nine-month period from January to September 2009 fell by 15.7 % to 939,554 units.

Third-quarter sales volume recorded by the Motorcycles segment decreased by 8.4 % to 22,741 units. The number of motorcycles sold during the nine-month period fell by 13.7 % to 69,715 units.

At 30 September 2009, the Financial Services segment was managing a portfolio of 3,053,166 lease and credit financing contracts with retail customers and dealers, 2.8 % more than at the same reporting date one year earlier.

**Revenues and earnings hard hit by adverse external business conditions**
Third-quarter revenues of the BMW Group fell by 6.6 % to euro 11,759 million, reflecting the sales volume decreases caused by the weak state of the economy and the competitive environment. Revenues for the nine-month period totalled euro 36,239 million and were therefore 10.4 % down on the previous year. Excluding the exchange rate impact, revenues would have fallen by 11.6 %.

Earnings were also down on the previous year. The BMW Group reports a third-quarter profit before financial result (EBIT) of euro 55 million (– 85.8 %). The EBIT for the nine-month period fell by 89.7 % to euro 169 million.

The knock-on effects of a weak global economy also impacted profit before tax, which fell for the third quarter by 54.8 % to euro 126 million. The profit before tax for the nine-month period of euro 79 million was 94.8 % down on the previous year's figure.

The BMW Group reports a net profit of euro 78 million (– 73.8 %) for the third quarter and a net profit of euro 47 million (– 96.4 %) for the nine-month period.

**Workforce further reduced**
The BMW Group had a workforce of 98,358 employees at 30 September 2009 (– 5.3 %) and continues to use natural fluctuation, pre-retirement part-time working arrangements and voluntary employment contract termination agreements to control the size of the workforce. Thanks to forward-looking personnel planning, the number of employees has been reduced continuously without any extraordinary measures having to be taken. In contrast to this general trend, the BMW Group continues to recruit specialists in a number of areas, particularly in the field of research and development. During the first nine months of 2009, for example, more than 200 new employees were recruited in Germany. In addition, even during difficult times, the BMW Group continues to show its responsibility in the area of training: 1,118 apprentices were taken on in 2009, 1,080 of them in Germany.

**BMW Group again sector leader in the Dow Jones Sustainability Index World**
At the beginning of September 2009, the BMW Group once again was ranked industry leader in the Dow Jones Sustainability Index. This means that the BMW Group has been the most sustainable car manufacturer in the world for the fifth time in succession. At the end of September 2009, the BMW Group was included in the Carbon Disclosure Leadership Index, thus confirming from the viewpoint of the Carbon Disclosure Project (CDP) – a joint initiative of 475 investors with global operations – that the BMW Group is making an exemplary contribution to climate protection.

**BMW Group showcases numerous innovations at the IAA**
The BMW Group presented an array of new models and concept vehicles to the public at this year's IAA in Frankfurt. This included the BMW Vision Efficient Dynamics concept vehicle in which the BMW Group's Efficient Dynamics strategy has been further enhanced and blended with the typical sporting flair of a BMW. The car is powered by a new three-cylinder turbo diesel engine and two innovative electric motors, one driving each axle. It can be fully electrically driven, exclusively by the turbo diesel motor or with an infinitely variable combination of all three power sources.

Fuel consumption has been reduced to a mere 3.76 litres per 100 kilometres, which is equivalent to $CO_2$ emissions of only 99 grams per kilometre. Furthermore, five BMW automobiles made their world debut at the IAA. The BMW 5 Series Gran Turismo is an innovative and intelligent vehicle concept and highly variable at the same time. As a real touring sedan, it is both luxuriously equipped and extremely spacious. The BMW X1 combines the typical features of the BMW X models with the driving characteristics and high fuel economy of the BMW 1 Series. The BMW ActiveHybrid X6 is the fastest four-wheel-drive hybrid in the world and can also be driven entirely electrically over short distances. This innovative hybrid uses 20 % less petrol than the conventional BMW X6. Like the BMW ActiveHybrid X6 the BMW ActiveHybrid 7 Series is also powered by a V8 TwinPower turbo engine. It is supplemented by an electric motor that provides additional power, especially when starting and accelerating, and reclaims energy when braking. The BMW ActiveHybrid 7 Series accelerates extremely dynamically with some 15 % less fuel and emissions compared to the conventionally powered model. The BMW 320d Efficient Dynamics Edition presented by the BMW Group embraces the entire Efficient Dynamics technology package. This BMW 3 Series Sedan, with its 163 HP, is an extremely sporty car that only requires 4.1 litres of fuel per 100 kilometres and emits only 109 grams of $CO_2$ emissions per kilometre.

The BMW Group also presented two MINI brand concept cars at the IAA: the MINI Coupé Concept and the MINI Roadster Concept. The MINI Coupé Concept is a dynamic two-seater sports car whose distinctive roof line brings to mind the shape of a bridge. The MINI Roadster Concept adds a new, emotional dimension to open-top driving. The Roadster underlines the car's sporting flair with extremely short overhangs. The BMW Group also confirmed the launch of a MINI Crossover for 2010.

The Rolls-Royce Ghost also celebrated its world debut at the IAA. The Ghost has been created for smooth and pleasurable driving. The suspension system ensures a uniquely dynamic motoring experience for the driver and the highest possible degree of comfort for the passengers.

**BMW Group still holds leading role in efforts to reduce $CO_2$ emissions**

The BMW Group has been working intensively for years to reduce $CO_2$ emission levels. This was confirmed again in September 2009 by the Federal Motor Transport Authority. Current statistics calculated by the authority show that the average $CO_2$ emissions of BMW and MINI brand vehicles newly registered in Germany during the first half of 2009 amounted to 156 grams per kilometre. The BMW Group therefore also beats European volume manufacturers, putting it on a par with numerous car manufacturers whose product portfolios include a relatively high proportion of small and supermini cars. In addition, the BMW Group has cut the fuel consumption of its vehicles sold in Europe since 1995 by almost 27 %, even exceeding the requirements of the voluntary commitment given by the Association of European Automobile Manufacturers (ACEA) for their respective brands. According to a study of the European Federation for Transport and Environment (T&E) that appeared in autumn 2009, with its reduction of 10.2 %, the BMW Group managed to achieve the highest reduction of $CO_2$ emissions amongst the new vehicle fleets of all European car manufacturers in 2008. The competitive lead enjoyed by the BMW Group results from the package of measures known as Efficient Dynamics, which is designed to boost fuel economy and reduce $CO_2$ emissions.

**Situation on international automobile markets remains tense**

Against a backdrop of worldwide recession, international automobile markets contracted by approximately one tenth during the first three quarters of 2009. The automobile industry has thus been severely hit by the impact of the financial crisis on the global economy. Markets in both industrial and emerging regions have performed divergently, partly reflecting the various economic stimulus programmes adopted by individual countries.

The premium segment of the international car markets was unable to escape the impact of the worldwide decline in demand. The premium segment hardly benefited at all from the extra demand created by state-funded programmes, which resulted primarily in a sales boost for small vehicles in the non-premium segment.

In the USA – until now the world's largest car market – demand continues to suffer from the knock-on effects of the financial crisis, which are most clearly reflected in the collapse of the property markets and a sharp increase in unemployment. The situation in the USA is exacerbated by the large proportion of car purchases that are credit-financed. New registrations in the USA are therefore still down by more than one quarter on the previous year. The scrappage programme “Cash for Clunkers”, which recently came to an end, was only able to create short-lived momentum.

In Germany, by contrast, demand for cars increased year-on-year by more than one quarter as a result of the scrappage bonus. In France, a similar programme helped to transform a market collapse at the beginning of the year into a small positive growth rate. In Italy and the United Kingdom, state subsidised programmes at least helped to make the effects of the heavy losses at the beginning of the year somewhat less severe over the course of 2009. The situation in Japan was similar.

With the help of a range of state-funded measures, the Chinese government helped to create conditions in which the domestic automobile market (including lightweight commercial vehicles) was able to grow by more than one third. Thus, China has now become the world’s largest automobile market for the first time. Amongst the other newly emerging economies, the automobile markets in Brazil and India also recorded single-figure growth rates thanks to state-funded measures. By contrast, the boom experienced by the Russian automobile market in recent years came to an abrupt end with demand falling by one half. Most Eastern European and Latin American automobile markets also suffered high double-digit contraction.

**International motorcycle markets remain weak**

The negative trend on international motorcycle markets continued throughout the third quarter 2009. As a consequence, the 500 cc plus motorcycles segment relevant for the BMW Group contracted sharply (by 31.5 %) during the period from January to September 2009. Motorcycle sales were down in all European markets, resulting in an overall drop of 21.9 % for the nine-month period. While markets in France (– 10.0 %) and the United Kingdom (– 8.9 %) experienced a relatively moderate decline, the decreases registered in Germany (– 15.5 %), Italy (– 22.5 %) and Spain (– 58.3 %) were substantial. Motorcycle sales in the USA were down by 43.0 % for the nine-month period. In Japan, the market for 500 cc plus motorcycles contracted by 15.2 %.

**First signs of recovery ease pressure on financial markets**

National economic stimulus programmes, initiated to cushion the impact of the worldwide recession, have provided impetus for economic growth. On the back of such programmes, following the lead of China and other Asian emerging economies, Germany and the USA have also succeeded in overcoming the recession. Other European countries, with the exception of Spain, have also begun to recover.

Although central banks have supplied large amounts of liquidity to the markets, banks remained reluctant to approve new loans. Developments on the employment market continue to pose a risk for sustainable economic recovery.

Reference interest rates remained stable during the third quarter, with reductions only being made in isolated cases. Interest rates within the medium-term maturity segment again fell slightly compared to the second quarter, reflecting subdued expectations of inflation.

While used car markets continued to stabilise in North America and the United Kingdom, the markets in continental Europe continued to perform poorly in the third quarter 2009.

### Sales volume decline slows down in third quarter

The BMW Group sold 324,100 BMW, MINI and Rolls-Royce brand cars worldwide during the third quarter 2009, 7.2% fewer than in the same quarter one year earlier. This figure comprises 263,864 BMW brand vehicles (–9.2%), 60,104 MINI brand vehicles (+3.4%) and 132 Rolls-Royce brand vehicles (–60.2%).

The number of cars sold by the BMW Group during the first nine months of 2009 fell by 15.7% to 939,554 units. A total of 777,455 BMW brand cars were handed over to customers during this period, a decrease of 16.2% on the previous year. The MINI brand sold 161,638 units during the period from January to September 2009, 12.6% down on last year's figure. Rolls-Royce's nine-month sales volume figure fell by 44.3%, with 461 cars handed over to customers during the period.

### First signs of recovery in the third quarter

Even though the end of the worldwide economic and financial crisis is not yet in sight, the first signs of a trend towards recovery were visible in many car markets, particularly in August and September. Whereas the drop in sales volume was well above 20% in North America in the first half of the year, this was reduced to 14.5% in the third quarter 2009 (73,147 units). At 201,076 units, the BMW Group's nine-month sales volume figure was 22.0% down on the previous year. The BMW Group sold a total of 64,816 cars in the USA during the third quarter 2009, 17.5% fewer than in the corresponding quarter last year. Sales volume in the USA fell by 24.2% to 179,364 units for the nine-month period.

In Europe, too, the first signs of recovery began to emerge in numerous countries during the third quarter 2009. The third-quarter sales volume of 184,482 units was nevertheless 9.5% lower than that recorded one year earlier. In total, 559,487 units (–17.0%) were sold in Europe during the period from January to September 2009. In Germany, currently the BMW Group's largest single market, third-quarter sales fell by 9.2% to 59,939 units. The sales volume figure in this market was 201,601 units (–5.1%) for the nine-month period.

In the United Kingdom, the sales performance of the MINI brand (11,717 units/+6.7%) was the prime reason that the total sales volume (39,039 units) was only 4.1% down on the previous year. The nine-month sales volume fell by 21.8% to 99,701 units. Sales were also down in Italy (55,469 units/–21.6%), France (47,293 units/–11.8%) and Spain (28,596 units/–39.3%) for the nine-month period.

The BMW Group recorded a good sales performance in Asia, especially on the Chinese markets, both for the third quarter 2009 and for the nine-month period. In total, 47,845 units (13.8%) were sold in Asia in the quarter from July to September 2009. The number of cars sold in the nine-month period edged up by 3.1% to 129,557 units. A nine-month sales volume figure of 67,463 units (+23.7%) was recorded for China, which has meanwhile become the BMW Group's largest single market in Asia. An all-time high of 9,532 units was achieved on the Chinese markets in August 2009. By contrast, the number of cars sold in Japan during the nine-month period fell by 20.4% to 30,963 units.

### BMW brand sales volumes down on previous year

The BMW Group sold a total of 164,114 units of the BMW 1 Series during the nine-month period from January to September 2009, 5.6% fewer than one year earlier. Sales of the BMW 3 Series fell by 20.6% to 292,466 units. A total of 127,363 units of the BMW 5 Series were handed over to customers during the reporting period, 17.6% down on the previous year. Sales of the BMW 6 Series fell by 47.5% to 7,078 units.

The new BMW 7 Series and BMW Z4 models are receiving highly positive acclaim in the media and amongst customers. The nine-month sales volume performance of the BMW 7 Series (33,409 units) was well ahead (+13.8%) of the previous year's figures. Sales of the BMW Z4 rose by 7.3% to 16,928 units.

In contrast, neither the BMW X3 nor the BMW X5 were able to match the high sales volume levels achieved one year earlier, with 41,368 units of the BMW X3 (–36.9%) and

Automobiles

| | | **3rd quarter 2009** | 3rd quarter 2008 | Change in % |
|---|---|---|---|---|
| Deliveries to customers | units | **324,100** | 349,098 | –7.2 |
| Production | units | **333,783** | 334,976 | –0.4 |
| Revenues | euro million | **10,178** | 11,113 | –8.4 |
| Loss/profit before financial result (EBIT) | euro million | **–76** | 141 | – |
| Loss/profit before tax | euro million | **–154** | 18 | – |
| Workforce at end of quarter | | **91,462** | 96,438 | –5.2 |

## Automobiles

| | | **1 January to 30 September 2009** | 1 January to 30 September 2008 | Change in % |
|---|---|---|---|---|
| Deliveries to customers | units | **939,554** | 1,113,972 | –15.7 |
| Production | units | **907,429** | 1,154,282 | –21.4 |
| Revenues | euro million | **30,610** | 37,029 | –17.3 |
| Loss / profit before financial result (EBIT) | euro million | **–358** | 1,155 | – |
| Loss / profit before tax | euro million | **–783** | 882 | – |

64,270 units of the BMW X5 (– 30.0 %) sold during the first nine months of the year. The BMW X6 recorded a sales volume of 30,459 units for the period from January to September 2009, which means that more than 57,000 units of this model have been delivered since its market launch in April 2008.

## Deliveries of BMW automobiles by model variant

in units

| | **1 January to 30 September 2009** | 1 January to 30 September 2008 | Change in % |
|---|---|---|---|
| **BMW 1 Series** | | | |
| Three-door | **33,082** | 39,257 | –15.7 |
| Five-door | **89,926** | 93,567 | –3.9 |
| Coupé | **18,027** | 20,314 | –11.3 |
| Convertible | **23,079** | 20,634 | 11.8 |
| | **164,114** | **173,772** | **–5.6** |
| **BMW 3 Series** | | | |
| Sedan | **159,024** | 188,625 | –15.7 |
| Touring | **62,144** | 68,882 | –9.8 |
| Coupé | **41,305** | 64,387 | –35.8 |
| Convertible | **29,993** | 46,471 | –35.5 |
| | **292,466** | **368,365** | **–20.6** |
| **BMW 5 Series** | | | |
| Sedan | **100,548** | 120,022 | –16.2 |
| Touring | **26,815** | 34,583 | –22.5 |
| | **127,363** | **154,605** | **–17.6** |
| **BMW 6 Series** | | | |
| Coupé | **3,609** | 6,949 | –48.1 |
| Convertible | **3,469** | 6,531 | –46.9 |
| | **7,078** | **13,480** | **–47.5** |
| **BMW 7 Series** | | | |
| | **33,409** | **29,355** | **13.8** |
| **BMW X3** | | | |
| | **41,368** | **65,584** | **–36.9** |
| **BMW X5** | | | |
| | **64,270** | **91,853** | **–30.0** |
| **BMW X6** | | | |
| | **30,459** | **15,444** | **–** |
| **BMW Z4 Series** | | | |
| | **16,928** | **15,772** | **7.3** |
| **BMW total** | **777,455** | **928,230** | **–16.2** |

### MINI brand volumes up in third quarter

The BMW Group sold 60,104 MINI brand cars worldwide during the third quarter 2009, surpassing the previous year's performance by 3.4 %. The sales volume for the nine-month period fell by 12.6 % to 161,638 units. The convertible version, which has been available since the end of March 2009, performed particularly well in the third quarter, with sales almost doubling to 10,074 units (+ 91.3 %) compared to the previous year.

Deliveries of MINI automobiles by model variant

in units

| | **1 January to 30 September 2009** | 1 January to 30 September 2008 | Change in % |
|---|---|---|---|
| **MINI** | | | |
| One | **28,190** | 21,258 | 32.6 |
| Cooper | **56,933** | 72,099 | –21.0 |
| Cooper S | **25,488** | 33,451 | –23.8 |
| | **110,611** | **126,808** | **–12.8** |
| **MINI Convertible** | | | |
| One | **178** | 3,884 | – |
| Cooper | **12,999** | 11,142 | 16.7 |
| Cooper S | **9,094** | 6,952 | 30.8 |
| | **22,271** | **21,978** | **1.3** |
| **MINI Clubman** | | | |
| One | **1,371** | – | – |
| Cooper | **18,649** | 24,594 | –24.2 |
| Cooper S | **8,736** | 11,535 | –24.3 |
| | **28,756** | **36,129** | **–20.4** |
| **MINI total** | **161,638** | **184,915** | **–12.6** |

### Rolls-Royce brand below last year's figures

Sales of Rolls-Royce brand cars were well down on the previous year both for the third quarter and for the nine-month period. In total, 132 Rolls-Royces were handed over to customers during the period from July to September (– 60.2 %). The sales volume figure for the nine-month period fell by 44.3 % to 461 units. The Rolls-Royce Ghost – which will become available worldwide from 2010 onwards – has received a positive response from customers and the media alike. The scheduled production volume of this vehicle until well into 2010 is already covered by customer orders.

Deliveries of Rolls-Royce automobiles by model variant

in units

| | **1 January to 30 September 2009** | 1 January to 30 September 2008 | Change in % |
|---|---|---|---|
| **Rolls-Royce** | | | |
| Phantom (including Phantom Extended Wheelbase) | **191** | 475 | –59.8 |
| Drophead Coupé | **148** | 325 | –54.5 |
| Coupé | **122** | 27 | – |
| **Rolls-Royce total** | **461** | **827** | **–44.3** |

**Car production volumes adapted to demand**
333,783 BMW, MINI and Rolls-Royce brands cars were produced during the third quarter, similar to the level one year earlier (– 0.4 %). During this period 275,484 BMW brand cars left the various plants, up 1.2 % on the previous year. This was mainly due to the initial stocking up of new models of the BMW X1 and the BMW 5 Series GT at dealerships. At the Oxford plant in England, a total of 58,068 MINI cars rolled off production lines (– 6.9 %) during the period from July to September 2009, while 231 Rolls-Royce cars were manufactured at the Goodwood plant (– 39.7 %). Production of the new Rolls-Royce Ghost commenced at the Goodwood plant during the third quarter 2009.

The BMW Group began to adapt car production volumes to changing demand at an early stage in the face of global recession. Production volume for the first nine months of the year therefore fell by 21.4 % to 907,429 units, comprising 755,684 BMW brand cars (– 21.7 %), 151,255 MINI brand cars (– 19.6 %) and 490 Rolls-Royce brand cars (– 51.7 %).

**Automobiles segment revenues and earnings down in line with expectations**
Revenues and earnings of the BMW Group's Automobiles segment were adversely affected by unfavourable business conditions and the competitive environment in both the third quarter and the nine-month period under report. Automobiles business revenues for the period from July to September 2009 fell by 8.4 % to euro 10,178 million, while revenues for the nine-month period amounted to euro 30,610 million (– 17.3 %). The third-quarter and nine-month EBIT recorded by the Automobiles segment amounted to euro – 76 million (2008: euro 141 million) and euro – 358 million (2008: euro 1,155 million) respectively. The previous year's results were also not matched at a profit-before-tax level. The third-quarter and nine-month pre-tax loss amounted to euro 154 million (2008: profit of euro 18 million) and euro 783 million (2008: profit of euro 882 million) respectively.

**Reduction in Automobiles segment workforce**
The BMW Group had a worldwide workforce of 91,462 employees in the Automobiles segment at 30 September 2009, 5.2 % fewer than one year earlier.

### Third-quarter motorcycle sales down

The BMW Group sold 22,741 motorcycles worldwide during the third quarter 2009, down 8.4 % on the previous year. The sales volume for the nine-month period fell by 13.7 % to 69,715 units. In total, 48,969 BMW motorcycles were sold in Europe during the period from January to September 2009, a decrease of 17.4 %. Although sales volume reductions were recorded in a number of European countries, the BMW Group was able to gain market share as the contraction of the market as a whole was even greater. The nine-month sales figure for Germany was 11,613 units, down by 20.8 % on the previous year. Similarly, last year's nine-month sales performance was not matched either in Spain (4,874 units / – 35.8 %) or in France (5,511 units / – 18.6 %). In contrast, the BMW Group sold 5,026 units in the United Kingdom, 6.9 % more than in the corresponding nine-month period last year.

Despite the dramatic contraction of the US market by almost one half, a total of 7,556 BMW motorcycles were handed over to customers during the nine-month period under report (– 10.5 %). In a contrasting trend, the sales volume figure of 1,645 motorcycles achieved in Canada corresponded to an increase of 13.4 %, even though the overall market suffered a similar sharp drop. With 2,082 units sold, the decrease in the nine-month sales volume in Japan was a moderate 4.4 %.

### Motorcycle production adjusted to demand

As a reaction to declining sales volumes in the wake of the economic situation, motorcycle production volumes at the Berlin plant were reduced selectively, both in the third quarter and over the nine-month period. The BMW Group manufactured 15,646 BMW motorcycles during the period from July to September 2009, 32.8 % fewer than in the third quarter 2008. A total of 65,909 motorcycles came off the production lines during the first nine months of the year, a reduction of 21.4 %.

### Revenues and earnings of the Motorcycles segment down

The lower sales volume performance is also reflected in the revenues and earnings of the Motorcycles segment. Third-quarter revenues of euro 239 million were 11.8 % down on the previous year. Revenues for the nine-month period amounted to euro 865 million (– 14.2 %). Third-quarter EBIT increased by 40.0 % to a loss of euro 3 million while third-quarter loss before tax was at euro 5 million (+ 28.6 %). The nine-month EBIT came in at euro 51 million (– 41.4 %) and the profit before tax at euro 45 million (– 43.8 %).

### Motorcycles segment workforce below previous year's level

The BMW Group employed a workforce of 2,897 people in the Motorcycles segment at 30 September 2009, 4.1 % fewer than one year earlier.

Motorcycles

| | | **3rd quarter 2009** | 3rd quarter 2008 | Change in % |
|---|---|---|---|---|
| Deliveries to customers[1] | units | **22,741** | 24,818 | –8.4 |
| Production[2] | units | **15,646** | 23,284 | –32.8 |
| Revenues | euro million | **239** | 271 | –11.8 |
| Loss before financial result (EBIT) | euro million | **–3** | –5 | 40.0 |
| Loss before tax | euro million | **–5** | –7 | 28.6 |
| Workforce at end of quarter | | **2,897** | 3,021 | –4.1 |

[1] excluding Husqvarna Motorcycles (2,926 motorcycles)
[2] including BMW G 650 X assembly at Piaggio S. p. A., Noale, Italy, excluding Husqvarna Motorcycles (2,981 motorcycles)

| | | **1 January to 30 September 2009** | 1 January to 30 September 2008 | Change in % |
|---|---|---|---|---|
| Deliveries to customers[1] | units | **69,715** | 80,750 | –13.7 |
| Production[2] | units | **65,909** | 83,845 | –21.4 |
| Revenues | euro million | **865** | 1,008 | –14.2 |
| Profit before financial result (EBIT) | euro million | **51** | 87 | –41.4 |
| Profit before tax | euro million | **45** | 80 | –43.8 |

[1] excluding Husqvarna Motorcycles (7,793 motorcycles)
[2] including BMW G 650 X assembly at Piaggio S. p. A., Noale, Italy, excluding Husqvarna Motorcycles (7,098 motorcycles)

## Financial Services segment performs well

The Financial Services segment performed well during the period under report despite the ongoing tense situation on international automobile markets and the fact that credit financing continues to be affected by high levels of risk.

Compared to 31 December 2008, the segment's business volume in balance sheet terms decreased by 2.6% to euro 59,055 million. A total of 3,053,166 lease and financing contracts was in place with dealers and retail customers at the balance sheet date, 2.8% more than one year earlier.

## Lower volume of new business with credit financing and leasing contracts

The impact of the worldwide recession is also being felt in the credit financing and leasing lines of business. In this context, a total of 266,570 new contracts were signed with retail customers during the third quarter 2009, representing a 14.9% reduction against the same quarter last year. New retail customer business also decreased for the nine-month period, with 752,257 contracts signed worldwide (–18.3%). New leasing business decreased by 31.1% during the same period. The number of new credit financing contracts decreased by 11.7%, while customer creditworthiness remained at a high level. Lease contracts accounted for 28.9% of total new business, 5.4 percentage points lower than in the corresponding period last year, reflecting a targeted change in the proportion of new customer business in favour of credit financing business. Credit financing contracts accounted for 71.1% of new business. The proportion of new BMW Group cars leased or financed by the Financial Services segment was 48.9%, an increase of 0.9 percentage points compared to the previous year.

In the used car financing line of business, 235,353 new contracts for BMW and MINI brand cars were signed during the first nine months of 2009, up 5.2% on the previous year's figure.

The total volume of all new credit and leasing contracts concluded with retail customers during the nine-month period under report amounted to euro 18,334 million, 18.0% less than in the corresponding period last year.

The reduction in new business has not yet begun to affect the overall size of the portfolio. The total number of retail customer contracts increased by 2.8% to 3,053,166 units, with growth recorded in all regions. The contract portfolio grew in Europe (including Germany) by 2.1% and by 2.9% in the Asia/Oceania/Africa region. The biggest increase was registered in the Americas region (6.7%).

## Dealer financing volumes down on previous year

The Financial Services segment offers inventories, real estate and equipment financing products for dealers, thus ensuring that it remains a key partner for dealerships, par-

Financial Services

| | | **3rd quarter 2009** | 3rd quarter 2008 | Change in % |
|---|---|---|---|---|
| New contracts with retail customers | | **266,570** | 313,173 | –14.9 |
| Revenues | euro million | **3,831** | 4,084 | –6.2 |
| Profit/loss before financial result (EBIT) | euro million | **89** | –26 | – |
| Profit/loss before tax | euro million | **94** | –17 | – |
| Workforce at end of quarter | | **3,884** | 4,275 | –9.1 |

| | | **1 January to 30 September 2009** | 1 January to 30 September 2008 | Change in % |
|---|---|---|---|---|
| New contracts with retail customers | | **752,257** | 921,314 | –18.3 |
| Revenues | euro million | **12,058** | 11,818 | 2.0 |
| Profit before financial result (EBIT) | euro million | **234** | 92 | – |
| Profit before tax | euro million | **247** | 131 | 88.5 |

Financial Services

| | | 30.9.2009 | 31.12.2008 | Change in % |
|---|---|---|---|---|
| Business volume in balance sheet terms* | euro million | **59,055** | 60,653 | –2.6 |

* calculated on the basis of the Financial Services segment balance sheet

ticularly in difficult economic times. The total volume of dealer financing contracts managed by the Financial Services segment at the end of the third quarter 2009 stood at euro 8,147 million, thus falling short of the previous year's level (–6.4%) as a result of lower numbers of deliveries to dealerships.

**Fleet business remains stable, multi-brand financing down**

Fleet business remained stable during the first nine months of 2009, despite the ongoing difficult economic environment. At the end of the period under report, the Group's fleet management entities were managing a portfolio of 325,850 contracts worldwide, 3.3% up on the number being handled one year earlier.

With a more restrictive credit approval policy still in place, the number of new contracts in the multi-brand financing line of business decreased by 56.1%. A total of 58,474 new contracts was signed during the nine-month period under report.

**Deposit volumes at a high level**

The Financial Services segment's deposit volume worldwide increased by 70.2% (compared to 30 September 2008) to euro 9,942 million due to the attractive conditions offered. A total of 26,842 (–15.6%) securities custodian accounts was maintained at the end of the reporting period.

**Insurance business continues to grow steadily**

In addition to financing and leasing products, the Financial Services segment also offers customers insurance services. Demand for these products remained strong throughout the period under report. In total, 1,268,999 insurance contracts were in place at the balance sheet date, 25.7% more than one year earlier.

**Financial Services segment earnings up on previous year**

The impact of the worldwide recession on the BMW Group's financial services business was again evident during the period under report. The Financial Services segment has nevertheless performed well in the midst of unfavourable business conditions. Third-quarter EBIT increased to euro 89 million (2008: loss of euro 26 million), while profit before tax for the same period improved to euro 94 million (2008: loss of euro 17 million). EBIT for the nine-month period amounted to euro 234 million (2008: euro 92 million). The nine-month profit before tax improved by 88.5% to euro 247 million.

**Number of employees reduced**

At 30 September 2009, the Financial Services segment had 3,884 employees, 9.1% fewer than one year earlier.

## BMW stock in the third quarter 2009

First signs of a recovery of the global economy have provided a boost for the stock markets. The positive trend emerging in the second quarter 2009 continued during the third quarter of the year. The German stock index, the DAX, closed at 5,675.16 points on the last day of trading for the quarter, 18.0 % higher than at closing at both the end of the previous year and the end of the preceding quarter. The Prime Automobile sector index did not perform quite as well, rising during the third quarter only moderately by 3.9 % to 550.75 points. The index has gained 8.3 % in value since the beginning of the year.

BMW stock again performed well during the reporting period. BMW common stock finished the third quarter 2009 at a price of euro 32.95, up 22.8 % on its price at the end of the preceding quarter. Since the beginning of the year it has gained 52.5 % in value. BMW preferred stock has performed even better: up 32.6 % over the quarter and up 64.0 % over the first nine months of the year. BMW preferred stock had a market price of euro 22.73 at the end of the third quarter.

In conjunction with a growing budgetary deficit in the USA, the low-interest policy pursued by the US Reserve Bank caused the US dollar to lose value compared to its year high of approximately US dollar 1.25 to the euro in February. The exchange rate at the end of the third quarter was US dollar 1.46 to the euro, 4.5 % lower than the closing rate at the end of the previous year. The US dollar has lost 4.1 % in value since the end of the preceding quarter.

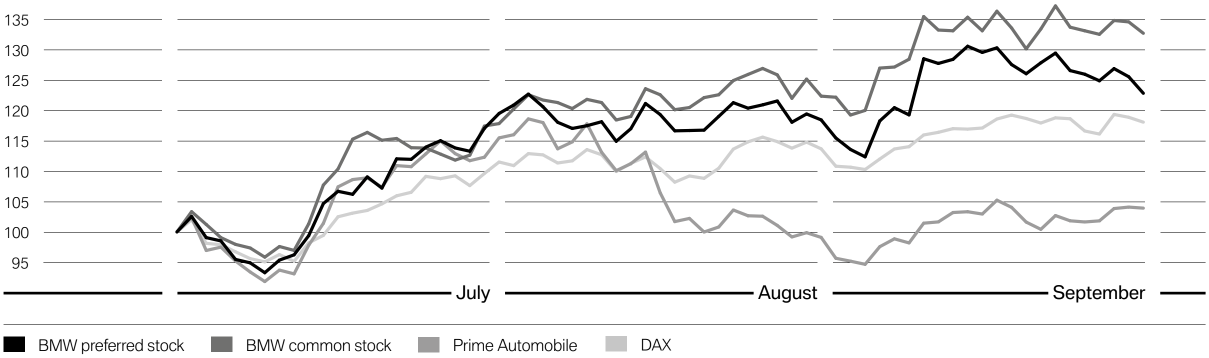
## Liquidity base remains strong, refinancing still working well

The BMW Group continues to enjoy a solid liquidity base. Liquidity has been adjusted to an appropriate level in response to more stable conditions on the international financial markets. The second tranche of German pension obligations was transferred to an external fund during the third quarter 2009.

The BMW Group has access to a broadly diversified and flexible range of funding sources to finance its operating activities. In addition to issuing bonds, private placements and commercial paper, this also includes the use of asset-backed securities, bank credits, loan notes and customer deposits. These funds have been raised to finance the BMW Group's financial services business.

The BMW Group was again able to obtain refinancing funds on the capital markets during the third quarter 2009 in an environment of continuing volatility. During the period from July to September alone, the BMW Group issued a euro 1.5 billion benchmark bond, a British pound 300 million bond and an Australian dollar 250 million bond. This demonstrates the BMW Group's differentiated approach to using the international capital markets and attracting a variety of investor groups. In addition, private placements (denominated in various currencies) were made on the capital markets for an amount in excess of euro 600 million. Refinancing activities also included various public and private ABS transactions amounting to approximately euro 1 billion. Commercial paper was again issued at excellent conditions.

Development of BMW stock compared to stock exchange indices
(Index: 30.06.2009 = 100)



**BMW Group again sector leader in the Dow Jones Sustainability Index World**

The BMW Group was the index leader in the Dow Jones Sustainability Index World for the fifth time in succession and therefore holds the title as the world's most sustainable automobile manufacturer. In order to be included in the index, general sustainability criteria and sector-specific challenges are taken into account. The Dow Jones Sustainability Index was created in 1999 as the first global sustainability index and has been published annually since then by the SAM Group, based in Zurich, in cooperation with Dow Jones Indexes and STOXX Limited. The BMW Group is the only enterprise from the automobile sector to have been represented continuously in these important sustainable business indices since their creation.

In September 2009, the BMW Group was included for the first time in the Carbon Disclosure Leadership Index. This index is a ranking applied to companies in the Global 500 index that make an exemplary contribution to climate protection. The Carbon Disclosure Leadership Index is maintained by the audit firm PricewaterhouseCoopers (PwC) on behalf of the Carbon Disclosure Project (CDP) – a joint initiative of 475 institutional investors with global operations holding more than US dollar 55 trillion in assets.

The BMW Group keeps the public informed of its commitment and the progress made in the field of sustainable business in its Sustainable Value Report, which is published once every two years. The Sustainable Value Report 2008 can be downloaded from the internet at www.bmwgroup.com/sustainability. A printed version can also be ordered at the same address.

## Earnings performance

The BMW Group's performance in the third quarter and first nine months of 2009 was dampened by the impact of the international economic and financial crisis. In addition to sales volume decreases on major markets, reported figures were also adversely affected by intense competition.

### Earnings performance for the third quarter 2009

Group revenues fell by 6.6 % to euro 11,759 million (third quarter 2008: euro 12,588 million). Adjusted for exchange rate factors, revenues would have decreased by 7.9 %. Within Group revenues, external revenues of the Automobiles and Motorcycles segments were 5.3 % and 11.9 % below those of the corresponding quarter in 2008, in both cases due to lower sales volumes. Third-quarter external revenues of the Financial Services segment were 8.0 % down on the previous year, reflecting lower new business in the area of leasing and lower interest income from credit financing. No external revenues were generated with other activities during the third quarter 2009. In the corresponding quarter in 2008, external revenues from other activities totalled euro 49 million and related primarily to the Cirquent Group.

Group cost of sales amounted to euro 10,458 million and was therefore 4.8 % lower than in the third quarter 2008. Although fixed costs were lowered, it was not possible to compensate fully for the decrease in revenues. The third-quarter gross profit therefore fell by 18.9 % to euro 1,301 million. The gross profit margin was 11.1 % (third quarter 2008: 12.7 %). With effect from the beginning of the first quarter 2009, research and development costs are reported as cost of sales.

The gross profit margin recorded by the Automobiles segment was 9.9 % (third quarter 2008: 11.8 %) and that of the Motorcycles segment was 10.9 % (third quarter 2008: 9.6 %). The Financial Services segment's gross profit margin improved by 2.4 percentage points to 6.1 %.

Research and development costs decreased by 10.5 % compared to the third quarter 2008 and represented 5.2 % (third quarter 2008: 5.4 %) of revenues. Research and development costs include amortisation of capitalised development costs amounting to euro 312 million (third quarter 2008: euro 287 million). Total research and development costs for the third quarter 2009, comprising research costs, development costs not recognised as assets and capitalised development costs, amounted to euro 541 million (third quarter 2008: euro 709 million). For the third quarter 2009, this gives a research and development expenditure ratio of 4.6 % (third quarter 2008: 5.6 %).

Sales and administrative costs decreased by 2.4 % compared to the corresponding period last year and represented 10.8 % (third quarter 2008: 10.4 %) of revenues.

Depreciation and amortisation included in cost of sales and in sales and administrative costs amounted to euro 911 million (third quarter 2008: euro 899 million).

The positive net amount from other operating income and expenses decreased by euro 60 million compared to the third quarter last year. This was due to the higher level of income from the reversal of provisions recorded in the previous year.

As a result of the various adverse factors discussed above, the third-quarter profit before financial result fell by euro 332 million to euro 55 million.

The third-quarter financial result improved by euro 179 million to a net positive amount of euro 71 million. This was

**Revenues by segment in the third quarter**
in euro million

| | External revenues | | Inter-segment revenues | | Total revenues | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| Automobiles | **8,142** | 8,595 | **2,036** | 2,518 | **10,178** | 11,113 |
| Motorcycles | **237** | 269 | **2** | 2 | **239** | 271 |
| Financial Services | **3,380** | 3,675 | **451** | 409 | **3,831** | 4,084 |
| Other Entities | **–** | 49 | **1** | 18 | **1** | 67 |
| Eliminations | **–** | – | **–2,490** | –2,947 | **–2,490** | –2,947 |
| **Group** | **11,759** | **12,588** | **–** | **–** | **11,759** | **12,588** |

attributable mainly to net gains on derivative financial instruments, as a result of which the line item "Other financial result" increased by euro 154 million. The positive result from investments was down by euro 1 million. Within the financial result, net interest result decreased by euro 20 million. The result from equity accounted investments improved by euro 5 million.

As a result of the adverse factors previously described, the third-quarter profit before tax fell by euro 153 million to euro 126 million (third quarter 2008: euro 279 million). The pre-tax return on sales was 1.1 % (third quarter 2008: 2.2 %). The income tax expense for the quarter increased by euro 67 million. The effective tax rate was 38.1 % (third quarter 2008: positive effective tax rate of 6.8 %).

The BMW Group recorded a net profit of euro 78 million for the third-quarter 2009, euro 220 million or 73.8 % lower than the result posted for the same quarter last year. The BMW Group generated earnings per share of common stock and preferred stock of euro 0.12 during the period (third quarter 2008: euro 0.45).

### Earnings performance for the first nine months of 2009

Nine-month revenues fell by 10.4 % to euro 36,239 million. Adjusted for exchange rate factors, the decrease would have been 11.6 %. Within revenues, external revenues of the Automobiles and Motorcycles segments were 14.4 % and 14.5 % below those of the corresponding nine-month period in 2008, in both cases due to lower sales volumes. External revenues of the Financial Services segment for the nine-month period edged up by 2.3 %. External revenues generated with other activities amounted to euro 1 million. In the corresponding nine-month period in 2008, external revenues from other activities totalled euro 148 million and related primarily to the Cirquent Group.

Group cost of sales decreased by 7.2 % to euro 32,358 million, falling therefore at a slower rate than revenues. This development includes the effects of the adverse external factors previously described, the negative impact of which could not be fully offset by reduced fixed costs. The nine-month gross profit figure was therefore 30.0 % down on the previous year. The gross profit margin was 10.7 % (first nine months 2008: 13.7 %). With effect from the beginning of the first quarter 2009, research and development costs are reported as cost of sales.

The gross profit margin recorded by the Automobiles segment was 9.5 % (first nine months 2008: 12.7 %) and that of the Motorcycles segment was 16.5 % (first nine months 2008: 19.2 %). The Financial Services segment's gross profit margin improved by 0.3 percentage points to 5.4 %.

Research and development costs for the first nine months of 2009 decreased by 13.5 % to euro 1,871 million and represented 5.2 % (first nine months 2008: 5.3 %) of revenues. Research and development costs include amortisation of capitalised development costs amounting to euro 899 million (first nine months 2008: euro 884 million). Total research and development costs amounted to euro 1,689 million (first nine months 2008: euro 2,055 million). This figure comprises research costs, development costs not recognised as assets and capitalised development costs. The research and development expenditure ratio for the period was 4.7 % (first nine months 2008: 5.1 %).

Sales and administrative costs decreased by 7.9 % compared to the corresponding period last year and represented 10.3 % (first nine months 2008: 10.0 %) of revenues.

Depreciation and amortisation included in cost of sales and in sales and administrative costs amounted to euro 2,647 million (first nine months 2008: euro 2,711 million).

Revenues by segment in the period from 1 January to 30 September
in euro million

| | External revenues | | Inter-segment revenues | | Total revenues | |
|---|---|---|---|---|---|---|
| | **2009** | 2008 | **2009** | 2008 | **2009** | 2008 |
| Automobiles | **24,626** | 28,762 | **5,984** | 8,267 | **30,610** | 37,029 |
| Motorcycles | **857** | 1,002 | **8** | 6 | **865** | 1,008 |
| Financial Services | **10,755** | 10,513 | **1,303** | 1,305 | **12,058** | 11,818 |
| Other Entities | **1** | 148 | **2** | 45 | **3** | 193 |
| Eliminations | **–** | – | **–7,297** | –9,623 | **–7,297** | –9,623 |
| **Group** | **36,239** | **40,425** | **–** | **–** | **36,239** | **40,425** |

The positive net amount from other operating income and expenses decreased by euro 127 million on a nine-month basis due to the higher level of income from the reversal of provisions recorded in the previous year.

As a result of the numerous adverse factors referred to above, the nine-month profit before financial result fell by euro 1,470 million to euro 169 million.

The financial result was a net expense of euro 90 million which represented an improvement of euro 27 million against the previous year (first nine months 2008: net expense of euro 117 million). This, in turn, was due to a euro 97 million improvement in the net interest result attributable mainly to lower impairment losses on securities. The result from investments accounted for using the equity method improved by euro 7 million to euro 23 million.

Working in the opposite direction, net losses on the fair value measurement of derivative financial instruments meant that the line item "Other financial result" deteriorated by euro 77 million. The positive result from investments decreased by euro 1 million.

As a result of the adverse factors previously described, the nine-month profit before tax fell by euro 1,443 million to euro 79 million (first nine months 2008: euro 1,522 million). The income tax expense for the period decreased by euro 198 million. The effective tax rate was 40.5 % (first nine months 2008: 15.1 %).

The BMW Group therefore recorded a net profit of euro 47 million for the nine-month period (first nine months 2008: euro 1,292 million).

In the first nine months of 2009, the Group generated earnings per share of common stock of euro 0.06 (first nine months 2008: euro 1.97) and earnings per share of preferred stock of euro 0.07 (first nine months 2008: euro 1.98).

## Earnings performance by segment

Revenues of the Automobiles segment for the third quarter 2009 fell by 8.4 %. The segment loss before tax, at euro 154 million, represented a deterioration of euro 172 million compared to the corresponding quarter one year earlier. Segment revenues for the nine-month period fell by 17.3 %, while the segment loss before tax of euro 783 million represented a deterioration of euro 1,665 million on the previous year. Sales volume slumps on major markets contributed to this decrease.

Third-quarter revenues of the Motorcycles segment decreased by 11.8 %, while the segment loss before tax amounted to euro 5 million (third quarter 2008: loss before tax of euro 7 million). The nine-month segment revenues, at euro 865 million, were 14.2 % down on the previous year (first nine months 2008: euro 1,008 million). The profit before tax, at euro 45 million, was 43.8 % lower than the previous year's figure.

Third-quarter revenues of the Financial Services segment slipped by 6.2 % whereas the profit before tax improved by euro 111 million to euro 94 million. For the nine-month period, segment revenues increased by 2.0 %, while the segment profit before tax, at euro 247 million, was up by 88.5 %.

The profit before tax of the Other Entities segment for the third quarter 2009 amounted to euro 40 million (third quar-

### Loss/profit before tax by segment

in euro million

| | **3rd quarter 2009** | 3rd quarter 2008 | **1 January to 30 September 2009** | 1 January to 30 September 2008 |
|---|---|---|---|---|
| Automobiles | **–154** | 18 | **–783** | 882 |
| Motorcycles | **–5** | –7 | **45** | 80 |
| Financial Services | **94** | –17 | **247** | 131 |
| Other Entities | **40** | 205 | **82** | 542 |
| Eliminations | **151** | 80 | **488** | –113 |
| **Profit before tax** | **126** | **279** | **79** | **1,522** |
| Income taxes | **–48** | 19 | **–32** | –230 |
| **Net profit** | **78** | **298** | **47** | **1,292** |

ter 2008: euro 205 million), giving a profit before tax for the nine-month period of euro 82 million (first nine months 2008: euro 542 million). The decrease was primarily due to the deteriorated net interest result and lower other operating income.

The result from inter-segment eliminations for the third quarter improved to euro 151 million (third quarter 2008: euro 80 million), mainly as a result of the lower volume of new leasing business. Inter-segment eliminations for the nine-month period improved to a positive amount of euro 488 million (first nine months 2008: negative amount of euro 113 million).

**Financial position**
The cash flow statements of the BMW Group and the Automobiles and Financial Services segments show the sources and applications of cash flows for the first nine months of the financial years 2008 and 2009, classified into cash flows from operating, investing and financing activities. Cash and cash equivalents in the cash flow statement correspond to the amount disclosed in the balance sheet.

The cash inflow from operating activities for the period under report totalled euro 7,234 million (first nine months 2008: euro 8,630 million).

The cash outflow for investing activities decreased by euro 7,719 million to euro 7,020 million. Capital expenditure on intangible assets and property, plant and equipment for the nine-month period was euro 364 million lower at euro 2,248 million. The cash outflow for the net investment in leased products and receivables from sales financing decreased by euro 8,520 million to euro 2,703 million as a result of the lower level of new business and the fact that an exceptional item in the previous year was not repeated. 103.0 % (first nine months 2008: 58.6 %) of the cash outflow for investing activities was covered by the cash inflow from operating activities. The cash flow statement of the Automobiles segment shows coverage of 65.4 % (first nine months 2008: 107.9 %). Adjusted for purchases of securities amounting to euro 1,876 million (mainly in connection with the further externalisation of pension obligations), 117.8 % of the cash outflow for investing activities would have been covered. Due to the lower level of investment in leased products and receivables from sales financing, the cash flow statement of the Financial Services segment shows coverage of 176.6 % (first nine months 2008: 33.7 %).

Cash inflow from financing activities includes inflows of euro 8,470 million from bond issues (first nine months 2008: euro 7,183 million) and outflows for repayments of euro 5,407 million (first nine months 2008: euro 2,221 million). The cash inflow of euro 773 million from financing activities during the nine-month period was primarily attributable to the issue of bonds.

After adjustment for the effects of exchange rate fluctuations and changes in the composition of the BMW Group, the various cash flows resulted in an increase in cash and cash equivalents of euro 969 million (nine months 2008: increase of euro 1,258 million).

Net financial assets of the Automobiles segment comprise the following:

| in euro million | **30.9.2009** | 31.12.2008 |
|---|---|---|
| Cash and cash equivalents | **5,561** | 5,073 |
| Marketable securities and investment funds | **971** | 557 |
| Intragroup net financial receivables | **5,612** | 8,185 |
| **Financial assets** | **12,144** | **13,815** |
| Less: external financial liabilities* | **–4,332** | –4,769 |
| **Net financial assets** | **7,812** | **9,046** |

* excluding derivative financial instruments

**Net assets position**
The balance sheet total of the BMW Group increased by euro 302 million or 0.3 % compared to 31 December 2008. Adjusted for changes in exchange rates, the balance sheet total would have increased by 0.7 %.

The main factors behind the increase on the assets side of the balance sheet were cash and cash equivalents (+ 13.0 %), receivables from sales financing (+ 1.3 %) and other assets (+ 24.6 %). By contrast, decreases were recorded for leased products (– 8.5 %) and intangible assets (– 4.3 %).

On the equity and liabilities side of the balance sheet, the rise was due to the increase in financial liabilities (+ 0.9 %) and trade payables (+ 47.8 %). At the same time, pension provisions and other provisions decreased by 21.2 % and 11.2 % respectively.

Leased products were down by euro 1,661 million or 8.5 %. Excluding the effect of exchange rate fluctuations, leased products would have decreased by 6.7 %. The main factor for the reduction was the lower volume of new business generated with lease contracts.

Compared to 31 December 2008, inventories increased by euro 113 million to euro 7,403 million, mainly due to the effect of stocking-up in conjunction with the introduction of new models.

Financial assets decreased by 3.4 % to euro 4,942 million, mainly as a result of the lower fair values of derivative portfolios.

Group equity fell by euro 334 million to euro 19,939 million, primarily as a result of the payment of the dividend (euro 197 million) and actuarial losses (euro 846 million) on pension obligations, the latter reflecting lower interest rates and a changed assumption for future inflation rates. Group equity increased due to the fair value measurement of derivative financial instruments (+ euro 410 million), translation differences (+ euro 159 million), the fair value measurement of securities (+ euro 22 million) and the net profit for the period (+ euro 47 million). Deferred taxes on fair value gains and losses recognised directly in equity increased equity by euro 71 million.

The equity ratio of the BMW Group fell overall by 0.4 percentage points to 19.7 %. The equity ratio of the Automobiles segment was 41.7 % (31 December 2008: 42.3 %) and that of the Financial Services segment was 5.9 % (31 December 2008: 5.4 %).

Pension provisions went down overall by 21.2 % to euro 2,612 million. Thus was mainly due to the transfer of pension obligations to BMW Trust e. V., Munich, in conjunction with a Contractual Trust Agreement (CTA), the effect of which was only partly offset by lower interest rates and a changed assumption for future inflation rates.

Other provisions, at euro 4,334 million, were euro 548 million below their level at 31 December 2008, primarily reflecting lower personnel-related obligations.

Financial liabilities increased by euro 525 million to euro 60,909 million during the first nine months of 2009, the main factor being a higher level of bond and deposit business liabilities.

Trade payables increased by 47.8 % to euro 3,787 million during the nine-month period under report.

Other liabilities amounted to euro 6,424 million and were thus euro 143 million higher than at 31 December 2008.

**Risk management**

As a globally operating organisation, the BMW Group is exposed to a variety of risks. The BMW Group's corporate success has long been founded on the idea of consciously taking calculated risks and making full use of the opportunities relating to them. A description of these risks and of the Group's risk management methods is provided in the Group Management Report for the financial year ended 31 December 2008 (Annual Report, page 62 et seq.).

**End of recession in sight, sustainability of upturn uncertain**

The global recession that set in during the third quarter 2008 seems to have come to an end over the course of summer 2009. With some of the major exporting nations such as Germany and Japan registering low, but positive growth in the second quarter compared to the preceding quarter, it is now being forecast that practically all of the world's main economies will see low levels of growth during the remainder of the year. Nevertheless, with worldwide economic output likely to be more than 2 % lower than in the previous year, 2009 will go down as the worst year of recession since the end of the Second World War. The early end to the recession was also brought about by various wide-ranging economic stimulus programmes initiated by governments around the world and the completion of a radical reduction in inventory levels throughout the industrial sector. The most likely scenario is that growth rates will stabilise at a low level. The three main traditional markets of North America, Europe and Japan in particular are expected to register low and below-trend growth rates in the coming quarters which will be below those recorded during the period from 2003 to 2007. The approaching expiry of economic stimulus programmes, the need to cut back public spending after a massive increase in borrowing levels and higher reference interest rates due to rising inflation could, along with other factors, cause setbacks in the process of global economic recovery.

Structural problems in the USA remain largely unresolved, particularly in the banking sector. The decline in property prices over the past two years has forced banks to recognise substantial write-downs, making it more difficult to obtain financing for corporate investments and private consumer spending. This situation is unlikely to change for some time yet. The massive rise in the rate of unemployment in the USA to approximately 10 % continues to hold down consumer spending which had served as a motor for global economic recovery during previous phases of upswing.

The massive decline in world trade volumes during the last winter is having a particularly severe impact on export-led economies, such as Japan and euro zone countries. These markets showed some signs of stabilisation as the process of reducing inventory levels across industries was more or less completed during the second quarter 2009. However, compared to the USA, industrial capacity downsizing in other areas takes much longer to happen, which means that unemployment numbers can be expected to go on rising in the euro zone in 2010. Rising unemployment figures and the expiry of state-financed economic stimulus programmes could considerably weaken demand in Germany in the coming year. The UK economy too, which suffers from structural problems in the property market, will be adversely affected by weak growth rates in the coming years.

A uniform economic trend is not yet recognisable for the emerging markets. Economic growth in China and India in 2009 is likely to stabilise at a high level, with growth rates of 8 % and 6 % respectively. The economy in Brazil is likely to stagnate over the year as a whole, while the Russian economy will probably contract at a rate of approximately 8 %.

Energy and commodity prices, which fell sharply during the financial crisis, continued to rise during the third quarter 2009. As the world economy continues to recover, it is likely that the prices of raw materials will continue to rise in the medium term.

After gaining in value against most other currencies at the height of the financial crisis, the US dollar lost ground during in the third quarter 2009. The British pound also lost value compared to the previous quarter. Given the current high levels of state and trade balance deficits and the banks' need to record high levels of write-downs in those two countries, there is a risk that the US dollar and the British pound will weaken further in the medium term. Rising commodity prices are currently stabilising the currencies of Australia, South Africa and Brazil. The Japanese yen is also expected to at least stabilise, partly due to the fact that exports are picking up.

**Automobile market gets through low point – setbacks still possible**

Despite the various stimulus programmes for automobile markets around the world, it is still likely that new registrations for the full year will be approximately 10 % down on 2008. Severe downturns, in some cases into high double-digits, have been recorded on some automobile markets, particularly in the USA, UK, Spain, Japan and Russia. In all of these countries, new registrations were at their lowest level for many years. State-funded stimulus measures, especially in China, Germany, France, Brazil and India, are expected to boost demand for cars in 2009, even in this difficult year of crisis. A slump in demand cannot be ruled out, however, once the funding programmes come to an end, particularly on Western European markets. After stabilising at a historically low level, the US automobile market is expected to see low-level positive growth rates in the medium term. Due to the comparatively good economic conditions prevailing in the emerging markets of China, India and Brazil, it seems likely that a market collapse can be avoided, even when the various national stimulus programmes come to an end. As a consequence, the proportion of worldwide car sales made in emerging economies is likely to increase further.

The premium segment of the international automobile market will hardly benefit at all from state-funded stimulus programmes in 2009. As a result, non-premium segments are most likely to be affected by declining new registration numbers once state-funded support has expired. In the ensuing upturn, improved earnings and better capital market conditions should bring about a revival in demand from corporate customers, an important source of business for the premium segment.

**Motorcycle markets remain weak**

The ongoing impact of the global economic crisis is likely to determine the course of the remainder of 2009. A revival of the motorcycle markets during the final months of the year is not expected. The BMW Group forecasts that motorcycle sales in the 500 cc plus segment in 2009 will fall well short of the previous year's level.

**First signs of recovery on financial markets**
An increasing number of countries are now beginning to show slight signs of economic improvement. In macroeconomic terms, the lowest point now seems to have been passed. A significant easing of pressure on the financial markets seems to underpin this development. Investors are showing a growing willingness to take risks. As a consequence, it seems likely that credit spreads on the financial markets will continue to stabilise.

In the medium term, fears of inflation could lead to rising interest rates both in the short-term and medium-term maturity segments. The Australian central bank was the first to raise its reference interest rates (by 0.25 percentage points) at the beginning of October. For the time being, however, neither the European Central Bank nor the US Reserve Bank are showing any signs of changing its monetary policy.

The situation on European used car markets is likely to remain tense during the remaining months of 2009. In North America, by contrast, the situation seems to be stabilising at its current level. All things considered, however, a rapid recovery on international used car markets to pre-crisis levels is not currently expected.

**BMW Group's outlook for the remainder of 2009**
Although there are some emerging signs that the lowest point of the current economic downturn has been passed, the BMW Group only expects the situation to stabilise at a low level during the last quarter of 2009. For the time being at least, it cannot be assumed that an enduring recovery has taken hold. Nevertheless the BMW Group has performed well despite the difficult business environment. The measures necessary to steer the company successfully through the crisis were already initiated in autumn 2008. This and the new strategic direction taken by the BMW Group – and continued under recessionary conditions – are essential factors for the future success of the enterprise.

The macroeconomic situation will continue to be exposed to a high degree of volatility for some time yet. This applies above all to the international financial and commodities markets. However, setbacks cannot be entirely ruled out on the road to economic recovery. In view of the prevailing recessionary conditions, the BMW Group is pursuing a policy of rigorous financial and cost management. Measures implemented to deal with this situation are already beginning to have an impact. One example of this is the progress made in reducing and managing fixed costs. Personnel expense has also been reduced significantly following implementation of the staff reduction programme previously announced in 2008. Efficient management of working capital also represents an important element of the BMW Group's capital management procedures. The BMW Group will continue to benefit from wide-ranging efficiency improvements throughout the remainder of 2009. The BMW Group continues to enjoy a solid liquidity base with access to a broadly diversified and flexible range of funding sources to finance its operating activities. Thanks to the BMW Group's high level of creditworthiness, it has access to international financial markets at all times. Risk spreads on capital markets have continued to narrow. They have not, however, returned to the levels seen prior to the outbreak of the financial crisis.

The BMW Group took measures at an early stage in response to adverse macroeconomic developments. Risks provision was increased appropriately at the outset of the financial crisis. Assuming that economic conditions now stabilise on a sustainable basis, the BMW Group considers that any further risks arising in conjunction with the marketing of pre-owned cars are adequately covered. While a slight improvement can be seen on some markets, the situation on others remains tense. Should the situation on used car markets worsen during the remainder of 2009, an increase in the level of risk provision cannot be ruled out. As a general principle, a longer lasting recession will also increase risk levels in the area of dealer and retail customer financing.

The BMW Group expects car sales volumes to continue to gather momentum during the last quarter of 2009. Strong growth is being registered particularly in China, which is now the BMW Group's largest single market in Asia. First signs of the situation stabilising in the USA and the UK are now emerging. The BMW Group has succeeded in increasing market share on its major markets with the BMW, MINI and Rolls-Royce brands.

Now that the new BMW 7 Series is available worldwide, the model range also includes a four-wheel-drive version for the first time since the beginning of September 2009. The BMW X1 and BMW 5 Series Gran Turismo are following in October. Towards the end of the year, the BMW ActiveHybrid X6 will also be launched. The X1 will further enhance the X-model family with the addition of the first off-road compact vehicle in the premium segment. This vehicle combines the typical features of the BMW X models with the driving characteristics and high fuel economy of the BMW 1 Series. The BMW X1 therefore offers consumers the versatility of a Sports Activity Vehicle, the flexibility of a compact car and the dynamism of a BMW. The BMW 5 Series Gran Turismo is an innovative and, at the same time, versatile vehicle concept that combines elegance, interior comfort and variability. It is both luxuriously equipped and extremely spacious as a real touring sedan, thus making it an unusually practical vehicle. The BMW ActiveHybrid X6 is the fastest four-wheel-drive hybrid in the world and is powered by a V8 twin turbo engine combined with two electric motors. The BMW ActiveHybrid X6 is a full hybrid that can also be driven entirely electrically over short distances. The fuel consumption of the BMW ActiveHybrid X6 is approximately 20 % lower than that of the conventionally powered model. Last but not least, the first Rolls-Royce Ghost vehicles will be handed over to customers in December 2009. The Ghost has been created for smooth and pleasurable driving. The suspension system ensures a uniquely dynamic motoring experience for the driver and the highest possible degree of comfort for the passengers.

The BMW Group presented numerous innovative concept vehicles to the public at the IAA in Frankfurt. The BMW Vision Efficient Dynamics concept is the outcome of the rigorous development of the BMW Group's Efficient Dynamics strategy combined with the typical sporting flair of a BMW. The car is powered by a new three-cylinder turbo diesel engine and two innovative electric motors, one driving each axle. It can be fully electrically driven, exclusively by the turbo diesel motor or with an infinitely variable combination of all three power sources. Fuel consumption is a mere 3.76 litres per 100 kilometres, which is equivalent to $CO_2$ emissions of only 99 grams per kilometre. The BMW Group also presented two MINI brand concept cars at the IAA: the MINI Coupé Concept and the MINI Roadster Concept. The MINI Coupé Concept is a dynamic two-seater sports car while the MINI Roadster Concept adds a new, emotional dimension to open-top driving.

These developments clearly show that the BMW Group is willing to invest in the future, even when economic conditions are tough. This includes the unrelenting further enhancement of highly efficient combustion engines as well as the development of innovative mobility concepts in conjunction with project i. New and forward-looking products and technologies are major factors in making the most of medium and long-term opportunities in a competitive environment.

Some signs of the automobile business stabilising have been visible during the months prior to the end of the third quarter 2009. Due to the current weakness of the main automobile markets, the BMW Group assumes that its Automobiles segment will be not able to achieve the high sales volume level recorded in 2008. As long as economic conditions do not deteriorate further, the number of BMW, MINI and Rolls-Royce brand cars sold in 2009 will be in the region of ten % to 15 % lower than in 2008.

The BMW Group also predicts that the sales volume of the Motorcycles segment will be down on the previous year. As a consequence, revenues, EBIT and profit before tax for this segment will all be lower than the amounts reported one year earlier.

The impact of the worldwide recession continues to have an adverse effect on the Financial Services segment. Some of the world's used car markets are recovering slightly from the severe setbacks experienced since the outbreak of the financial crisis. However, there is still no sign of stabilisation in continental Europe. The BMW Group forecasts that refinancing conditions for the Financial Services segment will continue to improve as credit spreads narrow. In terms of credit risk, the worst seems to have been passed in the area of retail customer and dealer financing. It is unlikely, however, that the pressure will ease substantially in the very near future.

Provided that no further economic setbacks occur, the number of cars sold by the BMW Group in 2009 will range between ten % and 15 % lower than in the previous year. If this is the case, the BMW Group will report a positive result for the financial year 2009, even in this difficult year of crisis. The BMW Group expects to maintain its leading position in the premium segment in the current year 2009.

**Profitability targets for 2012 remain in place**

The BMW Group will continue to pursue the strategic course set in conjunction with the Strategy Number ONE. This includes achieving the profitability targets which have already been made known for the year 2012. On the basis of these strategies, the BMW Group plans to achieve a return on capital employed (ROCE) of more than 26 % and an EBIT margin of 8 % to 10 % in its Automobiles segment.

The Strategy Number ONE, originally communicated in 2007, is proving to be an appropriate and forward-looking entrepreneurial decision for redirecting the BMW Group. A great deal of preliminary work was carried out in originally developing the strategy. This groundwork is proving to be a major prerequisite for managing the business in the short term and at a time of difficult economic conditions. It will also significantly improve the situation at the start of the ensuing upturn phase. The BMW Group's value-added approach will help it to achieve the challenging targets it has set itself for the future.

# Interim Group Financial Statements
## Income Statements for Group and Segments for the third quarter
## Statement of Comprehensive Income for Group for the third quarter



### Income Statements for Group and Segments for the third quarter
in euro million

| | Note | Group 2009 | Group 2008 | Automobiles 2009 | Automobiles 2008 |
|---|---|---|---|---|---|
| Revenues | 5 | **11,759** | 12,588 | **10,178** | 11,113 |
| Cost of sales[1] | 6 | **–10,458** | –10,984 | **–9,175** | –9,800 |
| **Gross profit** | | **1,301** | **1,604** | **1,003** | **1,313** |
| Sales and administrative costs | 7 | **–1,275** | –1,306 | **–1,093** | –1,133 |
| Other operating income | 8 | **154** | 380 | **114** | 91 |
| Other operating expenses | 8 | **–125** | –291 | **–100** | –130 |
| **Profit/loss before financial result** | | **55** | **387** | **–76** | **141** |
| Result from equity accounted investments | 9 | **9** | 4 | **10** | 4 |
| Interest and similar income | 10 | **229** | 162 | **140** | 186 |
| Interest and similar expenses | 10 | **–245** | –198 | **–244** | –237 |
| Other financial result | 11 | **78** | –76 | **16** | –76 |
| Financial result | | **71** | **–108** | **–78** | **–123** |
| **Profit/loss before tax** | | **126** | **279** | **–154** | **18** |
| Income taxes | 12 | **–48** | 19 | **42** | 18 |
| **Net profit/net loss** | | **78** | **298** | **–112** | **36** |
| Attributable to minority interest | | **2** | 2 | **2** | 2 |
| **Attributable to shareholders of BMW AG** | | **76** | **296** | **–114** | **34** |
| **Earnings per share of common stock** in euro | 13 | **0.12** | 0.45 | | |
| **Earnings per share of preferred stock**[2] in euro | 13 | **0.12** | 0.45 | | |

[1] after reclassification of research and development costs to cost of sales
[2] In computing earnings per share of preferred stock, earnings to cover the additional dividend of euro 0.02 per share of preferred stock are spread over the quarters of the corresponding financial year.

### Statement of Comprehensive Income for Group for the third quarter
in euro million

| | Note | Group 2009 | Group 2008 |
|---|---|---|---|
| **Net profit** | | **78** | **298** |
| Available-for-sale securities | | **20** | 53 |
| Financial instruments used for hedging purposes | | **243** | –842 |
| Exchange differences on translating foreign operations | | **–206** | 114 |
| Actuarial gains/losses relating to defined benefit pension and similar plans | | **–393** | 387 |
| Deferred taxes relating to components of other comprehensive income | | **35** | 189 |
| **Other comprehensive income for the period after tax** | 14 | **–301** | **–99** |
| **Total comprehensive income** | | **–223** | **199** |
| Total comprehensive income attributable to minority interests | | **2** | 2 |
| **Total comprehensive income attributable to shareholders of BMW AG** | | **–225** | **197** |

| Motorcycles 2009 | Motorcycles 2008 | Financial Services 2009 | Financial Services 2008 | Other Entities 2009 | Other Entities 2008 | Eliminations 2009 | Eliminations 2008 | |
|---|---|---|---|---|---|---|---|---|
| **239** | 271 | **3,831** | 4,084 | **1** | 67 | **–2,490** | –2,947 | Revenues |
| **–213** | –245 | **–3,599** | –3,932 | **–** | –50 | **2,529** | 3,043 | Cost of sales[1] |
| **26** | **26** | **232** | **152** | **1** | **17** | **39** | **96** | **Gross profit** |
| **–29** | –31 | **–145** | –136 | **–5** | –18 | **–3** | 12 | Sales and administrative costs |
| **1** | – | **6** | 7 | **45** | 300 | **–12** | –18 | Other operating income |
| **–1** | – | **–4** | –49 | **–33** | –119 | **13** | 7 | Other operating expenses |
| **–3** | **–5** | **89** | **–26** | **8** | **180** | **37** | **97** | **Profit/loss before financial result** |
| **–** | – | **–** | – | **–1** | – | **–** | – | Result from equity accounted investments |
| **1** | 1 | **–** | – | **436** | 553 | **–348** | –578 | Interest and similar income |
| **–3** | –3 | **–1** | –1 | **–459** | –518 | **462** | 561 | Interest and similar expenses |
| **–** | – | **6** | 10 | **56** | –10 | **–** | – | Other financial result |
| **–2** | **–2** | **5** | **9** | **32** | **25** | **114** | **–17** | Financial result |
| **–5** | **–7** | **94** | **–17** | **40** | **205** | **151** | **80** | **Profit/loss before tax** |
| **1** | 4 | **–36** | 8 | **15** | –15 | **–70** | 4 | Income taxes |
| **–4** | **–3** | **58** | **–9** | **55** | **190** | **81** | **84** | **Net profit/net loss** |
| **–** | – | **–** | – | **–** | – | **–** | – | Attributable to minority interest |
| **–4** | **–3** | **58** | **–9** | **55** | **190** | **81** | **84** | **Attributable to shareholders of BMW AG** |
| | | | | | | | | **Earnings per share of common stock** in euro |
| | | | | | | | | **Earnings per share of preferred stock**[2] in euro |

# Interim Group Financial Statements

## Income Statements for Group and Segments for the period from 1 January to 30 September
## Statement of Comprehensive Income for Group for the period from 1 January to 30 September



Income Statements for Group and Segments for the period from 1 January to 30 September

in euro million

| | Note | Group | | Automobiles | |
|---|---|---|---|---|---|
| | | **2009** | 2008 | **2009** | 2008 |
| Revenues | 5 | **36,239** | 40,425 | **30,610** | 37,029 |
| Cost of sales[1] | 6 | **–32,358** | –34,880 | **–27,706** | –32,322 |
| **Gross profit** | | **3,881** | **5,545** | **2,904** | **4,707** |
| Sales and administrative costs | 7 | **–3,734** | –4,055 | **–3,206** | –3,461 |
| Other operating income | 8 | **561** | 915 | **263** | 265 |
| Other operating expenses | 8 | **–539** | –766 | **–319** | –356 |
| **Profit/loss before financial result** | | **169** | **1,639** | **–358** | **1,155** |
| Result from equity accounted investments | 9 | **23** | 16 | **26** | 16 |
| Interest and similar income | 10 | **588** | 499 | **411** | 586 |
| Interest and similar expenses | 10 | **–692** | –700 | **–743** | –799 |
| Other financial result | 11 | **–9** | 68 | **–119** | –76 |
| Financial result | | **–90** | **–117** | **–425** | **–273** |
| **Profit/loss before tax** | | **79** | **1,522** | **–783** | **882** |
| Income taxes | 12 | **–32** | –230 | **270** | –171 |
| **Net profit/net loss** | | **47** | **1,292** | **–513** | **711** |
| Attributable to minority interest | | **5** | 5 | **5** | 5 |
| **Attributable to shareholders of BMW AG** | | **42** | **1,287** | **–518** | **706** |
| **Earnings per share of common stock** in euro | 13 | **0.06** | 1.97 | | |
| **Earnings per share of preferred stock**[2] in euro | 13 | **0.07** | 1.98 | | |

[1] after reclassification of research and development costs to cost of sales
[2] In computing earnings per share of preferred stock, earnings to cover the additional dividend of euro 0.02 per share of preferred stock are spread over the quarters of the corresponding financial year.

Statement of Comprehensive Income for Group for the period from 1 January to 30 September

in euro million

| | Note | Group | |
|---|---|---|---|
| | | **2009** | 2008 |
| **Net profit** | | **47** | **1,292** |
| Available-for-sale securities | | **22** | –32 |
| Financial instruments used for hedging purposes | | **410** | –664 |
| Exchange differences on translating foreign operations | | **159** | –294 |
| Actuarial gains/losses relating to defined benefit pension and similar plans | | **–846** | 921 |
| Deferred taxes relating to components of other comprehensive income | | **71** | –33 |
| **Other comprehensive income for the period after tax** | 14 | **–184** | **–102** |
| **Total comprehensive income** | | **–137** | **1,190** |
| Total comprehensive income attributable to minority interests | | **5** | 4 |
| **Total comprehensive income attributable to shareholders of BMW AG** | | **–142** | **1,186** |

| Motorcycles 2009 | Motorcycles 2008 | Financial Services 2009 | Financial Services 2008 | Other Entities 2009 | Other Entities 2008 | Eliminations 2009 | Eliminations 2008 | |
|---|---|---|---|---|---|---|---|---|
| 865 | 1,008 | 12,058 | 11,818 | 3 | 193 | –7,297 | –9,623 | Revenues |
| –722 | –814 | –11,412 | –11,220 | – | –147 | 7,482 | 9,623 | Cost of sales[1] |
| 143 | 194 | 646 | 598 | 3 | 46 | 185 | – | **Gross profit** |
| –93 | –108 | –416 | –431 | –12 | –51 | –7 | –4 | Sales and administrative costs |
| 2 | 2 | 15 | 13 | 298 | 679 | –17 | –44 | Other operating income |
| –1 | –1 | –11 | –88 | –243 | –370 | 35 | 49 | Other operating expenses |
| 51 | 87 | 234 | 92 | 46 | 304 | 196 | 1 | **Profit / loss before financial result** |
| – | – | – | – | –3 | – | – | – | Result from equity accounted investments |
| 2 | 1 | 1 | – | 1,347 | 1,563 | –1,173 | –1,651 | Interest and similar income |
| –8 | –8 | –3 | –2 | –1,403 | –1,428 | 1,465 | 1,537 | Interest and similar expenses |
| – | – | 15 | 41 | 95 | 103 | – | – | Other financial result |
| –6 | –7 | 13 | 39 | 36 | 238 | 292 | –114 | Financial result |
| 45 | 80 | 247 | 131 | 82 | 542 | 488 | –113 | **Profit / loss before tax** |
| –16 | –15 | –96 | –57 | 5 | –50 | –195 | 63 | Income taxes |
| 29 | 65 | 151 | 74 | 87 | 492 | 293 | –50 | **Net profit / net loss** |
| – | – | – | – | – | – | – | – | Attributable to minority interest |
| 29 | 65 | 151 | 74 | 87 | 492 | 293 | –50 | **Attributable to shareholders of BMW AG** |
| | | | | | | | | **Earnings per share of common stock** in euro |
| | | | | | | | | **Earnings per share of preferred stock**[2] in euro |

# Interim Group Financial Statements
## Balance Sheets for Group and Segments



**Assets**

| in euro million | Note | Group 30.9.2009 | Group 31.12.2008 | Automobiles 30.9.2009 | Automobiles 31.12.2008 |
|---|---|---|---|---|---|
| Intangible assets | 15 | **5,400** | 5,641 | **5,184** | 5,403 |
| Property, plant and equipment | 16 | **11,135** | 11,292 | **10,936** | 11,074 |
| Leased products | 17 | **17,863** | 19,524 | **229** | 268 |
| Investments accounted for using the equity method | 18 | **120** | 111 | **102** | 82 |
| Other investments | 18 | **312** | 322 | **2,752** | 2,693 |
| Receivables from sales financing | 19 | **23,033** | 22,192 | **–** | – |
| Financial assets | 20 | **1,721** | 1,808 | **361** | 238 |
| Deferred tax | 21 | **1,058** | 866 | **1,318** | 1,346 |
| Other assets | 22 | **786** | 660 | **2,277** | 2,144 |
| **Non-current assets** | | **61,428** | **62,416** | **23,159** | **23,248** |
| Inventories | 23 | **7,403** | 7,290 | **7,144** | 7,005 |
| Trade receivables | | **2,198** | 2,305 | **1,963** | 2,070 |
| Receivables from sales financing | 19 | **15,541** | 15,871 | **–** | – |
| Financial assets | 20 | **3,221** | 3,306 | **1,618** | 1,401 |
| Current tax | 21 | **842** | 602 | **740** | 358 |
| Other assets | 22 | **2,332** | 1,842 | **12,234** | 14,028 |
| Cash and cash equivalents | | **8,423** | 7,454 | **5,561** | 5,073 |
| **Current assets** | | **39,960** | **38,670** | **29,260** | **29,935** |
| **Total assets** | | **101,388** | **101,086** | **52,419** | **53,183** |

**Equity and liabilities**

| in euro million | Note | Group 30.9.2009 | Group 31.12.2008 | Automobiles 30.9.2009 | Automobiles 31.12.2008 |
|---|---|---|---|---|---|
| Subscribed capital | | **654** | 654 | | |
| Capital reserves | | **1,911** | 1,911 | | |
| Revenue reserves* | | **20,264** | 20,419 | | |
| Accumulated other equity | | **–2,893** | –2,709 | | |
| Treasury shares | | **–10** | –10 | | |
| Minority interest | | **13** | 8 | | |
| **Equity** | 24 | **19,939** | **20,273** | **21,864** | **22,481** |
| Pension provisions | | **2,612** | 3,314 | **1,572** | 2,847 |
| Other provisions | 25 | **2,470** | 2,757 | **2,090** | 2,412 |
| Deferred tax | 26 | **2,711** | 2,757 | **1,700** | 1,931 |
| Financial liabilities | 27 | **36,494** | 30,497 | **2,366** | 2,685 |
| Other liabilities | 28 | **2,428** | 2,201 | **3,489** | 3,986 |
| **Non-current provisions and liabilities** | | **46,715** | **41,526** | **11,217** | **13,861** |
| Other provisions | 25 | **1,864** | 2,125 | **1,558** | 1,795 |
| Current tax | 26 | **672** | 633 | **507** | 468 |
| Financial liabilities | 27 | **24,415** | 29,887 | **2,247** | 2,599 |
| Trade payables | | **3,787** | 2,562 | **3,179** | 2,029 |
| Other liabilities | 28 | **3,996** | 4,080 | **11,847** | 9,950 |
| **Current provisions and liabilities** | | **34,734** | **39,287** | **19,338** | **16,841** |
| **Total equity and liabilities** | | **101,388** | **101,086** | **52,419** | **53,183** |

* after reclassification adjustments in accordance with IAS 1.96

| Motorcycles 30.9.2009 | Motorcycles 31.12.2008 | Financial Services 30.9.2009 | Financial Services 31.12.2008 | Other Entities 30.9.2009 | Other Entities 31.12.2008 | Eliminations 30.9.2009 | Eliminations 31.12.2008 | |
|---|---|---|---|---|---|---|---|---|
| **39** | 51 | **113** | 123 | **64** | 64 | **–** | – | Intangible assets |
| **180** | 193 | **19** | 25 | **–** | – | **–** | – | Property, plant and equipment |
| **–** | – | **20,481** | 22,590 | **–** | – | **–2,847** | –3,334 | Leased products |
| **–** | – | **–** | – | **18** | 29 | **–** | – | Investments accounted for using the equity method |
| **–** | – | **6** | 25 | **5,364** | 5,348 | **–7,810** | –7,744 | Other investments |
| **–** | – | **23,033** | 22,192 | **–** | – | **–** | – | Receivables from sales financing |
| **–** | – | **35** | 424 | **1,546** | 1,381 | **–221** | –235 | Financial assets |
| **–** | – | **551** | 485 | **285** | 160 | **–1,096** | –1,125 | Deferred tax |
| **–** | – | **1,408** | 1,961 | **11,345** | 14,055 | **–14,244** | –17,500 | Other assets |
| **219** | **244** | **45,646** | **47,825** | **18,622** | **21,037** | **–26,218** | **–29,938** | **Non-current assets** |
| **250** | 277 | **11** | 9 | **–** | – | **–2** | –1 | Inventories |
| **111** | 109 | **122** | 122 | **2** | 4 | **–** | – | Trade receivables |
| **–** | – | **15,541** | 15,871 | **–** | – | **–** | – | Receivables from sales financing |
| **–** | – | **920** | 839 | **1,083** | 1,481 | **–400** | –415 | Financial assets |
| **–** | – | **29** | 39 | **73** | 205 | **–** | – | Current tax |
| **–** | – | **4,134** | 3,034 | **24,885** | 21,109 | **–38,921** | –36,329 | Other assets |
| **–** | – | **2,660** | 2,053 | **202** | 328 | **–** | – | Cash and cash equivalents |
| **361** | **386** | **23,417** | **21,967** | **26,245** | **23,127** | **–39,323** | **–36,745** | **Current assets** |
| **580** | **630** | **69,063** | **69,792** | **44,867** | **44,164** | **–65,541** | **–66,683** | **Total assets** |

| Motorcycles 30.9.2009 | Motorcycles 31.12.2008 | Financial Services 30.9.2009 | Financial Services 31.12.2008 | Other Entities 30.9.2009 | Other Entities 31.12.2008 | Eliminations 30.9.2009 | Eliminations 31.12.2008 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Subscribed capital |
| | | | | | | | | Capital reserves |
| | | | | | | | | Revenue reserves* |
| | | | | | | | | Accumulated other equity |
| | | | | | | | | Treasury shares |
| | | | | | | | | Minority interest |
| **–** | **–** | **4,093** | **3,752** | **4,548** | **4,883** | **–10,566** | **–10,843** | **Equity** |
| **67** | 122 | **26** | 28 | **947** | 317 | **–** | – | Pension provisions |
| **67** | 63 | **283** | 252 | **30** | 30 | **–** | – | Other provisions |
| **2** | 2 | **3,085** | 3,096 | **3** | 18 | **–2,079** | –2,290 | Deferred tax |
| **–** | – | **10,880** | 10,030 | **23,469** | 18,018 | **–221** | –236 | Financial liabilities |
| **250** | 252 | **11,328** | 14,128 | **294** | 586 | **–12,933** | –16,751 | Other liabilities |
| **386** | **439** | **25,602** | **27,534** | **24,743** | **18,969** | **–15,233** | **–19,277** | **Non-current provisions and liabilities** |
| **21** | 21 | **281** | 311 | **1** | 2 | **3** | –4 | Other provisions |
| **–** | – | **104** | 105 | **61** | 60 | **–** | – | Current tax |
| **–** | – | **14,178** | 15,207 | **8,390** | 12,495 | **–400** | –414 | Financial liabilities |
| **154** | 160 | **440** | 364 | **14** | 9 | **–** | – | Trade payables |
| **19** | 10 | **24,365** | 22,519 | **7,110** | 7,746 | **–39,345** | –36,145 | Other liabilities |
| **194** | **191** | **39,368** | **38,506** | **15,576** | **20,312** | **–39,742** | **–36,563** | **Current provisions and liabilities** |
| **580** | **630** | **69,063** | **69,792** | **44,867** | **44,164** | **–65,541** | **–66,683** | **Total equity and liabilities** |

# Interim Group Financial Statements
## Cash Flow Statements for Group and Segments for the period from 1 January to 30 September



| | Group | |
|---|---|---|
| in euro million | **2009** | 2008 |
| Net profit/net loss | **47** | 1,292 |
| Depreciation of leased products | **3,899** | 4,662 |
| Depreciation and amortisation of tangible, intangible and investment assets | **2,647** | 2,711 |
| Change in provisions | **–607** | –237 |
| Change in deferred tax | **–56** | –78 |
| Change in net current assets and other items | **1,304** | 280 |
| **Cash inflow from operating activities** | **7,234** | **8,630** |
| Investment in intangible assets and property, plant and equipment | **–2,248** | –2,612 |
| Net investment in leased products and receivables from sales financing | **–2,703** | –11,223 |
| Other | **–2,069** | –904 |
| **Cash outflow from investing activities** | **–7,020** | **–14,739** |
| **Cash inflow/outflow from financing activities** | **773** | **7,398** |
| **Effect of exchange rate and changes in composition of group on cash and cash equivalents** | **–18** | **–31** |
| **Change in cash and cash equivalents** | **969** | **1,258** |
| Cash and cash equivalents at 1 January | **7,454** | 2,393 |
| **Cash and cash equivalents at 30 September** | **8,423** | **3,651** |

| Automobiles 2009 | Automobiles 2008 | Financial Services 2009 | Financial Services 2008 | |
|---|---|---|---|---|
| **–513** | 711 | **151** | 74 | Net profit / net loss |
| **5** | 5 | **4,139** | 4,223 | Depreciation of leased products |
| **2,576** | 2,640 | **20** | 19 | Depreciation and amortisation of tangible, intangible and investment assets |
| **–525** | –230 | **–22** | 24 | Change in provisions |
| **–344** | –98 | **65** | –24 | Change in deferred tax |
| **1,564** | 742 | **686** | –518 | Change in net current assets and other items |
| **2,763** | **3,770** | **5,039** | **3,798** | **Cash inflow from operating activities** |
| **–2,212** | –2,553 | **–7** | –24 | Investment in intangible assets and property, plant and equipment |
| **34** | –40 | **–2,805** | –11,183 | Net investment in leased products and receivables from sales financing |
| **–2,044** | –900 | **–41** | –77 | Other |
| **–4,222** | **–3,493** | **–2,853** | **–11,284** | **Cash outflow from investing activities** |
| **1,981** | **1,271** | **–1,599** | **7,420** | **Cash inflow / outflow from financing activities** |
| **–34** | **–2** | **20** | **–22** | **Effect of exchange rate and changes in composition of group on cash and cash equivalents** |
| **488** | **1,546** | **607** | **–88** | **Change in cash and cash equivalents** |
| **5,073** | 1,249 | **2,053** | 789 | Cash and cash equivalents at 1 January |
| **5,561** | **2,795** | **2,660** | **701** | **Cash and cash equivalents at 30 September** |

# Interim Group Financial Statements
## Group Statement of Changes in Equity



| in euro million | Subscribed capital | Capital reserves | Revenue reserves | Accumulated other equity | | | | Treasury shares | Minority interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Translation differences | Securities | Derivative financial instruments | Pension obligations | | | |
| **31 December 2007** | **654** | **1,911** | **20,789** | **–1,259** | **35** | **438** | **–835** | **–** | **11** | **21,744** |
| Acquisition of treasury shares | – | – | – | – | – | – | – | –26 | – | –26 |
| Dividends paid | – | – | –694 | – | – | – | – | – | – | –694 |
| Comprehensive income 30 September 2008 | – | – | 1,287 | –293 | –32 | –422 | 646 | – | 4 | 1,190 |
| **30 September 2008** | **654** | **1,911** | **21,382** | **–1,552** | **3** | **16** | **–189** | **–26** | **15** | **22,214** |
| **31 December 2008** | **654** | **1,911** | **20,419** | **–2,065** | **17** | **45** | **–706** | **–10** | **8** | **20,273** |
| Dividends paid | – | – | –197 | – | – | – | – | – | – | –197 |
| Comprehensive income 30 September 2009 | – | – | 42 | 159 | 20 | 243 | –606 | – | 5 | –137 |
| **30 September 2009** | **654** | **1,911** | **20,264** | **–1,906** | **37** | **288** | **–1,312** | **–10** | **13** | **19,939** |

**Interim Group Financial Statements**
Notes to the Group Financial Statements to 30 September 2009
Accounting Principles and Policies

1 — **Basis of preparation**

The Group Financial Statements of BMW AG at 31 December 2008 were drawn up in accordance with International Financial Reporting Standards (IFRSs), as applicable in the EU. The interim Group Financial Statements (Interim Report) at 30 September 2009, which have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting), have been drawn up using, in all material respects, the same accounting methods as those utilised in the 2008 Group Financial Statements. The BMW Group applies the option, available under IAS 34.8, of publishing condensed group financial statements. All Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) which are mandatory at 30 September 2009 have also been applied. The Interim Report also complies with German Accounting Standard No. 16 (GAS 16) – Interim Financial Reporting – issued by the German Accounting Standards Committee e. V. (GASC).

Further information regarding the Group's accounting principles and policies is contained in the Group Financial Statements at 31 December 2008.

Various items have been aggregated in the income statement and balance sheet in order to improve clarity. These items are disclosed and analysed separately in the Notes.

Following adoption of the revised version of IAS 1 (Presentation of Financial Statements), a Statement of Comprehensive Income is presented at group level from the first quarter 2009 onwards, replacing the previously presented Statement of Income and Expenses Recognised in Equity.

Furthermore, with effect from the beginning of the first quarter 2009, research and development costs are reported as cost of sales and not, as in previous reporting periods, as a separate item in the income statement. Research and development costs for the first nine months of 2009 totalled euro 1,871 million (2008: euro 2,162 million).

In order to facilitate the sale of its products, the BMW Group provides various financial services – mainly loan and lease financing – to both retail customers and dealers. The inclusion of financial services activities of the Group therefore has an impact on the Interim Group Financial Statements.

In order to provide a better insight into the net assets, financial position and performance of the BMW Group and going beyond the requirements of IFRS 8 (Operating Segments), the Interim Group Financial Statements also include balance sheets and income statements for the Automobiles, Motorcycles, Financial Services and Other Entities segments. The Group Statement of Cash Flows is supplemented by statements of cash flows for the Automobiles and Financial Services segments.

Inter-segment transactions – relating primarily to internal sales of products, the provision of funds and the related interest – are eliminated in the "Eliminations" column. More detailed information regarding the allocation of activities of the BMW Group to segments and a description of the segments is provided in the explanatory notes to segment information in the Group Financial Statements for the year ended 31 December 2008.

In conjunction with the refinancing of financial services business, a significant volume of receivables arising from retail customer and dealer financing is sold. Similarly, rights and obligations relating to leases are sold. The sale of receivables is a well established instrument used by industrial companies. These transactions usually take the form of asset-backed financing transactions involving the sale of a portfolio of receivables to a trust which, in turn, issues marketable securities to refinance the purchase price. The BMW Group continues to "service" the receivables and receives an appropriate fee for these services. In accordance with IAS 27 (Consolidated and Separate Financial Statements) and the interpretation contained in SIC-12 (Consolidation – Special Purpose Entities) such assets remain in the Group Financial Statements although they have been legally sold. Gains and losses relating to the sale of such assets are not recognised until the assets are removed from the Group Balance Sheet on transfer of the related significant risks and rewards. The balance sheet value of the assets sold at 30 September 2009 totalled euro 8.1 billion (31 December 2008: euro 8.7 billion).

In addition to credit financing and leasing contracts, the Financial Services segment also brokers insurance business via cooperation arrangements entered into with local insurance companies. These activities are not material to the BMW Group as a whole.

The Interim Group Financial Statements at 30 September 2009 have neither been audited nor reviewed by the Group auditors, KPMG AG Wirtschaftsprüfungsgesellschaft.

The Group currency is the euro. All amounts are disclosed in millions of euros (euro million) unless otherwise stated.

The preparation of interim financial statements requires management to make certain assumptions and estimates that affect the reported amounts of assets and liabilities, revenues and expenses. All assumptions and estimates are based on factors known at the end of the reporting period. These factors are determined on the basis of the most likely outcome of future business developments. Estimates and underlying assumptions are checked regularly. Actual amounts could differ from those assumptions and estimates if business conditions develop differently to the Group's expectations at the end of the reporting period.

## 2 — Consolidated companies

Besides BMW AG, the BMW Group Financial Statements for the third quarter 2009 include 32 German and 150 foreign subsidiaries. This includes seven special purpose securities funds and 24 special purpose trusts (almost all of which are used for asset-backed financing transactions).

No entities were consolidated for the first time during the third quarter 2009.

Alphabet Fuhrparkmanagement GmbH, Munich, ceased to be a consolidated company during the third quarter 2009, following its merger with LHS Leasing- und Handelsgesellschaft Deutschland mbH, Stuttgart. Also in the third quarter 2009, BMW Lease S.N.C., Guyancourt, and BMW Location S.N.C., Guyancourt, ceased to be consolidated companies following their merger with BMW Finance S.N.C., Paris, and BMW Financial Services Iberica, E.F.C., S.A., Madrid, ceased to be a consolidated company following its merger with BMW Bank GmbH, Munich.

LHS Leasing- und Handelsgesellschaft Deutschland mbH, Stuttgart, changed its name to Alphabet Fuhrparkmanagement GmbH, Munich, during the quarter under report.

LARGUS Grundstücks-Verwaltungsgesellschaft mbH, Grünwald, LARGUS Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Grünwald, BMW Polska Sp. z o.o., Warsaw, and BMW India Private Ltd., New Delhi, were consolidated in the nine-month Interim Group Financial Statements for the first time.

Rover South Africa (Pty) Ltd., Cape Town, Sociedade Anglo – Portugese de Automoveis Sarl, Lisbon, Alphabet Fuhrparkmanagement GmbH, Munich, BMW Lease S.N.C., Guyancourt, BMW Location S.N.C., Guyancourt, and BMW Financial Services Iberica, E.F.C., S.A., Madrid, all ceased to be consolidated companies during the first three quarters of 2009.

Compared to the corresponding period last year, five subsidiaries and four special purpose trusts have been consolidated for the first time. In addition, six subsidiaries, four special purpose trusts and ten special purpose securities funds ceased to be consolidated companies.

The changes to the composition of the Group do not have a material impact on the earnings performance, financial position or net assets of the Group.

## 3 — Business acquisitions

With effect from 1 January 2009, BMW Anlagen Verwaltungs GmbH, Munich, acquired all of the shares of LARGUS Grundstücks-Verwaltungsgesellschaft, Grünwald, and, indirectly, 94.5 % of the shares of that company's subsidiary, LARGUS Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Grünwald. The acquisition of LARGUS Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Grünwald, gave rise to a credit difference on consolidation (excess of fair value of acquired net assets over purchase price) of euro 2 million which was recognised as other operating income in the first quarter 2009.

## 4 — New financial reporting rules

### (a) Financial reporting rules applied for the first time in the third quarter 2009

No new Standards or Interpretations were applied for the first time in the third quarter 2009.

### (b) New financial reporting rules issued during the third quarter 2009

The following Standards issued by the IASB during the third quarter 2009 are not mandatory for the reporting period and have not been applied by the BMW Group in the third quarter 2009:

| Standard / Interpretation | | Date of isue by IASB | Date of mandatory application | Endorsed by the EU | Expected impact on BMW Group |
|---|---|---|---|---|---|
| IFRS 2 | First-time Adoption of IFRS | 23 July 2009 | 1 January 2010 | No | None |
| | IFRS for Small and Medium-sized Entities | 9 July 2009 | 9 July 2009* | No | None |

* Voluntary adoption

## 5 — Revenues

Revenues by activity comprise the following:

| in euro million | **3rd quarter 2009** | 3rd quarter 2008 | **1 January to 30 September 2009** | 1 January to 30 September 2008 |
|---|---|---|---|---|
| Sales of products and related goods | **8,374** | 8,763 | **25,462** | 29,470 |
| Income from lease instalments | **1,352** | 1,474 | **4,277** | 4,129 |
| Sales of products previously leased to customers | **1,271** | 1,322 | **4,141** | 3,905 |
| Interest income on loan financing | **628** | 767 | **1,976** | 2,153 |
| Other income | **134** | 262 | **383** | 768 |
| **Revenues** | **11,759** | **12,588** | **36,239** | **40,425** |

An analysis of revenues by operating segment is shown in the segment information on pages 44 to 45.

## 6 — Cost of sales

Cost of sales in the third quarter include euro 3,489 million (third quarter 2008: euro: 3,650 million) relating to financial services business. For the period from 1 January to 30 September 2009, euro 10,953 million (first nine months 2008: euro 10,216 million) relates to financial services business.

Third-quarter cost of sales include research and development costs of euro 614 million (third quarter 2008: euro 686 million). These comprise all research costs and development costs not recognised as assets as well as the amortisation of capitalised development costs amounting to euro 312 million (third quarter 2008: euro 287 million). Research and development costs for the first nine months of 2009 amounted to euro 1,871 million (first nine months 2008: euro 2,162 million). This includes amortisation of capitalised development costs of euro 899 million (first nine months 2008: euro 884 million).

## 7 — Sales and administrative costs

Sales costs amounted to euro 879 million for the third quarter 2009 (third quarter 2008: euro 940 million) and euro 2,711 million for the nine-month period (first nine months 2008: euro 3,066 million). Sales costs mainly comprise marketing, advertising and sales personnel costs.

Administrative costs in the third quarter and first nine months amounted to euro 396 million (third quarter 2008: euro 366 million) and euro 1,023 million (first nine months 2008: euro 989 million) and comprised expenses for administration not attributable to development, production or sales functions.

## 8 — Other operating income and expenses

Other operating income amounted to euro 154 million in the third quarter (third quarter 2008: euro 380 million) and to euro 561 million for the nine-month period (first nine months 2008: euro 915 million). Other operating expenses in the third quarter totalled euro 125 million (third quarter 2008: euro 291 million). For the first nine months of 2009, they amounted to euro 539 million (first nine months 2008: euro 766 million). These items principally include exchange gains and losses, gains and losses on the disposal of assets, write-downs and income / expense from the reversal of, and allocation to, provisions.

## 9 — Result from equity accounted investments

The result from equity accounted investments in the third quarter was a positive amount of euro 9 million (third quarter 2008: euro 4 million). The equivalent figure for the first nine months of the year was euro 23 million (first nine months 2008: euro 16 million). This includes the results from the interest in the joint venture, BMW Brilliance Automotive Ltd., Shenyang, and from the participation in Cirquent GmbH, Munich. In the previous year, it only included the result of the joint venture, BMW Brilliance Automotive Ltd., Shenyang.

## 10 — Interest result

| in euro million | **3rd quarter 2009** | 3rd quarter 2008 | **1 January to 30 September 2009** | 1 January to 30 September 2008 |
|---|---|---|---|---|
| Interest and similar income | **229** | 162 | **588** | 499 |
| Interest and similar expenses | **–245** | –198 | **–692** | –700 |
| **Net interest result** | **–16** | **–36** | **–104** | **–201** |

## 11 — Other financial result

| in euro million | **3rd quarter 2009** | 3rd quarter 2008 | **1 January to 30 September 2009** | 1 January to 30 September 2008 |
|---|---|---|---|---|
| Result on investments | **–** | 1 | **1** | 2 |
| Sundry other financial result | **78** | –77 | **–10** | 66 |
| **Other financial result** | **78** | **–76** | **–9** | **68** |

## 12 — Income taxes

Taxes on income comprise the following:

| in euro million | **3rd quarter 2009** | 3rd quarter 2008 | **1 January to 30 September 2009** | 1 January to 30 September 2008 |
|---|---|---|---|---|
| Current tax expense | **39** | 32 | **100** | 330 |
| Deferred tax expense | **9** | –51 | **–68** | –100 |
| **Income taxes** | **48** | **–19** | **32** | **230** |

Changes in estimates at 30 September 2009 resulted in the expected tax rate for the year being adjusted from 34.0 % to 40.5 % (2008: 15.1 %).

## 13 — Earnings per share

The computation of earnings per share is based on the following figures:

| | | **3rd quarter 2009** | 3rd quarter 2008 | **1 January to 30 September 2009** | 1 January to 30 September 2008 |
|---|---|---|---|---|---|
| Profit attributable to the shareholders | euro million | **75.7** | 295.8 | **41.8** | 1,287.2 |
| Profit attributable to common stock | euro million (rounded) | **69.7** | 272.6 | **38.0** | 1,185.7 |
| Profit attributable to preferred stock | euro million (rounded) | **6.0** | 23.2 | **3.8** | 101.5 |
| Average number of common stock shares in circulation | number | **601,995,196** | 601,995,196 | **601,995,196** | 601,995,196 |
| Average number of preferred stock shares in circulation | number | **51,833,032** | 51,296,162 | **51,833,032** | 51,296,162 |
| **Earnings per share of common stock** | euro | **0.12** | 0.45 | **0.06** | 1.97 |
| **Earnings per share of preferred stock** | euro | **0.12** | 0.45 | **0.07** | 1.98 |

Earnings per share are calculated for common and preferred stock by dividing the net profit after minority interests, as attributable to each category of stock, by the average number of shares in circulation.

In computing earnings per share of preferred stock, earnings to cover the additional dividend of euro 0.02 per share of preferred stock are spread over the four quarters of the corresponding financial year. Earnings per share of preferred stock are computed on the basis of the number of preferred stock shares entitled to receive a dividend in each of the relevant financial years. Diluted earnings per share were not applicable in either of the reporting periods.

## 14 — Disclosures relating to the statement of total comprehensive income

Other comprehensive income after tax comprises the following:

| in euro million | **3rd quarter 2009** | 3rd quarter 2008 | **1 January to 30 September 2009** | 1 January to 30 September 2008 |
|---|---|---|---|---|
| Available-for-sale securities | | | | |
| Gains/losses in the period | **22** | 14 | **27** | –51 |
| Amounts reclassified to income statement | **–2** | 39 | **–5** | 19 |
| | **20** | **53** | **22** | **–32** |
| Financial instruments used for hedging purposes | | | | |
| Gains/losses in the period | **267** | –676 | **473** | –80 |
| Amounts reclassified to income statement | **–24** | –166 | **–63** | –584 |
| | **243** | **–842** | **410** | **–664** |
| Exchange differences on translating foreign operations | **–206** | 114 | **159** | –294 |
| Actuarial gains/losses relating to defined benefit pension and similar plans | **–393** | 387 | **–846** | 921 |
| Deferred taxes relating to components of other comprehensive income | **35** | 189 | **71** | –33 |
| **Other comprehensive income for the period after tax** | **–301** | **–99** | **–184** | **–102** |

Deferred taxes on components of other comprehensive income in the third quarter are as follows:

| in euro million | **3rd quarter 2009** | | | 3rd quarter 2008 | | |
|---|---|---|---|---|---|---|
| | Before tax | Deferred tax income/expense | After tax | Before tax | Deferred tax income/expense | After tax |
| Available-for-sale securities | **20** | **–1** | **19** | 53 | – | 53 |
| Financial instruments used for hedging purposes | **243** | **–77** | **166** | –842 | 303 | –539 |
| Exchange differences on translating foreign operations | **–206** | **–** | **–206** | 114 | – | 114 |
| Actuarial gains/losses relating to defined benefit pension and similar plans | **–393** | **113** | **–280** | 387 | –114 | 273 |
| **Other comprehensive income** | **–336** | **35** | **–301** | **–288** | **189** | **–99** |

# Interim Group Financial Statements
## Notes to the Group Financial Statements to 30 September 2009
## Notes to the Balance Sheet



Deferred taxes on components of other comprehensive income for the nine-month period are as follows:

| in euro million | **1 January to 30 September 2009** | | | 1 January to 30 September 2008 | | |
|---|---|---|---|---|---|---|
| | Before tax | Deferred tax income/expense | After tax | Before tax | Deferred tax income/expense | After tax |
| Available-for-sale securities | **22** | **–2** | **20** | –32 | – | –32 |
| Financial instruments used for hedging purposes | **410** | **–167** | **243** | –664 | 242 | –422 |
| Exchange differences on translating foreign operations | **159** | **–** | **159** | –294 | – | –294 |
| Actuarial gains/losses relating to defined benefit pension and similar plans | **–846** | **240** | **–606** | 921 | –275 | 646 |
| **Other comprehensive income** | **–255** | **71** | **–184** | **–69** | **–33** | **–102** |

### 15 — Intangible assets

Intangible assets mainly comprise capitalised development costs on vehicle and engine projects as well as subsidies for tool costs, licences, purchased development projects and software. Capitalised development costs at 30 September 2009 amounted to euro 4,891 million (31 December 2008: euro 5,073 million). Capital expenditure for development costs in the first nine months of 2009 was euro 717 million (first nine months 2008: euro 777 million). Amortisation amounted to euro 899 million (first nine months 2008: euro 884 million).

In addition, intangible assets include a brand-name right amounting to euro 39 million (31 December 2008: euro 37 million) and goodwill amounting to euro 111 million (31 December 2008: euro 111 million). The latter comprises goodwill arising on the acquisition of DEKRA SüdLeasing Services GmbH, Stuttgart, and its subsidiaries and on the acquisition of SimeLease (Malaysia) Sdn Bhd, Kuala Lumpur, and its subsidiary SimeCredit (Malaysia) Sdn Bhd, Kuala Lumpur. This item is not presented separately in the BMW Group balance sheet since the amount is not significant in relation to either the balance sheet total or intangible assets.

### 16 — Property, plant and equipment

Capital expenditure for property, plant and equipment in the first nine months of 2009 was euro 1,505 million (first nine months 2008: euro 1,749 million). The depreciation expense for the same period amounted to euro 1,664 million (first nine months 2008: euro 1,755 million).

### 17 — Leased products

Additions to leased products and depreciation thereon amounted to euro 5,885 million (first nine months 2008: euro 9,769 million) and euro 2,572 million (first nine months 2008: euro 2,442 million) respectively. Disposals amounted to euro 4,779 million (first nine months 2008: euro 4,309 million). The translation of foreign currency financial statements resulted in a net negative translation difference of euro 195 million (first nine months 2008: net positive translation difference of euro 126 million).

### 18 — Investments accounted for using the equity method and other investments

Investments accounted for using the equity method comprise the Group's interests in the joint venture BMW Brilliance Automotive Ltd., Shenyang, and in Cirquent GmbH, Munich.

Other investments relate to investments in non-consolidated subsidiaries, participations and non-current marketable securities.

## 19 — Receivables from sales financing

Receivables from sales financing totalling euro 38,574 million (31 December 2008: euro 38,063 million) relate to credit financing for retail customers and dealers and to finance leases.

Receivables from sales financing include euro 23,033 million (31 December 2008: euro 22,192 million) with a remaining term of more than one year.

## 20 — Financial assets

Financial assets comprise:

| in euro million | **30. 9. 2009** | 31. 12. 2008 |
|---|---|---|
| Interest and currency derivatives | **2,850** | 3,449 |
| Marketable securities and investment funds | **1,476** | 653 |
| Loans to third parties | **19** | 13 |
| Credit card receivables | **252** | 253 |
| Other | **345** | 746 |
| **Financial assets** | **4,942** | **5,114** |
| thereof non-current | **1,721** | 1,808 |
| thereof current | **3,221** | 3,306 |

The fair values of interest rate and currency derivative instruments are computed using market-information available at the end of the reporting period on the basis of prices quoted by the counterparties or using appropriate measurement methods, e.g. discounted cash flow models. These interest rates are adjusted, where necessary, to take account of the credit quality and risk of the underlying financial instrument.

As a result of the impact of the financial market crisis, some of the interest rates used to measure the fair value of derivatives are based on inflated credit and liquidity spreads. It is therefore possible that the calculated fair values may not be tradable on the markets at present.

Currency hedging contracts used to hedge cash flows are measured on the basis of the zero-coupon method. Due to the financial crisis and the current climate, it is possible – unlike in the past – that other models (for instance the par method) could result in differing fair values.

Closing out existing positions can therefore have an impact on profit or loss. However, since the contracts have been entered into for hedging purposes, the intention is to hold them until maturity.

## 21 — Income tax assets

Income tax assets can be analysed as follows:

| **30 September 2009**<br>in euro million | Maturity within one year | Maturity later than one year | Total |
|---|---|---|---|
| Deferred tax | – | 1,058 | 1,058 |
| Current tax | 401 | 441 | 842 |
| **Income tax assets** | **401** | **1,499** | **1,900** |

| 31 December 2008<br>in euro million | Maturity within one year | Maturity later than one year | Total |
|---|---|---|---|
| Deferred tax | – | 866 | 866 |
| Current tax | 498 | 104 | 602 |
| **Income tax assets** | **498** | **970** | **1,468** |

## 22 — Other assets

| in euro million | 30.9.2009 | 31.12.2008 |
|---|---|---|
| Other taxes | **402** | 373 |
| Receivables from subsidiaries | **452** | 425 |
| Receivables from other companies in which an investment is held | **161** | 103 |
| Prepayments | **1,015** | 848 |
| Collateral assets | **584** | 291 |
| Sundry other assets | **504** | 462 |
| **Other assets** | **3,118** | **2,502** |
| thereof non-current | **786** | 660 |
| thereof current | **2,332** | 1,842 |

## 23 — Inventories

Inventories comprise the following:

| in euro million | 30.9.2009 | 31.12.2008 |
|---|---|---|
| Raw materials and supplies | **569** | 596 |
| Work in progress, unbilled contracts | **831** | 803 |
| Finished goods and goods for resale | **6,003** | 5,891 |
| **Inventories** | **7,403** | **7,290** |

## 24 — Equity

The Group Statement of Changes in Equity is shown on page 32.

### Number of shares issued

At 30 September 2009, common stock issued by BMW AG was divided into 601,995,196 shares with a par value of one euro, unchanged from the previous year. Preferred stock issued by BMW AG was divided into 52,196,162 shares with a par value of one euro, also unchanged from the previous year. Unlike common stock, no voting rights are attached to preferred stock. All of the Company's stock is issued to bearer. Preferred stock bears an additional dividend of euro 0.02 per share.

At the Annual General Meeting on 14 May 2009, the shareholders authorised the Board of Management to acquire 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 these 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 has not been exercised to date. It has not yet been decided whether or to which extent the authorisation will be used.

BMW AG did not acquire any treasury shares of preferred stock during the first nine months of 2009. At 30 September 2009, 363,130 treasury shares of preferred stock were held. The effect of applying IFRS 2 (Share-Based Payments) to the employee share scheme is not material for the Group.

In addition, the shareholders passed a resolution authorising the Board of Management with the approval of the Supervisory Board, to increase the Company's share capital prior to 13 May 2014 in return for cash contributions and the issue of new non-voting preferred stock. This authorisation has not been used to date.

### Capital reserves

Capital reserves include premiums arising from the issue of shares.

### Revenues reserves

Revenue reserves comprise the post-acquisition and non-distributed earnings of consolidated companies. In addition, revenue reserves include both positive and negative goodwill arising on the consolidation of Group companies prior to 31 December 1994.

### Other comprehensive income

Other comprehensive income consists of all amounts recognised directly in equity resulting from the translation of the financial statements of foreign subsidiaries, the effects of recognising changes in the fair value of derivative financial instruments and securities directly in equity, and actuarial gains and losses relating to defined benefit pension plans and similar obligations and deferred taxes.

### Minority interests

Equity attributable to minority interests amounted to euro 13 million (31 December 2008: euro 8 million). This includes a minority interest of euro 5 million in the results for the period (31 December 2008: euro 6 million).

## 25 — Other provisions

Other provisions, at euro 4,334 million (31 December 2008: euro 4,882 million) primarily include personnel-related obligations and obligations for ongoing operational expenses.

Current provisions at 30 September 2009 amounted to euro 1,864 million (31 December 2008: euro 2,125 million).

## 26 — Income tax liabilities

| **30 September 2009** in euro million | Maturity within one year | Maturity later than one year | Total |
|---|---|---|---|
| Deferred tax | – | 2,711 | 2,711 |
| Current tax | 337 | 335 | 672 |
| **Income tax liabilities** | **337** | **3,046** | **3,383** |

| 31 December 2008 in euro million | Maturity within one year | Maturity later than one year | Total |
|---|---|---|---|
| Deferred tax | – | 2,757 | 2,757 |
| Current tax | 265 | 368 | 633 |
| **Income tax liabilities** | **265** | **3,125** | **3,390** |

Current tax liabilities of euro 672 million (31 December 2008: euro 633 million) comprise euro 177 million (31 December 2008: euro 97 million) for taxes payable and euro 495 million (31 December 2008: euro 536 million) for tax provisions.

## 27 — Financial liabilities

Financial liabilities include all obligations of the BMW Group relating to financing activities. Financial liabilities comprise the following:

| in euro million | 30.9.2009 | 31.12.2008 |
|---|---|---|
| Bonds | **26,924** | 24,159 |
| Liabilities to banks | **8,797** | 11,144 |
| Liabilities from customer deposits (banking) | **9,942** | 8,209 |
| Commercial paper | **4,818** | 5,471 |
| Asset backed financing transactions | **8,090** | 8,702 |
| Interest and currency derivatives | **1,229** | 1,621 |
| Other | **1,109** | 1,078 |
| **Financial liabilities** | **60,909** | **60,384** |
| thereof non-current | **36,494** | 30,497 |
| thereof current | **24,415** | 29,887 |

For further information relating to the measurement of interest rate and currency derivatives, reference is made to Note 20 —.

## 28 — Other liabilities

Other liabilities comprise the following items:

| in euro million | 30.9.2009 | 31.12.2008 |
|---|---|---|
| Other taxes | **470** | 335 |
| Social security | **47** | 44 |
| Advance payments from customers | **219** | 346 |
| Deposits received | **263** | 265 |
| Payables to subsidiaries | **30** | 45 |
| Payables to other companies in which an investment is held | **20** | 28 |
| Deferred income | **3,260** | 3,181 |
| Other | **2,115** | 2,037 |
| **Other liabilities** | **6,424** | **6,281** |
| thereof non-current | **2,428** | 2,201 |
| thereof current | **3,996** | 4,080 |

## 29 — Related party relationships

In accordance with IAS 24 (Related Party Disclosures), related individuals or entities which have the ability to control the BMW Group or which are controlled by the BMW Group, must be disclosed unless such parties are not already included in the consolidated financial statements as consolidated companies. Control is defined as ownership of more than one half of the voting power of BMW AG or the power to direct, by statute or agreement, the financial and operating policies of the management of the Group.

In addition, the disclosure requirements of IAS 24 also cover transactions with investee companies, joint ventures and individuals that have the ability to exercise significant influence over the financial and operating policies of the BMW Group. This also includes close relatives and intermediaries. Significant influence over the financial and operating policies of the Group can arise when a party holds 20% or more of the shares of BMW AG or is a member of the Board of Management or Supervisory Board of BMW AG.

For the third quarter 2009, the disclosure requirements contained in IAS 24 only affect the BMW Group with regard to business relationships with affiliated, non-consolidated subsidiaries, joint ventures, other equity investments as well as with members of the Board of Management and Supervisory Board of BMW AG.

The BMW Group maintains normal business relationships with affiliated, non-consolidated entities. Transactions with these entities are small in scale, arise in the normal course of business and are conducted on the basis of arm's length principles.

Transactions of BMW Group companies with the joint venture, BMW Brilliance Automotive Ltd., Shenyang, all arise in the normal course of business and are conducted on the basis of arm's length principles. Group companies sold goods and services to BMW Brilliance Automotive Ltd., Shenyang, during the first nine months of 2009 amounting to euro 349 million (first nine months 2008: euro 293 million), of which euro 164 million was recorded in the third quarter (third quarter 2008: euro 79 million). At 30 September 2009, receivables of Group companies from BMW Brilliance Automotive Ltd., Shenyang, amounted to euro 161 million (31 December 2008: euro 102 million). Group companies did not have any liabilities to BMW Brilliance Automotive Ltd., Shenyang at 30 September 2009 or 31 December 2008.

Business transactions between BMW Group entities and participations all arise in the normal course of business and are conducted on the basis of arm's length principles. With the exception of Cirquent GmbH, Munich, business relationships with such entities are on a small scale. During the third quarter 2009 BMW Group companies purchased services and goods from Cirquent GmbH, Munich, amounting to euro 12 million. The corresponding amount for the nine-month period was euro 37 million. At 30 September 2009, liabilities of Group companies to Cirquent GmbH, Munich, totalled euro 3 million (31 December 2008: euro 28 million).

Stefan Quandt is a shareholder and Deputy Chairman of the Supervisory Board of BMW AG. He is also sole shareholder and Chairman of the Supervisory Board of DELTON AG, Bad Homburg v.d.H., which, via its subsidiaries, performed logistics services for the BMW Group during the third quarter 2009. In addition, companies of the DELTON Group acquired vehicles from the BMW Group, mostly in the form of leasing contracts. These service and lease contracts are not material for the BMW Group, arise in the course of ordinary activities and are made, without exception, on the basis of arm's length principles.

Susanne Klatten is a shareholder and member of the Supervisory Board of BMW AG and also a shareholder and Deputy Chairman of the Supervisory Board of Altana AG, Wesel. Altana AG, Wesel, purchased vehicles from the BMW Group during the third quarter 2009. Susanne Klatten also holds shares in SGL Carbon SE, Wiesbaden, whose subsidiaries supplied components to the BMW Group during the third quarter and in Nordex AG, Norderstedt. These contracts are not material for the BMW Group, arise in the course of ordinary activities and are made, without exception, on the basis of arm's length principles.

Apart from these transactions, companies of the BMW Group did not enter into any contracts with members of the Board of Management or Supervisory Board of BMW AG. The same applies to close members of the families of those persons.

30 — **Explanatory notes to segment information**

For information on the basis used for identifying and assessing the performance of reportable segments along internal management lines, reference is made to the Group Financial Statements of BMW AG for the year ended 31 December 2008. No changes have been made either in the accounting policies applied or in the basis used for identifying reportable segments as compared to 31 December 2008. Segment information by operating segment for the third quarter 2009 is as follows:

**Segment information by operating segment**

| | Automobiles | | Motorcycles | |
|---|---|---|---|---|
| in euro million | **2009** | 2008 | **2009** | 2008 |
| External revenues | **8,142** | 8,595 | **237** | 269 |
| Inter-segment revenues | **2,036** | 2,518 | **2** | 2 |
| **Total revenues** | **10,178** | **11,113** | **239** | **271** |
| Segment result | **–76** | 141 | **–3** | –5 |
| Capital expenditure on non-current assets | **770** | 1,155 | **9** | 14 |
| Depreciation and amortisation on non-current assets | **890** | 879 | **17** | 16 |

Segment information by operating segment for the first nine months of 2009 is as follows:

**Segment information by operating segment**

| | Automobiles | | Motorcycles | |
|---|---|---|---|---|
| in euro million | **2009** | 2008 | **2009** | 2008 |
| External revenues | **24,626** | 28,762 | **857** | 1,002 |
| Inter-segment revenues | **5,984** | 8,267 | **8** | 6 |
| **Total revenues** | **30,610** | **37,029** | **865** | **1,008** |
| Segment result | **–358** | 1,155 | **51** | 87 |
| Capital expenditure on non-current assets | **2,372** | 2,828 | **29** | 31 |
| Depreciation and amortisation on non-current assets | **2,581** | 2,645 | **51** | 48 |

| | Automobiles | | Motorcycles | |
|---|---|---|---|---|
| in euro million | **30.9.2009** | 31.12.2008 | **30.9.2009** | 31.12.2008 |
| Segment assets | **12,650** | 14,367 | **373** | 423 |

| Financial Services 2009 | Financial Services 2008 | Other Entities 2009 | Other Entities 2008 | Reconciliations to Group figures 2009 | Reconciliations to Group figures 2008 | Group 2009 | Group 2008 | |
|---|---|---|---|---|---|---|---|---|
| **3,380** | 3,675 | **–** | 49 | **–** | – | **11,759** | 12,588 | External revenues |
| **451** | 409 | **1** | 18 | **–2,490** | –2,947 | **–** | – | Inter-segment revenues |
| **3,831** | **4,084** | **1** | **67** | **–2,490** | **–2,947** | **11,759** | **12,588** | **Total revenues** |
| **94** | –17 | **40** | 205 | **–71** | –45 | **126** | 279 | Segment result |
| **2,108** | 4,946 | **–** | 1 | **–413** | –624 | **2,474** | 5,492 | Capital expenditure on non-current assets |
| **1,143** | 1,500 | **–** | – | **–501** | –522 | **1,549** | 1,873 | Depreciation and amortisation on non-current assets |

| Financial Services 2009 | Financial Services 2008 | Other Entities 2009 | Other Entities 2008 | Reconciliations to Group figures 2009 | Reconciliations to Group figures 2008 | Group 2009 | Group 2008 | |
|---|---|---|---|---|---|---|---|---|
| **10,755** | 10,513 | **1** | 148 | **–** | – | **36,239** | 40,425 | External revenues |
| **1,303** | 1,305 | **2** | 45 | **–7,297** | –9,623 | **–** | – | Inter-segment revenues |
| **12,058** | **11,818** | **3** | **193** | **–7,297** | **–9,623** | **36,239** | **40,425** | **Total revenues** |
| **247** | 131 | **82** | 542 | **–57** | –393 | **79** | 1,522 | Segment result |
| **7,059** | 11,738 | **–** | 4 | **–1,327** | –2,220 | **8,133** | 12,381 | Capital expenditure on non-current assets |
| **4,159** | 4,242 | **–** | 4 | **–1,572** | –1,786 | **5,219** | 5,153 | Depreciation and amortisation on non-current assets |

| Financial Services 30.9.2009 | Financial Services 31.12.2008 | Other Entities 30.9.2009 | Other Entities 31.12.2008 | Reconciliations to Group figures 30.9.2009 | Reconciliations to Group figures 31.12.2008 | Group 30.9.2009 | Group 31.12.2008 | |
|---|---|---|---|---|---|---|---|---|
| **4,093** | 3,752 | **39,214** | 38,548 | **45,058** | 43,996 | **101,388** | 101,086 | Segment assets |

Segment figures for the third quarter can be reconciled to the corresponding Group figures as follows:

| in euro million | 2009 | 2008 |
|---|---|---|
| **Reconciliation of segment result** | | |
| Total for reportable segments | **55** | 324 |
| Financial result of Automobiles segment and Motorcycles segment | **–80** | –125 |
| Elimination of inter-segment items | **151** | 80 |
| **Group profit before tax** | **126** | **279** |
| **Reconciliation of capital expenditure on non-current assets** | | |
| Total for reportable segments | **2,887** | 6,116 |
| Elimination of inter-segment items | **–413** | –624 |
| **Total Group capital expenditure on non-current assets** | **2,474** | **5,492** |
| **Reconciliation of depreciation and amortisation on non-current assets** | | |
| Total for reportable segments | **2,050** | 2,395 |
| Elimination of inter-segment items | **–501** | –522 |
| **Total Group depreciation and amortisation on non-current assets** | **1,549** | **1,873** |

Segment figures for the first nine month of the year can be reconciled to the corresponding Group figures as follows:

| in euro million | 2009 | 2008 |
|---|---|---|
| **Reconciliation of segment result** | | |
| Total for reportable segments | **22** | 1,915 |
| Financial result of Automobiles segment and Motorcycles segment | **–431** | –280 |
| Elimination of inter-segment items | **488** | –113 |
| **Group profit before tax** | **79** | **1,522** |
| **Reconciliation of capital expenditure on non-current assets** | | |
| Total for reportable segments | **9,460** | 14,601 |
| Elimination of inter-segment items | **–1,327** | –2,220 |
| **Total Group capital expenditure on non-current assets** | **8,133** | **12,381** |
| **Reconciliation of depreciation and amortisation on non-current assets** | | |
| Total for reportable segments | **6,791** | 6,939 |
| Elimination of inter-segment items | **–1,572** | –1,786 |
| **Total Group depreciation and amortisation on non-current assets** | **5,219** | **5,153** |

| in euro million | 30. 9. 2009 | 31. 12. 2008 |
|---|---|---|
| **Reconciliation of segment assets** | | |
| Total for reportable segments | **56,330** | 57,090 |
| Non-operating assets – Other Entities segment | **5,653** | 5,616 |
| Operating liabilities – Financial Services segment | **64,970** | 66,040 |
| Interest-bearing assets – Automobiles segment | **24,695** | 24,849 |
| Liabilities of Automobiles and Motorcycles segments not subject to interest | **15,281** | 14,174 |
| Elimination of inter-segment items | **–65,541** | –66,683 |
| **Total Group assets** | **101,388** | **101,086** |

# Other Information
Financial Calendar
Contacts

## Financial Calendar

| | |
|---|---|
| Annual Report 2009 | 17 March 2010 |
| 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 |

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Print $CO_2$ compensated

The $CO_2$ emissions generated through the production of paper for this report, as well as through print and production, were neutralized by the BMW Group. To this end, the corresponding amount of emission allowances was erased, with the transaction identification DE-82589 on 26 October 2009.

The manufacture of, and the paper used for, the BMW Group's Quarterly Report to 30 September 2009, have been certified in accordance with the criteria of the Forest Stewardship Council (FSC). The FSC prescribes stringent standards for forest management, thus helping to avoid uncontrolled deforestation, human rights infringements and damage to the environment. Since products bearing the FSC label are handled by various enterprises along the processing and trading chain, the FSC chain of custody certification rules are also applied to enterprises which process paper e.g. printing companies.

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