



# International Financial Accounting

## Final Assignment

**BMW**

**FINANCIAL STATEMENT ANALYSIS**

Author : Sébastien Lacour

Student ID Number : 081534

Program : MBA

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*Sébastien Lacour*

## **Business Summary**

Bayerische Motoren Werke G. m. b. H. came into being in 1917, having been founded in 1916 as “Bayerische Flugzeugwerke AG” (BFW); it became Bayerische Motoren Werke Aktiengesellschaft (“BMW AG”) in 1918. Today, the BMW Group is one of the ten largest car manufacturers in the world and possesses, with its BMW, MINI and Rolls-Royce brands, three of the strongest premium brands in the car industry. The BMW Group also has a strong market position in the motorcycle sector and operates successfully in the area of financial services. Automobiles segment develops, manufactures, assembles, and sells cars and off-road vehicles under the BMW, MINI, and Rolls-Royce brands, as well as spare parts and accessories. This segment sells its cars and off-road vehicles through authorized dealers and independent import companies. The Motorcycles segment manufactures, assembles, and sells BMW brand motorcycles, as well as spare parts and accessories. The Financial Services segment focuses primarily on car leasing, fleet business, retail customer and dealer financing, customer deposit business, and insurance activities. In October 2007, it acquired Husqvarna Motorcycles, a supplier of sporty off-road motorcycles. BMW is based in Munich, Germany, and has manufacturing, assembly, service and sales subsidiaries throughout the world.

## **Accounting policies and standards**

The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft (“BMW Group financial statements” or “Group financial statements”) for the business year from January 1 to December 31, 2007, have been drawn up in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the EU. The Group currency is the euro. On the financial statement of the last 3 years, auditors didn't mention any reservation about BMW's consolidated financial statement.

All the others companies used to compare with BMW AG (DAIMLER AG, AUDI AG, VOLKSWAGEN AG) comply with IFRS, end up their fiscal year by December 31 and

present their financial statement in Euro. On the other end Toyota Motor Corporation complies with US GAAP, ends up the fiscal year by March 31 and uses the Yen as currency for its financial statement.

Median Value used in this paper comes from Infiniti website, some company data has been taken in annual report, some others from Reuters web site, ratio formula might be different even if they are named the same this is why there is many data table. Within the same table value are consistent (i.e. formula are similar and input data has been collected the same way). Infiniti averages values are distorted by Ford and General Motors this is why median value seems more relevant for the purpose of this report. On Reuters website industry ratios are not 2007 fiscal years ratios, so they can't be used for comparison. Ratios on 5 years average are used when available for BMW and industry

**Profitability** (See Exhibit 3)

PROFITABILITY	BMW 2007	BMW 2006	BMW 2005	3 years Average	Daimler 2007	Audi 2007
(Annual Reports)						
Gross margin	21.75%	23.14%	22.86%	22.58%	24.14%	15.29%
Operating Margin	7.52%	8.27%	8.13%	7.97%	8.76%	8.05%
Return on sales	5.59%	5.87%	4.80%	5.42%	4.01%	5.03%
ROCE	7.97%	8.35%	8.47%	8.26%	8.14%	18.55%
ROA	5.01%	5.27%	5.33%	5.21%	4.94%	11.98%

The profitability of the company is quite good with a gross margin ratio of 21.8% but we can notice a slight decrease of this ratio. About the gross margin we can notice from income statement that the cost of goods sold increase of 16.4% while the revenues increase of 14.3%, this affect the gross margin and demonstrate in the same time a high level of business volumes. This downward trend doesn't occur with the others companies except Toyota but this might be explained by the weakness of the Japanese Yen and the US dollar as North America is a big market for BMW. Another reason could be the generally high cost of raw material during 2007 and especially Oil and Steel. This increase in cost of goods sold affects the other profitability ratio. We can notice as well that BMW earnings in 2006 included a gain of euro 372 million resulting from the partial settlement of the exchangeable bond on shares in Rolls-Royce plc, London. Further conversions in 2007 gave rise to a gain of euro 97 million. The Return On Capital employed ratio (Operating income / [ Average total assets - Average current liabilities ]) is a useful measure of business performance, it gives the efficiency and profitability of a company's capital investments. ROCE trend is going down over the year mainly because of the great increase in average asset. From the balance sheet and note [23] page 100 of the annual report we can notice that 'receivable from sales financing' represents the big part of asset increase. This is due to a rise of loan financing involving an increase in sales. The return on asset (Operating income / Average total assets) shows how well asset have been employed. The trend is going down as well for the same reason as discussed previously. Note [34] page 112 gives an idea of the interest rate of financial liabilities, approximately 4.7% so with a ROA of 5% BMW is better of borrowing money from the bank to generate profit but the security margin is

not great and special care should be made if interest rate goes up. The different ratios are good anyway, from Infincials and Reuters we can notice that profitability ratios are above median and averages values.

#### **Liquidity & Efficiency** (See Exhibit 4)

<b>LIQUIDITY</b>	<b>BMW 2007</b>	<b>BMW 2006</b>	<b>BMW 2005</b>	<b>3 years Average</b>	<b>Daimler 2007</b>	<b>Audi 2007</b>
(Annual Reports)						
Current ratio	0.98	0.98	1.02	0.99	1.03	1.56
Acid test	0.75	0.75	0.78	0.76	0.79	1.26
<b>EFFICIENCY</b>						
(Annual Reports)						
DSO (days) group	102.39	107.07	98.46	102.64	121.7	33.3
DSO (days) Indus. op.	15.87	15.94	15.10	15.64	27.28	21.66
DPO (days)	30.34	35.28	36.01	33.88	50.0	32.4
Inventory turns	6.20	5.65	5.54	5.80	4.64	11.94
DIO (days)	58.89	64.55	65.89	63.11	78.6	30.6

Liquidity ratios are aimed to measure the ability of a business to meet their short term financial obligation. Current ratio is defined as current assets divided by current liabilities and gives an idea of the management of the working capital. Acid test represents a more strict liquidity test by excluding inventory. These two ratios are quite low but are stable on the last two years after a decline in 2006, the current liabilities are not covered by current asset so BMW could experience some liquidity problems. One of the reasons is the relative difference between Days Sales Outstanding and Days Payable Outstanding, while it takes 102 days to collect money from their clients after a sale has been made, BMW pays his goods in only 30 days, this leads roughly to a difference of two months. During this time BMW does not have cash out. The DPO went down from 2005, 2006 and 2007, BMW might have negotiated better prices with its suppliers. The high DSO seems normal in this kind of industry as usually dealerships pay later than end users. If we isolate industrial operation the DSO goes down to 16 days which is quite good, thus the financial activities are probably one of the reasons of this high DSO. Let us now consider another one. The cash flow statement shows that BMW ends up year 2007 with more cash than year 2006, but we can notice that cash inflow from

operating activities does not cover cash outflow from investing activities. This is due to financial operation, sales financing cash outflow represent euro 54573 million, this is generated by a high volume of leased products. From Reuters and Infincials “Days in inventory” ratio we can conclude that it takes longer for BMW than others companies to produce or to sold products as ratios are above average. This high DIO ratio means low inventory turnover and this can be another reason to have low liquidity ratios since holding inventories has a cost. The net profit between 2007 and 2006 increase of euro 206 million while the cash flow from operating activities has a difference of 1814 euro, cash at end of the years has a difference of euro 1057 million and the DIO ratios is getting down, therefore we can expect that liquidity ratios will improve as BMW is getting more cash.

### Capital Structure *(See Exhibit 5)*

CAPITAL STRUCTURE	BMW 2007	BMW 2006	BMW 2005	3 years Average	Daimler 2007	Audi 2007
(Annual Reports)						
Financial Leverage	196.65%	197.00%	195.78%	196.48%	204.4%	4.8%
Interest cover	18.2	13.9	11.3	14.5	18.3	20.1

There is many leverage ratios, the financial leverage ratio used for this report is the most widely used, i.e. debt to equity ratio, Infincials uses the same formula. BMW can be considered as highly geared. This means that the company is much more financed by borrowings than by shareholders equity for investors it can seem a hazardous investment. If business goes down it could be difficult for BMW to pay interests charges and capital repayments and the ratio will get even higher. Usually it is considered that solvency risk increases with leverage ratio.

Interest cover measures the amount of profit to cover interest expenses on debt. It is defined as PBIT divides by interest expenses. A ratio of 18.5 which means that the interest can be paid 18.5 times. Even if the PBIT decreases significantly BMW will still be able to pay its interest. This gives goods perspectives to shareholders that the business will not be interfered by lenders pressure to pay back. This ratio was greatly

improved the last year because the interest expense went down by 29.5% while the earnings increased and stayed well above this expense.

### Investment (See Exhibit 6)

INVESTMENT	BMW 2007	BMW 2006	BMW 2005		Daimler 2007	Audi 2007
(Annual Reports)						
ROE	15.33%	15.92%	13.36%		10.55%	21.66%
Dividend yield	2.50%	1.61%	1.73%		3.0%	0.3%
Dividend yield (11/01/09)	4.73%				7.3%	0.4%
EPS(basic)	5.21	4.77	3.60		3.93	39.35
PE	8.1	9.1	10.3		16.9	15.9
PE 11/01/09 (Xetra)	4.3				6.9	11.4

Investment ratios are aimed to advise investor estimate the returns on their investment and asses how well a company is doing from the stockholders point of view. These ratios naturally focus on net income, dividends and stockholders' equities. The most important is Return On Equity (net income / average equity) as one of the primary reasons to operate business is to generate income for the benefit of the common stockholders. With 15.3% BMW is doing well as the ROE is above competitors, this is a really good picture for investor. The dividend yield ratio (Dividends per share / Price per share) relates the rate of return of cash. This ratio cannot be considered as good or bad, it will depend on investor wish. Some might prefer get cash while some other for tax or any reason rather than dividend, may prefer that the company reinvest cash for further development or to buy shares to reduce their number in circulation and increase their values. The Earnings per share ratio (net income / Number of ordinary share) relate the earnings generated by the business. It is not really useful to compare it to others companies but the trend over time is much more important. For BMW in the last 3 years these ratios were (from 2005 to 2007): 3.6, 4.77, 5.21. We can conclude that every year BMW is generating more profit related to each share and so more earnings available to shareholder. To make comparison we could note that BMW is having better EPS than Daimler using 46% less equity (BMW euro 20437 million versus DAIMLER euro 37788 million) which means that money invested in BMW is making more profit.

### **Price to earnings ratio comparison** (*See Exhibit 6*)

The PE ratio is defined as market price per share divided by earning per share. In this case the EPS is only available for the last fiscal year i.e. 2007 and the market price share is changing daily thus the PE ratio changes daily as well. We can notice that for the two companies we are comparing, the PE ratio went down dramatically, this is due to a high loss in share price between end of 2007 and now. This loss is mainly the result of the financial crisis that occurs because of the subprime crisis on the US mortgage market. A warning has been made in the BMW 2007 annual report on page 16 as they reported that the second half of 2007 financial result was affected by this crisis. Usually a high PE indicates that investors are confident about future financial strength of the company as by accepting to pay premium price for a share, investors expect the net income to grow rapidly. In this case for Daimler, investors are willing to pay 6.9 € per euro of earnings while for BMW they are willing to pay only 4.3 €. So future seems brighter for Daimler. From Reuters investments table we can observe that PE ratio on the last 3 years has always been higher for Daimler while EPS has been lower. Checking the consolidated financial statement of the first 3 quarter, it's obvious that while the net profit of BMW went down by 39.7%, the net profit of Daimler went up by 28.5%, on quarter 3 and this justify why investors are more confident into Daimler future. This difference can be explained by the trucks activity of Daimler where the sales went up by 4%, unfortunately BMW does not produce trucks. Daimler is taking advantage of its industrial diversity.



## Exhibit 1. BMW Ratios calculation

PROFITABILITY	BMW 2007	BMW 2006	BMW 2005
(Annual Reports)			
Gross margin	21.75%	23.14%	22.86%
Operating Margin	7.52%	8.27%	8.13%
Return on sales	5.59%	5.87%	4.80%
ROCE	7.97%	8.35%	8.47%
ROA	5.01%	5.27%	5.33%

LIQUIDITY	BMW 2007	BMW 2006	BMW 2005
(Annual Reports)			
Current ratio	0.98	0.98	1.02
Acid test	0.75	0.75	0.78
EFFICIENCY			
(Annual Reports)			
DSO (days) group	102.39	107.07	98.46
DSO (days) Indus. op.	15.87	15.94	15.10
DPO (days)	30.34	35.28	36.01
Inventory turns	6.20	5.65	5.54
DIO (days)	58.89	64.55	65.89

CAPITAL STRUCTURE	BMW 2007	BMW 2006	BMW 2005
(Annual Reports)			
Financial Leverage	196.65%	197.00%	195.78%
Interest cover	18.2	13.9	11.3

INVESTMENT	BMW 2007	BMW 2006	BMW 2005
(Annual Reports)			
ROE	15.33%	15.92%	13.36%
Dividend yield	2.50%	1.61%	1.73%
Dividend yield (11/01/09)	4.73%		
EPS(basic)	5.21	4.77	3.60
PE	8.1	9.1	10.3
PE 11/01/09 (Xetra)	4.3		

## Exhibit 2. Data used to calculate ratios

in Millions except per share data & # of shares

	€millions 2007 <b>BMW</b>	€millions 2006 <b>BMW</b>	€millions 2005 <b>BMW</b>
Revenues	56 018	48 999	46 656
Cost of goods sold	43 832	37 660	35 992
Gross margin	12 186	11 339	10 664
Operating income from continuing operations	4 212	4 050	3 793
Profit BIT***	4 098	4 443	3 605
net income or profit	3 134	2 874	2 239
average assets*	84 027	76 812	71 100
average equity*	20 437	18 052	16 754
average LT financial debt*	20 114	17 815	16 249
average ST fi.debt *	20 075	17 747	16 551
aver. current liabilities*	31 170	28 320	26 334
aver.current assets*	30 461	27 777	26 911
aver. Liquid assets*	23 389	21 116	20 414
Average AR*	15 715	14 374	12 586
Average AP*	3 644	3 641	3 460
Average inventory*	7 072	6 661	6 497
Interest expense	225	319	318
Total Dividend paid	694	458	419
Share price at year end	42.35	43.51	37.05
Share price on January 11th 2009 (Xetra)	22.39		
# of shares (basic)**	601 995 196	601 995 196	622 228 000
Dividend per share	1.06	0.70	0.64
Revenues ind. op.	55 263	49 227	47 205
Average AR* ind. Op.	2 403	2 150	1 953

### Comments :

\* calculated over 2 years (n & n-1)

\*\* common shares only

\*\*\* Profit BIT, Before Interest and Tax = Net Income + Interest expense on debt + Income Taxes

Note: for all other data source and calculation please check Excel file: SL\_BMW\_analysis.xls

### Exhibit 3. Profitability ratios

PROFITABILITY	BMW 2007	BMW 2006	BMW 2005	3 years Average	Daimler 2007	Audi 2007
(Annual Reports)						
Gross margin	21.75%	23.14%	22.86%	22.58%	24.14%	15.29%
Operating Margin	7.52%	8.27%	8.13%	7.97%	8.76%	8.05%
Return on sales	5.59%	5.87%	4.80%	5.42%	4.01%	5.03%
ROCE	7.97%	8.35%	8.47%	8.26%	8.14%	18.55%
ROA	5.01%	5.27%	5.33%	5.21%	4.94%	11.98%

PROFITABILITY	BMW 2007	BMW 2006	BMW 2005	DAIMLER 2007	DAIMLER 2006	DAIMLER 2005	VW 2007	VW 2006	VW 2005	Toyota 2008	Toyota 2007	Toyota 2006
(Reuters)												
Gross margin	21.75%	23.1%	22.9%	24.1%	20.6%	19.5%	15.0%	13.2%	13.0%	18.1%	19.7%	19.5%
Operating Margin	7.42%	8.20%	8.11%	8.99%	4.93%	2.67%	5.65%	1.92%	2.70%	8.64%	9.35%	8.93%
Return on sales	5.59%	5.9%	4.8%	4.0%	3.8%	4.4%	3.8%	2.6%	1.2%	6.8%	7.1%	6.9%
ROCE	7.86%	8.3%	8.5%	8.4%	3.9%	2.2%	7.1%	2.5%	3.2%	11.0%	11.3%	10.8%
ROA	4.95%	5.2%	5.3%	5.1%	2.3%	1.3%	4.4%	1.5%	1.9%	7.0%	7.3%	7.1%

PROFITABILITY	Company 5 Yr. Avg.	Industry 5 Yr. Avg.
(Reuters)		
Gross Margin - 5 Yr. Avg.	22.70%	22.18%
Operating Margin	8.02%	7.66%
Return on sales	5.24%	4.92%
ROCE	/	/
ROA	3.50%	4.25%

Profitability (Reuters)	3 Years			
BMW AG	Dec 07	Dec 06	Dec 05	Average
Gross Margin (%)	21.75	23.14	22.86	22.58
Operating Margin (%)	7.42	8.20	8.11	7.91
Return on sales (%)	5.59	5.87	4.80	5.42
<b>Management Effectiveness (Reuters)</b>				
Return on Investments %	5.93	5.93	5.00	5.62
Return on Assets %	3.73	3.74	3.15	3.54

Company Name	Bmw AG	Peer median	Daimler AG	Audi AG
(Infi EF Code)	02398ED		02410ED	92500ED
Fiscal Year End Date	31-déc-07		31-déc-07	31-déc-07
Home Currency	EUR		EUR	EUR
<b>PROFITABILITY</b>				
Return on Assets	3.72%	3.39%	2.45%	1.17%
Return on Net Fixed Assets	27.92%	17.93%	16.35%	4.74%
Return on Equity	15.30%	13.67%	11.23%	3.11%
ROCE	20.62%	14.15%	30.47%	38.17%
EBITDA/Sales (EBITDA margin)	13.76%	12.51%	12.65%	15.04%
EBIT/Sales (EBIT Margin)	7.42%	6.49%	6.49%	8.29%
Pretax Income/Sales	6.91%	6.72%	6.72%	8.67%
After Tax Income/Sales	5.59%	3.79%	3.66%	5.03%
Profit Margin	5.58%	3.78%	3.07%	0.72%

## Exhibit 4. Liquidity & Efficiency ratios

LIQUIDITY	BMW 2007	BMW 2006	BMW 2005	3 years Average	Daimler 2007	Audi 2007
(Annual Reports)						
Current ratio	0.98	0.98	1.02	0.99	1.03	1.56
Acid test	0.75	0.75	0.78	0.76	0.79	1.26
EFFICIENCY						
(Annual Reports)						
DSO (days) group	102.39	107.07	98.46	102.64	121.7	33.3
DSO (days) Indus. op.	15.87	15.94	15.10	15.64	27.28	21.66
DPO (days)	30.34	35.28	36.01	33.88	50.0	32.4
Inventory turns	6.20	5.65	5.54	5.80	4.64	11.94
DIO (days)	58.89	64.55	65.89	63.11	78.6	30.6

LIQUIDITY	BMW 2007	BMW 2006	BMW 2005	DAIMLER 2007	DAIMLER 2006	DAIMLER 2005	VW 2007	VW 2006	VW 2005	Toyota 2008	Toyota 2007	Toyota 2006
(Reuters)												
Current ratio	0.98	0.98	1.02	1.03	1.19	1.55	1.18	1.12	1.11	1.01	1.04	1.11
Acid test	0.75	0.75	0.78	0.79	0.96	1.30	0.94	0.88	0.87	0.86	0.88	0.94
EFFICIENCY												
(Reuters)												
DSO (days)	102.40	107.07	98.46	121.73	222.72	295.47	120.78	117.52	123.39	93.60	95.35	96.07
DPO (days)	30.34	35.29	35.09	49.99	65.58	65.49	34.07	33.42	35.53	37.52	40.79	42.47
Inventory turns	6.20	5.65	5.54	4.64	4.20	4.27	6.99	7.25	6.79	11.86	11.23	11.58
DIO (days)	58.89	64.56	65.89	78.62	86.95	85.57	52.21	50.34	53.78	30.78	32.51	31.53

Financial Strength (Reuters)				3 Years	
BMW AG	Dec 07	Dec 06	Dec 05	Average	
Quick Ratio	0.65	0.64	0.65	0.67	
Current Ratio	0.96	1.00	0.96	0.97	
LT Debt/Equity	0.99	0.98	0.99	0.99	
Total Debt Equity	2.04	1.91	2.04	1.99	

Company Name	Bmw AG	Peer median	Daimler AG	Audi AG
(infinancials) EF Code	02398ED		02410ED	92500ED
Fiscal Year End Date	31-déc-07		31-déc-07	31-déc-07
Home Currency	EUR		EUR	EUR
LIQUIDITY RATIOS				
Quick Ratio	74.09%	92.91	96.49%	129.46%
Cash Ratio	7.08%	30.89%	31.94%	90.16%
Current Ratio	95.84%	121.30%	127.16%	159.18%
Payout Ratio	22.20%	17.48%	50.97%	0.00%
Days in Inventory	47.23	35.97	41.74	28.5
Days in Receivables	17.17	19.2	17.69	23.01

## Exhibit 5. Capital Structure ratios

CAPITAL STRUCTURE	BMW 2007	BMW 2006	BMW 2005	3 years Average	Daimler 2007	Audi 2007
(Annual Reports)						
Financial Leverage	196.65%	197.00%	195.78%	196.48%	204.4%	4.8%
Interest cover	18.2	13.9	11.3	14.5	18.3	20.1

CAPITAL STRUCTURE	BMW 2007	BMW 2006	BMW 2005	DAIMLER 2007	DAIMLER 2006	DAIMLER 2005	VW 2007	VW 2006	VW 2005	Toyota 2008	Toyota 2007	Toyota 2006
(Reuters) Financial Leverage	196.7%	197.0%	195.8%	209.8%	246.0%	224.7%	198.6%	239.1%	204.1%	102.7%	100.6%	96.6%
Interest cover	18.2	13.9	11.3	18.3	11.4	8.7	5.0	2.6	2.1	40.0	35.3	68.5

Company Name	Bmw AG	Peer median	Daimler AG	Audi AG
(infinancials) EF Code	02398ED		02410ED	92500ED
Fiscal Year End Date	31-déc-07		31-déc-07	31-déc-07
Home Currency	EUR		EUR	EUR
CAPITAL STRUCTURE				
Financial Leverage	202.09%	121.03%	171.26%	6.39%
Total Financial Debt/Total assets	49.35%	37.37%	46.55%	2.35%
Net Debt / Total Assets	46.66%	27.60%	34.98%	-33.40%
Net Debt / Shareholder Equity (Gearing)	191.08%	79.00%	171.26%	-90.74%
Net Debt / EBITDA	5.39	2.50	2.89	-1.49
Total Equity / Total Assets	24.42%	28.28%	27.18%	36.81%
Retention Ratio	77.80%	82.52%	49.03%	100.00%
Total Liabilities & Debt / Equity	309.50%	228.27%	267.92%	171.63%
Inventory to Working Capital	-522.69%	79.77%	112.92%	50.22%

## Exhibit 6. Investment ratios

INVESTMENT	BMW 2007	BMW 2006	BMW 2005		Daimler 2007	Audi 2007
(Annual Reports)						
ROE	15.33%	15.92%	13.36%		10.55%	21.66%
Dividend yield	2.50%	1.61%	1.73%		3.0%	0.3%
Dividend yield (11/01/09)	4.73%				7.3%	0.4%
EPS(basic)	5.21	4.77	3.60		3.93	39.35
PE	8.1	9.1	10.3		16.9	15.9
PE 11/01/09 (Xetra)	4.3				6.9	11.4

INVESTMENT	BMW 2007	BMW 2006	BMW 2005	DAIMLER 2007	DAIMLER 2006	DAIMLER 2005	VW 2007	VW 2006	VW 2005	Toyota 2008	Toyota 2007	Toyota 2006
(Reuters)												
ROE	15.3%	15.9%	13.4%	10.8%	10.3%	12.0%	14.0%	10.9%	4.8%	15.2%	15.1%	14.9%
Dividend yield	2.5%	1.6%	1.7%	3.0%	3.2%	3.5%	1.2%	1.5%	2.6%	2.8%	1.6%	1.4%
EPS(basic)	4.85	4.42	3.35	4.62	2.73	2.22	10.45	5.04	2.73	540.65	512.09	421.76
PE	8.7	9.8	11.1	14.4	17.1	19.4	14.9	17.0	16.4	9.2	14.7	15.2

INVESTMENT	Company 5 Yr. Avg.	Industry 5 Yr. Avg.
(Reuters)		
ROE	14.4%	12.1%
Dividend yield	1.9%	1.7%
INVESTMENT	Company TTM	Industry TTM
P/E Ratio (TTM)	6.28	7.21

Dividend Information (Reuters)				3 Years	3 Years
	Dec 07	Dec 06	Dec 05	Average	Growth
BMW AG					
Payout Ratio (%)	22.16	15.96	19.19	19.10	
Dividend Per Share	1.06	0.70	0.64		0.20
Per Share Data (Reuters)					
Earnings Per Share	4.78	4.39	3.34		0.13
Sales Per Share	85.72	74.93	69.5		0.09
Book Value	33.25	29.24	25.68		0.11
Cash Flow	10.44	9.5	7.84		0.13
Cash Per Share	9.2	6.83	6.47		-0.02
Management Effectiveness (Reuters)					
Return on Equity %	15.30	15.89	13.36	14.85	

**FINANCIAL ANALYSIS BMW  
2007-2005**

PROFITABILITY	BMW 2007	BMW 2006	BMW 2005	3 years Average	Daimler 2007	Audi 2007
(Annual Reports)						
Gross margin	21.75%	23.14%	22.86%	22.58%	24.14%	15.29%
Operating Margin	7.52%	8.27%	8.13%	7.97%	8.76%	8.05%
Return on sales	5.59%	5.87%	4.80%	5.42%	4.01%	5.03%
ROCE	7.97%	8.35%	8.47%	8.26%	8.14%	18.55%
ROA	5.01%	5.27%	5.33%	5.21%	4.94%	11.98%

LIQUIDITY	BMW 2007	BMW 2006	BMW 2005	3 years Average	Daimler 2007	Audi 2007
(Annual Reports)						
Current ratio	0.98	0.98	1.02	0.99	1.03	1.56
Acid test	0.75	0.75	0.78	0.76	0.79	1.26
EFFICIENCY						
(Annual Reports)						
DSO (days) group	102.39	107.07	98.46	102.64	121.7	33.3
DSO (days) Indus. op.	15.87	15.94	15.10	15.64	27.28	21.66
DPO (days)	30.34	35.28	36.01	33.88	50.0	32.4
Inventory turns	6.20	5.65	5.54	5.80	4.64	11.94
DIO (days)	58.89	64.55	65.89	63.11	78.6	30.6

CAPITAL STRUCTURE	BMW 2007	BMW 2006	BMW 2005	3 years Average	Daimler 2007	Audi 2007
(Annual Reports)						
Financial Leverage	196.65%	197.00%	195.78%	196.48%	204.4%	4.8%
Interest cover	18.2	13.9	11.3	14.5	18.3	20.1

INVESTMENT	BMW 2007	BMW 2006	BMW 2005		Daimler 2007	Audi 2007
(Annual Reports)						
ROE	15.33%	15.92%	13.36%		10.55%	21.66%
Dividend yield	2.50%	1.61%	1.73%		3.0%	0.3%
Dividend yield (11/01/09)	4.73%				7.3%	0.4%
EPS(basic)	5.21	4.77	3.60		3.93	39.35
PE	8.1	9.1	10.3		16.9	15.9
PE 11/01/09 (Xetra)	4.3				6.9	11.4

**Source:**

[http://www.bmwgroup.com/annualreport2007/\\_downloads/BMW\\_Group\\_2007.pdf](http://www.bmwgroup.com/annualreport2007/_downloads/BMW_Group_2007.pdf)  
[http://www.bmwgroup.com/e/0\\_0\\_www\\_bmwgroup\\_com/investor\\_relations/finanzberichte/geschaeftsberichte/2006/popup/\\_downloads/gb2006\\_gesamt.pdf](http://www.bmwgroup.com/e/0_0_www_bmwgroup_com/investor_relations/finanzberichte/geschaeftsberichte/2006/popup/_downloads/gb2006_gesamt.pdf)  
[http://www.bmwgroup.com/bmwgroup\\_prod/e/0\\_0\\_www\\_bmwgroup\\_com/investor\\_relations/finanzberichte/geschaeftsberichte/2005/\\_pdf/gb2005\\_gesamt.pdf](http://www.bmwgroup.com/bmwgroup_prod/e/0_0_www_bmwgroup_com/investor_relations/finanzberichte/geschaeftsberichte/2005/_pdf/gb2005_gesamt.pdf)  
[http://www.daimler.com/Projects/c2c/channel/documents/1488194\\_DAI\\_2007\\_Annual\\_Report.pdf](http://www.daimler.com/Projects/c2c/channel/documents/1488194_DAI_2007_Annual_Report.pdf)  
[http://www.audi.com/etc/medialib/cms4imp/audi2/company/financial\\_information/pdf\\_0803.Par.0075.File.pdf](http://www.audi.com/etc/medialib/cms4imp/audi2/company/financial_information/pdf_0803.Par.0075.File.pdf)

**Q3 reports:**

[http://www.bmwgroup.com/e/0\\_0\\_www\\_bmwgroup\\_com/investor\\_relations/finanzberichte/zwischenberichte/2008/0908/\\_pdf/BMWGroup\\_Q3.pdf](http://www.bmwgroup.com/e/0_0_www_bmwgroup_com/investor_relations/finanzberichte/zwischenberichte/2008/0908/_pdf/BMWGroup_Q3.pdf)  
[http://www.daimler.com/Projects/c2c/channel/documents/1615297\\_DAI\\_Q3\\_2008\\_Interim\\_Report.pdf](http://www.daimler.com/Projects/c2c/channel/documents/1615297_DAI_Q3_2008_Interim_Report.pdf)

in Millions except per share data & # of shares

	Variation	Variation	€millions 2007	€millions 2006	€millions 2005	2007	2007	
			BMW	BMW	BMW	DAIMLER	AUDI	BMW annual report
Revenues	14.32%	5.02%	56 018	48 999	46 656	99 399	33 617	p73
Cost of goods sold	16.39%	4.63%	43 832	37 660	35 992	75 404	28 478	p73
Gross margin	7.47%	6.33%	12 186	11 339	10 664	23 995	5 139	p73
Operating income from continuing operations	4.00%	6.78%	4 212	4 050	3 793	8 710	2 705	p73
Profit BIT***	-7.77%	23.25%	4 098	4 443	3 605	8 791	3 068	p73 + note [15]
net income or profit	9.05%	28.36%	3 134	2 874	2 239	3 985	1 692	p73
average assets*	9.39%	8.03%	84 027	76 812	71 100	176 364	22 578	p74
average equity*	13.21%	7.75%	20 437	18 052	16 754	37 788	7 810	p75
average LT financial debt*	12.90%	9.64%	20 114	17 815	16 249	42 687	3.5	p75
average ST fi.debt *	13.11%	7.23%	20 075	17 747	16 551	34 565	369	p75
aver. current liabilities*	10.06%	7.54%	31 170	28 320	26 334	69 388	7 995	p75
aver.current assets*	9.66%	3.22%	30 461	27 777	26 911	71 331	12 439	p74
aver. Liquid assets*	10.76%	3.44%	23 389	21 116	20 414	55 090	10 054	
Average AR*	9.33%	14.21%	15 715	14 374	12 586	33 151	3 063	p74
Average AP*	0.10%	5.22%	3 644	3 641	3 460	10 328	2 525	p75
Average inventory*	6.17%	2.52%	7 072	6 661	6 497	16 241	2 385	p74
Interest expense	-29.47%	0.31%	225	319	318	480	153	p91 note [14] (from p73 )
Total Dividend paid	51.53%	9.31%	694	458	419	1 542	84	p150
Share price at year end	-2.67%	17.44%	42.35	43.51	37.05	66.5	625	p43
Share price on January 11th 2009 (Xetra)			22.39			27.24	448.48	
# of shares (basic)**			601 995 196	601 995 196	622 228 000	1 013 900 000	43 000 000	p43/p94
Dividend per share			1.06	0.70	0.64	2.00	1.80	p43
Revenues ind. op.			55 263	49 227	47 205	90 688	33 617	p73
Average AR* ind. Op.			2 403	2 150	1 953	6 779	1 995	p74

**Comments :**

\* calculated over 2 years (n & n-1)

\*\* common shares only

\*\*\* Profit BIT, Before Interest and Tax = Net Income + Interest expense on debt + Income Taxes

**FINANCIAL ANALYSIS BMW  
2007-2005**

In Millions except per share data

	BMW 2007	BMW 2006	BMW 2005	DAIMLER 2007	DAIMLER 2006	DAIMLER 2005	VW 2007	VW 2006	VW 2005	Toyota 2008	Toyota 2007	Toyota 2006
<b>PROFITABILITY</b>												
(Reuters)												
Gross margin	21.75%	23.1%	22.9%	24.1%	20.6%	19.5%	15.0%	13.2%	13.0%	18.1%	19.7%	19.5%
Operating Margin	7.42%	8.20%	8.11%	8.99%	4.93%	2.67%	5.65%	1.92%	2.70%	8.64%	9.35%	8.93%
Return on sales	5.59%	5.9%	4.8%	4.0%	3.8%	4.4%	3.8%	2.6%	1.2%	6.8%	7.1%	6.9%
<b>ROCE</b>												
ROCE	7.86%	8.3%	8.5%	8.4%	3.9%	2.2%	7.1%	2.5%	3.2%	11.0%	11.3%	10.8%
RDA	4.96%	5.2%	5.3%	5.1%	2.3%	1.3%	4.4%	1.5%	1.9%	7.0%	7.3%	7.1%
<b>LIQUIDITY</b>												
(Reuters)												
Current ratio	0.98	0.98	1.02	1.03	1.19	1.55	1.10	1.12	1.11	1.01	1.04	1.11
Acid test	0.75	0.75	0.78	0.79	0.96	1.30	0.94	0.88	0.87	0.86	0.88	0.94
<b>EFFICIENCY</b>												
(Reuters)												
DSO (days)	102.40	107.07	98.46	121.73	222.72	295.47	120.78	117.52	123.39	93.60	95.35	96.07
DPO (days)	30.34	35.29	35.09	49.99	65.58	65.49	34.07	33.42	35.53	37.52	40.79	42.47
Inventory turns	6.20	5.65	5.54	4.64	4.20	4.27	6.99	7.25	6.79	11.86	11.23	11.58
DIO (days)	58.89	64.56	65.89	78.62	86.95	85.57	52.21	50.34	53.78	30.78	32.51	31.53
<b>CAPITAL STRUCTURE</b>												
(Reuters)												
Financial Leverage	196.7%	197.0%	195.8%	208.8%	246.0%	224.7%	198.6%	238.1%	204.1%	102.7%	100.6%	96.6%
Interest cover	18.2	13.9	11.3	18.3	11.4	8.7	5.0	2.6	2.1	40.0	35.3	68.5
<b>INVESTMENT</b>												
(Reuters)												
ROE	15.3%	15.9%	13.4%	10.8%	10.3%	12.0%	14.0%	10.9%	4.8%	15.2%	15.1%	14.9%
Dividend yield	2.8%	1.6%	1.7%	3.0%	3.2%	3.5%	1.2%	1.5%	2.6%	2.8%	1.6%	1.4%
EPS(basic)	4.85	4.42	3.35	4.62	2.73	2.22	10.45	5.04	2.73	540.65	512.09	421.76
PE	8.7	9.8	11.1	14.4	17.1	19.4	14.9	17.0	16.4	9.2	14.7	15.2

**Source:**

<http://www.reuters.com/finance/stocks/incomeStatement?stMTType=BAL&perType=ANN&symbol=BMW.G.DE>  
<http://www.reuters.com/finance/stocks/incomeStatement?stMTType=BAL&perType=ANN&symbol=DAIG.G.DE>  
<http://www.reuters.com/finance/stocks/incomeStatement?stMTType=BAL&perType=ANN&symbol=VOW.G.DE>  
<http://www.reuters.com/finance/stocks/incomeStatement?stMTType=BAL&perType=ANN&symbol=7203.T>

	2007-06	€millions 2007	€millions 2006	€millions 2005	2007-06	€millions 2007	€millions 2006	€millions 2005	2007-06	€millions 2007	€millions 2006	€millions 2005	2008-07	¥millions 2008 TOYOTA	¥millions 2007 TOYOTA	¥millions 2006 TOYOTA
	Variation	BMW	BMW	BMW	Variation	DAIMLER	DAIMLER	DAIMLER	Variation	Volkswagen	Volkswagen	Volkswagen	Variation	MOTOR CORP	MOTOR CORP	MOTOR CORP
Revenues	14.32%	56 018	48 999	46 656	0.18%	99 399	99 222	95 209	3.84%	108 897	104 875	93 996	9.78%	26 289 200	23 948 100	21 036 900
Cost of goods sold	16.39%	43 832	37 660	35 992	-4.29%	75 404	78 782	76 663	1.74%	92 603	91 020	81 733	11.92%	21 520 400	19 228 400	16 944 900
Gross margin	7.47%	12 186	11 339	10 664	17.39%	23 995	20 440	18 546	17.60%	16 294	13 855	12 263	1.04%	4 768 800	4 719 700	4 092 000
Operating income from continuing operations	3.46%	4 157	4 018	3 783	82.71%	8 938	4 892	2 542	206.17%	6 151	2 009	2 538	1.42%	2 270 380	2 238 680	1 878 340
Profit BIT	-7.77%	4 098	4 443	3 605	45.35%	8 791	6 048	4 957	96.21%	8 190	4 174	3 222	5.71%	1 843 178	1 743 946	1 478 660
net income or profit	9.05%	3 134	2 874	2 239	5.34%	3 985	3 783	4 215	49.89%	4 122	2 750	1 120	6.03%	1 795 842	1 693 717	1 456 573
average assets*	9.39%	84 027	76 812	71 100	-15.87%	176 364	209 633	192 252	4.55%	140 980	134 842	130 342	6.08%	32 516 550	30 653 200	26 533 300
average equity*	13.19%	20 430	18 050	16 754	0.37%	36 822	36 687	34 986	16.39%	29 390	25 252	23 117	5.85%	11 852 800	11 198 250	9 802 675
average LT financial debt*	12.90%	20 114	17 815	16 249	-36.50%	42 667	67 219	78 601	-2.84%	29 025	29 674	31 695	2.87%	6 122 755	5 952 035	5 327 705
average ST fi.debt *	13.12%	20 074	17 746	16 550	50.18%	34 565	23 015	0	-3.80%	29 350	30 508	15 496	13.85%	6 046 845	5 311 215	4 144 830
aver. current liabilities*	10.06%	31 170	28 320	26 334	-17.62%	69 388	84 230	74 242	2.58%	54 777	53 397	51 001	8.77%	11 853 950	10 897 950	9 127 955
aver. Liquid assets*	9.66%	30 461	27 777	26 911	-28.55%	71 331	99 829	114 829	8.96%	64 873	59 538	56 619	5.97%	11 983 300	11 307 800	10 087 650
aver. Liquid assets*	10.76%	23 389	21 116	20 414	-32.04%	55 090	81 062	96 857	9.88%	51 626	46 985	44 577	5.97%	10 168 460	9 595 330	8 623 805
Average AR*	9.33%	15 715	14 374	12 586	-45.24%	33 151	60 544	77 072	6.71%	36 033	33 766	31 776	7.76%	6 741 520	6 256 235	5 536 790
Average AP*	0.08%	3 644	3 641	3 460	-27.03%	10 328	14 154	13 756	3.74%	8 645	8 333	7 955	2.94%	2 212 180	2 149 090	1 971 695
Average inventory*	6.17%	7 072	6 661	6 497	-13.46%	16 241	18 767	17 972	5.53%	13 247	12 553	12 042	5.98%	1 814 840	1 712 470	1 463 845
Interest expense	-29.47%	225	319	318	-9.26%	480	529	569	3.85%	1647	1586	1531	-6.51%	46 113	49 326	21 601
Total Dividend paid	51.53%	694	458	424	0.98%	1 542	1 527	1 519	44.87%	720	497	450	15.22%	443 199	384 666	244 568
Share price at year end		42.35	43.51	37.05		66.5	46.8	43.14		156.1	85.89	44.7		4 970	7 550	6 430
# of shares (basic)**		654	654	661		1 014	1 028	1 018		397	392	385		3 149	3 198	3 242
Dividend per share		1.06	0.70	0.64		2.00	1.50	1.50		1.80	1.25	1.15		140.00	120.00	90.00
EPS		4.851	4.420	3.345		4.624	2.733	2.224		10.448	5.039	2.732		540.648	512.092	421.762

**Comments :**

\* calculated over 2 years (n & n-1)  
 \*\* common shares only

Provision for income taxes	739	1 250	1 048	4 326	1 736	173	2 421	-162	571	1 223	603	486
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PROFITABILITY	Company 5 Yr. Avg.	Industry 5 Yr. Avg.
(Reuters)		
Gross Margin - 5 Yr. Avg.	22.70%	22.18%
Operating Margin	8.02%	7.66%
Return on sales	5.24%	4.92%
ROCE	/	/
ROA	3.50%	4.25%

INVESTMENT	Company 5 Yr. Avg.	Industry 5 Yr. Avg.
(Reuters)		
ROE	14.4%	12.1%
Dividend yield	1.9%	1.7%
INVESTMENT	Company TTM	Industry TTM
P/E Ratio (TTM)	6.28	7.21

Source:

<http://www.reuters.com/finance/stocks/ratios?symbol=BMWG.DE>

Valuation Ratios	Company	Industry	Sector	S&P 500
P/E Ratio (TTM)	6.28	7.21	6.15	26.67
P/E High - Last 5 Yrs.	--	0.17	0.3	29.78
P/E Low - Last 5 Yrs.	--	0.08	0.12	9.2
Beta	1.11	0.93	0.89	0.95
Price to Sales (TTM)	0.26	0.42	0.51	2.22
Price to Book (MRQ)	0.64	1.22	1.73	4.56
Price to Tangible Book (MRQ)	0.86	1.27	1.89	8.58
Price to Cash Flow (TTM)	2.39	1.72	1.84	13.19
Price to Free Cash Flow (TTM)	1.64	0.28	11.03	46.8
% Owned Institutions	--	--	--	--
Dividends	Company	Industry	Sector	S&P 500
Dividend Yield	--	0.03	0.04	2.66
<b>Dividend Yield - 5 Year Avg.</b>	<b>1.86</b>	<b>1.65</b>	<b>1.35</b>	<b>1.86</b>
Dividend 5 Year Growth Rate	15.31	29.27	23.6	11.79
Payout Ratio(TTM)	30.49	20.93	13.61	52.04
Growth Rates	Company	Industry	Sector	S&P 500
Sales (MRQ) vs Qtr. 1 Yr. Ago	-8.64	-3.03	1.41	12.01
Sales (TTM) vs TTM 1 Yr. Ago	5.63	3.58	2.09	13.82
Sales - 5 Yr. Growth Rate	5.72	9.43	9.94	14.82
EPS (MRQ) vs Qtr. 1 Yr. Ago	-62.99	2.6	0.67	17.59
EPS (TTM) vs TTM 1 Yr. Ago	-19.38	--	--	--
EPS - 5 Yr. Growth Rate	9.76	13.38	15.75	19.05
Capital Spending - 5 Yr. Growth Rate	1.55	15.74	14.69	13.38
Financial Strength	Company	Industry	Sector	S&P 500
Quick Ratio (MRQ)	0.72	0.85	1.17	1.03
Current Ratio (MRQ)	0.97	1.06	1.51	1.27
LT Debt to Equity (MRQ)	127.73	46.63	32.79	107.05
Total Debt to Equity (MRQ)	238.15	106.76	66.55	152.47
Interest Coverage (TTM)	--	0	0.24	17.19
Profitability Ratios	Company	Industry	Sector	S&P 500
Gross Margin (TTM)	19.54	15.95	12.65	37.05
<b>Gross Margin - 5 Yr. Avg.</b>	<b>22.7</b>	<b>22.18</b>	<b>26.55</b>	<b>36.8</b>
EBITD Margin (TTM)	11.89	--	--	--
EBITD - 5 Yr. Avg	14.34	12.59	12.39	21.08
Operating Margin (TTM)	5.26	5.96	2.91	--
<b>Operating Margin - 5 Yr. Avg.</b>	<b>8.02</b>	<b>7.66</b>	<b>8.07</b>	<b>18.29</b>
Pre-Tax Margin (TTM)	4.84	6.2	3.01	15.41
Pre-Tax Margin - 5 Yr. Avg.	7.61	7.99	8.41	18.05
Net Profit Margin (TTM)	4.07	3.84	1.59	11.25
<b>Net Profit Margin - 5 Yr. Avg.</b>	<b>5.24</b>	<b>4.92</b>	<b>5.11</b>	<b>12.69</b>
Effective Tax Rate (TTM)	15.85	29.13	22.48	26.64
Effective Tax Rate - 5 Yr. Avg.	31.19	35.29	36.77	30.32
Management Effectiveness	Company	Industry	Sector	S&P 500
Return on Assets (TTM)	2.47	3.06	2.17	8.14
<b>Return on Assets - 5 Yr. Avg.</b>	<b>3.5</b>	<b>4.25</b>	<b>4.51</b>	<b>7.54</b>
Return on Investment (TTM)	3.96	4.97	3.47	11.15
Return on Investment - 5 Yr. Avg.	5.43	6.72	6.78	10.06
Return on Equity (TTM)	10.56	9.86	6.07	20.37
<b>Return on Equity - 5 Yr. Avg.</b>	<b>14.35</b>	<b>12.1</b>	<b>10.05</b>	<b>20.43</b>
Efficiency	Company	Industry	Sector	S&P 500
Revenue/Employee (TTM)	521,025	57,704,687	31,282,611	862,606
Net Income/Employee (TTM)	21,229	2,908,853	1,436,211	92,457
Receivable Turnover (TTM)	23.24	8.43	5.46	11.13
Inventory Turnover (TTM)	5.12	7.23	4.7	9.39
Asset Turnover (TTM)	0.61	0.62	0.48	0.8

<b>Profitability (Reuters)</b>				3 Years
BMW AG	Dec 07	Dec 06	Dec 05	Average
Gross Margin (%)	21.75	23.14	22.86	22.58
Operating Margin (%)	7.42	8.20	8.11	7.91
Return on sales (%)	5.59	5.87	4.80	5.42
<b>Management Effectiveness (Reuters)</b>				
Return on Investments %	5.93	5.93	5.00	5.62
Return on Assets %	3.73	3.74	3.15	3.54

<b>Financial Strength (Reuters)</b>				3 Years
BMW AG	Dec 07	Dec 06	Dec 05	Average
Quick Ratio	0.65	0.64	0.65	0.67
Current Ratio	0.96	1.00	0.96	0.97
LT Debt/Equity	0.99	0.98	0.99	0.99
Total Debt Equity	2.04	1.91	2.04	1.99

<b>Dividend Information (Reuters)</b>				3 Years	3 Years
BMW AG	Dec 07	Dec 06	Dec 05	Average	Growth
Payout Ratio (%)	22.16	15.96	19.19	19.10	
Dividend Per Share	1.06	0.70	0.64		0.20
<b>Per Share Data (Reuters)</b>					
Earnings Per Share	4.78	4.39	3.34		0.13
Sales Per Share	85.72	74.93	69.5		0.09
Book Value	33.25	29.24	25.68		0.11
Cash Flow	10.44	9.5	7.84		0.13
Cash Per Share	9.2	6.83	6.47		-0.02
<b>Management Effectiveness (Reuters)</b>					
Return on Equity %	15.30	15.89	13.36	14.85	

**Source:**

<http://www.reuters.com/finance/stocks/analystResearch?symbol=BMWG.DE>

<https://commerce.us.reuters.com/purchase/showReportDetail.do?docid=31599930>

<b>Company Name</b>	Bmw AG	Peer median	Daimler AG	Audi AG
(Infi EF Code	02398ED		02410ED	92500ED
<b>Fiscal Year End Date</b>	31-déc-07		31-déc-07	31-déc-07
<b>Home Currency</b>	EUR		EUR	EUR
<b>PROFITABILITY</b>				
Return on Assets	3.72%	3.39%	2.45%	1.17%
Return on Net Fixed Assets	27.92%	17.93%	16.35%	4.74%
Return on Equity	15.30%	13.67%	11.23%	3.11%
ROCE	20.62%	14.15%	30.47%	38.17%
EBITDA/Sales (EBITDA margin)	13.76%	12.51%	12.65%	15.04%
EBIT/Sales (EBIT Margin)	7.42%	6.49%	6.49%	8.29%
Pretax Income/Sales	6.91%	6.72%	6.72%	8.67%
After Tax Income/Sales	5.59%	3.79%	3.66%	5.03%
Profit Margin	5.58%	3.78%	3.07%	0.72%

<b>Company Name</b>	Bmw AG	Peer median	Daimler AG	Audi AG
(infinancials) EF Code	02398ED		02410ED	92500ED
<b>Fiscal Year End Date</b>	31-déc-07		31-déc-07	31-déc-07
<b>Home Currency</b>	EUR		EUR	EUR
<b>LIQUIDITY RATIOS</b>				
Quick Ratio	74.09%	92.91	96.49%	129.46%
Cash Ratio	7.08%	30.89%	31.94%	90.16%
Current Ratio	95.84%	121.30%	127.16%	159.18%
Payout Ratio	22.20%	17.48%	50.97%	0.00%
Days in Inventory	47.23	35.97	41.74	28.5
Days in Receivables	17.17	19.2	17.69	23.01

<b>Company Name</b>	Bmw AG	Peer median	Daimler AG	Audi AG
(infinancials) EF Code	02398ED		02410ED	92500ED
<b>Fiscal Year End Date</b>	31-déc-07		31-déc-07	31-déc-07
<b>Home Currency</b>	EUR		EUR	EUR
<b>ASSET UTILIZATION</b>				
Sales to Accounts Receivable (x)	22.73	18.87	18.87	16.85
Sales to Inventory (x)	7.92	10.08	7.9	14.1
Sales to Working Capital (x)	-79.01	5.27	5.56	7.56
Sales to Total Assets (x)	0.67	0.89	0.8	1.62
Sales to Fixed Assets (x)	5	4.61	5.32	6.59

<b>Company Name</b>	Bmw AG	Peer median	Daimler AG	Audi AG
(infinancials) EF Code	02398ED		02410ED	92500ED
<b>Fiscal Year End Date</b>	31-déc-07		31-déc-07	31-déc-07
<b>Home Currency</b>	EUR		EUR	EUR
<b>CAPITAL STRUCTURE</b>				
Financial Leverage	202.09%	121.03%	171.26%	6.39%
Total Financial Debt/Total assets	49.35%	37.37%	46.55%	2.35%
Net Debt / Total Assets	46.66%	27.60%	34.98%	-33.40%
Net Debt / Shareholder Equity (Ge	191.08%	79.00%	171.26%	-90.74%
Net Debt / EBITDA	5.39	2.50	2.89	-1.49
Total Equity / Total Assets	24.42%	28.28%	27.18%	36.81%
Retention Ratio	77.80%	82.52%	49.03%	100.00%
Total Liabilities & Debt / Equity	309.50%	228.27%	267.92%	171.63%
Inventory to Working Capital	-522.69%	79.77%	112.92%	50.22%

**Source:**

[http://www.infinancials.com/Eurofin/control/company?view=peergroup&company\\_id=02398ED&type=0&nbrdm=49922](http://www.infinancials.com/Eurofin/control/company?view=peergroup&company_id=02398ED&type=0&nbrdm=49922)

# BMW Group Group and Sub-group Income Statements

in euro million	Notes	Group		Industrial Operations*		Financial Operations*	
		2007	2006	2007	2006	2007	2006
Revenues	[8]	56,018	48,999	55,263	49,227	14,349	11,349
Cost of sales	[9]	-43,832	-37,660	-44,331	-39,238	-12,877	-10,050
<b>Gross profit</b>		<b>12,186</b>	<b>11,339</b>	<b>10,932</b>	<b>9,989</b>	<b>1,472</b>	<b>1,299</b>
Sales and administrative costs	[10]	-5,254	-4,972	-4,647	-4,464	-609	-535
Research and development costs	[11]	-2,920	-2,544	-2,920	-2,544	-	-
Other operating income	[12]	730	744	594	626	194	175
Other operating expenses	[12]	-530	-517	-430	-450	-167	-125
<b>Profit before financial result</b>		<b>4,212</b>	<b>4,050</b>	<b>3,529</b>	<b>3,157</b>	<b>890</b>	<b>814</b>
Result from equity accounted investments	[13]	11	-25	11	-25	-	-
Other financial result	[14]	-350	99	-81	383	-139	-33
Financial result		-339	74	-70	358	-139	-33
<b>Profit before tax</b>		<b>3,873</b>	<b>4,124</b>	<b>3,459</b>	<b>3,515</b>	<b>751</b>	<b>781</b>
Income taxes	[15]	-739	-1,250	-496	-1,066	-327	-246
<b>Net profit</b>		<b>3,134</b>	<b>2,874</b>	<b>2,963</b>	<b>2,449</b>	<b>424</b>	<b>535</b>
Attributable to minority interest		8	6	8	6	-	-
<b>Attributable to shareholders of BMW AG</b>		<b>3,126</b>	<b>2,868</b>	<b>2,955</b>	<b>2,443</b>	<b>424</b>	<b>535</b>
<b>Earnings per share</b>							
<b>of common stock</b> in euro	[16]	4.78	4.38				
<b>Earnings per share</b>							
<b>of preferred stock</b> in euro	[16]	4.80	4.40				

\*before consolidation of transactions between the sub-groups; unaudited

## BMW Group Group and Sub-group Balance Sheets at 31 December

Assets in euro million	Notes	Group		Industrial Operations*		Financial Operations*	
		2007	2006	2007	2006	2007	2006
Intangible assets	[19]	5,670	5,312	5,550	5,276	120	36
Property, plant and equipment	[20]	11,108	11,285	11,083	11,260	25	25
Leased products	[21]	17,013	13,642	254	254	19,911	16,364
Investments accounted for using the equity method	[22]	63	60	63	60	–	–
Other investments	[22]	209	401	186	388	23	13
Receivables from sales financing	[23]	20,248	17,865	–	–	20,248	17,865
Financial assets	[24]	1,173	816	81	61	1,092	755
Deferred tax	[25]	720	755	1,201	1,192	–1,952	–1,828
Other assets	[26]	415	378	892	875	344	255
<b>Non-current assets</b>		<b>56,619</b>	<b>50,514</b>	<b>19,310</b>	<b>19,366</b>	<b>39,811</b>	<b>33,485</b>
Inventories	[27]	7,349	6,794	7,340	6,784	9	10
Trade receivables	[28]	2,672	2,258	2,592	2,214	80	44
Receivables from sales financing	[23]	13,996	12,503	–	–	13,996	12,503
Financial assets	[24]	3,622	3,134	2,213	2,348	1,409	786
Current tax	[25]	237	246	225	222	12	24
Other assets	[26]	2,109	2,272	6,932	5,574	863	772
Cash and cash equivalents	[29]	2,393	1,336	1,887	1,235	506	101
<b>Current assets</b>		<b>32,378</b>	<b>28,543</b>	<b>21,189</b>	<b>18,377</b>	<b>16,875</b>	<b>14,240</b>
<b>Total assets</b>		<b>88,997</b>	<b>79,057</b>	<b>40,499</b>	<b>37,743</b>	<b>56,686</b>	<b>47,725</b>
Total assets adjusted for asset backed financing transactions		82,651	74,556	–	–	50,340	43,224

\*before consolidation of transactions between the sub-groups; unaudited

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<b>Equity and liabilities</b> in euro million	Notes	Group		Industrial Operations*		Financial Operations*	
		2007	2006	2007	2006	2007	2006
Subscribed capital		654	654				
Capital reserves		1,911	1,911				
Revenue reserves		20,789	18,121				
Accumulated other equity		-1,621	-1,560				
Minority interest		11	4				
<b>Equity</b>	[30]	<b>21,744</b>	<b>19,130</b>	<b>17,755</b>	<b>15,315</b>	<b>5,197</b>	<b>4,965</b>
Pension provisions	[31]	4,627	5,017	4,595	4,983	32	34
Other provisions	[32]	2,676	2,865	2,417	2,462	259	403
Deferred tax	[33]	2,714	2,758	2,067	2,012	369	464
Financial liabilities	[34]	21,428	18,800	716	882	20,712	17,918
Other liabilities	[35]	2,024	1,932	1,514	1,458	1,843	1,732
<b>Non-current provisions and liabilities</b>		<b>33,469</b>	<b>31,372</b>	<b>11,309</b>	<b>11,797</b>	<b>23,215</b>	<b>20,551</b>
Other provisions	[32]	2,826	2,671	2,673	2,489	178	207
Current tax	[33]	808	567	654	437	154	130
Financial liabilities	[34]	22,493	17,656	2,090	1,407	20,403	16,249
Trade payables	[36]	3,551	3,737	2,938	3,288	613	449
Other liabilities	[35]	4,106	3,924	3,080	3,010	6,926	5,174
<b>Current provisions and liabilities</b>		<b>33,784</b>	<b>28,555</b>	<b>11,435</b>	<b>10,631</b>	<b>28,274</b>	<b>22,209</b>
<b>Total equity and liabilities</b>		<b>88,997</b>	<b>79,057</b>	<b>40,499</b>	<b>37,743</b>	<b>56,686</b>	<b>47,725</b>
Total equity and liabilities adjusted for asset backed financing transactions		82,651	74,556	-	-	50,340	43,224

\*before consolidation of transactions between the sub-groups; unaudited

## BMW Group Group and Sub-group Cash Flow Statements

in euro million	Notes <sup>3]</sup>	Group 2007	Group 2006 <sup>2]</sup>
Net profit		3,134	2,874
Reconciliation of net profit to cash inflow from operating activities			
Current tax		1,002	993
Depreciation of leased products		4,698	3,808
Depreciation and amortisation of tangible, intangible and investment assets		3,689	3,340
Change in provisions		221	-346
Change in deferred taxes		-256	242
Other non-cash income and expense items		111	-329
Gain/loss on disposal of non-current assets and marketable securities		-181	-68
Result from equity accounted investments		-11	25
Changes in current assets and current liabilities			
Change in inventories		-700	-265
Change in receivables		10	-611
Change in liabilities		894	1,050
Income taxes paid		-817	-733
<b>Cash inflow from operating activities</b>	[39]	<b>11,794</b>	<b>9,980</b>
Investment in intangible assets and property, plant and equipment		-4,267	-4,313
Proceeds from the disposal of intangible assets and property, plant and equipment		272	39
Expenditure for investments		-44	-29
Proceeds from the disposal of investments		16	110
Investment in leased products		-13,261	-10,754
Disposals of leased products		4,917	3,719
Additions to receivables from sales financing		-54,573	-50,313
Payments received on receivables from sales financing		49,813	47,848
Investment in marketable securities		-2,698	-2,654
Proceeds from marketable securities		2,577	2,677
<b>Cash outflow from investing activities</b>	[39]	<b>-17,248</b>	<b>-13,670</b>
Buy-back of treasury shares		-	-253
Payment of dividend for the previous year		-458	-419
Proceeds from the issue of bonds		6,038	6,876
Repayment of bonds		-4,152	-4,491
Internal financing of financial operations		-	-
Change in other financial liabilities		3,603	1,027
Change in commercial paper		1,526	583
<b>Cash inflow/outflow from financing activities</b>	[39]	<b>6,557</b>	<b>3,323</b>
<b>Effect of exchange rate and changes in composition of group on cash and cash equivalents</b>	[39]	<b>-46</b>	<b>82</b>
<b>Change in cash and cash equivalents</b>		<b>1,057</b>	<b>-285</b>
Cash and cash equivalents as at 1 January		1,336	1,621
<b>Cash and cash equivalents as at 31 December</b>	[39]	<b>2,393</b>	<b>1,336</b>

1] unaudited

2] Previous year's figures adjusted due to changed presentation of taxes.

3] Interest paid and received are presented in Note [39].

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Industrial Operations <sup>11</sup>		Financial Operations <sup>11</sup>		
2007	2006 <sup>21</sup>	2007	2006 <sup>21</sup>	
2,963	2,449	424	535	Net profit
				Reconciliation of net profit to cash inflow from operating activities
948	938	54	55	Current tax
4	4	4,324	3,560	Depreciation of leased products
3,665	3,315	24	25	Depreciation and amortisation of tangible, intangible and investment assets
398	-220	-143	-130	Change in provisions
-472	77	300	227	Change in deferred taxes
146	-436	-35	107	Other non-cash income and expense items
-180	-70	-1	2	Gain/loss on disposal of non-current assets and marketable securities
-11	25	-	-	Result from equity accounted investments
				Changes in current assets and current liabilities
-703	-261	3	-4	Change in inventories
-98	-493	-112	-135	Change in receivables
368	658	745	485	Change in liabilities
-688	-613	-129	-120	Income taxes paid
<b>6,340</b>	<b>5,373</b>	<b>5,454</b>	<b>4,607</b>	<b>Cash inflow from operating activities</b>
-4,156	-4,272	-111	-41	Investment in intangible assets and property, plant and equipment
270	31	2	8	Proceeds from the disposal of intangible assets and property, plant and equipment
-44	-24	-	-5	Expenditure for investments
16	76	-	34	Proceeds from the disposal of investments
-359	-392	-12,902	-10,362	Investment in leased products
354	364	4,563	3,355	Disposals of leased products
-	-	-54,573	-50,313	Additions to receivables from sales financing
-	-	49,813	47,848	Payments received on receivables from sales financing
-2,698	-2,619	-	-35	Investment in marketable securities
2,568	2,419	9	258	Proceeds from marketable securities
<b>-4,049</b>	<b>-4,417</b>	<b>-13,199</b>	<b>-9,253</b>	<b>Cash outflow from investing activities</b>
-	-253	-	-	Buy-back of treasury shares
-458	-419	-	-	Payment of dividend for the previous year
-	1	6,038	6,875	Proceeds from the issue of bonds
-	-1	-4,152	-4,490	Repayment of bonds
-1,634	-1,040	1,634	1,040	Internal financing of financial operations
-377	-129	3,980	1,156	Change in other financial liabilities
845	644	681	-61	Change in commercial paper
<b>-1,624</b>	<b>-1,197</b>	<b>8,181</b>	<b>4,520</b>	<b>Cash inflow/outflow from financing activities</b>
<b>-15</b>	<b>104</b>	<b>-31</b>	<b>-22</b>	<b>Effect of exchange rate and changes in composition of group on cash and cash equivalents</b>
<b>652</b>	<b>-137</b>	<b>405</b>	<b>-148</b>	<b>Change in cash and cash equivalents</b>
1,235	1,372	101	249	Cash and cash equivalents as at 1 January
<b>1,887</b>	<b>1,235</b>	<b>506</b>	<b>101</b>	<b>Cash and cash equivalents as at 31 December</b>



# Consolidated Statements of Income

	Note	2007	Consolidated Year ended December 31, 2006	2005	2007	Industrial Business <sup>1</sup> Year ended December 31, 2006		2005	Daimler Financial Services <sup>1</sup> Year ended December 31, 2006		2005
(in millions of €)											
Revenue	3	99,399	99,222	95,209	90,688	91,116	87,415	8,711	8,106	7,794	
Cost of sales	4	(75,404)	(78,782)	(76,663)	(68,168)	(72,215)	(70,288)	(7,236)	(6,567)	(6,375)	
<b>Gross profit</b>		<b>23,995</b>	<b>20,440</b>	<b>18,546</b>	<b>22,520</b>	<b>18,901</b>	<b>17,127</b>	<b>1,475</b>	<b>1,539</b>	<b>1,419</b>	
Selling expenses	4	(8,956)	(8,936)	(9,006)	(8,643)	(8,629)	(8,673)	(313)	(307)	(333)	
General administrative expenses	4	(4,023)	(4,088)	(3,862)	(3,492)	(3,618)	(3,310)	(531)	(470)	(552)	
Research and non-capitalized development costs		(3,158)	(3,018)	(3,337)	(3,158)	(3,018)	(3,337)	-	-	-	
Other operating income (expense), net	5	27	642	(171)	35	617	(209)	(8)	25	38	
Share of profit (loss) from companies accounted for using the equity method, net	12	1,053	(148)	372	1,051	(174)	429	2	26	(57)	
Other financial income (expense), net	6	(228)	100	331	(233)	106	333	5	(6)	(2)	
<b>Earnings before interest and taxes (EBIT)<sup>2</sup></b>		<b>8,710</b>	<b>4,992</b>	<b>2,873</b>	<b>8,080</b>	<b>4,185</b>	<b>2,360</b>	<b>630</b>	<b>807</b>	<b>513</b>	
Interest income (expense), net	7	471	(90)	(447)	482	(80)	(441)	(11)	(10)	(6)	
<b>Profit before income taxes</b>		<b>9,181</b>	<b>4,902</b>	<b>2,426</b>	<b>8,562</b>	<b>4,105</b>	<b>1,919</b>	<b>619</b>	<b>797</b>	<b>507</b>	
Income tax (expense) benefit	8	(4,326)	(1,736)	(173)	(4,101)	(1,398)	55	(225)	(338)	(228)	
<b>Net profit from continuing operations</b>		<b>4,855</b>	<b>3,166</b>	<b>2,253</b>	<b>4,461</b>	<b>2,707</b>	<b>1,974</b>	<b>394</b>	<b>459</b>	<b>279</b>	
Net profit (loss) from discontinued operations	2	(870)	617	1,962	(1,850)	46	1,383	980	571	579	
<b>Net profit</b>		<b>3,985</b>	<b>3,783</b>	<b>4,215</b>	<b>2,611</b>	<b>2,753</b>	<b>3,357</b>	<b>1,374</b>	<b>1,030</b>	<b>858</b>	
Minority interest		(6)	(39)	(66)							
<b>Profit attributable to shareholders of Daimler AG</b>		<b>3,979</b>	<b>3,744</b>	<b>4,149</b>							
<b>Earnings (loss) per share (in €)</b>											
for profit attributable to shareholders of Daimler AG	33										
<b>Basic</b>											
Net profit from continuing operations		4.67	3.06	2.16							
Net profit (loss) from discontinued operations		(0.84)	0.60	1.93							
Net profit		3.83	3.66	4.09							
<b>Diluted</b>											
Net profit from continuing operations		4.63	3.04	2.15							
Net profit (loss) from discontinued operations		(0.83)	0.60	1.93							
Net profit		3.80	3.64	4.08							

<sup>1</sup> Additional information about the Industrial Business and Daimler Financial Services is not required under IFRS and is unaudited.

<sup>2</sup> EBIT includes expenses from compounding of provisions (2007: €444 million; 2006: €418 million; 2005: €350 million).

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Balance Sheets

	Note	Consolidated At December 31,		Industrial Business <sup>1</sup> At December 31,		Daimler Financial Services <sup>1</sup> At December 31,	
		2007	2006	2007	2006	2007	2006
(in millions of €)							
<b>Assets</b>							
Intangible assets	9	5,202	7,614	5,128	7,486	74	128
Property, plant and equipment	10	14,650	32,747	14,600	32,603	50	144
Equipment on operating leases	11	19,638	36,949	8,186	10,383	11,452	26,566
Investments accounted for using the equity method	12	5,034	5,104	4,845	4,824	189	280
Receivables from financial services	13	22,933	41,180	-	-	22,933	41,180
Other financial assets	14	3,044	5,889	2,817	5,044	227	845
Deferred tax assets	8	1,882	5,000	1,613	4,772	269	228
Other assets	15	480	2,720	339	2,611	141	109
<b>Total non-current assets</b>		<b>72,863</b>	<b>137,203</b>	<b>37,528</b>	<b>67,723</b>	<b>35,335</b>	<b>69,480</b>
Inventories	16	14,086	18,396	13,604	17,736	482	660
Trade receivables	17	6,361	7,671	6,135	7,423	226	248
Receivables from financial services	13	16,280	35,989	-	-	16,280	35,989
Cash and cash equivalents		15,631	8,409	14,894	6,060	737	2,349
Other financial assets	14	6,583	7,043	77	6	6,506	7,037
Other assets	15	2,368	2,923	(68)	479	2,436	2,444
<b>Sub-total current assets</b>		<b>61,309</b>	<b>80,431</b>	<b>34,642</b>	<b>31,704</b>	<b>26,667</b>	<b>48,727</b>
Assets held for sale (Potsdamer Platz)	18	922	-	922	-	-	-
<b>Total current assets</b>		<b>62,231</b>	<b>80,431</b>	<b>35,564</b>	<b>31,704</b>	<b>26,667</b>	<b>48,727</b>
<b>Total assets</b>		<b>135,094</b>	<b>217,634</b>	<b>73,092</b>	<b>99,427</b>	<b>62,002</b>	<b>118,207</b>
<b>Equity and liabilities</b>							
Share capital		2,766	2,673				
Capital reserves		10,221	8,613				
Retained earnings		22,656	23,702				
Other reserves		1,075	1,937				
Treasury shares		-	-				
<b>Equity attributable to shareholders of Daimler AG</b>		<b>36,718</b>	<b>36,925</b>				
Minority interest		1,512	421				
<b>Total equity</b>	19	<b>38,230</b>	<b>37,346</b>	<b>33,840</b>	<b>28,525</b>	<b>4,390</b>	<b>8,821</b>
Provisions for pensions and similar obligations	21	3,852	19,014	3,686	18,857	166	157
Provisions for income taxes		1,761	2,492	1,761	773	-	1,719
Provisions for other risks	22	6,129	9,801	5,984	9,601	145	200
Financing liabilities	23	31,867	53,506	11,905	4,447	19,962	49,059
Other financial liabilities	24	1,673	1,732	1,515	1,597	158	135
Deferred tax liabilities	8	673	499	(2,091)	(4,175)	2,764	4,674
Deferred income		1,855	3,296	1,351	1,849	504	1,447
Other liabilities	25	114	112	114	111	-	1
<b>Total non-current liabilities</b>		<b>47,924</b>	<b>90,452</b>	<b>24,225</b>	<b>33,060</b>	<b>23,699</b>	<b>57,392</b>
Trade payables		6,939	13,716	6,730	13,478	209	238
Provisions for income taxes		548	1,130	(1,180)	1,104	1,728	26
Provisions for other risks	22	7,272	14,114	7,026	13,729	246	385
Financing liabilities	23	23,100	46,030	(6,886)	(1,793)	29,986	47,823
Other financial liabilities	24	8,442	8,369	7,329	6,750	1,113	1,619
Deferred income		1,341	4,959	777	3,207	564	1,752
Other liabilities	25	1,272	1,518	1,205	1,367	67	151
<b>Sub-total current liabilities</b>		<b>48,914</b>	<b>89,836</b>	<b>15,001</b>	<b>37,842</b>	<b>33,913</b>	<b>51,994</b>
Liabilities held for sale (Potsdamer Platz)	18	26	-	26	-	-	-
<b>Total current liabilities</b>		<b>48,940</b>	<b>89,836</b>	<b>15,027</b>	<b>37,842</b>	<b>33,913</b>	<b>51,994</b>
<b>Total equity and liabilities</b>		<b>135,094</b>	<b>217,634</b>	<b>73,092</b>	<b>99,427</b>	<b>62,002</b>	<b>118,207</b>

<sup>1</sup> Additional information about the Industrial Business and Daimler Financial Services is not required under IFRS and is unaudited.

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated Statements of Cash Flows <sup>1</sup>

	2007	2006	Consolidated 2005	2007	Industrial Business <sup>2</sup> 2006	2005	2007	Daimler Financial Services <sup>2</sup> 2006	2005
(in millions of €)									
Net profit adjusted for	3,985	3,783	4,215	2,611	2,753	3,357	1,374	1,030	858
Depreciation and amortization	8,010	12,944	12,004	4,220	7,173	7,335	3,790	5,771	4,669
Other non-cash expense and income	3,514	177	43	3,121	(464)	465	393	641	(422)
(Gains) losses on disposals of assets	(1,307)	(529)	(1,228)	(1,306)	(545)	(1,145)	(1)	16	(83)
Change in operating assets and liabilities									
– Inventories	(1,751)	68	(1,364)	(1,621)	224	(1,353)	(130)	(156)	(11)
– Trade receivables	215	(121)	(194)	198	(118)	(150)	17	(3)	(44)
– Trade payables	208	155	722	246	122	725	(38)	33	(3)
– Inventory-related receivables from financial services	(175)	(344)	(2,438)	(175)	(344)	(2,438)	–	–	–
– Other operating assets and liabilities	389	(1,796)	(728)	(1,706)	(2,344)	(1,027)	2,095	548	299
<b>Cash provided by operating activities</b>	<b>13,088</b>	<b>14,337</b>	<b>11,032</b>	<b>5,588</b>	<b>6,457</b>	<b>5,769</b>	<b>7,500</b>	<b>7,880</b>	<b>5,263</b>
Purchase of equipment on operating leases	(11,231)	(15,811)	(12,432)	–	–	–	(11,231)	(15,811)	(12,432)
Proceeds from disposals of equipment on operating leases	4,318	4,991	4,488	–	–	–	4,318	4,991	4,488
Additions to property, plant and equipment	(4,247)	(5,874)	(6,480)	(4,206)	(5,845)	(6,435)	(41)	(29)	(45)
Additions to intangible assets	(1,354)	(1,322)	(1,550)	(1,327)	(1,301)	(1,529)	(27)	(21)	(21)
Proceeds from disposals of property, plant and equipment and intangible assets	1,297	710	751	1,263	683	719	34	27	32
Investments in businesses	(159)	(473)	(552)	(153)	(54)	(425)	(6)	(419)	(127)
Proceeds from disposals of businesses	3,799	1,158	516	3,796	1,169	187	3	(11)	329
Cash inflow related to the transfer of the Chrysler activities	22,594	–	–	24,029	–	–	(1,435)	–	–
Change in wholesale receivables	(422)	57	11	(1,155)	348	1,479	733	(291)	(1,468)
Investments in retail receivables	(19,813)	(27,550)	(27,073)	9,920	8,666	7,568	(29,733)	(36,216)	(34,641)
Collections on retail receivables	18,959	27,225	29,736	(7,207)	(7,548)	(6,334)	26,166	34,773	36,070
Proceeds from sale of retail receivables	2,247	2,339	1,599	–	–	–	2,247	2,339	1,599
Acquisition of securities (other than trading)	(15,030)	(14,827)	(10,773)	(15,030)	(14,862)	(10,780)	–	35	7
Proceeds from sales of securities (other than trading)	19,617	13,467	11,025	19,558	13,467	11,024	59	–	1
Change in other cash	(38)	53	497	(216)	43	516	178	10	(19)
<b>Cash provided by (used for) investing activities</b>	<b>20,537</b>	<b>(15,857)</b>	<b>(10,237)</b>	<b>29,272</b>	<b>(5,234)</b>	<b>(4,010)</b>	<b>(8,735)</b>	<b>(10,623)</b>	<b>(6,227)</b>
Change in short-term financing liabilities	(9,763)	1,472	(1,318)	(7,347)	3,104	10,635	(2,416)	(1,632)	(11,953)
Additions to long-term financing liabilities	16,195	29,107	50,097	(19,508)	(5,744)	(27,068)	35,703	34,851	77,165
Repayment of long-term financing liabilities	(28,230)	(26,940)	(48,688)	5,240	1,425	14,828	(33,470)	(28,365)	(63,516)
Dividends paid (including profit transferred from subsidiaries)	(1,579)	(1,553)	(1,575)	(1,179)	(722)	(413)	(400)	(831)	(1,162)
Proceeds from issuance of share capital (including minority interest)	1,683	339	227	1,440	306	207	243	33	20
Purchase of treasury shares	(3,510)	(29)	(27)	(3,510)	(29)	(27)	–	–	–
<b>Cash provided by (used for) financing activities</b>	<b>(25,204)</b>	<b>2,396</b>	<b>(1,284)</b>	<b>(24,864)</b>	<b>(1,660)</b>	<b>(1,838)</b>	<b>(340)</b>	<b>4,056</b>	<b>554</b>
Effect of foreign exchange rate changes on cash and cash equivalents	(1,199)	(530)	706	(1,162)	(432)	625	(37)	(98)	81
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,222</b>	<b>346</b>	<b>217</b>	<b>8,834</b>	<b>(869)</b>	<b>546</b>	<b>(1,612)</b>	<b>1,215</b>	<b>(329)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8,409</b>	<b>8,063</b>	<b>7,846</b>	<b>6,060</b>	<b>6,929</b>	<b>6,383</b>	<b>2,349</b>	<b>1,134</b>	<b>1,463</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>15,631</b>	<b>8,409</b>	<b>8,063</b>	<b>14,894</b>	<b>6,060</b>	<b>6,929</b>	<b>737</b>	<b>2,349</b>	<b>1,134</b>

<sup>1</sup> For other information regarding consolidated statements of cash flows, see Note 26.

<sup>2</sup> Additional information about the Industrial Business and Daimler Financial Services is not required under IFRS and is unaudited.

The accompanying notes are an integral part of these consolidated financial statements.