

QUARTERLY STATEMENT

30 September 2019



**BMW
GROUP**

THE NEXT
100 YEARS 



Rolls-Royce
Motor Cars Limited

CONTENTS

1 BMW GROUP AT A GLANCE

→ Page 4 BMW Group in Figures

2 INTERIM GROUP MANAGEMENT REPORT

→ Page 9 Report on Economic Position
→ Page 9 General Economic Environment
→ Page 10 Group Overview
→ Page 12 Automotive Segment
→ Page 18 Financial Services Segment
→ Page 20 Report on Outlook, Risks and Opportunities
→ Page 20 Outlook
→ Page 22 Risks and Opportunities

3 INTERIM GROUP FINANCIAL STATEMENTS

→ Page 24 Income Statement
→ Page 28 Balance Sheet
→ Page 30 Cash Flow Statement

4 OTHER INFORMATION

→ Page 33 Contacts

BMW GROUP AT A GLANCE

→ Page 4 **BMW Group in Figures**

1

BMW GROUP IN FIGURES

Key performance indicators reported during the year

→ 01

		3rd quarter 2019	3rd quarter 2018	Change in %
GROUP				
Profit before tax ¹	€ million	2,248	1,822	23.4
AUTOMOTIVE SEGMENT				
Deliveries ²	units	613,361	592,303	3.6
EBIT margin ³	% (change in %pts)	6.6	4.4	2.2
MOTORCYCLES SEGMENT				
Deliveries	units	43,744	39,818	9.9
EBIT margin ³	% (change in %pts)	6.3	6.9	-0.6

¹ Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019.

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 126,878 units, 2018: 113,582 units).

³ Profit before financial result as percentage of segment revenues.

Further performance figures

→ 02

		3rd quarter 2019	3rd quarter 2018	Change in %
AUTOMOTIVE SEGMENT				
Deliveries				
BMW ¹	units	525,438	506,920	3.7
MINI	units	86,680	84,505	2.6
Rolls-Royce	units	1,243	878	41.6
Total¹		613,361	592,303	3.6
Production volume				
Total²		630,757	617,082	2.2
FINANCIAL SERVICES SEGMENT				
New contracts with retail customers		504,217	490,347	2.8
Free cash flow Automotive segment	€ million	714	98	–
Group revenues³	€ million	26,667	24,715	7.9
Automotive	€ million	23,016	21,111	9.0
Motorcycles	€ million	558	476	17.2
Financial Services ³	€ million	7,471	7,219	3.5
Other Entities	€ million	1	1	–
Eliminations ³	€ million	–4,379	–4,092	–7.0
Group profit before financial result (EBIT)³	€ million	2,289	1,722	32.9
Automotive	€ million	1,515	930	62.9
Motorcycles	€ million	35	33	6.1
Financial Services ³	€ million	606	528	14.8
Other Entities	€ million	1	6	–83.3
Eliminations ³	€ million	132	225	–41.3
Group profit before tax (EBT)³	€ million	2,248	1,822	23.4
Automotive	€ million	1,533	1,003	52.8
Motorcycles	€ million	35	31	12.9
Financial Services ³	€ million	597	549	8.7
Other Entities	€ million	–26	27	–
Eliminations ³	€ million	109	212	–48.6
Group income taxes³	€ million	–702	–420	–67.1
Profit / loss from continuing operations³	€ million	1,546	1,402	10.3
Profit / loss from discontinued operations	€ million	–	–15	–
Group net profit³	€ million	1,546	1,387	11.5
Earnings per share^{3,4}	€	2.31 / 2.31	2.07 / 2.07	11.6 / 11.6
Group pre-tax return on sales^{3,5}	% (change in %pts)	8.4	7.4	1.0

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 126,878 units, 2018: 113,582 units).

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 136,582 units, 2018: 142,381 units).

³ Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019.

In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

⁴ Common / preferred stock. In computing earnings per share of preferred stock, earnings to cover the additional dividend of €0.02 per share of preferred stock are spread over the quarters of the corresponding financial year.

⁵ Group profit before tax as a percentage of Group revenues.

BMW GROUP IN FIGURES

Key performance indicators reported during the year

→ 03

		1 January to 30 September 2019	1 January to 30 September 2018	Change in %
GROUP				
Profit before tax ¹	€ million	5,063	7,827	-35.3
AUTOMOTIVE SEGMENT				
Deliveries ²	units	1,866,198	1,834,810	1.7
EBIT margin ³	% (change in %pts)	4.1	7.6	-3.5
MOTORCYCLES SEGMENT				
Deliveries	units	136,932	126,793	8.0
EBIT margin ³	% (change in %pts)	12.1	12.5	-0.4

¹ Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019.

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 392,394 units, 2018: 328,800 units).

³ Profit before financial result as percentage of segment revenues.

Further performance figures

→ 04

		1 January to 30 September 2019	1 January to 30 September 2018	Change in %
AUTOMOTIVE SEGMENT				
Deliveries				
BMW ¹	units	1,601,397	1,566,216	2.2
MINI	units	261,024	265,935	-1.8
Rolls-Royce	units	3,777	2,659	42.0
Total¹		1,866,198	1,834,810	1.7
Production volume				
Total²		1,925,758	1,933,396	-0.4
FINANCIAL SERVICES SEGMENT				
New contracts with retail customers		1,475,504	1,422,558	3.7
Free cash flow Automotive segment	€ million	1,024	2,042	-49.9
Group revenues³	€ million	74,844	72,373	3.4
Automotive	€ million	64,853	62,629	3.6
Motorcycles	€ million	1,871	1,658	12.8
Financial Services ³	€ million	21,981	20,807	5.6
Other Entities	€ million	4	4	-
Eliminations ³	€ million	-13,865	-12,725	-9.0
Group profit before financial result (EBIT)³	€ million	5,079	7,168	-29.1
Automotive	€ million	2,674	4,730	-43.5
Motorcycles	€ million	226	208	8.7
Financial Services ³	€ million	1,860	1,694	9.8
Other Entities	€ million	7	22	-68.2
Eliminations ³	€ million	312	514	-39.3
Group profit before tax (EBT)³	€ million	5,063	7,827	-35.3
Automotive	€ million	2,989	5,346	-44.1
Motorcycles	€ million	222	205	8.3
Financial Services ³	€ million	1,797	1,705	5.4
Other Entities	€ million	-181	105	-
Eliminations ³	€ million	236	466	-49.4
Group income taxes³	€ million	-1,493	-2,060	27.5
Profit / loss from continuing operations³	€ million	3,570	5,767	-38.1
Profit / loss from discontinued operations	€ million	44	-22	-
Group net profit³	€ million	3,614	5,745	-37.1
Earnings per share^{3,4}	€	5.37/5.38	8.62/8.63	-37.7/-37.7
Group pre-tax return on sales^{3,5}	% (change in %pts)	6.8	10.8	-4.0

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 392,394 units, 2018: 328,800 units).

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 381,416 units, 2018: 353,355 units).

³ Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019.

In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

⁴ Common / preferred stock. In computing earnings per share of preferred stock, earnings to cover the additional dividend of €0.02 per share of preferred stock are spread over the quarters of the corresponding financial year.

⁵ Group profit before tax as a percentage of Group revenues.

INTERIM GROUP MANAGEMENT REPORT

→ Page 9 **Report on Economic Position**

→ Page 9 **General Economic Environment**

→ Page 10 **Group Overview**

→ Page 12 **Automotive Segment**

→ Page 18 **Financial Services Segment**

→ Page 20 **Report on Outlook, Risks and Opportunities**

→ Page 20 **Outlook**

→ Page 22 **Risks and Opportunities**

2

REPORT ON ECONOMIC POSITION

Vehicle deliveries reach
new all-time high

EBIT increases in third quarter

Financial Services business
continues positive trend

GENERAL ECONOMIC ENVIRONMENT IN THE FIRST NINE MONTHS OF 2019

International automobile markets

From January to September 2019, international automobile markets performed weakly overall with new registrations down worldwide for the nine-month period (62.0 million units; -3.5%). Key automobile markets developed as follows:

International automobile markets

→ 05

	Change in %
Europe	-1.5
thereof Germany	+2.5
thereof France	-1.6
thereof Italy	-1.9
thereof Spain	-7.3
thereof United Kingdom (UK)	-2.5
USA	-1.1
China	-8.0
Japan	+3.0
Total	-3.5

Group Overview

Automobile deliveries at record level

Despite the high level of economic and political uncertainty, stoked by international trade and customs policy developments as well as by Brexit, the BMW Group delivered a record number of automobiles in both the third quarter and the first nine months of 2019.

In a predominantly contracting market, third-quarter delivery figures for BMW, MINI and Rolls-Royce brand vehicles rose worldwide by 3.6 % to 613,361¹ units (2018: 592,303¹ units). Delivery volumes from January to September increased slightly to 1,866,198² units (2018: 1,834,810² units; +1.7 %).

At 30 September 2019, the Financial Services segment had a portfolio of 5,414,506 contracts with retail customers (31 December 2018: 5,235,207 contracts; +3.4 %). From July to September 2019, 504,217 new credit financing and leasing contracts were signed with retail customers (2018: 490,347 contracts; +2.8 %), bringing the total for the nine-month reporting period to 1,475,504 contracts (2018: 1,422,558 contracts; +3.7 %). ↱

Group revenues up slightly³

Group revenues for the nine-month period amounted to €74,844 million (2018: €72,373 million; +3.4 %), up slightly year-on-year. On a currency-adjusted basis, Group revenues were also up slightly (+2.0 %). Driven by a favourable sales mix and currency effects, third-quarter revenues grew solidly to €26,667 million (2018: €24,715 million; +7.9 %, currency-adjusted +6.3 %). The previous year's figure was also affected by fierce competition relating to the introduction of Worldwide Harmonised Light Vehicle Test Procedures (WLTP).

The nine-month gross profit figure of €13,170 million represented a moderate year-on-year decrease (2018: €13,878 million; -5.1 %). Earnings were negatively impacted by higher manufacturing costs due to stricter regulatory requirements as well as by higher raw materials prices and adverse currency factors. In addition, investments made in conjunction with the continued product offensive and the electrification of vehicles and autonomous driving caused research and development expenses to remain at a consistently high level.

Research and development ratios for the period from 1 July to 30 September

→ 06

		2019	2018	Change in %
Research and development expenses as a percentage of revenues	% (change in %pts)	5.4	5.1	0.3
Research and development expenditure ratio ⁴	% (change in %pts)	6.1	6.9	-0.8
Capitalisation rate ⁵	% (change in %pts)	35.3	46.5	-11.2
Research and development expenses	€ million	1,451	1,271	14.2
Expenditure in capitalised development costs	€ million	571	789	-27.6
Amortisation	€ million	-404	-362	11.6
Research and development expenditure ⁶	€ million	1,618	1,698	-4.7

Research and development ratios for the period from 1 January to 30 September

→ 07

		2019	2018	Change in %
Research and development expenses as a percentage of revenues	% (change in %pts)	5.7	5.4	0.3
Research and development expenditure ratio ⁴	% (change in %pts)	5.9	6.2	-0.3
Capitalisation rate ⁵	% (change in %pts)	31.7	35.7	-4.0
Research and development expenses	€ million	4,247	3,881	9.4
Expenditure in capitalised development costs	€ million	1,411	1,591	-11.3
Amortisation	€ million	-1,210	-1,018	18.9
Research and development expenditure ⁶	€ million	4,448	4,454	-0.1

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 126,878 units, 2018: 113,582 units).

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 392,394 units, 2018: 328,800 units).

³ Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019.

In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

⁴ Research and development expenditure as a percentage of Group revenues.

⁵ Capitalised development costs as a percentage of research and development expenditure.

⁶ Research and development expenditure comprises research costs, non-capitalised development costs and capitalised development costs (excluding amortisation thereon).

At €4,569 million (2018: €3,954 million; +15.6%), third-quarter gross profit improved significantly compared to one year earlier, partly due to favourable selling price and model mix effects as well as lower expenses for goodwill and warranty measures. Higher manufacturing costs due to stricter regulatory requirements had an offsetting effect.

Group profit before financial result for the nine-month period fell significantly to €5,079 million (2018: €7,168 million; -29.1%). In addition to the effects described above, the provision recognised during the first quarter of 2019 in connection with the EU Commission's antitrust proceedings was a significant negative factor. Further information is provided in note 6 to the Interim Group Financial Statements for the period ended 30 June 2019. The profit before financial result reported for the third quarter was significantly up on the previous year (€2,289 million, 2018: €1,722 million; +32.9%) due to the positive effects described above.

The nine-month financial result was significantly down, finishing €675 million lower than one year earlier. The €157 million increase in earnings contributed by the Chinese joint venture BMW Brilliance Automotive Ltd., Shenyang, was more than offset by the at-equity loss of €263 million recorded for the YOUR NOW companies. Other financial result in the previous year included a positive revaluation effect of €209 million in conjunction with the takeover of DriveNow, while in the current financial year a one-time revaluation gain of €329 million arose from the pooling of mobility services with the Daimler Group. Due to adjusted business expectations at individual YOUR NOW companies, impairment losses totalling €269 million were recognised in the first nine months, including €73 million recorded in the third quarter.

Furthermore, other financial result was affected by a negative fair value measurement impact of €244 million recognised on interest rate hedges entered into in connection with refinancing the Financial Services business (2018: positive fair value measurement impact of €39 million).

Group profit before tax was impacted by the same set of factors and fell accordingly to €5,063 million (2018: €7,827 million; -35.3%).

Financing activities

Bonds amounting to €16.5 billion and ABS transactions in the USA, the UK, China, Canada, Australia, Germany, South Africa and Japan totalling €7.1 billion were issued during the nine-month period.

Impact of IFRS 16

The BMW Group has applied the new accounting requirements for leases in accordance with IFRS 16 (Leases) with effect from 1 January 2019. Explanatory information on the impact of IFRS 16 is provided in note 4 to the Interim Group Financial Statements for the period ended 30 June 2019.

Automotive Segment

Growth in Automobile deliveries bucks market trend

Despite a generally contracting market, the BMW Group registered new highs in terms of automobile deliveries with a young and attractive product portfolio. Apart from setting new records at Group level, the BMW and Rolls-Royce brands both achieved their best figures to date, not only for a third quarter, but also for the nine-month period as a whole.

During the third quarter of 2019, 525,438¹ BMW (2018: 506,920¹ units; +3.7%) and 86,680 MINI (2018: 84,505 units; +2.6%) brand vehicles were delivered to customers worldwide. In addition, Rolls-Royce Motor Cars delivered 1,243 units (2018: 878 units; +41.6%) during the three-month reporting period.

Deliveries during the first nine months comprised 1,601,397² BMW (2018: 1,566,216² units; +2.2%), 261,024 MINI (2018: 265,935 units; -1.8%) and 3,777 Rolls-Royce (2018: 2,659 units; +42.0%) brand vehicles.

Growth rate in China remains high

In total, 228,418¹ BMW, MINI and Rolls-Royce brand vehicles were sold in Asia during the third quarter ↱

(2018: 214,559¹ units; +6.5%). The equivalent figure for the nine-month period rose by 6.8% to 681,773² units (2018: 638,449² units). Business in China during the third quarter of 2019 was affected by the model change of the BMW 3 Series extended-wheelbase version at the end of June. Nonetheless, deliveries were well up on one year earlier, rising by 10.1% to 176,232¹ units (2018: 160,047¹ units). Double-digit growth was also recorded for the period from January to September, with volumes up by 14.5% to 526,824² units (2018: 460,200² units).

In Europe, automobile market performance as a whole was held down in particular by Brexit-driven uncertainty. Nevertheless, third-quarter deliveries of the BMW Group across Europe edged up to 259,051 units (2018: 253,935 units; +2.0%). During the first nine months of 2019, a total of 809,497 units were handed over to customers, similar to the previous year's level (2018: 816,037 units; -0.8%). In Germany, deliveries of the Group's three brands rose by 4.1% between July and September to 78,293 units (2018: 75,215 units) and by a solid 6.5% to 239,601 units for the nine-month period (2018: 224,933 units). By contrast, deliveries in the UK were down on the previous year in both the third quarter (56,550 units, 2018: 57,433 units; -1.5%) and the nine-month period (177,448 units, 2018: 181,727 units; -2.4%) due to Brexit-related concerns.

Automotive segment at a glance

→ 08

		3rd quarter 2019	3rd quarter 2018	Change in %
Deliveries ^{1,3}	units	613,361	592,303	3.6
Production ⁴	units	630,757	617,082	2.2
Revenues	€ million	23,016	21,111	9.0
Profit before financial result (EBIT)	€ million	1,515	930	62.9
EBIT margin ^{3,5}	% (change in %pts)	6.6	4.4	2.2
Profit before tax	€ million	1,533	1,003	52.8

		1 January to 30 September 2019	1 January to 30 September 2018	Change in %
Deliveries ^{2,3}	units	1,866,198	1,834,810	1.7
Production ⁶	units	1,925,758	1,933,396	-0.4
Revenues	€ million	64,853	62,629	3.6
Profit before financial result (EBIT)	€ million	2,674	4,730	-43.5
EBIT margin ^{3,5}	% (change in %pts)	4.1	7.6	-3.5
Profit before tax	€ million	2,989	5,346	-44.1

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 126,878 units, 2018: 113,582 units).

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 392,394 units, 2018: 328,800 units).

³ Key performance indicators reported on during the year.

⁴ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 136,582 units, 2018: 142,381 units).

⁵ Profit before financial result as percentage of Automotive segment revenues.

⁶ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 381,416 units, 2018: 353,355 units).

In total, 112,513 BMW, MINI and Rolls-Royce brand vehicles were sold in the Americas region during the third quarter (2018:110,197 units; +2.1%), bringing the cumulative figure for the nine-month period to 334,785 units, almost on a par with the previous year's corresponding performance (2018: 336,258 units; -0.4%). In the USA, the BMW Group

recorded 3.6% growth in the third quarter to 86,499 units (2018: 83,516 units) despite flat market performance as a whole. At 261,278 units, nine-month deliveries in the USA and across the remainder of the Americas region were very similar to the previous year (2018: 260,086 units; +0.5%).

Automotive segment deliveries of vehicles by region and market

→ 09

in units	3rd quarter 2019	3rd quarter 2018	Change in %	1 January to 30 September 2019	1 January to 30 September 2018	Change in %
Europe	259,051	253,935	2.0	809,497	816,037	-0.8
thereof Germany	78,293	75,215	4.1	239,601	224,933	6.5
thereof UK	56,550	57,433	-1.5	177,126	181,727	-2.5
Americas	112,513	110,197	2.1	334,785	336,258	-0.4
thereof USA	86,499	83,516	3.6	261,278	260,086	0.5
Asia	228,418 ¹	214,559 ¹	6.5	681,773 ²	638,449 ²	6.8
thereof China	176,232 ¹	160,047 ¹	10.1	526,824 ²	460,200 ²	14.5
Other markets	13,379	13,612	-1.7	40,143	44,066	-8.9
Total	613,361¹	592,303¹	3.6	1,866,198²	1,834,810²	1.7

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 126,878 units, 2018: 113,582 units).

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 392,394 units, 2018: 328,800 units).

BMW sets new volume records², X family with significant increase

The BMW brand achieved record delivery volumes for both the third quarter and the nine-month period. Business with the BMW family of X models developed very positively, while the BMW i models also made a marked contribution.

The model change of the extended-wheelbase version in China referred to above, combined with that of the Touring model, meant that the BMW 3 Series – with a total of 250,425 units worldwide – fell short of its previous year's performance for the nine-month period (2018: 278,499 units; -10.1%). A total of 260,318 units of the BMW 5 Series were delivered to customers between January and September (2018: 286,180 units; -9.0%). The new BMW 8 Series and Z4 models, which have been available since March, enjoyed a high level of demand, recording deliveries of 7,496 and 11,963 units respectively.

The BMW X family remained highly popular, with the nine-month worldwide delivery volume up by approximately one quarter to 706,259 units (2018: 564,542 units; +25.1%). The BMW X1 sales volume

figure of 199,243 fell short of the previous year's high level (2018: 213,633 units; -6.7%). By contrast, the BMW X3 performed extremely well during the first nine months of 2019, with deliveries jumping by 74.0% to 230,497 units (2018: 132,478 units). During the same period, 116,475 units of the BMW X5 were handed over to customers (2018: 117,621 units; -1.0%). In the third quarter, however, this highly successful model recorded a significant increase, with deliveries up by almost one quarter to 40,128 units (2018: 32,314 units; +24.2%), mainly reflecting the availability of additional engine variants on the Chinese market during the third quarter. The BMW X2, which has been in showrooms since March 2018, also recorded extremely dynamic growth over the nine-month period, with deliveries up by 70.5% to 72,281 units (2018: 42,395 units). Since its market launch in March 2019, 25,125 customers worldwide have taken delivery of the new BMW X7.

Automotive segment deliveries of BMW vehicles by model series*

→ 10

in units	1 January to 30 September 2019	1 January to 30 September 2018	Change in %
BMW 1 Series	128,159	149,659	-14.4
BMW 2 Series	93,040	116,295	-20.0
BMW 3 Series	250,425	278,499	-10.1
BMW 4 Series	58,442	84,197	-30.6
BMW 5 Series	260,318	286,180	-9.0
BMW 6 Series	18,350	20,246	-9.4
BMW 7 Series	35,965	41,078	-12.4
BMW 8 Series	7,496	-	-
BMW Z4	11,963	-	-
BMW X1	199,243	213,633	-6.7
BMW X2	72,281	42,395	70.5
BMW X3	230,497	132,478	74.0
BMW X4	44,789	31,233	43.4
BMW X5	116,475	117,621	-1.0
BMW X6	17,849	27,182	-34.3
BMW X7	25,125	-	-
BMW i	30,980	25,520	21.4
BMW total	1,601,397	1,566,216	2.2

* Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 392,394 units, 2018: 328,800 units).

MINI reports volume growth in third quarter

Worldwide deliveries of the MINI brand increased slightly in the third quarter by 2.6% to 86,680 units (2018: 84,505 units). Over the nine-month period, however, they remained slightly down on the previous year at 261,024 units (2018: 265,935 units; -1.8%). ↯

The number of MINI Countryman vehicles delivered during the first nine months of the current year edged up by 2.6% to 73,344 units (2018: 71,490 units), whereas the MINI Hatch (3- and 5-door models) was slightly down year-on-year at 132,363 units (2018: 133,963 units; -1.2%).

Automotive segment deliveries of MINI vehicles by model variant

→ 11

in units	1 January to 30 September 2019	1 January to 30 September 2018	Change in %
MINI Hatch (3- and 5-door)	132,363	133,963	-1.2
MINI Convertible	24,736	25,813	-4.2
MINI Clubman	30,581	34,669	-11.8
MINI Countryman	73,344	71,490	2.6
MINI total	261,024	265,935	-1.8

Significant growth for Rolls-Royce

Rolls-Royce Motor Cars delivered 3,777 vehicles to customers worldwide between January and September 2019, recording a very substantial increase of 42.0% as well as a new record for the first nine months of a year (2018: 2,659 units). This performance was boosted ↱

in particular by the new Rolls-Royce Cullinan*. This latest addition to the brand's portfolio continued to attract a high level of customer interest, resulting in 1,780 units being delivered during the nine-month reporting period.

Automotive segment deliveries of Rolls-Royce vehicles by model variant

→ 12

in units	1 January to 30 September 2019	1 January to 30 September 2018	Change in %
Phantom	455	578	-21.3
Ghost	522	711	-26.6
Wraith/Dawn	1,020	1,370	-25.5
Cullinan*	1,780	–	–
Rolls-Royce total	3,777	2,659	42.0

Share of electrified automobiles influenced by model changes

The number of electrified vehicles delivered to customers by the BMW Group during the first nine months of the current year was influenced in particular by the BMW X5 and 3 Series model changes. In total, 96,570 units of the BMW i, BMW e and MINI Electric brands were delivered worldwide, slightly down on the ↱

previous year's record level (2018: 97,543 units; -1.0%). Demand for the BMW i3 remained high, as a result of which deliveries rose by over 20% to 28,833 units (2018: 23,644 units; +21.9%). The MINI Countryman* was also highly popular as a plug-in hybrid, with 11,999 units delivered worldwide during the nine-month reporting period (2018: 8,826 units; +36.0%).

Automotive segment deliveries of electrified models

→ 13

in units	1 January to 30 September 2019	1 January to 30 September 2018	Change in %
BMW i	30,980	25,520	21.4
BMW e	53,591	63,197	-15.2
MINI Electric	11,999	8,826	36.0
Total	96,570	97,543	-1.0

* Fuel consumption and CO₂ emissions information are available on page 22.

Segment revenues increase

Automotive segment revenues for the nine-month period were slightly up on the previous year at €64,853 million (2018: €62,629 million; +3.6%; currency-adjusted +2.1%). Third-quarter revenues rose solidly to €23,016 million (2018: €21,111 million; +9.0%; currency-adjusted +7.4%). Currency and product mix factors, including in particular sales of the BMW X7 and 8 Series, had a positive impact on segment revenues in the first nine months, especially in the third quarter. Segment revenue growth was also boosted by increased revenues generated by business with the joint venture BMW Brilliance Automotive Ltd., Shenyang.

The rise in cost of sales in both the nine-month period and third quarter was mainly attributable to adverse currency factors and higher raw materials prices as well as increased manufacturing costs due to stricter regulatory requirements. The favourable sales mix effects described above also contributed to the rise in manufacturing costs. Increased amortisation recognised on capitalised development projects as well as higher ongoing research and development expenses continued to have an impact. The bulk of these expenses related to new vehicle models in conjunction with the continued product offensive, including the development of the iNEXT. Third-quarter cost of sales in the previous financial year included an expense of €679 million recognised for goodwill and warranty measures in connection with the exhaust gas recirculation cooler.

The expense for recognising a provision for the ongoing EU Commission's antitrust proceedings referred to above is included in other operating expenses. Accordingly, nine-month segment EBIT dropped significantly to €2,674 million (2018: €4,730 million; -43.5%), while the EBIT margin fell to 4.1% (2018: 7.6%; -3.5 percentage points). Third-quarter EBIT came in at €1,515 million (2018: €930 million; +62.9%), corresponding to a margin of 6.6% (2018: 4.4%; +2.2 percentage points).

Segment profit before tax for the nine-month period amounted to €2,989 million and was therefore down significantly on the previous year (2018: €5,346 million; -44.1%). The corresponding figure for the third quarter was a profit of €1,533 million (2018: €1,003 million; +52.8%).

Free cash flow Automotive segment**Free cash flow Automotive segment for the period from 1 January to 30 September**

→ 14

in € million	2019	2018	Change
Cash inflow (+)/outflow (-) from operating activities	6,144	6,290	-146
Cash inflow (+)/outflow (-) from investing activities	-5,151	-4,175	-976
Net investment in marketable securities and investment funds	31	-73	104
Free cash flow Automotive segment	1,024	2,042	-1,018

The decrease in free cash flow generated by the Automotive segment in the first three quarters of 2019 was mainly attributable to lower earnings and to the higher planned increase in working capital compared to the previous year, whereby the latter mainly reflected the build-up of inventories in conjunction with the introduction of new and predominantly higher-value models such as the BMW 8 Series and X7. Additional contributing factors were higher investments in financial assets and property, plant and equipment, the ↯

latter mainly in connection with the BMW 1 and BMW 3 Series model changes. Following the adoption of IFRS 16, lease payments are now included in cash flows from financing activities. In the first nine months of 2019, this change had a positive effect of €338 million on free cash flow. If IFRS 16 had been applied similarly in the previous year, free cash flow would have been positively impacted by approximately the same amount.

Net financial assets comprised the following:

Net financial assets Automotive segment

→ 15

in € million	30.9.2019	31.12.2018	Change
Cash and cash equivalents	10,537	8,631	1,906
Marketable securities and investment funds	4,464	4,321	143
Intragroup net financial assets	3,317	7,694	-4,377
Financial assets	18,318	20,646	-2,328
Less: external financial liabilities*	-3,395	-1,158	-2,237
Net financial assets Automotive segment	14,923	19,488	-4,565

* Excluding derivative financial instruments.

The increase in external financial liabilities was mainly attributable to the recognition of lease liabilities amounting to €2.3 billion, recognised in connection with the first-time application of IFRS 16. Further information is provided in note 4 to the Interim Group Financial Statements for the period ended 30 June 2019.

Financial Services Segment

Financial Services business continues to grow

Financial Services segment revenues continued to grow between January and September 2019 on the back of portfolio growth and favourable currency factors (currency-adjusted: +3.2%). The reduction of selling expenses and the ongoing generally stable risk situation also contributed to the positive earnings trend.

In balance sheet terms, the segment's business volume increased due to currency factors and portfolio growth in financing and leasing business with retail customers.

New business with retail customers remains buoyant

Financing and leasing business with retail customers grew slightly, with the number of new contracts signed between January and September rising by 3.7% to 1,475,504 new contracts (2018: 1,422,558 new contracts). As in the previous quarters, growth was largely attributable to the higher volume of credit financing business in China. New leasing business grew by a solid 7.0%, primarily on the back of strong performances in Europe and the USA. Overall, new

credit financing business climbed by 2.1%. Leasing accounted for 33.7% and credit financing for 66.3% of new business in the nine-month period under report.

Business concluded during this period included 297,678 newly signed credit financing and leasing contracts relating to pre-owned BMW and MINI brand vehicles (2018: 306,146 contracts), down slightly year-on-year (-2.8%).

The total volume of all new credit financing and leasing contracts concluded with retail customers during the nine-month period amounted to €44,497 million, a solid increase of 7.5% (2018: €41,391 million).

Compared to the end of the previous financial year, the Financial Services segment's worldwide contract portfolio with retail customers grew slightly by 3.4% to 5,414,506 contracts at 30 September 2019 (31 December 2018: 5,235,207 contracts). This performance continues to be driven by significant growth (+13.7%) in the China region compared to 31 December 2018. The Europe/Middle East/Africa region (+4.0%) and the EU Bank¹ region (+3.5%) also recorded growth. The contract portfolio with retail customers remained at a similar level to the end of the financial year 2018 (+0.3%) in the Americas region and decreased by 1.9% in the Asia/Pacific region.

Financial Services segment at a glance

→ 16

		3rd quarter 2019	3rd quarter 2018	Change in %
New contracts with retail customers		504,217	490,347	2.8
Revenues ²	€ million	7,471	7,219	3.5
Profit before financial result (EBIT) ²	€ million	606	528	14.8
Profit before tax ²	€ million	597	549	8.7

		1 January to 30 September 2019	1 January to 30 September 2018	Change in %
New contracts with retail customers		1,475,504	1,422,558	3.7
Revenues ²	€ million	21,981	20,807	5.6
Profit before financial result (EBIT) ²	€ million	1,860	1,694	9.8
Profit before tax ²	€ million	1,797	1,705	5.4

		30.9.2019	31.12.2018	Change in %
Contract portfolio with retail customers		5,414,506	5,235,207	3.4
Business volume in balance sheet terms ^{2,3}	€ million	138,917	133,147	4.3

¹ EU Bank comprises BMW Bank GmbH, its branches in Italy, Spain and Portugal and its subsidiary in France.

² Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019.

In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

³ Calculated on the basis of the lines Leased products and Receivables from sales financing (current and non-current) of the Financial Services segment balance sheet.

During the first nine months of the year, 51.4 %* of new BMW Group vehicles were either leased or financed by the Financial Services segment (2018: 49.4 %; +2.0 percentage points), whereby the increase was primarily attributable to growth in credit financing business in China.

*The calculation only includes automobile markets in which the Financial Services segment is represented by a consolidated entity or a branch office.

Slight growth in fleet business

In the fleet management business, the BMW Group – operating under the brand name Alphabet – is one of Europe’s foremost leasing and full-service providers. Alphabet offers leasing and financing arrangements as well as other specific services to commercial customers. A portfolio of 711,524 contracts was in place at 30 September 2019 (31 December 2018: 700,080 contracts; +1.6 %).

Dealership financing slightly down

The total volume of dealership financing decreased slightly by 4.0 % during the nine-month period to €19,619 million (31 December 2018: €20,438 million).

REPORT ON OUTLOOK, RISKS AND OPPORTUNITIES

**Global automobile markets expected
to be down on previous year's level**

**BMW Group confirms
revised outlook**

OUTLOOK

The report on outlook, risks and opportunities describes the expected development of the BMW Group, including the significant risks and opportunities, from a Group management perspective. It contains forward-looking statements based on expectations and assessments that are subject to uncertainty. As a result, actual outcomes, including those attributable to political, legal and economic developments, could differ positively or negatively from those described below. Further information on this topic is provided in the Annual Report 2018 (Outlook, pp. 84, Risks and Opportunities, pp. 90).

Overall assessment by Group management

Although business conditions will remain volatile, the BMW Group confirmed its adjusted outlook for the financial year 2019. While on the one hand numerous new automobile and motorcycle models as well as an expanded range of individual mobility-related services are likely to provide additional momentum, on the other hand various political and economic challenges could well have an offsetting effect. Research and development expenses will remain at a high level in view of important future-oriented projects. Manufacturing costs are also rising due to stricter regulatory requirements.

Accordingly, Group profit before tax is expected to decrease significantly compared to the previous year as previously announced. Against the market trend, Automotive segment deliveries to customers are expected to increase slightly and reach a new record level. At the same time, fleet carbon dioxide emissions are forecast to drop slightly. The Group intends to achieve its targets with a workforce similar in size to the previous year. As a result of the provision recognised in conjunction with ongoing antitrust proceedings, the Automotive segment EBIT margin is ↘

expected to fall within a range of 4.5 to 6.5 % in 2019, 1 to 1.5 percentage points below the originally targeted range of 6 to 8 %. The RoCE¹ of the Automotive segment is expected to decrease significantly. The RoE² for the Financial Services segment should remain at the previous year's level. However, both performance indicators will be above their long-term targets of 26 % (RoCE) and 14 % (RoE) respectively. In the Motorcycles segment, deliveries to customers are predicted to show a solid increase, with the EBIT margin set to be within the target range of between 8 and 10 % and the RoCE also showing a solid year-on-year increase.

Depending on the political, legal and economic situation and the risks and opportunities described in the Annual Report 2018, actual business performance could differ from current expectations.

Growing uncertainty, fuelled in particular by unresolved political situations such as Brexit and international trade and customs policies, may cause economic developments in many regions to deviate from expected trends and outcomes, with a correspondingly significant impact on the business performance of the BMW Group.

BMW Group key performance indicators

→ 17

		2018 reported	2018 adjusted ³	2019 Outlook ⁴
GROUP				
Profit before tax	€ million	9,815	9,627	significant decrease
Workforce at year-end		134,682	–	in line with last year's level
AUTOMOTIVE SEGMENT				
Deliveries to customers ⁵	units	2,490,664	–	slight increase
Fleet emissions ⁶	g CO ₂ /km	128	–	slight reduction
EBIT margin	%	7.2	–	between 4.5 and 6.5
Return on capital employed ¹	%	49.8	–	significant decrease
MOTORCYCLES SEGMENT				
Deliveries to customers	units	165,566	–	solid increase
EBIT margin	%	8.1	–	between 8 and 10
Return on capital employed ¹	%	28.4	–	solid increase
FINANCIAL SERVICES SEGMENT				
Return on equity ²	%	14.8	–	in line with last year's level

¹ RoCE in the Automotive and Motorcycles segments is measured on the basis of relevant segment profit before financial result and the average amount of capital employed in the segment concerned. Capital employed corresponds to the sum of all current and non-current operational assets, less liabilities that do not incur interest.

² RoE in the Financial Services segment is calculated as segment profit before taxes, divided by the average amount of equity capital attributable to the Financial Services segment balance sheet.

³ Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019.

⁴ Based on adjusted figures.

⁵ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2018: 459,581 units).

⁶ EU-28.

RISKS AND OPPORTUNITIES

As a globally operating enterprise, the BMW Group is exposed to a broad range of risks and opportunities. The Group's corporate success is based on leveraging perceived opportunities as they present themselves. In order to drive growth, boost profitability, bolster efficiency and work in a sustainable way going forward, the BMW Group also needs to take calculated risks.

Compared with the overall risk situation presented in the Group Management Report 2018, the assessment of legal risks in conjunction with antitrust allegations made against five German car manufacturers has become more concrete following receipt of the Statement of Objections from the EU Commission. The EU Commission alleges that the manufacturers ↗

colluded to avoid competition in developing systems to clean the emissions of petrol and diesel passenger cars. The ongoing investigations concern only potential violations of competition law and not deliberate unlawful manipulation of the emission control system. The Statement of Objections leads the BMW Group to believe that it is probable ("more likely than not") that the Commission will issue a significant fine. If necessary, the BMW Group will contest the Commission's allegations with all the legal means at its disposal. In accordance with International Financial Reporting Standards, a provision of approximately €1.4 billion was recognised in the first quarter of 2019 to take account of financial impacts that cannot yet be definitively assessed. Furthermore, the progress of the Brexit negotiations and developments in global trade policy will continue to be closely monitored and factored into the Group's forecasts as deemed appropriate. Further information on risks and opportunities as well as on the methods employed to manage them is also available in the "Report on risks and opportunities" section of the Annual Report 2018 (pp. 90).

Fuel consumption and CO₂ emissions information

→ 18

Model	Fuel consumption in l/100 km (combined)	CO ₂ emissions in g/km (combined)	Electric power consumption in kWh/100 km (combined)
MINI			
MINI Cooper SE Countryman ALL4	2.1–1.9	47–43	13.9–13.5
MINI Cooper SE	–	–	16.8–14.8
ROLLS-ROYCE			
Cullinan	15	341	–

INTERIM GROUP FINANCIAL STATEMENTS

→ Page 24 **Income Statement**

→ Page 28 **Balance Sheet**

→ Page 30 **Cash Flow Statement**

3

BMW GROUP INCOME STATEMENT

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

→ 19

in € million	Group		Automotive		Motorcycles	
	2019	2018*	2019	2018	2019	2018
Revenues	74,844	72,373	64,853	62,629	1,871	1,658
Cost of sales	-61,674	-58,495	-55,193	-52,342	-1,460	-1,267
Gross profit	13,170	13,878	9,660	10,287	411	391
Selling and administrative expenses	-6,665	-6,800	-5,511	-5,621	-186	-184
Other operating income	455	514	461	536	2	2
Other operating expenses	-1,881	-424	-1,936	-472	-1	-1
Profit / loss before financial result	5,079	7,168	2,674	4,730	226	208
Result from equity accounted investments	379	506	379	506	-	-
Interest and similar income	102	113	277	247	1	-
Interest and similar expenses	-297	-276	-472	-380	-5	-3
Other financial result	-200	316	131	243	-	-
Financial result	-16	659	315	616	-4	-3
Profit / loss before tax	5,063	7,827	2,989	5,346	222	205
Income taxes	-1,493	-2,060	-875	-1,416	-70	-54
Profit / loss from continuing operations	3,570	5,767	2,114	3,930	152	151
Profit / loss from discontinued operations	44	-22	44	-22	-	-
Net profit / loss	3,614	5,745	2,158	3,908	152	151
Attributable to minority interest	78	74	19	26	-	-
Attributable to shareholders of BMW AG	3,536	5,671	2,139	3,882	152	151
Basic earnings per share of common stock in €	5.37	8.62				
Basic earnings per share of preferred stock in €	5.38	8.63				
Dilutive effects	-	-				
Diluted earnings per share of common stock in €	5.37	8.62				
Diluted earnings per share of preferred stock in €	5.38	8.63				

* Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019. In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

Financial Services		Other Entities		Eliminations		
2019	2018*	2019	2018	2019	2018*	
21,981	20,807	4	4	-13,865	-12,725	Revenues
-19,170	-18,094	-	-	14,149	13,208	Cost of sales
2,811	2,713	4	4	284	483	Gross profit
-966	-985	-17	-18	15	8	Selling and administrative expenses
54	30	82	95	-144	-149	Other operating income
-39	-64	-62	-59	157	172	Other operating expenses
1,860	1,694	7	22	312	514	Profit / loss before financial result
-	-	-	-	-	-	Result from equity accounted investments
1	2	1,142	838	-1,319	-974	Interest and similar income
-4	-7	-1,059	-812	1,243	926	Interest and similar expenses
-60	16	-271	57	-	-	Other financial result
-63	11	-188	83	-76	-48	Financial result
1,797	1,705	-181	105	236	466	Profit / loss before tax
-529	-363	55	-42	-74	-185	Income taxes
1,268	1,342	-126	63	162	281	Profit / loss from continuing operations
-	-	-	-	-	-	Profit / loss from discontinued operations
1,268	1,342	-126	63	162	281	Net profit / loss
59	48	-	-	-	-	Attributable to minority interest
1,209	1,294	-126	63	162	281	Attributable to shareholders of BMW AG
						Basic earnings per share of common stock in €
						Basic earnings per share of preferred stock in €
						Dilutive effects
						Diluted earnings per share of common stock in €
						Diluted earnings per share of preferred stock in €

BMW GROUP INCOME STATEMENT

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

→ 20

in € million	Group		Automotive		Motorcycles	
	2019	2018*	2019	2018	2019	2018
Revenues	26,667	24,715	23,016	21,111	558	476
Cost of sales	-22,098	-20,761	-19,631	-18,383	-461	-379
Gross profit	4,569	3,954	3,385	2,728	97	97
Selling and administrative expenses	-2,242	-2,281	-1,835	-1,867	-63	-65
Other operating income	140	202	153	216	2	1
Other operating expenses	-178	-153	-188	-147	-1	-
Profit / loss before financial result	2,289	1,722	1,515	930	35	33
Result from equity accounted investments	191	101	191	101	-	-
Interest and similar income	25	39	86	84	-	-
Interest and similar expenses	-106	-102	-165	-140	-	-2
Other financial result	-151	62	-94	28	-	-
Financial result	-41	100	18	73	-	-2
Profit / loss before tax	2,248	1,822	1,533	1,003	35	31
Income taxes	-702	-420	-470	-204	-15	-2
Profit / loss from continuing operations	1,546	1,402	1,063	799	20	29
Profit / loss from discontinued operations	-	-15	-	-15	-	-
Net profit / loss	1,546	1,387	1,063	784	20	29
Attributable to minority interest	25	29	6	13	-	-
Attributable to shareholders of BMW AG	1,521	1,358	1,057	771	20	29
Basic earnings per share of common stock in €	2.31	2.07				
Basic earnings per share of preferred stock in €	2.31	2.07				
Dilutive effects	-	-				
Diluted earnings per share of common stock in €	2.31	2.07				
Diluted earnings per share of preferred stock in €	2.31	2.07				

* Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019. In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

Financial Services		Other Entities		Eliminations		
2019	2018*	2019	2018	2019	2018*	
7,471	7,219	1	1	-4,379	-4,092	Revenues
-6,512	-6,306	-	-	4,506	4,307	Cost of sales
959	913	1	1	127	215	Gross profit
-348	-349	-7	-4	11	4	Selling and administrative expenses
14	4	33	30	-62	-49	Other operating income
-19	-40	-26	-21	56	55	Other operating expenses
606	528	1	6	132	225	Profit / loss before financial result
-	-	-	-	-	-	Result from equity accounted investments
-	-	383	313	-444	-358	Interest and similar income
-1	-2	-361	-303	421	345	Interest and similar expenses
-8	23	-49	11	-	-	Other financial result
-9	21	-27	21	-23	-13	Financial result
597	549	-26	27	109	212	Profit / loss before tax
-190	-79	7	-18	-34	-117	Income taxes
407	470	-19	9	75	95	Profit / loss from continuing operations
-	-	-	-	-	-	Profit / loss from discontinued operations
407	470	-19	9	75	95	Net profit / loss
19	16	-	-	-	-	Attributable to minority interest
388	454	-19	9	75	95	Attributable to shareholders of BMW AG
						Basic earnings per share of common stock in €
						Basic earnings per share of preferred stock in €
						Dilutive effects
						Diluted earnings per share of common stock in €
						Diluted earnings per share of preferred stock in €

BMW GROUP BALANCE SHEET

in € million	Group			Automotive		Motorcycles	
	30.9.2019	1.1.2019 ¹	31.12.2018 ²	30.9.2019	31.12.2018	30.9.2019	31.12.2018
ASSETS							
Intangible assets	11,398	10,971	10,971	10,892	10,472	114	95
Property, plant and equipment	22,264	22,163	19,801	21,785	19,372	384	399
Leased products	41,299	38,259	38,259	–	–	–	–
Investments accounted for using the equity method	4,057	2,624	2,624	4,057	2,624	–	–
Other investments	705	739	739	4,884	4,843	–	–
Receivables from sales financing	49,579	48,313	48,313	–	–	–	–
Financial assets	1,894	1,010	1,010	185	216	–	–
Deferred tax	2,219	1,640	1,638	3,358	3,043	–	–
Other assets	1,675	1,299	1,299	2,655	5,085	34	33
Non-current assets	135,090	127,018	124,654	47,816	45,655	532	527
Inventories	17,359	13,639	13,639	16,012	12,462	615	568
Trade receivables	2,866	2,546	2,546	2,575	2,287	134	167
Receivables from sales financing	40,165	38,700	38,700	–	–	–	–
Financial assets	6,159	6,675	6,675	4,826	4,988	–	–
Current tax	1,933	1,378	1,378	672	618	–	–
Other assets	10,203	9,906	9,906	27,734	22,016	1	2
Cash and cash equivalents	12,998	10,979	10,979	10,537	8,631	12	12
Assets held for sale	–	463	461	–	461	–	–
Current assets	91,683	84,286	84,284	62,356	51,463	762	749
Total assets	226,773	211,304	208,938	110,172	97,118	1,294	1,276
EQUITY AND LIABILITIES							
Subscribed capital	658	658	658	–	–	–	–
Capital reserves	2,118	2,118	2,118	–	–	–	–
Revenue reserves	56,049	55,830	55,862	–	–	–	–
Accumulated other equity	–1,251	–1,338	–1,338	–	–	–	–
Equity attributable to shareholders of BMWAG	57,574	57,268	57,300	–	–	–	–
Minority interest	556	529	529	–	–	–	–
Equity	58,130	57,797	57,829	38,123	39,778	–	–
Pension provisions	3,373	2,330	2,330	2,883	2,089	96	64
Other provisions	5,074	5,530	5,530	4,864	5,354	78	70
Deferred tax	896	1,762	1,773	704	1,016	–	–
Financial liabilities	73,704	66,744	64,772	2,247	1,017	–	–
Other liabilities	4,992	5,293	5,293	8,071	7,558	509	506
Non-current provisions and liabilities	88,039	81,659	79,698	18,769	17,034	683	640
Other provisions	7,196	5,871	5,871	6,748	5,433	107	101
Current tax	1,797	1,158	1,158	717	933	–	–
Financial liabilities	42,724	39,260	38,825	2,123	879	–	–
Trade payables	10,582	9,669	9,669	9,192	8,360	375	348
Other liabilities	18,305	15,826	15,826	34,500	24,639	129	187
Liabilities in conjunction with assets held for sale	–	64	62	–	62	–	–
Current provisions and liabilities	80,604	71,848	71,411	53,280	40,306	611	636
Total equity and liabilities	226,773	211,304	208,938	110,172	97,118	1,294	1,276

¹ The figures to 1 January 2019 have been adjusted, based on the first-time application of IFRS 16.

² Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019. In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

Financial Services		Other Entities		Eliminations		
30.9.2019	31.12.2018 ²	30.9.2019	31.12.2018	30.9.2019	31.12.2018 ²	
						ASSETS
391	403	1	1	–	–	Intangible assets
95	30	–	–	–	–	Property, plant and equipment
49,126	46,114	–	–	–7,827	–7,855	Leased products
–	–	–	–	–	–	Investments accounted for using the equity method
1	1	6,711	6,660	–10,891	–10,765	Other investments
49,626	48,333	–	–	–47	–20	Receivables from sales financing
95	138	1,708	695	–94	–39	Financial assets
526	485	98	28	–1,763	–1,918	Deferred tax
3,307	2,835	36,859	33,956	–41,180	–40,610	Other assets
103,167	98,339	45,377	41,340	–61,802	–61,207	Non-current assets
732	609	–	–	–	–	Inventories
155	91	2	1	–	–	Trade receivables
40,165	38,700	–	–	–	–	Receivables from sales financing
1,063	1,325	319	460	–49	–98	Financial assets
72	91	1,189	669	–	–	Current tax
5,327	5,081	58,686	48,775	–81,545	–65,968	Other assets
2,208	1,985	241	351	–	–	Cash and cash equivalents
–	–	–	–	–	–	Assets held for sale
49,722	47,882	60,437	50,256	–81,594	–66,066	Current assets
152,889	146,221	105,814	91,596	–143,396	–127,273	Total assets
						EQUITY AND LIABILITIES
						Subscribed capital
						Capital reserves
						Revenue reserves
						Accumulated other equity
						Equity attributable to shareholders of BMW AG
						Minority interest
15,227	14,806	22,080	20,683	–17,300	–17,438	Equity
32	49	362	128	–	–	Pension provisions
132	106	–	–	–	–	Other provisions
4,062	4,576	1	22	–3,871	–3,841	Deferred tax
17,966	19,170	53,585	44,624	–94	–39	Financial liabilities
37,406	36,333	174	1,168	–41,168	–40,272	Other liabilities
59,598	60,234	54,122	45,942	–45,133	–44,152	Non-current provisions and liabilities
332	328	9	9	–	–	Other provisions
1,063	208	17	17	–	–	Current tax
27,219	25,705	13,431	12,339	–49	–98	Financial liabilities
1,002	950	13	11	–	–	Trade payables
48,448	43,990	16,142	12,595	–80,914	–65,585	Other liabilities
–	–	–	–	–	–	Liabilities in conjunction with assets held for sale
78,064	71,181	29,612	24,971	–80,963	–65,683	Current provisions and liabilities
152,889	146,221	105,814	91,596	–143,396	–127,273	Total equity and liabilities

BMW GROUP

CASH FLOW STATEMENT

→ BMW Group
Cash Flow Statement

Condensed Cash Flow Statement for the period from 1 January to 30 September

→ 21

in € million	Group	
	2019	2018*
Net profit	3,614	5,745
Profit / loss from discontinued operations	-44	22
Depreciation and amortisation of tangible, intangible and investment assets	4,398	3,753
Change in provisions	943	-191
Change in leased products and receivables from sales financing	-3,131	-3,783
Change in deferred taxes	-1,166	422
Changes in working capital	-2,727	-1,965
Other	717	549
Cash inflow/outflow from operating activities	2,604	4,552
Total investment in intangible assets and property, plant and equipment	-4,783	-4,681
Net investment in marketable securities and investment funds	10	153
Other	-546	323
Cash inflow/outflow from investing activities	-5,319	-4,205
Cash inflow/outflow from financing activities	4,719	-411
Effect of exchange rate on cash and cash equivalents	-17	24
Effect of changes in composition of Group on cash and cash equivalents	32	-24
Change in cash and cash equivalents	2,019	-64
Cash and cash equivalents as at 1 January	10,979	9,039
Cash and cash equivalents as at 30 September	12,998	8,975

* Prior year's figures adjusted due to a change in accounting policy in connection with the adoption of IFRS 16; see note 4 to the Interim Group Financial Statements at 30 June 2019. In addition, figures for the prior year have been adjusted due to changes in presentation of selected items, which are not material overall.

Automotive		Financial Services		
2019	2018	2019	2018*	
2,158	3,908	1,268	1,342	Net profit
-44	22	-	-	Profit / loss from discontinued operations
4,280	3,657	37	25	Depreciation and amortisation of tangible, intangible and investment assets
438	147	798	34	Change in provisions
-	-	-2,945	-3,857	Change in leased products and receivables from sales financing
-39	-29	-713	161	Change in deferred taxes
-2,603	-2,193	-139	193	Changes in working capital
1,954	778	93	-947	Other
6,144	6,290	-1,601	-3,049	Cash inflow/outflow from operating activities
-4,690	-4,593	-9	-7	Total investment in intangible assets and property, plant and equipment
-31	73	41	50	Net investment in marketable securities and investment funds
-430	345	3	6	Other
-5,151	-4,175	35	49	Cash inflow/outflow from investing activities
930	-3,103	1,779	3,110	Cash inflow/outflow from financing activities
-44	-26	10	-13	Effect of exchange rate on cash and cash equivalents
27	-25	-	-	Effect of changes in composition of Group on cash and cash equivalents
1,906	-1,039	223	97	Change in cash and cash equivalents
8,631	7,157	1,985	1,856	Cash and cash equivalents as at 1 January
10,537	6,118	2,208	1,953	Cash and cash equivalents as at 30 September

OTHER INFORMATION

→ Page 33 **Contacts**

4

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Investor Relations information is available directly at → www.bmwgroup.com/ir.

Information about the various BMW Group brands is available at → www.bmw.com, → www.mini.com and → www.rolls-roycemotorcars.com.

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