

QUARTERLY STATEMENT

31 March 2019



**BMW
GROUP**

THE NEXT
100 YEARS 



Rolls-Royce
Motor Cars Limited

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BMW GROUP AT A GLANCE

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1

BMW GROUP IN FIGURES

Key performance indicators reported during the year

→ 01

| | | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|--------------------------------|--------------------|------------------|------------------|-------------|
| GROUP | | | | |
| Profit before tax ¹ | € million | 762 | 3,139 | -75.7 |
| AUTOMOTIVE SEGMENT | | | | |
| Deliveries ² | units | 605,333 | 604,629 | 0.1 |
| EBIT margin ³ | % (change in %pts) | -1.6 | 9.7 | -11.3 |
| MOTORCYCLES SEGMENT | | | | |
| Deliveries | units | 38,606 | 35,858 | 7.7 |
| EBIT margin ³ | % (change in %pts) | 15.2 | 14.7 | 0.5 |

¹ Prior year figures adjusted due to first-time application of IFRS 16; see note 5 to the Group Financial Statements for the year ended 31 December 2018.

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 128,653 units, 2018: 108,274 units).

³ Profit before financial result as percentage of segment revenues.

Further performance figures

→ 02

| | | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|---|--------------------|------------------|------------------|---------------|
| AUTOMOTIVE SEGMENT | | | | |
| Deliveries | | | | |
| BMW ¹ | units | 519,307 | 517,447 | 0.4 |
| MINI | units | 84,820 | 86,375 | -1.8 |
| Rolls-Royce | units | 1,206 | 807 | 49.4 |
| Total¹ | | 605,333 | 604,629 | 0.1 |
| Production volume | | | | |
| Total² | | 672,042 | 663,333 | 1.3 |
| FINANCIAL SERVICES SEGMENT | | | | |
| New contracts with retail customers | | | | |
| | | 469,624 | 451,908 | 3.9 |
| Free cash flow Automotive segment | | | | |
| | € million | -559 | 302 | - |
| Group revenues³ | | | | |
| | € million | 22,462 | 22,665 | -0.9 |
| Automotive | € million | 19,213 | 19,326 | -0.6 |
| Motorcycles | € million | 586 | 524 | 11.8 |
| Financial Services ³ | € million | 7,146 | 6,561 | 8.9 |
| Other Entities | € million | 1 | 2 | -50.0 |
| Eliminations ³ | € million | -4,484 | -3,748 | -19.6 |
| Group profit / loss before financial result (EBIT)³ | | | | |
| | € million | 589 | 2,707 | -78.2 |
| Automotive | € million | -310 | 1,881 | - |
| Motorcycles | € million | 89 | 77 | 15.6 |
| Financial Services ³ | € million | 648 | 561 | 15.5 |
| Other Entities | € million | 4 | 9 | -55.6 |
| Eliminations ³ | € million | 158 | 179 | -11.7 |
| Group profit / loss before tax (EBT)³ | | | | |
| | € million | 762 | 3,139 | -75.7 |
| Automotive | € million | -27 | 2,281 | - |
| Motorcycles | € million | 87 | 78 | 11.5 |
| Financial Services ³ | € million | 627 | 553 | 13.4 |
| Other Entities | € million | -58 | 70 | - |
| Eliminations ³ | € million | 133 | 157 | -15.3 |
| Group income taxes³ | | | | |
| | € million | -218 | -857 | 74.6 |
| Profit / loss from continuing operations³ | | | | |
| | € million | 544 | 2,282 | -76.2 |
| Profit / loss from discontinued operations | | | | |
| | € million | 44 | - | - |
| Group net profit³ | | | | |
| | € million | 588 | 2,282 | -74.2 |
| Earnings per share^{3,4} | | | | |
| | € | 0.85 / 0.85 | 3.44 / 3.44 | -75.3 / -75.3 |
| Group pre-tax return on sales^{3,5} | | | | |
| | % (change in %pts) | 3.4 | 13.8 | -10.4 |

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 128,653 units, 2018: 108,274 units).

² Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 138,391 units, 2018: 107,271 units).

³ Prior year figures adjusted due to first-time application of IFRS 16; see note 5 to the Group Financial Statements for the year ended 31 December 2018.

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.

Automobile deliveries at new record level

Despite an increasingly challenging political and economic environment, deliveries of BMW Group automobiles to customers in the first quarter of 2019 were again up on the previous year's high level, setting a new volume record for the opening three-month period of a financial year. In total, the BMW Group delivered 605,333* BMW, MINI and Rolls-Royce brand vehicles to customers worldwide (2018: 604,629* units; +0.1%).

The volume performance in March 2019 marked the BMW Group's most successful month in its corporate history, with 263,319 units delivered. The Group was able to buck the general trend in key markets such as the USA and China compared to the same month one year earlier.

A total of 469,624 new credit financing and leasing contracts were signed with retail customers during the first quarter of the year (2018: 451,908 contracts; +3.9%). The contract portfolio of the Financial Services segment at 31 March 2019 comprised 5,735,975 contracts, similar to the level three months earlier (31 December 2018: 5,708,032 contracts; +0.5%).

*Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 128,653 units, 2018: 108,274 units).

Earnings reduced by recognition of high provision

In an ad hoc announcement dated 5 April 2019, the BMW Group reported that the EU Commission had informed it of a "Statement of Objections" in the course of ongoing antitrust proceedings. The EU Commission is investigating whether German automobile manufacturers cooperated in technical working groups to restrict competition in the development and rollout of emission-reduction technologies. The Statement of Objections leads the BMW Group to believe that it is probable ("more likely than not") that the EU Commission will issue a significant fine. If necessary, the BMW Group will contest the EU Commission's allegations with all the legal means at its disposal.

Irrespective of this, the fact that a fine is "more likely than not" triggers a requirement to recognise a provision in accordance with International Financial Reporting Standards. Based on information currently available and in light of financial impacts that cannot yet be definitively assessed, a short term other provision was recognised in accordance with the International Financial Reporting Standards of around €1.4 billion in the first quarter. This effect had a negative impact on both the Group's and the Automotive segment's first-quarter earnings. The review of the Statement of Objections and the inspection of files will take some time. Consequently, it is not yet possible to assess the ultimate financial impact definitively.

Group revenues in the first three months of 2019 totalled €22,462 million, similar to the level recorded one year earlier (2018: €22,665¹ million; -0.9%). Group profit before financial result fell sharply to €589 million (2018: €2,707¹ million; -78.2%). The provision recognised in connection with ongoing anti-trust proceedings had a particularly negative impact on reported figures. Earnings were also adversely affected by intensified competition on the one hand and increases in production costs, depreciation and personnel expenses on the other.

↱

Regardless of these developments, the BMW Group continues to invest heavily in the mobility of the future. This fact is reflected in the rising level of expenses and upfront expenditure incurred for the product offensive and for new mobility services. Accordingly, the Group's pre-tax profit of €762 million was also significantly lower than one year earlier (2018: €3,139¹ million; -75.7%).

Research and development ratios

→ 03

| in % | | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|---|--------------------|------------------|------------------|-------------|
| Research and development expenses as a percentage of revenues | % (change in %pts) | 6.2 | 5.7 | 0.5 |
| Research and development expenditure ratio ² | % (change in %pts) | 6.0 | 5.6 | 0.4 |
| Capitalisation rate ³ | % (change in %pts) | 26.5 | 24.8 | 1.7 |
| Research and development expenses | € million | 1,396 | 1,288 | 8.4 |
| Research and development expenditure ⁴ | € million | 1,353 | 1,272 | 6.4 |

¹ Prior year figures adjusted due to first-time application of IFRS 16; see note 5 to the Group Financial Statements for the year ended 31 December 2018.

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

² Research and development expenditure as a percentage of Group revenues.

³ Capitalised development costs as a percentage of research and development expenditure.

⁴ Total research and development expenditure comprises research costs, non-capitalised development costs and capitalised development costs (excluding amortisation thereon).

The first-quarter financial result was €259 million down on the previous year. The main factors here were lower fair values of interest rate derivatives and, in the Automotive segment, a preliminary one-off positive revaluation effect of €328 million arising from the pooling of mobility services with the Daimler Group. The previous year's financial result also included a positive revaluation effect of €209 million in conjunction with the takeover of DriveNow.

Financing activities

The BMW Group issued bonds for a total amount of €5.2 billion during the reporting period, including its first so-called Panda bond on the Chinese capital market. In addition, ABS transactions were issued in the USA, as well as in the UK, China and Japan totalling €2.4 billion.

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. As a general rule, the new Standard requires lessees to recognise right-of-use assets and lease liabilities for all leases. Accordingly, the BMW Group recognised right-of-use assets within property, plant and equipment and lease liabilities within financial liabilities at the date

of adoption. As a result of the change in accounting policy for leases previously classified as operating leases, the balance sheet total increased by approximately €2.4 billion. In conjunction with the adoption of IFRS 16, the methods used to account for leases as a lessor have also been reviewed, resulting in a change in accounting policy for selected items with effect from the financial year 2019. The change in accounting policy for lessors was applied retrospectively, with comparative figures restated. The opening balance sheet as at 1 January 2018 and figures for the financial year 2018 were restated accordingly. Further information on the impact of IFRS 16 is provided in the Group Financial Statements for the year ended 31 December 2018.

INTERIM GROUP MANAGEMENT REPORT

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2

REPORT ON ECONOMIC POSITION

Automobile markets down worldwide

BMW Group automobile deliveries at new record level

GENERAL ECONOMIC ENVIRONMENT

International automobile markets

International automobile markets performed weakly at the start of the year, with new registrations down year-on-year for the period from January to March (20.6 million units; -5.2%). Key automobile markets developed as follows:

International automobile markets

→ 04

| in units | Change in % |
|-----------------------------|-------------|
| Europe | -3.1 |
| thereof Germany | 0.2 |
| thereof France | -0.7 |
| thereof Italy | -6.9 |
| thereof Spain | -6.9 |
| thereof United Kingdom (UK) | -2.4 |
| USA | -2.5 |
| China | -10.1 |
| Japan | -0.9 |
| Russia | -0.8 |
| Brazil | 13.7 |
| Total | -5.2 |

Automotive Segment

Vehicle deliveries at new high level

During the period from January to March 2019, the BMW Group delivered 605,333¹ BMW, MINI and Rolls-Royce brand vehicles to customers (2018: 604,629¹ units; +0.1%), thereby achieving a new first-quarter high for the ninth year in succession. BMW delivered 519,307¹ units worldwide, surpassing the previous year's record figure (2018: 517,447¹ units; +0.4%). Rolls-Royce Motor Cars also achieved the best first-quarter volume performance in its history with 1,206 units delivered to customers [↯]

(2018: 807 units; +49.4%). At 84,820 units, MINI deliveries remained slightly below the previous year's record level (2018: 86,375 units; -1.8%).

Dynamic sales growth in China

In Asia, deliveries of the Group's three brands rose slightly by 2.1% to 217,200¹ units in the first three months of 2019 (2018: 212,693¹ units). This performance was mainly achieved on the back of continued dynamic growth in China, where the BMW Group delivered 168,663¹ BMW, MINI and Rolls-Royce brand vehicles to customers, outperforming the market as a whole with a significant increase of 10.2% (2018: 153,094¹ units).

Automotive segment deliveries of vehicles by region and market

→ 05

| in units | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|----------------------------|------------------|------------------|-------------|
| Europe | 270,950 | 270,725 | 0.1 |
| thereof Germany | 72,592 | 68,294 | 6.3 |
| thereof UK | 62,368 | 61,281 | 1.8 |
| Americas | 104,215 | 106,348 | -2.0 |
| thereof USA | 83,158 | 84,630 | -1.7 |
| Asia ¹ | 217,200 | 212,693 | 2.1 |
| thereof China ¹ | 168,663 | 153,094 | 10.2 |
| Other markets | 12,968 | 14,863 | -12.7 |
| Total¹ | 605,333 | 604,629 | 0.1 |

In Europe, the BMW Group delivered 270,950 vehicles to customers in the first quarter of 2019, similar to the previous year's level (2018: 270,725 units; +0.1%) despite a slight drop in market momentum overall. In Germany, the BMW Group recorded solid growth of 6.3% in the three-month period under report, with deliveries up to 72,592 units (2018: 68,294 units). Despite continuing uncertainty about Brexit, deliveries in the UK rose slightly by 1.8% to 62,368 units (2018: 61,281 units). [↯]

First-quarter deliveries in the Americas region were down on the previous year, mainly due to the contracting US market. Throughout the region, the BMW Group delivered 104,215 BMW, MINI and Rolls-Royce brand vehicles during the first three months of the year (2018: 106,348 units; -2.0%). The number delivered in the USA fell slightly to 83,158 units (2018: 84,630 units; -1.7%).

Automotive segment at a glance

→ 06

| | | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|--|--------------------|------------------|------------------|-------------|
| Deliveries ^{1,2} | units | 605,333 | 604,629 | 0.1 |
| Production ³ | units | 672,042 | 663,333 | 1.3 |
| Revenues | € million | 19,213 | 19,326 | -0.6 |
| Profit/loss before financial result (EBIT) | € million | -310 | 1,881 | - |
| Profit/loss before tax | € million | -27 | 2,281 | - |
| EBIT margin ² | % (change in %pts) | -1.6 | 9.7 | -11.3 |

¹ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 128,653 units, 2018: 108,274 units).

² Key performance indicators reported on during the year.

³ Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 138,391 units, 2018: 107,271 units).

BMW surpasses previous year's record figure*

At 519,307 units, deliveries of BMW brand vehicles in the first quarter surpassed the previous year's record level (2018: 517,447 units; +0.4%), assisted by strong contributions from the BMW X family of models and the brand's electrified vehicles. The BMW X1 and X5, for instance, were the best-selling models in their respective segments. Deliveries of the X3 doubled after the latest model launch. The new BMW X7 and Z4 as well as the new 8 Series are also expected to generate additional volume growth over the remainder of the year.

With the current BMW 3 Series at the end of its product life cycle, first-quarter deliveries of 90,007 units were slightly down on the previous year (2018: 93,819 units; -4.1%). The seventh generation of the highly successful BMW 3 Series has been available since March 2019 and is likely to drive increased demand over the remainder of the year. At 78,401 units, deliveries of the BMW 5 Series fell short of the previous year's

very high level (2018: 94,733 units; -17.2%). The new BMW Z4 and BMW 8 Series models both got off to an excellent start, recording deliveries of 1,550 units and 2,194 units respectively during the period under report.

The BMW X family remained extremely popular, with first-quarter deliveries up by almost a quarter to 221,132 units (2018: 178,313 units; +24.0%). The new BMW X3 made the greatest contribution, with deliveries more than doubling to 71,427 units (2018: 33,769 units). First-quarter deliveries of the X5 fell to 36,871 units (2018: 41,178 units; -10.5%), mainly because not all of the model's engine variants are available in China as yet. However, as the year progresses, deliveries of the X5 are set to benefit increasingly from full availability of the engine variants. The next generation of the successful X5 model has been in the showrooms since the end of 2018. The new BMW X7 went on sale for the first time in March 2019. The top model got off to a very promising start.

Automotive segment deliveries of BMW vehicles by model series*

→ 07

| in units | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|------------------|------------------|------------------|-------------|
| BMW 1 Series | 45,575 | 53,727 | -15.2 |
| BMW 2 Series | 29,331 | 41,691 | -29.6 |
| BMW 3 Series | 90,007 | 93,819 | -4.1 |
| BMW 4 Series | 23,180 | 27,636 | -16.1 |
| BMW 5 Series | 78,401 | 94,733 | -17.2 |
| BMW 6 Series | 6,113 | 5,960 | 2.6 |
| BMW 7 Series | 11,956 | 13,163 | -9.2 |
| BMW 8 Series | 2,194 | - | - |
| BMW Z4 | 1,550 | - | - |
| BMW X1 | 65,360 | 77,296 | -15.4 |
| BMW X2 | 23,250 | 4,591 | - |
| BMW X3 | 71,427 | 33,769 | - |
| BMW X4 | 13,632 | 11,331 | 20.3 |
| BMW X5 | 36,871 | 41,178 | -10.5 |
| BMW X6 | 8,156 | 10,148 | -19.6 |
| BMW X7 | 2,436 | - | - |
| BMW i | 9,868 | 8,405 | 17.4 |
| BMW total | 519,307 | 517,447 | 0.4 |

* Including the joint venture BMW Brilliance Automotive Ltd., Shenyang (2019: 128,653 units, 2018: 108,274 units).

MINI achieves second-best first quarter

MINI achieved its second-best first-quarter volume performance to date with 84,820 units delivered during the three-month period (2018: 86,375 units; -1.8%). At 43,880 units, deliveries of the MINI 3- and 5-door [†]

models were at a similar level to the previous year (2018: 44,069 units; -0.4%). Deliveries of the MINI Countryman dropped moderately during the first quarter to 22,694 units (2018: 23,880 units; -5.0%).

Automotive segment deliveries of MINI vehicles by model variant

→ 08

| in units | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|----------------------------|------------------|------------------|-------------|
| MINI Hatch (3- and 5-door) | 43,880 | 44,069 | -0.4 |
| MINI Convertible | 7,822 | 7,183 | 8.9 |
| MINI Clubman | 10,424 | 11,243 | -7.3 |
| MINI Countryman | 22,694 | 23,880 | -5.0 |
| MINI total | 84,820 | 86,375 | -1.8 |

Rolls-Royce posts new first-quarter volume record

Rolls-Royce Motor Cars recorded an excellent start to the year with its best first-quarter performance to date. Worldwide, 1,206 Rolls-Royce brand vehicles were delivered to customers during the three-month period [†]

under report (2018: 807 units; +49.4%). Both the Phantom* with 140 units (2018: 125 units; +12.0%) and the new Cullinan* with 545 units contributed to this success.

Automotive segment deliveries of Rolls-Royce vehicles by model variant

→ 09

| in units | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|--------------------------|------------------|------------------|-------------|
| Phantom* | 140 | 125 | 12.0 |
| Ghost | 177 | 233 | -24.0 |
| Wraith/Dawn | 344 | 449 | -23.4 |
| Cullinan* | 545 | - | - |
| Rolls-Royce total | 1,206 | 807 | 49.4 |

Significant growth for BMW i

The percentage of electrified vehicles delivered remained stable during the first quarter of 2019. The BMW Group therefore occupies a leading position in the premium segment with regard to electrified vehicles. First-quarter deliveries of 27,044 units were similar to the previous year (2018: 26,858 units; +0.7%) as a result of model changes. Beginning in the third quarter of 2019, [†]

plug-in hybrid variants of the 3 Series and X5 should further stimulate demand. BMW i models recorded a significant increase, with deliveries up by almost one fifth to 9,868 units (2018: 8,405 units; +17.4%). The MINI Cooper SE Countryman ALL4* showed even stronger growth during the three-month period, with deliveries up by more than 60% to a total of 4,019 units (2018: 2,499 units; +60.8%).

Automotive segment deliveries of electrified models

→ 10

| in units | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|---------------|------------------|------------------|-------------|
| BMW i | 9,868 | 8,405 | 17.4 |
| BMW e | 13,157 | 15,954 | -17.5 |
| MINI Electric | 4,019 | 2,499 | 60.8 |
| Total | 27,044 | 26,858 | 0.7 |

* Fuel consumption and CO₂ emissions information are available on page 18.

Earnings reduced in particular by high provision for ongoing antitrust proceedings

At €19,213 million, revenues recorded by the Automotive segment during the period under report were at a similar level to the previous year (2018: €19,326 million; -0.6%). Localisation of production of the X3 in China as well as greater competition worldwide had a negative impact on segment revenues. Adjusted for currency factors, first-quarter revenue fell slightly compared to the previous year.

Cost of sales increased slightly during the period under report, mainly due to adverse currency factors and higher raw materials prices as well as increased production costs as a result of stricter regulatory requirements. Other items impacting earnings included higher costs and upfront expenditure for research and development in connection with the wide-ranging electrification of the vehicle fleet and autonomous driving, higher personnel expenses due to the increased workforce size and collectively bargained pay increases, as well as higher depreciation ↱

of property, plant and equipment and amortisation of capitalized development costs.

The expense for recognising a current provision for the ongoing antitrust proceedings referred to above is included in other operating expenses. As a result of these various factors, first-quarter segment EBIT deteriorated significantly from a positive €1,881 million in 2018 to a negative €310 million in 2019.

The EBIT margin fell accordingly to negative 1.6% (2018: 9.7%; -11.3 percentage points). The segment result before tax for the three-month period (loss before tax of €27 million) was therefore also well down on the previous year's figure (2018: profit before tax of €2,281 million).

Free cash flow and net financial assets

Free cash flow for the Automotive segment in the first quarter of the year was as follows:

Free cash flow Automotive segment for the period from 1 January to 31 March

→ 11

| in € million | 2019 | 2018 | Change |
|--|-------------|------------|-------------|
| Cash inflow (+)/outflow (-) from operating activities | 2,033 | 1,354 | 679 |
| Cash inflow (+)/outflow (-) from investing activities | -2,595 | -710 | -1,885 |
| Net investment in marketable securities and investment funds | 3 | -342 | 345 |
| Free cash flow Automotive segment | -559 | 302 | -861 |

Higher cash inflows from operating activities of the Automotive segment for the first three months of 2019 were attributable above all to the less pronounced rise in working capital, mainly reflecting the higher level of trade payables. The increase in inventories was on a similar scale to one year earlier, reflecting the impact of seasonal factors, model changes (BMW X5 and 3 Series) and the launch of the BMW X7. Higher cash outflows from investing activities were mainly attributable to equity increases at the level of the YOUR NOW companies and ↱

expansion investments in the Group's production network, including in Mexico. Following the adoption of IFRS 16, lease payments are now included in cash flows from financing activities. In the first quarter of 2019, the change had a positive effect of €108 million on free cash flow. If IFRS 16 had been applied similarly in the previous year, free cash flow would have been positively influenced by approximately the same amount.

Net financial assets comprised the following:

Net financial assets Automotive segment

→ 12

| in € million | 31.3.2019 | 31.12.2018 | Change |
|--|---------------|---------------|---------------|
| Cash and cash equivalents | 9,637 | 8,631 | 1,006 |
| Marketable securities and investment funds | 4,398 | 4,321 | 77 |
| Intragroup net financial assets | 5,940 | 7,694 | -1,754 |
| Financial assets | 19,975 | 20,646 | -671 |
| Less: external financial liabilities* | -3,338 | -1,158 | -2,180 |
| Net financial assets Automotive segment | 16,637 | 19,488 | -2,851 |

* Excluding derivative financial instruments.

The decrease in net financial assets in the Automotive segment was mainly attributable to the recognition of lease liabilities amounting to €2.3 billion, recognised in connection with the first-time application of the IFRS 16.

BMW and Daimler combine mobility services

On 28 March 2018, the BMW Group signed an agreement with Daimler – subject to anti-trust approval – regarding the merger of certain business units that provide mobility services. Following approval by the relevant antitrust authorities, the transaction was completed on 31 January 2019. As planned, the two companies are pressing ahead to realise their joint vision of fully electric and autonomous on-demand mobility, including strategic plans to expand existing offerings in the field of individual urban mobility. The new range of mobility services will be easy to access, intuitive to use, and will cater to customers' needs. The cooperation comprises the joint ventures REACH NOW (on-demand mobility and multimodal services), CHARGE NOW (charging), FREE NOW (ride-hailing), PARK NOW (parking) and SHARE NOW (car-sharing). Under the umbrella YOUR NOW, BMW and Daimler will jointly offer innovative solutions for cities and municipalities seeking to make mobility more efficient and sustainable.

BMW and Daimler each hold an equal share in the joint ventures that comprise the mobility services referred to above. As a result of the merger, the BMW Group's interests are now carried as investments accounted for using the equity method and have been remeasured to their fair value, with a carrying amount of €1.6 billion. The first-quarter financial result includes a preliminary revaluation gain of €328 million. The work on opening balance sheets at the merger date and the calculation of the final purchase prices have not yet been finalised. For this reason, the final purchase prices cannot yet be determined definitively. Similarly, purchase price allocations have not yet been finalised.

Financial Services Segment

Financial Services business remains strong

Revenues and profit before tax in the Financial Services segment both improved during the period under report, driven by portfolio growth and the positive impact of the sale of vehicles previously leased to customers. In addition to higher business volumes, the Financial Services segment also benefited from a generally stable risk situation, which was reflected in lower risk provisioning expenses for residual values in a number of markets.

The business volume of the segment in balance sheet terms rose due to currency effects and growth in new business with retail customers, partially offset by a slight reduction in dealership financing receivables.

Slight increase in new business with retail customers

The increase in credit financing and leasing business with retail customers was mainly attributable to growth in China. Slight growth was recorded for both leasing business (+4.9%) and credit financing business (+3.5%). Overall, leasing accounted for 33.2% and credit financing for 66.8% of new business in the period under report.

In the pre-owned vehicle financing and leasing lines of business relating to the BMW and MINI brands, 95,211 new contracts were signed during the first quarter of 2019 (2018: 98,268 contracts), 3.1% fewer than in the same period one year earlier.

The total volume of all new credit financing and leasing contracts concluded with retail customers during the three-month period amounted to €13,898 million, ¹

representing a solid 5.7% increase compared to the previous year (2018: €13,145 million).

Compared to the end of the previous financial year, the Financial Services segment's worldwide contract portfolio with retail customers grew by 1.0% to 5,285,572 contracts at 31 March 2019 (31 December 2018: 5,235,207 contracts). The China region registered the highest growth rate during the three-month period (+6.0%). The Europe/Middle East/Africa region (+1.2%) and the EU Bank² region (+1.1%) also recorded growth. The number of contracts in place with retail customers in the Americas and Asia/Pacific regions fell by 0.9% and 1.0% respectively.

During the first quarter, 50.0%³ of new BMW Group vehicles were either leased or financed by the Financial Services segment (2018: 47.3%; +2.7 percentage points). The increase was largely attributable to growth in credit financing in China.

Fleet business at previous year's level

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 703,823 contracts was in place at 31 March 2019 (31 December 2018: 700,080 contracts; +0.5%).

Dealership financing slightly down on previous year

In the first quarter, the total volume of dealership financing decreased slightly by 2.4% compared to the end of 2018 to €19,957 million (31 December 2018: €20,438 million).

Financial Services segment at a glance

→ 13

| | | 1st quarter 2019 | 1st quarter 2018 | Change in % |
|---|-----------|------------------|------------------|-------------|
| New contracts with retail customers | | 469,624 | 451,908 | 3.9 |
| Revenues ¹ | € million | 7,146 | 6,561 | 8.9 |
| Profit / loss before financial result (EBIT) ¹ | € million | 648 | 561 | 15.5 |
| Profit / loss before tax ¹ | € million | 627 | 553 | 13.4 |
| | | 31. 3. 2019 | 31. 12. 2018 | Change in % |
| Total contract portfolio | | 5,735,975 | 5,708,032 | 0.5 |
| Contract portfolio with retail customers | | 5,285,572 | 5,235,207 | 1.0 |
| Business volume in balance sheet terms ^{1, 4} | € million | 135,314 | 133,147 | 1.6 |

¹ Prior year figures adjusted due to first-time application of IFRS 16; see note 5 to the Group Financial Statements for the year ended 31 December 2018.

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

² EU Bank comprises BMW Bank GmbH, its branches in Italy, Spain and Portugal and its subsidiary in France.

³ The calculation only includes automobile markets in which the Financial Services segment is represented by a consolidated entity or a branch office.

⁴ 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.

REPORT ON OUTLOOK, RISKS AND OPPORTUNITIES

New record for automobile deliveries targeted

EBIT margin reduced as result of recognition of provision for ongoing antitrust proceedings

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

Business conditions are expected to remain volatile in the financial year 2019. While numerous new automobile and motorcycle models as well as an expanded range of individual mobility-related services will provide additional momentum, 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. Increasing manufacturing costs are also being influenced by stricter regulatory requirements. Accordingly, Group profit before tax is expected to decrease significantly. 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. Without the effect of the provision for the antitrust allegations, the target range for the EBIT margin of between 6 and 8 % has not changed. However, since the provision has a negative impact of 1.5 percentage points on the EBIT margin, a margin in the Automotive segment for 2019 between 4.5 and 6.5 % is expected. ↱

A significant decrease is forecast for the RoCE¹ of the Automobiles segment. 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. Deliveries to customers in the Motorcycles segment are forecast 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

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| | | 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 | % | 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 figures adjusted due to first-time application of IFRS 16; see note 5 to the Group Financial Statements for the year ended 31 December 2018.

⁴ Based on adjusted figures due to first-time application of IFRS 16.

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 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. A provision of approximately €1.4 billion was recognised in accordance with International Financial Reporting Standards for negative 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

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| 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 | 2.5–2.4 | 56–55 | 13.7–13.4 |
| ROLLS-ROYCE | | | |
| Cullinan | 15 | 341 | – |
| Phantom | 14.5–14.4 | 330–328 | – |

INTERIM GROUP FINANCIAL STATEMENTS

→ Page 20 **Income Statement**

→ Page 22 **Balance Sheet**

→ Page 24 **Cash Flow Statement**

3

BMW GROUP INCOME STATEMENT

Income Statements for Group and Segments for the period from 1 January to 31 March

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| in € million | Group | | Automotive | | Motorcycles | |
|---|--------------|--------------|--------------|--------------|-------------|------------|
| | 2019 | 2018* | 2019 | 2018 | 2019 | 2018 |
| Revenues | 22,462 | 22,665 | 19,213 | 19,326 | 586 | 524 |
| Cost of sales | -18,406 | -17,825 | -16,393 | -15,659 | -438 | -392 |
| Gross profit | 4,056 | 4,840 | 2,820 | 3,667 | 148 | 132 |
| Selling and administrative expenses | -2,122 | -2,177 | -1,769 | -1,810 | -59 | -56 |
| Other operating income | 164 | 197 | 171 | 200 | - | 1 |
| Other operating expenses | -1,509 | -153 | -1,532 | -176 | - | - |
| Profit / loss before financial result | 589 | 2,707 | -310 | 1,881 | 89 | 77 |
| Result from equity accounted investments | 157 | 223 | 157 | 223 | - | - |
| Interest and similar income | 35 | 38 | 87 | 81 | 1 | - |
| Interest and similar expenses | -93 | -103 | -151 | -133 | -2 | - |
| Other financial result | 74 | 274 | 190 | 229 | -1 | 1 |
| Financial result | 173 | 432 | 283 | 400 | -2 | 1 |
| Profit / loss before tax | 762 | 3,139 | -27 | 2,281 | 87 | 78 |
| Income taxes | -218 | -857 | 7 | -645 | -25 | -23 |
| Profit / loss from continuing operations | 544 | 2,282 | -20 | 1,636 | 62 | 55 |
| Profit / loss from discontinued operations | 44 | - | 44 | - | - | - |
| Net profit / loss | 588 | 2,282 | 24 | 1,636 | 62 | 55 |
| Attributable to minority interest | 27 | 20 | 9 | 6 | - | - |
| Attributable to shareholders of BMW AG | 561 | 2,262 | 15 | 1,630 | 62 | 55 |
| Basic earnings per share of common stock in € | 0.85 | 3.44 | | | | |
| Basic earnings per share of preferred stock in € | 0.85 | 3.44 | | | | |
| Dilutive effects | - | - | | | | |
| Diluted earnings per share of common stock in € | 0.85 | 3.44 | | | | |
| Diluted earnings per share of preferred stock in € | 0.85 | 3.44 | | | | |

* Prior year figures adjusted due to first-time application of IFRS 16; see note 5 to the Group Financial Statements for the year ended 31 December 2018. 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* | |
| 7,146 | 6,561 | 1 | 2 | -4,484 | -3,748 | Revenues |
| -6,198 | -5,686 | - | - | 4,623 | 3,912 | Cost of sales |
| 948 | 875 | 1 | 2 | 139 | 164 | Gross profit |
| -294 | -306 | -4 | -7 | 4 | 2 | Selling and administrative expenses |
| 3 | 3 | 25 | 33 | -35 | -40 | Other operating income |
| -9 | -11 | -18 | -19 | 50 | 53 | Other operating expenses |
| 648 | 561 | 4 | 9 | 158 | 179 | Profit / loss before financial result |
| - | - | - | - | - | - | Result from equity accounted investments |
| - | 1 | 378 | 249 | -431 | -293 | Interest and similar income |
| -1 | -2 | -345 | -239 | 406 | 271 | Interest and similar expenses |
| -20 | -7 | -95 | 51 | - | - | Other financial result |
| -21 | -8 | -62 | 61 | -25 | -22 | Financial result |
| 627 | 553 | -58 | 70 | 133 | 157 | Profit / loss before tax |
| -177 | -155 | 19 | -22 | -42 | -12 | Income taxes |
| 450 | 398 | -39 | 48 | 91 | 145 | Profit / loss from continuing operations |
| - | - | - | - | - | - | Profit / loss from discontinued operations |
| 450 | 398 | -39 | 48 | 91 | 145 | Net profit / loss |
| 18 | 14 | - | - | - | - | Attributable to minority interest |
| 432 | 384 | -39 | 48 | 91 | 145 | 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 | |
|--|----------------|-----------------------|-------------------------|----------------|---------------|--------------|--------------|
| | 31.3.2019 | 1.1.2019 ¹ | 31.12.2018 ² | 31.3.2019 | 31.12.2018 | 31.3.2019 | 31.12.2018 |
| ASSETS | | | | | | | |
| Intangible assets | 11,058 | 10,971 | 10,971 | 10,558 | 10,472 | 100 | 95 |
| Property, plant and equipment | 22,134 | 22,163 | 19,801 | 21,648 | 19,372 | 387 | 399 |
| Leased products | 39,171 | 38,259 | 38,259 | – | – | – | – |
| Investments accounted for using the equity method | 4,555 | 2,624 | 2,624 | 4,555 | 2,624 | – | – |
| Other investments | 676 | 739 | 739 | 4,904 | 4,843 | – | – |
| Receivables from sales financing | 49,286 | 48,313 | 48,313 | – | – | – | – |
| Financial assets | 1,085 | 1,010 | 1,010 | 158 | 216 | – | – |
| Deferred tax | 2,426 | 1,640 | 1,638 | 3,534 | 3,043 | – | – |
| Other assets | 1,674 | 1,299 | 1,299 | 3,403 | 5,085 | 34 | 33 |
| Non-current assets | 132,065 | 127,018 | 124,654 | 48,760 | 45,655 | 521 | 527 |
| Inventories | 16,455 | 13,639 | 13,639 | 15,161 | 12,462 | 629 | 568 |
| Trade receivables | 2,948 | 2,546 | 2,546 | 2,634 | 2,287 | 179 | 167 |
| Receivables from sales financing | 39,146 | 38,700 | 38,700 | – | – | – | – |
| Financial assets | 6,426 | 6,675 | 6,675 | 4,864 | 4,988 | – | – |
| Current tax | 1,581 | 1,378 | 1,378 | 759 | 618 | – | – |
| Other assets | 9,688 | 9,906 | 9,906 | 24,307 | 22,016 | 3 | 2 |
| Cash and cash equivalents | 12,441 | 10,979 | 10,979 | 9,637 | 8,631 | 10 | 12 |
| Assets held for sale | – | 463 | 461 | – | 461 | – | – |
| Current assets | 88,685 | 84,286 | 84,284 | 57,362 | 51,463 | 821 | 749 |
| Total assets | 220,750 | 211,304 | 208,938 | 106,122 | 97,118 | 1,342 | 1,276 |
| EQUITY AND LIABILITIES | | | | | | | |
| Subscribed capital | 658 | 658 | 658 | – | – | – | – |
| Capital reserves | 2,118 | 2,118 | 2,118 | – | – | – | – |
| Revenue reserves | 56,088 | 55,830 | 55,862 | – | – | – | – |
| Accumulated other equity | –1,273 | –1,338 | –1,338 | – | – | – | – |
| Equity attributable to shareholders of BMWAG | 57,591 | 57,268 | 57,300 | – | – | – | – |
| Minority interest | 580 | 529 | 529 | – | – | – | – |
| Equity | 58,171 | 57,797 | 57,829 | 39,016 | 39,778 | – | – |
| Pension provisions | 2,768 | 2,330 | 2,330 | 2,318 | 2,089 | 106 | 64 |
| Other provisions | 5,647 | 5,530 | 5,530 | 5,456 | 5,354 | 70 | 70 |
| Deferred tax | 1,900 | 1,762 | 1,773 | 1,057 | 1,016 | – | – |
| Financial liabilities | 69,998 | 66,744 | 64,772 | 2,434 | 1,017 | – | – |
| Other liabilities | 4,952 | 5,293 | 5,293 | 7,525 | 7,558 | 533 | 506 |
| Non-current provisions and liabilities | 85,265 | 81,659 | 79,698 | 18,790 | 17,034 | 709 | 640 |
| Other provisions | 7,284 | 5,871 | 5,871 | 6,807 | 5,433 | 108 | 101 |
| Current tax | 956 | 1,158 | 1,158 | 705 | 933 | – | – |
| Financial liabilities | 41,241 | 39,260 | 38,825 | 2,024 | 879 | – | – |
| Trade payables | 10,391 | 9,669 | 9,669 | 9,040 | 8,360 | 388 | 348 |
| Other liabilities | 17,442 | 15,826 | 15,826 | 29,740 | 24,639 | 137 | 187 |
| Liabilities in conjunction with assets held for sale | – | 64 | 62 | – | 62 | – | – |
| Current provisions and liabilities | 77,314 | 71,848 | 71,411 | 48,316 | 40,306 | 633 | 636 |
| Total equity and liabilities | 220,750 | 211,304 | 208,938 | 106,122 | 97,118 | 1,342 | 1,276 |

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

² Prior year figures adjusted due to first-time application of IFRS 16; see note 5 to the Group Financial Statements for the year ended 31 December 2018. 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 | | |
|--|--------------------|-------------------------|----------------|------------|--------------|-------------------------|--|
| | 31.3.2019 | 31.12.2018 ² | 31.3.2019 | 31.12.2018 | 31.3.2019 | 31.12.2018 ² | |
| | | | | | | | ASSETS |
| | 399 | 403 | 1 | 1 | – | – | Intangible assets |
| | 99 | 30 | – | – | – | – | Property, plant and equipment |
| | 46,859 | 46,114 | – | – | –7,688 | –7,855 | Leased products |
| | – | – | – | – | – | – | Investments accounted for using the equity method |
| | 1 | 1 | 6,545 | 6,660 | –10,774 | –10,765 | Other investments |
| | 49,309 | 48,333 | – | – | –23 | –20 | Receivables from sales financing |
| | 134 | 138 | 858 | 695 | –65 | –39 | Financial assets |
| | 489 | 485 | 64 | 28 | –1,661 | –1,918 | Deferred tax |
| | 3,165 | 2,835 | 34,209 | 33,956 | –39,137 | –40,610 | Other assets |
| | 100,455 | 98,339 | 41,677 | 41,340 | –59,348 | –61,207 | Non-current assets |
| | 665 | 609 | – | – | – | – | Inventories |
| | 133 | 91 | 2 | 1 | – | – | Trade receivables |
| | 39,146 | 38,700 | – | – | – | – | Receivables from sales financing |
| | 1,303 | 1,325 | 380 | 460 | –121 | –98 | Financial assets |
| | 96 | 91 | 726 | 669 | – | – | Current tax |
| | 4,977 | 5,081 | 53,760 | 48,775 | –73,359 | –65,968 | Other assets |
| | 2,539 | 1,985 | 255 | 351 | – | – | Cash and cash equivalents |
| | – | – | – | – | – | – | Assets held for sale |
| | 48,859 | 47,882 | 55,123 | 50,256 | –73,480 | –66,066 | Current assets |
| | 149,314 | 146,221 | 96,800 | 91,596 | –132,828 | –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 |
| | 15,478 | 14,806 | 20,800 | 20,683 | –17,123 | –17,438 | Equity |
| | 37 | 49 | 307 | 128 | – | – | Pension provisions |
| | 121 | 106 | – | – | – | – | Other provisions |
| | 4,645 | 4,576 | 20 | 22 | –3,822 | –3,841 | Deferred tax |
| | 20,180 | 19,170 | 47,449 | 44,624 | –65 | –39 | Financial liabilities |
| | 34,841 | 36,333 | 837 | 1,168 | –38,784 | –40,272 | Other liabilities |
| | 59,824 | 60,234 | 48,613 | 45,942 | –42,671 | –44,152 | Non-current provisions and liabilities |
| | 361 | 328 | 8 | 9 | – | – | Other provisions |
| | 241 | 208 | 10 | 17 | – | – | Current tax |
| | 25,991 | 25,705 | 13,347 | 12,339 | –121 | –98 | Financial liabilities |
| | 952 | 950 | 11 | 11 | – | – | Trade payables |
| | 46,467 | 43,990 | 14,011 | 12,595 | –72,913 | –65,585 | Other liabilities |
| | – | – | – | – | – | – | Liabilities in conjunction with assets held for sale |
| | 74,012 | 71,181 | 27,387 | 24,971 | –73,034 | –65,683 | Current provisions and liabilities |
| | 149,314 | 146,221 | 96,800 | 91,596 | –132,828 | –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 31 March

→ 17

| in € million | Group | |
|---|---------------|--------------|
| | 2019 | 2018* |
| Net profit | 588 | 2,282 |
| Profit from discontinued operations | -44 | - |
| Depreciation and amortisation of tangible, intangible and investment assets | 1,440 | 1,233 |
| Change in provisions | 996 | 120 |
| Change in leased products and receivables from sales financing | -87 | -421 |
| Change in deferred taxes | 155 | 277 |
| Changes in working capital | -2,084 | -2,837 |
| Other | 209 | -165 |
| Cash inflow/outflow from operating activities | 1,173 | 489 |
| Total investment in intangible assets and property, plant and equipment | -1,611 | -1,128 |
| Net investment in marketable securities and investment funds | 45 | 383 |
| Other | -1,043 | 76 |
| Cash inflow/outflow from investing activities | -2,609 | -669 |
| Cash inflow/outflow from financing activities | 2,808 | -270 |
| Effect of exchange rate on cash and cash equivalents | 90 | -18 |
| Effect of changes in composition of Group on cash and cash equivalents | - | -19 |
| Change in cash and cash equivalents | 1,462 | -487 |
| Cash and cash equivalents as at 1 January | 10,979 | 9,039 |
| Cash and cash equivalents as at 31 March | 12,441 | 8,552 |

* Prior year figures adjusted due to first-time application of IFRS 16; see note 5 to the Group Financial Statements for the year ended 31 December 2018.

| Automotive | | Financial Services | | |
|---------------|---------------|--------------------|--------------|---|
| 2019 | 2018 | 2019 | 2018* | |
| 24 | 1,636 | 450 | 398 | Net profit |
| -44 | - | - | - | Profit from discontinued operations |
| 1,403 | 1,200 | 12 | 9 | Depreciation and amortisation of tangible, intangible and investment assets |
| 1,445 | 114 | 38 | 30 | Change in provisions |
| - | - | 162 | -30 | Change in leased products and receivables from sales financing |
| 143 | -38 | 10 | 96 | Change in deferred taxes |
| -2,208 | -2,853 | -95 | 70 | Changes in working capital |
| 1,270 | 1,295 | -1,203 | -530 | Other |
| 2,033 | 1,354 | -626 | 43 | Cash inflow/outflow from operating activities |
| -1,591 | -1,112 | -3 | -2 | Total investment in intangible assets and property, plant and equipment |
| -3 | 342 | 49 | 13 | Net investment in marketable securities and investment funds |
| -1,001 | 60 | 1 | 4 | Other |
| -2,595 | -710 | 47 | 15 | Cash inflow/outflow from investing activities |
| 1,534 | -1,138 | 1,082 | -119 | Cash inflow/outflow from financing activities |
| 34 | -4 | 51 | -10 | Effect of exchange rate on cash and cash equivalents |
| - | -19 | - | - | Effect of changes in composition of Group on cash and cash equivalents |
| 1,006 | -517 | 554 | -71 | Change in cash and cash equivalents |
| 8,631 | 7,157 | 1,985 | 1,856 | Cash and cash equivalents as at 1 January |
| 9,637 | 6,640 | 2,539 | 1,785 | Cash and cash equivalents as at 31 March |

OTHER INFORMATION

→ Page 27 **Contacts**

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The BMW Group on the Internet

Further information about the BMW Group is available online at → www.bmwgroup.com.

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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