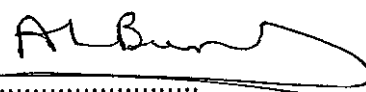


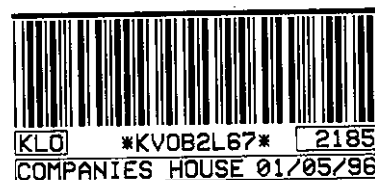
BMW (UK) CAPITAL LIMITEDBALANCE SHEETAs at 31 December 1995

	<u>Notes</u>	<u>£'000s</u>
Current Assets	1	450,001
Current Liabilities	2	(450,000)
Net Assets		<u>1</u>
Represented by:		
Share Capital	3	<u>1</u>

The financial statements were approved by the Board on 15/4/96 and signed on their behalf by:



 Director



BMW (UK) CAPITAL LIMITED

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

31 DECEMBER 1995

BMW (UK) CAPITAL LIMITED
(formerly Stohold Limited)

DIRECTORS' REPORT

The directors have pleasure in submitting their first report and financial statements for the trading period from 18-31 December 1995.

Activities

The trade of the company is the raising of finance and provision of finance to other companies within the BMW group.

Stohold Limited was incorporated on 16 October 1995. The name was changed on 6 December 1995.

Financial

No transactions occurred in the period which gave rise to any income or expenditure.

Directors

The directors who served during the period were as follows:-

	<u>Date of Appointment</u>	<u>Date of Resignation</u>
Norose Ltd	16 October 1995	16 November 1995
Norton Rose Ltd	16 October 1995	16 November 1995
R G Brooks	16 November 1995	11 January 1996
N J Hurst	16 November 1995	11 January 1996
W Stofer	11 December 1995	
A L Burns	11 December 1995	

No director held any beneficial interest in the share capital of the company during the period.

Auditors

The directors appointed KPMG as auditors to the company. This appointment will be confirmed at the forthcoming Annual General Meeting.

Ellesfield Avenue
Bracknell
Berkshire

Date 16th April 1996

Registered Number: 3114356

By order of the Board



J GAINES

Secretary

BMW (UK) CAPITAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BMW (UK) CAPITAL LIMITED

ACCOUNTING POLICIES

For the period ended 31 December 1995

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirements of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned undertaking of BMW AG, and its cash flows are included within the consolidated cash flow statement of that company.

BMW (UK) CAPITAL LIMITED**Notes to the Financial Statements for the period to 31 December 1995**£'000s**1 Current Assets**

Loan to fellow subsidiary company	450,000
Cash	<u>1</u>
	<u>450,001</u>

2 Current Liabilities

Loan from fellow subsidiary company	<u>450,000</u>
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3 Share Capital

Authorised, 10,000,000 Ordinary Shares of £1 each	<u>10,000</u>
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Allotted, called up, and fully paid 1,000 Ordinary Shares of £1 each	<u>1</u>
-------------------------------------------------------------------------	----------

4 Profit and Loss Account

As there were no transactions in this period giving rise to income or expenditure, no profit and loss account has been presented.

5 Directors' Emoluments

No Directors received any emoluments from the company during the period.

6 Staff

The company had no staff during the period.

7 Capital Commitments

No capital commitments existed at the balance sheet date.

8 Contingent Liabilities

The Directors are not aware of any contingent liabilities at the balance sheet date.

BMW (UK) CAPITAL LIMITED

Notes to the Financial Statements

For the period to 31 December 1995 (Continued)

9 Ultimate Holding Company

The directors regard Bayerische Motoren Werke Aktiengesellschaft (BMW AG) a company incorporated in the Federal Republic of Germany as the ultimate holding company. The statutory accounts of BMW AG can be obtained from BMW AG, D 80788 Munich. The immediate holding company is BMW (UK) Holding Ltd, a company incorporated in England, which does not produce group accounts.

