

Balance Sheet Disclosures

[10] INTANGIBLE ASSETS

CHANGES IN INTANGIBLE ASSETS BETWEEN JANUARY 1 AND DECEMBER 31, 2005

€ million	Concessions, industrial and similar rights, and licenses in such rights and assets	Goodwill	Capitalized costs for products under development	Capitalized development costs for products currently in use	Other intangible assets	Total
Historical cost						
Balance at Jan. 1, 2005	51	225	1,642	8,533	1,113	11,564
Foreign exchange differences	4	8	29	144	20	205
Changes in consolidated Group	-	-	-	-	4	4
Additions	8	5	1,071	361	186	1,631
Transfers	3	-	-1,024	1,016	24	19
Disposals	3	-	3	514	64	584
Balance at Dec. 31, 2005	63	238	1,715	9,540	1,283	12,839
Amortization and impairment						
Balance at Jan. 1, 2005	44	-	81	3,337	612	4,074
Foreign exchange differences	4	-	-	60	15	79
Changes in consolidated Group	-	-	-	-	0	0
Additions to cumulative amortization	7	-	-	1,316	165	1,488
Additions to cumulative impairment losses	1	-	5	117	0	123
Transfers	1	-	-	-	1	2
Disposals	3	-	-	511	81	595
Balance at Dec. 31, 2005	54	-	86	4,319	712	5,171
Carrying amount at Dec. 31, 2005	9	238	1,629	5,221	571	7,668

Sensitivity analyses have shown that it is unnecessary to recognize impairment losses on goodwill and indefinite-lived intangible assets, including where realistic variations are applied to key assumptions.

CHANGES IN INTANGIBLE ASSETS
BETWEEN JANUARY 1 AND DECEMBER 31, 2006

€ million	Concessions, industrial and similar rights, and licenses in such rights and assets	Goodwill	Capitalized costs for products under development	Capitalized development costs for products currently in use	Other intangible assets	Total
Historical cost						
Balance at Jan. 1, 2006	63	238	1,715	9,540	1,283	12,839
Foreign exchange differences	-2	8	5	0	-8	3
Changes in consolidated Group	25	-51	-	-	-136	-162
Additions	3	-	1,198	280	167	1,648
Transfers	2	-	-1,042	1,042	17	19
Disposals	28	-	4	716	37	785
Balance at Dec. 31, 2006	63	195	1,872	10,146	1,286	13,562
Amortization and impairment						
Balance at Jan. 1, 2006	54	-	86	4,319	712	5,171
Foreign exchange differences	-2	-	-	5	-6	-3
Changes in consolidated Group	25	-	-	-	-102	-77
Additions to cumulative amortization	5	-	-	1,363	174	1,542
Additions to cumulative impairment losses	1	-	31	432	50	514
Transfers	2	-	-1	1	2	4
Disposals	28	-	3	715	36	782
Balance at Dec. 31, 2006	57	-	113	5,405	794	6,369
Carrying amount at Dec. 31, 2006	6	195	1,759	4,741	492	7,193

Of the total research and development costs incurred in 2006, €1,478 million (previous year: €1,432 million) met the criteria for capitalization under IFRSs.

The following amounts were recognized as expenses:

€ million	2006	2005
Research and non-capitalized development costs	2,762	2,643
Amortization of development costs	1,826	1,438
Research and development costs recognized in the income statement	4,588	4,081

[11] PROPERTY, PLANT AND EQUIPMENT

CHANGES IN PROPERTY, PLANT AND EQUIPMENT
 BETWEEN JANUARY 1 AND DECEMBER 31, 2005

€ million	Land, land rights and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, operating and office equipment	Payments on account and assets under construction	Total
Historical cost					
Balance at Jan. 1, 2005	13,357	23,633	29,198	1,574	67,762
Foreign exchange differences	257	604	602	54	1,517
Changes in consolidated Group	7	1	4	-	12
Additions	227	724	2,216	1,078	4,245
Transfers	149	639	544	-1,349	-17
Disposals	100	1,076	1,444	27	2,647
Balance at Dec. 31, 2005	13,897	24,525	31,120	1,330	70,872
Depreciation and impairment					
Balance at Jan. 1, 2005	6,279	16,556	21,130	2	43,967
Foreign exchange differences	105	413	434	-	952
Changes in consolidated Group	2	1	2	-	5
Additions to cumulative depreciation	472	1,831	2,910	-	5,213
Additions to cumulative impairment losses	16	118	112	0	246
Transfers	1	-14	15	-2	0
Disposals	54	1,023	1,300	-	2,377
Reversal of impairment losses	-1	-17	-	-	-18
Balance at Dec. 31, 2005	6,820	17,865	23,303	0	47,988
Carrying amount at Dec. 31, 2005	7,077	6,660	7,817	1,330	22,884
of which assets leased under finance lease contracts					
Carrying amount at Dec. 31, 2005	184	1	20	-	205

CHANGES IN PROPERTY, PLANT AND EQUIPMENT
BETWEEN JANUARY 1 AND DECEMBER 31, 2006

€ million	Land, land rights and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, operating and office equipment	Payments on account and assets under construction	Total
Historical cost					
Balance at Jan. 1, 2006	13,897	24,525	31,120	1,330	70,872
Foreign exchange differences	-38	-59	-180	-11	-288
Changes in consolidated Group	-61	-12	-261	-15	-349
Additions	338	585	1,439	1,234	3,596
Transfers	133	397	449	-997	-18
Disposals	128	898	1,256	23	2,305
Balance at Dec. 31, 2006	14,141	24,538	31,311	1,518	71,508
Depreciation and impairment					
Balance at Jan. 1, 2006	6,820	17,865	23,303	0	47,988
Foreign exchange differences	-32	-39	-127	0	-198
Changes in consolidated Group	-22	-6	-192	-	-220
Additions to cumulative depreciation	480	1,814	2,965	-	5,259
Additions to cumulative impairment losses	47	63	353	10	473
Transfers	-4	6	-3	-3	-4
Disposals	69	877	1,153	-	2,099
Reversal of impairment losses	-6	-25	0	-	-31
Balance at Dec. 31, 2006	7,214	18,801	25,146	7	51,168
Carrying amount at Dec. 31, 2006	6,927	5,737	6,165	1,511	20,340
of which assets leased under finance lease contracts					
Carrying amount at Dec. 31, 2006	203	1	16	-	220

Government grants of €47 million (previous year: €44 million) were deducted from the cost of property, plant and equipment. Call options on buildings and plant leased under the terms of finance leases exist in most cases, and are normally exercised. Interest rates on the leases vary between 2.9% and 11.0%, depending on the market and the date of inception of the lease. Future finance lease payments due, and their present values, are shown in the following table:

€ million	2007	2008 – 2011	from 2012	Total
Finance lease payments	31	110	149	290
Interest component of finance lease payments	15	36	23	74
Carrying amount/present value	16	74	126	216

For assets leased under operating leases, payments recognized in the income statement amounted to €367 million in the year under review (previous year: €315 million).

Income Statement
 Balance Sheet
 Statement of Recognized Income and Expense
 Cash Flow Statement
 Notes to the Consolidated Financial Statements
 Auditors' Report

[12] LEASING AND RENTAL ASSETS AND INVESTMENT PROPERTY

€ million	Leasing and rental assets	Investment property	Total
Historical cost			
Balance at Jan. 1, 2005	10,965	332	11,297
Foreign exchange differences	1,117	2	1,119
Changes in consolidated Group	0	-	0
Additions	8,131	7	8,138
Transfers	-	-2	-2
Disposals	7,532	24	7,556
Balance at Dec. 31, 2005	12,681	315	12,996
Depreciation and impairment			
Balance at Jan. 1, 2005	2,481	150	2,631
Foreign exchange differences	294	0	294
Changes in consolidated Group	0	-	0
Additions to cumulative depreciation	1,586	7	1,593
Additions to cumulative impairment losses	33	-	33
Transfers	-	-1	-1
Disposals	1,565	8	1,573
Reversal of impairment losses	-30	-	-30
Balance at Dec. 31, 2005	2,799	148	2,947
Carrying amount at Dec. 31, 2005	9,882	167	10,049

€ million	Leasing and rental assets	Investment property	Total
Historical cost			
Balance at Jan. 1, 2006	12,681	315	12,996
Foreign exchange differences	-939	-1	-940
Changes in consolidated Group	-2,302	-	-2,302
Additions	4,839	5	4,844
Transfers	-	-1	-1
Disposals	3,801	18	3,819
Balance at Dec. 31, 2006	10,478	300	10,778
Depreciation and impairment			
Balance at Jan. 1, 2006	2,799	148	2,947
Foreign exchange differences	-245	0	-245
Changes in consolidated Group	-126	-	-126
Additions to cumulative depreciation	1,582	8	1,590
Additions to cumulative impairment losses	16	-	16
Transfers	-	0	0
Disposals	1,433	9	1,442
Reversal of impairment losses	-1	-	-1
Balance at Dec. 31, 2006	2,592	147	2,739
Carrying amount at Dec. 31, 2006	7,886	153	8,039

Leasing and rental assets include assets leased out under the terms of operating leases.

Investment property includes apartments rented out and leased dealerships, with a fair value of €434 million (previous year: €446 million). Operating expenses of €48 million (previous year: €47 million) were incurred for the maintenance of investment property in use. Expenses of €2 million (previous year: €1 million) were incurred for unused investment property.

The following payments from non-cancellable leases and rental agreements are expected to be received over the coming years:

€ million	2007	2008 – 2011	from 2012	Total
	1,260	1,234	40	2,534

[13] INVESTMENTS IN GROUP COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER EQUITY INVESTMENTS

€ million	Investments in Group companies accounted for using the equity method	Other equity investments	Total
Historical cost			
Balance at Jan. 1, 2005	4,351	476	4,827
Foreign exchange differences	62	10	72
Changes in consolidated Group	-	1	1
Additions	465	142	607
Transfers	72	-72	0
Disposals	562	39	601
Reversal of impairment losses	-	2	2
Balance at Dec. 31, 2005	4,388	520	4,908
Impairment losses			
Balance at Jan. 1, 2005	130	183	313
Foreign exchange differences	2	1	3
Changes in consolidated Group	-	-	-
Additions to cumulative impairment losses	64	4	68
Transfers	-	-	-
Disposals	0	4	4
Reversal of impairment losses	-6	0	-6
Balance at Dec. 31, 2005	190	184	374
Carrying amount at Dec. 31, 2005	4,198	336	4,534

€ million	Investments in Group companies accounted for using the equity method	Other equity investments	Total
Historical cost			
Balance at Jan. 1, 2006	4,388	520	4,908
Foreign exchange differences	- 30	0	- 30
Changes in consolidated Group	-	- 44	- 44
Additions	3,022	160	3,182
Transfers	14	- 14	-
Disposals	374	9	383
Reversal of impairment losses	-	0	0
Balance at Dec. 31, 2006	7,020	613	7,633
Impairment losses			
Balance at Jan. 1, 2006	190	184	374
Foreign exchange differences	- 3	1	- 2
Changes in consolidated Group	-	- 17	- 17
Additions to cumulative impairment losses	1	35	36
Transfers	-	-	-
Disposals	42	0	42
Reversal of impairment losses	- 2	-	- 2
Balance at Dec. 31, 2006	144	203	347
Carrying amount at Dec. 31, 2006	6,876	410	7,286

The investments in companies accounted for using the equity method include joint ventures in the amount of €2,859 million (previous year: €2,800 million).

Significant joint ventures and associates are detailed in the listing of significant Group companies at the end of the notes to the consolidated financial statements.

[14] NONCURRENT AND CURRENT FINANCIAL SERVICES RECEIVABLES

€ million			Carrying amount	Fair value			Carrying amount	Fair value
	current	noncurrent	Dec. 31, 2006	Dec. 31, 2006	current	noncurrent	Dec. 31, 2005	Dec. 31, 2005
Receivables from financing business								
customer financing	9,245	17,473	26,718	26,911	9,034	16,562	25,596	25,642
dealer financing	8,897	726	9,623	9,763	8,537	745	9,282	9,282
direct banking	96	164	260	255	77	104	181	179
	18,238	18,363	36,601	36,929	17,648	17,411	35,059	35,103
Receivables from operating lease business								
	81	-	81	81	79	-	79	79
Receivables from finance leases								
	5,107	8,087	13,194	13,490	4,685	7,547	12,232	12,225
	23,426	26,450	49,876	50,500	22,412	24,958	47,370	47,407

Noncurrent receivables from the customer financing business mainly bear fixed interest at rates of between 0.9% and 20.4%, depending on the market concerned.