BMW Group
Corporate Communications

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BMW Group revenues for 2005 rise to new high level

Revenues up by 5.2% to euro 46,656 million/ Earnings forecast confirmed/ Sales volume expected to increase again in 2006

Munich. The BMW Group has grown faster than the market as a whole and faster than all relevant competitors in the financial year 2005 and has achieved new record figures for sales volume and revenues. Group revenues rose by 5.2% to euro 46,656 million (2004: euro 44,335 million). Revenues of the Automobile segment increased by 7.8% to euro 45,861 million (2004: euro 42,544 million). The Motorcycles segment recorded revenues of euro 1,223 million (+18.9%; 2004: euro 1,029 million). Revenues of the Financial Services segment increased by 14.4% to euro 9,408 million (2004: euro 8,226 million).

With 1,327,992 BMW, MINI and Rolls-Royce brand cars sold in 2005, the BMW Group beat the sales volume record set in the previous year by 9.9% (2004: 1,208,732 cars).

Earnings forecast 2005

In the light of this positive performance, Helmut Panke, Chairman of BMW AG's Board of Management, confirms the earnings forecast for 2005: "The adverse external factors – unfavourable exchange rates, high raw material prices and intense competition – which we reported from the very beginning of the year have been largely offset by increased sales volume and internal efficiency improvement measures. For the financial year 2005, we will therefore achieve approximately the previous year's high earnings level."

Sales volume outlook for 2006

The BMW Group will continue to pursue its successful product initiative in the future. Thanks to the strong range of brands and products, further growth potential is forecast for the current year: "We expect the BMW Group to remain on growth course in the financial year 2006. Our aim is to increase sales volume yet again and once again set a new record", Panke stated.

Capital expenditure remains at a high level

Capital expenditure in 2005, at euro 3,993 million, remained at a high level, decreasing by 8.1% (2004: euro 4,347 million). Capitalised development costs recognised as assets in accordance with IAS increased to euro 1,396 million (+24.5%; 2004: euro 1,121 million). A total of euro 2,597 million

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(-19.5%; 2004: euro 3,226 million) was invested in property, plant and equipment and in intangible assets.

Workforce remains constant
At the end of 2005, the BMW Group had a worldwide workforce of 105,798 employees, similar to the high level one year earlier (-0.2%; 31 December 2004: 105,972 employees). The number of trainee positions, at 4,464, remained the same as at the end of the previous year.

Production volume increased
As a result of the higher level of sales volume, the BMW Group also achieved new record figures in production volume terms: in total, 1,323,119 BMW, MINI and Rolls-Royce brand cars were manufactured, an increase of 5.8% (2004: 1,250,345 units). More than 50,000 BMW 3 Series cars were manufactured at the new Leipzig plant between March 2005, when series production commenced, and the end of the year.

Automobiles: all brands achieve new sales volume highs
The sales volume of all brands reached record levels in 2005. The BMW Group is therefore the most successful supplier of premium cars in the world. With its core model series (the 3, 5 and 7 Series), the BMW brand was the frontrunner in 2005 in each of the relevant segments.

1,126,768 BMW brand cars were sold in 2005, surpassing the previous year's level (1,023,583) by 10.1%. "This growth reflects the strength of the BMW brand product portfolio and highlights the underlying strength of our worldwide sales organisation", commented Mr. Panke. With a total of 149,493 units sold, the BMW 1 Series enjoyed extremely high demand in its first full year of production (2004: 39,247 units). The BMW Group's best-selling car, with 229,932 units sold, was the new 3 Series Limousine, which was introduced onto the market in March 2005 and accounted for 17% of the total sales volume for 2005. In total, 434,342 units of the BMW 3 Series were sold worldwide in 2005. This means that the previous year's sales volume was almost matched (-3.4%; 2004: 449,732 units) despite the model changes of the two best-selling models, the 3 Series Limousine and the 3 Series Touring. With 228,389 units sold in 2005, the BMW 5 Series also came close to achieving the previous year's high level (-0.5%; 2004: 229,598 units). The number of BMW 6 Series cars sold rose by 10.9% to 23,340 units, well above the previous year's level (2004: 21,040 units). In the luxury class, a total of 50,062 BMW 7 Series cars were delivered to customers (2004: 47,689 units), an increase of 5.0%.

The BMW X3 recorded strong growth: the number of Sports Activity Vehicles delivered rose by 20.0% to 110,719 (2004: 92,248) units. The BMW X5, in its sixth year since market launch, also remained much sought after, and with 101,537 vehicles sold, almost achieved the previous year's high level (-3.3%/104,988 units). In total, almost 535,000 BMW X5 vehicles have been sold since market launch in December 1999. The sales volume of the Z4 in 2005, at 28,808 units, was below the previous year's level (-25.1%; 38,483 units). The BMW Group presented the revised model of this Roadster in January at the Detroit Auto Show. The new Z4 Coupé will come onto the market at the middle of 2006.

For the first time, more that 200,000 MINI brand cars were sold in a single year, with the number of cars delivered increasing by 8.7% to 200,428 (2004: 184,357) units. The product mix of the closed version of the MINI and of the MINI Convertible increased in value again compared to the previous year. The brand's top model, the MINI Cooper S, recorded the most pronounced growth, with sales volume rising by 25.8% to 56,916 (2004: 45,246) units or 28.4% of the total sales volume of the MINI. The MINI Cooper remained the most popular model with a sales volume of 89,079 units (+1.4%; 2004: 87,875 units) or 44.4% of the total sales volume of the MINI. 54,433 or 27.2% of customers opted for the starter model, Mini One (+6.2%; 2004: 51,236 units).

The Rolls-Royce brand confirmed its position at the top of the absolute luxury class. 796 Phantoms were delivered to customers, slightly more than the 792 sold in the previous year.

Motorcycles sales volume also increases significantly
The Motorcycles segment was also able to achieve growth on the back of its new models: the sales volume for the full year rose by 5.6% to 97,474 (2004: 92,266) units.

Financial Services still on growth course
The BMW Group expanded its activities in the Financial Services segment and remained on growth course in 2005. The volume of new retail customer contracts rose by 13.2% to euro 23,507 million, and hence reached a new record level (2004: euro 20,759 million). At 41.1%, the proportion of new BMW and MINI cars financed by the Financial Services segment in 2005 was marginally lower than in the previous year (2004: 42.0%).

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The BMW Group – an Overview

		2005	2004	Change in %
Vehicle production				
Automobiles	units	1,323,119	1,250,345	+5.8
Motorcycles	units	92,012	93,836	-1.9
Deliveries to customers				
Automobiles	units	1,327,992	1,208,732	+9.9
Motorcycles	units	97,474	92,266	+5.6
Workforce at year-end		105,798	105,972	-0.2
Revenues	euro million	46,656	44,335	+5.2
thereof: Automobiles	euro million	45,861	42,544	+7.8
Motorcycles	euro million	1,223	1,029	+18.9
Financial Services	euro million	9,408	8,226	+14.4
Reconciliations	euro million	-9,836	-7,464	-31.8
Capital expenditure	euro million	3,993	4,347	-8.1

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