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Année record en 2016 : BMW Group toujours sur la bonne voie

- Nouveaux records des ventes et du chiffre d'affaires en 2016
- Bénéfice net du Groupe en hausse de 8,0% à 6,9 milliards d'euros
- La marge EBT progresse à 10,3%
- Pour la 7e année consécutive la marge opérationnelle (EBIT) du segment automobile atteint ou dépasse la fourchette fixée entre 8 et 10%
- Moody's relève à A1 sa notation de BMW Group
- Proposition de dividende de 3,50 euros par action ordinaire
- Le Président du directoire de BMW AG Harald Krüger : une année record pour démarrer la stratégie NEXT 100 YEARS

Munich. The BMW Group continued its successful course during its 101st year, reporting its best ever figures to date for sales volume, revenues and earnings. “2016 was the first step in the NEXT 100 YEARS of the BMW Group. We have turned our centenary year into the most successful 12-month period in our corporate history and posted new record levels in terms of revenues and earnings for the seventh year in a row,” stated **Harald Krüger**, Chairman of the Board of Management of BMW AG in Munich on Thursday. “We are fully focused on implementing our Strategy NUMBER ONE > NEXT, guiding the BMW Group along the “ACES” route: Automated, Connected, Electrified and Shared.”

In the first year of Strategy NUMBER ONE > NEXT, the BMW Group announced its cooperation with Intel and Mobileye in the field of highly and fully automated driving, launched the ReachNow car-sharing service in the USA and set out the next steps in its electrification strategy. “From 2019 onwards, we will be firmly embedding all-electric, battery-powered mobility in our core brands. The electric MINI and the electric BMW X3 will be visible proof of how we are embracing innovations introduced with BMW i on a broader scale,” commented **Krüger**. The BMW iNEXT, set for launch in 2021, will be the BMW Group’s new technological spearhead. “The iNEXT will embody the future of mobility, setting new standards for automated driving, electric mobility, connectivity and design alike,” **Krüger** continued. Moreover, the BMW Group will launch further plug-in hybrid models powered by both electric and combustion engines; the electrified BMW 5 Series and MINI Countryman will be on the market in 2017.

New sales volume, revenues and earnings records in 2016

Automotive **sales volume** climbed by 5.3% to a new record level of 2,367,603 units (2015: 2,247,485 units) in 2016. With its three premium brands, BMW, MINI and Rolls-Royce, the BMW Group remained the world's leading manufacturer of premium vehicles. Sales of electrified vehicles almost doubled to over 62,000 units in 2016. Sales of the all-electric BMW i3 have risen every year since the model was launched in 2013 and the BMW Group aims to sell a total of 100,000 electrified vehicles for the first time in a single year in 2017.

Group revenues rose to a new record level of € 94,163 million (2015: € 92,175 million; +2.2%) in 2016, more than twice the figure reported in 2005 (€ 46,656 million). **Profit before financial result (EBIT)** amounted to € 9,386 million (2015: € 9,593 million), slightly down (-2.2%) on the previous year's record figure. **Group profit before tax (EBT)** increased by 4.8% to a new high level of € 9,665 million (2015: € 9,224 million). All three operating segments – Automotive, Motorcycles and Financial Services – achieved record pre-tax earnings in 2016, making an all-round contribution to earnings growth. The **pre-tax return on sales (EBT margin)** for the Group improved to 10.3% (2015: 10.0%). From the financial year 2017, the BMW Group has introduced "return on sales" as an additional indicator and is targeting a figure of at least 10%. **Group net profit** rose by 8.0% year on year to € 6,910 million (2015: € 6,396 million), also setting a new all-time Group record.

Dividend of €3.50 per share of common stock proposed

The BMW Group's successful performance is also reflected in its creditworthiness. The rating agency Moody's, for instance, has raised its **long-term rating** for the BMW Group to A1, highlighting the company's track record of robust operational performance and repeated ability to launch innovative products. **Nicolas Peter**, member of the Board of Management of BMW AG, responsible for Finance, stated: "The BMW Group demonstrated its operational strength in 2016 and now holds the

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second-best rating of all automobile manufacturers worldwide. Our excellent creditworthiness is also an expression of the trust the BMW Group has earned itself over the years through stability and continuity. Achieving our ambitious targets in 2016 is further evidence of this ability. We are convinced that innovative strength and high profitability go hand in hand. Our financial strength today is the firm basis for future innovation and thus for our success tomorrow. We remain committed to this strategy.”

At the Annual General Meeting on 11 May 2017, the Board of Management and the Supervisory Board will propose to shareholders that the dividend be increased to a new high of € 3.50 (2015: € 3.20) per share of common stock and € 3.52 (2015: € 3.22) per share of preferred stock. The **distribution rate** will therefore rise to 33.3% (for 2015: 32.9%), well within the BMW Group's target range of between 30 and 40%. “The exemplary commitment of our workforce and the unfailing trust placed in us by our shareholders are the key drivers that run through the BMW Group's success story,” said **Krüger**. “For this reason we are paying an associate bonus for our permanent staff in Germany, the highest amount paid amongst our competitors.”

Automotive segment's profitability within target range

Automotive segment **revenues** edged up by 1.0% to € 86,424 million (2015: € 85,536 million) on the back of good sales volume figures. Without the dampening impact of currency factors, revenues would have increased by 3.1%. **EBIT** amounted to € 7,695 million (2015: € 7,836 million; -1.8%). The **EBIT margin** came in at 8.9% (2015: 9.2%), thus finishing within the target range of between 8 and 10% or higher for the seventh financial year in succession. **Segment profit before tax** improved by 5.2% to a new record high level of € 7,916 million (2015: € 7,523 million).

In 2016, more than two million **BMW** brand vehicles were sold for the first time within a single year. Deliveries to customers were up 5.2% at 2,003,359 units (2015: 1,905,234 units). A significant proportion of sales volume growth was attributable to the brand's flagship BMW 7 Series and to the BMW X models, the former posting

growth of 69.2% to 61,514 units and the latter accounting for one in three of all BMW vehicles sold in 2016. A total of 644,992 BMW X vehicles was sold during the 12-month reporting period, 22.3% more than one year earlier. The BMW 2 Series also helped drive brand growth (196,183 units; +24.8%). Launched in February 2017, the new BMW 5 Series is expected to make a significant contribution to sales volume growth during the current year.

2016 was the first full year for the **MINI** since the brand's new strategy was adopted. With 360,233 (2015: 338,466) units sold and year-on-year growth of 6.4%, the MINI recorded the best sales volume figures in its history, with the MINI Clubman and the new MINI Convertible proving to be the biggest growth drivers.

Rolls-Royce Motor Cars recorded the second-best sales performance in the brand's 113-year history. The Goodwood-based luxury car manufacturer sold 4,011 (2015: 3,785) vehicles, 6% up on the previous year, despite challenging market conditions. The performance includes an all-time high sales figure for the fourth quarter (1,386 units; +17.4%). A large number of these sales related to the new Rolls-Royce Dawn, of which 1,283 units were sold worldwide after its launch in summer 2016. The seventh generation of the Phantom re-affirmed its position at the very "pinnacle of luxury" – even in its final year of production, the Rolls-Royce flagship underlined the undisputed qualities of this model as the basis for its successor.

In 2016, The BMW Group surpassed the one-million mark for sales of BMW, MINI and Rolls-Royce brand vehicles in **Europe** for the second year in succession (1,092,155 units; +9.2%). Sales figures for Germany were up 4.5% year-on-year to 298,928 units (2015: 286,098 units). Business in Great Britain also developed very positively, with sales rising to a total of 252,205 units (2015: 230,982 units; +9.2%).

The pace of growth in **Asia** continued to gather speed in 2016. Overall, sales of the Group's three brands totalled 747,291 units (2015: 685,792 units; +9.0%), including 516,785 units (+11.4%) sold in China, the region's largest market (2015: 464,086 units).

Within a highly competitive market environment, sales of BMW, MINI and Rolls-Royce brand vehicles in the **America** region decreased to 460,398 units year-on-year (2015: 495,897 units; -7.2%), including 366,493 units sold in the USA (2015: 405,715 units; -9.7%).

Motorcycles segment revenues exceed two-million threshold for the first time

2016 was also a record-breaking year for the **Motorcycles segment**. The number of motorcycles and maxi-scooters delivered to customers rose by 5.9% to 145,032 units (2015: 136,963 units) – the sixth sales-volume record in succession. BMW Motorrad's five largest markets were Germany, the USA, France, Italy and Spain. As part of its new strategy, BMW Motorrad is in the process of expanding its model range, having set a sales volume target of 200,000 units for 2020.

Revenues grew by 4.0% to € 2,069 million (2015: € 1,990 million), surpassing the two-billion euro mark for the first time. **EBIT** increased by 2.7% to reach € 187 million (2015: € 182 million). As in the Automotive segment, the BMW Group is also targeting an **EBIT margin** within a range of 8 to 10% in the Motorcycles segment from 2017 onwards. The margin achieved in 2016 was 9.0%. **Profit before tax** grew to € 185 million (2015: € 179 million; +3.4%).

Record earnings for the Financial Services segment

The Financial Services segment also continued to perform well in 2016. During the past year, 1,811,157 (2015: 1,655,961) **new contracts** were concluded with retail customers, a year-on-year increase of 9.4%. The **portfolio** of lease and financing contracts grew by 8.4% to 5,114,906 (2015: 4,718,970) contracts, taking it past the five-million threshold for the first time.

Segment revenues grew by 8.2% to € 25,681 million (2015: € 23,739 million). **Profit before tax** improved by 9.7% to € 2,166 million (2015: € 1,975 million), surpassing the two-billion euro mark for the first time.

Increase in workforce and number of apprentices

The **workforce** grew by 2.0% in 2016. At the end of the reporting period, 124,729 people were employed in the BMW Group worldwide (2015: 122,244 people). The slight year-on-year increase was driven by a number of factors, including the need for additional qualified staff to work on developing electric mobility as well as digitalisation and the growth in financial services business. The systematic expansion of mobility services also contributed to the increase in the workforce size.

The BMW Group continues to place great emphasis on its trainee activities. Overall, more than 4,600 young people worldwide were employed in vocational training and training programmes for young talent at 31 December 2016.

BMW Group targets further sales volume growth in 2017

The upward trend in worldwide **sales volume** is forecast to continue in 2017, powered by the BMW Group's highly attractive model range, which will be rejuvenated during the current year with various new vehicles, including the new BMW 5 Series and the MINI Countryman. "We are again targeting a new sales volume record in 2017, with sales slightly up on the previous year," **Krüger** stated. However, the BMW Group expects the global political and economic environment to remain volatile.

Supervisory Board

At the Annual General Meeting to be held on 11 May 2017, the Supervisory Board will propose to the shareholders that Dr. Heinrich Hiesinger, CEO of thyssenkrupp AG, be

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elected to the Supervisory Board of BMW AG. In agreement with the Supervisory Board, Prof. Henning Kagermann will not seek re-election as during 2017, he will reach the age-limit for membership as specified in the Supervisory Board's composition objectives.

The Supervisory Board would like to thank Prof. Kagermann for seven years of invaluable and trusted cooperation.

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Further information on the Group Financial Statements 2016 and the outlook for the current year will be available at the BMW Group's Annual Accounts Press Conference to be held in Munich on 21 March 2017.


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The BMW Group – an overview		2016	2015	Change in %
Sales volume				
Automotive	Units	2,367,603	2,247,485	5.3
Thereof: BMW	Units	2,003,359	1,905,234	5.2
MINI	Units	360,233	338,466	6.4
Rolls-Royce	Units	4,011	3,785	6.0
Sales volume Motorcycles	Units	145,032	136,963	5.9
Workforce ¹		124,729	122,244	2.0
EBIT margin <u>Automotive</u> Segment	Percent	8.9	9.2	-0.3 %points
EBIT margin Segment <u>Motorcycles</u>	Percent	9.0	9.1	-0.1 %points
EBT margin BMW Group	Percent	10.3	10.0	+0.3 %points
Revenues		€ million		
Thereof: Automotive	€ million	86,424	85,536	1.0
Motorcycles	€ million	2,069	1,990	4.0
Financial Services	€ million	25,681	23,739	8.2
Other Entities	€ million	6	7	-14.3
Eliminations	€ million	-20,017	-19,097	-4.8
Profit before financial result (EBIT)	€ million	9,386	9,593	-2.2
Thereof: Automotive	€ million	7,695	7,836	-1.8
Motorcycles	€ million	187	182	2.7
Financial Services	€ million	2,184	1,981	10.2
Other Entities	€ million	-17	169	-
Eliminations	€ million	-663	-575	-15.3
Profit before tax (EBT)	€ million	9,665	9,224	4.8
Thereof: Automotive	€ million	7,916	7,523	5.2
Motorcycles	€ million	185	179	3.4
Financial Services	€ million	2,166	1,975	9.7
Other Entities	€ million	170	211	-19.4
Eliminations	€ million	-772	-664	-16.3
Income taxes	€ million	-2,755	-2,828	2.6
Net profit	€ million	6,910	6,396	8.0
Earnings per share ²	€	10.45/10.47	9.70/9.72	7.7/7.7

¹ Figures exclude dormant employment contracts, employees in the work and non-work phases of pre-retirement part-time working arrangements and low wage earners

² Earnings per share of common stock/preferred stock

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For questions please contact:

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Max-Morten Borgmann, Business and Finance Communications

Telephone: +49 89 382-24118, Fax: +49 89 382-24418

Max-Morten.Borgmann@bmwgroup.com

Glenn Schmidt, Head of Business and Finance Communications

Telephone: +49 89 382-24544, Telefax: +49 89 382-24418

Glenn.Schmidt@bmwgroup.com

Internet: www.press.bmwgroup.com

e-mail: presse@bmw.de

The BMW Group

With its three brands BMW, MINI and Rolls-Royce, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. As a global company, the BMW Group operates 31 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2016, the BMW Group sold approximately 2.367 million cars and 145,000 motorcycles worldwide. The profit before tax was approximately € 9.67 billion on revenues amounting to € 94.16 billion. As of 31 December 2016, the BMW Group had a workforce of 124,729 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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