

Media Information  
3 November 2015

## **BMW Group achieves new highs for revenues and profit**

Third-quarter Group EBT increased significantly to € 2.26 billion

Revenues up 14.0% to € 22.35 billion

Group net profit significantly higher at € 1.58 billion

Automotive segment EBIT margin of 9.1% within target range

BMW Group reaffirms targets for 2015

**Munich.** The BMW Group continues to perform well within a volatile market environment and recorded new highs to date for sales volumes, revenues and earnings in the third quarter 2015. These performance indicators also improved for the nine-month period, with new records established in each case.

"We continue to chart a course of profitable growth, with reported figures continuing their upward trend in the first nine months of the year", **stated Harald Krüger, the Chairman of the Board of Management of BMW AG on Tuesday in Munich.**

**Third-quarter worldwide sales** of BMW, MINI and Rolls-Royce brand vehicles rose by 6.9% to 545,062 units (2014: 509,669 units), setting new records for this period. Helped by a tailwind from favourable currency factors, **Group revenues** climbed by 14.0% to € 22,345 million (2014: € 19,600 million). This strong performance helped push up **profit before financial result** (EBIT) by 4.3% to € 2,354 million (2014: € 2,256 million). Thanks to improvements within the financial result, **Group profit before tax** (EBT) increased by 12.8% to € 2,263 million (2014: € 2,006 million). In the third quarter of the previous year, the financial result had been negatively impacted by a number of items, most notably period-end losses arising on the fair value measurement of derivatives. In line with these figures, **Group net profit** for the third quarter came in at € 1,579 million, significantly higher than one year earlier (2014: € 1,310 million; +20.5%).

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**Group EBT exceeds € 7 billion-mark for first time for a nine-month period**

**Sales volume** of the BMW Group in the **first nine months** rose by 7.5% to 1,644,810 units (2014: 1,529,880). On top of this came favourable currency factors, which helped **Group revenues** to grow by 16.4% to € 67,197 (2014: € 57,740 million). **Profit before financial result** (EBIT) for the nine-month period rose by 6.5% to € 7,400 million (2014: € 6,949 million). Despite the lower result from investments, partly reflecting the ongoing normalisation of the Chinese market, **profit before tax** (EBT) improved by 4.3% to € 7,114 million (2014: € 6,819) and exceeded the € 7 billion-mark for the first time for a nine-month period. **Group net profit** amounted to € 4,844 million and was therefore 6.8% up on the previous year's record figure (€ 4,535 million).

"On the assumption that the upward trend continues, we reaffirm our ambitious targets for the full year 2015 and aim to achieve new high levels for sales volume, revenues and earnings", explained **CFO Friedrich Eichiner**.

**Automotive segment: EBIT margin in target range**

Automotive segment **revenues** for the **third quarter** grew by 15.6% to € 20,970 million (2014: € 18,142 million), reflecting the strong sales volume performance and favourable currency factors. **EBIT** improved by 12.7% to € 1,912 million (2014: € 1,697 million). The **EBIT margin** came in at 9.1% (2014: 9.4%) and hence within the target range of 8 - 10%. Thanks to an improved financial result, **segment result before tax** increased to € 1,845 million (2014: € 1,430 million; +29.0%). The **pre-tax return on sales** was 8.8% (2014: 7.9%).

**Nine-month segment revenues** grew by 15.6% to € 61,513 million (2014: € 53,205 million). **EBIT** edged up by 1.6% from € 5,438 million to € 5,525 million. The **EBIT margin** finished at 9.0% (2014: 10.2%) over the nine-month period and hence within the target range of 8 - 10%. **Profit before tax**, at



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€ 5,323 million, was at a similar level to the previous year, giving a **pre-tax return on sales of 8.7%** (2014: 10.0%).

The **BMW** brand recorded a new **third-quarter** sales volume high of 463,739 units (2014: 433,145 units; +7.1%). Sales volume for the **nine-month period** grew by 5.8% to 1,395,780 units (2014: 1,319,492 units). Added momentum was provided by numerous models, including the BMW X models as well as the 2 and 4 Series.

The **nine-month** total of 110,066 units (2014: 21,047 units) recorded for the **BMW 2 Series** was boosted by sales of the new Active Tourer and the 2 Series convertible. Sales of the **BMW 4 Series** increased to 114,151 units (2014: 81,876 units; +39.4%).

Demand for the various models of the BMW X family also remains strong. **Nine-month** sales of the **BMW X5** rose by 19.8% to 125,739 units (2014: 104,997 units). Sales figures for the **BMW X6** grew even faster, jumping by 40.5% to 32,857 units (2014: 23,394 units). The **BMW X4**, launched about a year ago, recorded nine-month sales of 40,920 units (2014: 7,199 units). **BMW i** also continued to make good progress, with deliveries almost doubling to 20,576 units (2014: 10,540 units). Additional momentum is expected to be generated up to the year-end by the new BMW 7 Series, which has been in the showrooms since the end of October.

**MINI** recorded a 6.4% increase in sales volume in the **third quarter**, with sales rising to 80,488 units (2014: 75,633 units). **Nine-month** sales climbed by 18.7% to a new high of 246,426 units (2014: 207,529 units). The most pronounced increases were recorded for the **MINI 3** and 5 door models, with sales almost doubling to a total of 162,791 units (2014: 83,508 units). A further surge should be generated by the new **MINI Clubman**, which has been available since the end of October.

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**Rolls-Royce Motor Cars** posted its second-best **nine-month** sales volume performance to date, despite significant headwinds in the luxury sector in Mainland China. The brand delivered 2,604 units to customers from January to September (-8.9%). Worldwide sales in the **third quarter** totalled 835 units (2014: 891 units; (-6.3%). Outside China, globally-balanced sales were in line with expectations and the company continues to plan for long-term sustainable growth.

### **Sales regions post higher nine-month sales figures**

In order to maintain its strategy of profitable growth, the BMW Group remains committed to achieving an evenly balanced distribution of global sales in the world's three major sales regions – Europe, Asia and the Americas – with the aim of preventing excessive dependence on individual markets. In line with this strategy, sales volume growth was recorded in all major sales regions for the period from **January to September**.

The first nine months of 2015 saw an extremely good performance in **Europe**, with sales up by 10.3% to 731,637 units (2014: 663,407 units). Sales volume in Germany during this period went up by 5.3% to 208,614 units (2014: 198,083 units). Great Britain – the BMW Group's fourth largest market – saw a 13.8% increase to 171,472 units (2014: 150,626 units) during the nine-month period, while the number of vehicles sold in France rose by 19.6% to 56,238 units (2014: 47,004 units). Sales volume in Italy increased by 11.5% to 50,895 units (2014: 45,666 units).

Sales of BMW and MINI vehicles in **Asia** grew by 4.2% to 503,160 units (2014: 482,718 units) for the nine-month period, including a 1.9% increase in sales on the Chinese mainland to 342,920 units (2014: 336,499 units). Nine-month sales in Japan climbed by 9.8% to 50,613 units (2014: 46,109 units).



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A strong nine-month performance was also recorded in the **Americas** region, where the BMW Group sold 361,562 units (2014: 337,852 units), an increase of 7.0% compared to one year earlier. In the USA, sales volume increased by 7.0% to 295,728 units (2014: 276,491 units).

### **Motorcycles segment sets new records**

The Motorcycles segment posted a new record for the quarter, with **sales volume** up by 16.3% to 33,993 units (2014: 29,239 units). **Segment revenues** for the period from **July to September** grew by 22.7% to € 454 million (2014: € 370 million) on the back of the strong sales volume performance and a high-value model mix. **EBIT** improved to € 46 million (2014: € 27 million; +70.4%), while **profit before tax** increased to € 45 million (2014: € 26 million; +73.1%). These earnings and sales volume figures all marked new records for a third quarter. The upward trend in business has been boosted by the new BMW R 1200 R, R 1200 RS, S 1000 RR, S 1000 XR and F 800 R models, all of which have been available since the start of the season.

BMW Motorrad also reported its best **nine-month** sales figures in more than 90 years of operations, with sales up by 12.2% to 112,411 units (2014: 100,217 units). **Segment revenues** rose by 19.9% to € 1,643 million (2014: € 1,370 million). **EBIT** improved to € 273 million (2014: € 146 million; +87.0%). **Profit before tax** showed a similar picture, with an increase of 89.5% to € 271 million (2014: € 143 million).

### **Financial Services segment continues to perform well**

The Financial Services segment also continued to perform well during the period from **July to September**, achieving new high levels for a third quarter.

**Segment revenues** were 7.7% higher at € 5,621 million (2014: € 5,221 million).



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**Profit before tax** increased by 3.1% to € 462 million (2014: € 448 million) thanks to growth in new customer business and the continuing stable risk position.

**Revenues** for the **nine-month** period grew by 16.8% to € 17,833 million (2014: € 15,266 million). **Profit before tax** amounted to € 1,517 million (2014: € 1,353 million; +12.1%).

A total of 1,222,165 **new contracts** (2014: 1,111,700 contracts: +9.9%) was signed during the **nine-month** period in conjunction with financing and leasing business. The **portfolio of leasing and financing contracts** in place with dealerships and retail customers at 30 September rose by 7.5% to a total of 4,227,586 contracts (2014: 3,932,451 contracts).

### **Workforce increased**

The size of the **workforce** increased by 5.9% compared to the end of the previous year's third quarter. Overall, the BMW Group had a worldwide workforce of 121,316 employees (2014: 114,587 employees) at 30 September 2015. The BMW Group continues to recruit engineers and skilled experts, in order to keep pace with rising demand for BMW Group vehicles, to forge ahead with innovations and to develop new technologies.

### **BMW Group reaffirms targets for the full year**

Thanks to its attractive range of models, the BMW Group can look ahead confidently to the remainder of the current financial year and reaffirms its targets for the full year. Solid increases, and hence new record figures, are being targeted in 2015 for **sales volume** and **Group profit before tax**. The BMW Group also firmly intends to remain the world's leading premium manufacturer of vehicles in 2015.



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However, the scale of increases during the forecast period is likely to be held down by fierce competition on automobile markets, rising personnel costs, continued high levels of upfront expenditure to safeguard business viability going forward and upcoming challenges relating to the normalisation of the Chinese market. A number of risks will also have to be faced, including the precarious state of the Russian market, macroeconomic uncertainties in Europe and the increasingly competitive situation in the USA.

Tailwinds are expected in the current year from the market launch of a total of 15 new and revised models as well as from the forecast positive development of international automobile markets.

**Automotive segment revenues** are set to grow significantly for the full year on the back of increased sales volume and favourable currency factors. We reaffirm our forecast of an EBIT margin within a target range of 8 to 10% for the Automotive segment.

The BMW Group expects the **Motorcycles segment** to continue its seasonally influenced upward trend during the current year, with additional impetus coming from new models. Sales of BMW motorcycles over the year as a whole are forecast to achieve a solid increase.

The **Financial Services segment** should also continue to perform well throughout 2015. Despite rising equity capital requirements worldwide, the BMW Group forecasts a return on equity (RoE) for 2015 in line with the previous year's level (2014: 19.4%), thus remaining ahead of the target of at least 18%.

The BMW Group's forecasts for the financial year 2015 are based on the assumption that global political and economic conditions remain stable.

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The BMW Group – an overview		3rd quarter 2015	3rd quarter 2014*	Change in %
<b>Sales volume</b>				
<b>Automotive</b>	units	<b>545,062</b>	<b>509,669</b>	<b>+6.9</b>
Thereof:				
BMW	units	463,739	433,145	+7.1
MINI	units	80,488	75,633	+6.4
Rolls-Royce	units	835	891	-6.3
<b>Motorcycles</b>	units	<b>33,993</b>	<b>29,239</b>	<b>+16.3</b>
<b>Workforce<sup>1</sup></b>		<b>121,316</b>	<b>114,587</b>	<b>+5.9</b>
<b>Operating cash flow</b>				
<b>Automotive segment</b>				
<b>Revenues</b>	€ million	<b>22,345</b>	<b>19,600</b>	<b>+14.0</b>
Thereof:				
Automotive	€ million	20,970	18,142	+15.6
Motorcycles	€ million	454	370	+22.7
Financial Services	€ million	5,621	5,221	+7.7
Other Entities	€ million	1	2	-50.0
Eliminations	€ million	-4,701	-4,135	-13.7
<b>Profit before financial result (EBIT)</b>	€ million	<b>2,354</b>	<b>2,256</b>	<b>+4.3</b>
Thereof:				
Automotive	€ million	1,912	1,697	+12.7
Motorcycles	€ million	46	27	+70.4
Financial Services	€ million	465	456	+2.0
Other Entities	€ million	5	31	-83.9
Eliminations	€ million	-74	45	-
<b>Profit before tax (EBT)</b>	€ million	<b>2,263</b>	<b>2,006</b>	<b>+12.8</b>
Thereof:				
Automotive	€ million	1,845	1,430	+29.0
Motorcycles	€ million	45	26	+73.1
Financial Services	€ million	462	448	+3.1
Other Entities	€ million	5	63	-92.1
Eliminations	€ million	-94	39	-
<b>Income taxes</b>	€ million	<b>-684</b>	<b>-696</b>	<b>+1.7</b>
<b>Net profit</b>	€ million	<b>1,579</b>	<b>1,310</b>	<b>+20.5</b>
<b>Earnings per share<sup>2</sup></b>	€	<b>2.39/2.39</b>	<b>1.98/1.98</b>	<b>+20.7/+20.7</b>

\*Prior year figures partially adjusted in accordance with IAS 8

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

2 earnings per share of common stock/preferred stock



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The BMW Group – an overview		Jan. - Sept. 2015	Jan. - Sept. 2014*	Change in %
<b>Sales volume</b>				
<b>Automotive</b>	units	<b>1,644,810</b>	<b>1,529,880</b>	<b>+7.5</b>
Thereof:				
BMW	units	1,395,780	1,319,492	+5.8
MINI	units	246,426	207,529	+18.7
Rolls-Royce	units	2,604	2,859	-8.9
<b>Motorcycles</b>	units	<b>112,411</b>	<b>100,217</b>	<b>+12.2</b>
<b>Workforce<sup>1</sup></b>		<b>121,316</b>	<b>114,587</b>	<b>+5.9</b>
<b>Operating cash flow</b>				
<b>Automotive segment</b>				
<b>Revenues</b>	€ million	<b>67,197</b>	<b>57,740</b>	<b>+16.4</b>
Thereof:				
Automotive	€ million	61,513	53,205	+15.6
Motorcycles	€ million	1,643	1,370	+19.9
Financial Services	€ million	17,833	15,266	+16.8
Other Entities	€ million	4	5	-20.0
Eliminations	€ million	-13,796	-12,106	-14.0
<b>Profit before financial result (EBIT)</b>	€ million	<b>7,400</b>	<b>6,949</b>	<b>+6.5</b>
Thereof:				
Automotive	€ million	5,525	5,438	+1.6
Motorcycles	€ million	273	146	+87.0
Financial Services	€ million	1,523	1,380	+10.4
Other Entities	€ million	139	57	-
Eliminations	€ million	-60	-72	+16.7
<b>Profit before tax (EBT)</b>	€ million	<b>7,114</b>	<b>6,819</b>	<b>+4.3</b>
Thereof:				
Automotive	€ million	5,323	5,323	-
Motorcycles	€ million	271	143	+89.5
Financial Services	€ million	1,517	1,353	+12.1
Other Entities	€ million	126	145	-13.1
Eliminations	€ million	-123	-145	+15.2
<b>Income taxes</b>	€ million	<b>-2,270</b>	<b>-2,284</b>	<b>+0.6</b>
<b>Net profit</b>	€ million	<b>4,844</b>	<b>4,535</b>	<b>+6.8</b>
<b>Earnings per share<sup>2</sup></b>	€	<b>7.35/7.36</b>	<b>6.88/6.89</b>	<b>+6.8/+6.8</b>

\*Prior year figures partially adjusted in accordance with IAS 8

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

2 earnings per share of common stock/preferred stock



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**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 30 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2014, the BMW Group sold approximately 2,118 million cars and 123,000 motorcycles worldwide. The profit before tax for the financial year 2014 was approximately € 8.71 billion on revenues amounting to € 80.40 billion. As of 31 December 2014, the BMW Group had a workforce of 116,324 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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