

BMW Group set to remain on course in 2016

New highs forecast in sales volume, revenues and earnings
EBIT margin of 8 - 10% targeted for Automotive segment
Target: slight increases in sales volume and pre-tax profit

Munich. The BMW Group is set to continue its success story in 2016. “We are targeting new highs for **sales volume** and **group profit before tax**,” stated Harald Krüger, Chairman of the Board of Management of BMW AG at the Annual Accounts Press Conference in Munich on Wednesday. The BMW Group also expects to remain the world's leading premium manufacturer of vehicles in 2016.

Group profit before tax is forecast to improve **slightly**. The BMW Group benefits from its strong brands, attractive product range and the expectation that international automobile markets will continue their generally upward trend. These favorable factors contrast with rising personnel expenses, intense competition and high levels of upfront expenditure for new technologies. The global political and economic environment is also expected to remain volatile.

The **Automotive segment** is targeting a **slight sales volume increase** in 2016. Alongside the positive impetus expected from the new BMW 7 Series, the launches of the new generations of BMW X1 and MINI Clubman models towards the end of 2015 are also expected to boost sales volume figures in 2016. Automotive segment **revenues** are therefore expected to **increase slightly**, in line with the rise in sales volume. The target range for the **EBIT margin** between **8 and 10%** remains unchanged for 2016.

The BMW Group expects the **Motorcycles segment** to continue its upward trend in the current year. The new R NineT Scrambler and G 310 R models unveiled at last autumn's trade fairs will broaden the product portfolio and attract new customer groups. A **slight year-on-year increase** in **sales volume** is forecast for the full year.

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The **Financial Services segment** is likely to continue performing well in 2016. Despite rising equity capital requirements worldwide, the BMW Group forecasts a **return on equity** (RoE) in line with the previous year's level (2015: 20.2%), once again ahead of the **target rate of at least 18%**.

Forecasts for the current year are based on the assumption that worldwide economic conditions will not change significantly.

BMW Group achieves record earnings in 2015

The BMW Group achieved its sixth record-breaking year in succession in 2015, posting new highs to date for sales volumes, revenues and profit before tax, despite a volatile market environment.

“We have met all of our ambitious targets for the financial year,” stated Krüger. “With another set of impressive figures in its centenary year, the BMW Group remains the world's leading provider of premium vehicles and mobility services.”

Automobile **sales volume** climbed by 6.1% to a new record level of 2,247,485 units (2014: 2,117,965 units). With additional tailwind from favourable currency factors, **Group revenues** grew by 14.6% in 2015 to € 92,175 million (2014: € 80,401 million). **Profit before financial result** (EBIT) increased by 5.2% to € 9,593 million (2014: € 9,118 million), mainly on the back of sales volume growth. **Group profit before tax** (EBT) rose for the first time above € 9 billion, increasing by 5.9% to a new high level of € 9,224 million (2014: € 8,707 million). **Group net profit** rose for the first time above € 6 billion, increasing by 10.0% to a new record level of € 6,396 million (2014: € 5,817 million).

Dividend of € 3.20 per share of common stock proposed

"The exemplary commitment of our workforce and the unfailing trust placed in us by our shareholders are the key topics that run through the BMW Group's success story", elaborated Krüger. "To mark the company's centenary, we are once again raising the associate bonus for our permanent staff in Germany, the highest amount paid in the German premium auto industry. Dividend payments to our shareholders will also exceed the two billion euro mark for the first time, reflecting the BMW Group's fine performance in 2015." At the Annual General Meeting on 12 May 2016 the Board of Management and the Supervisory Board will propose to shareholders that the **dividend** be increased to a new high of € 3.20 per share of common stock (2014: € 2.90) and € 3.22 per share of preferred stock (2014: € 2.92). The **distribution rate** stands at 32.9% (2014: 32.7%), well within the BMW Group's target range of 30 to 40%.

Automotive segment's profitability in target range

Automotive segment revenues grew by 13.8% year-on-year to € 85,536 million (2014: € 75,173 million), mainly reflecting the good sales volume performance, new models and favourable currency factors. **EBIT** increased by 8.2% to € 7,836 million (2014: € 7,244 million). The **EBIT margin** came in at 9.2% (2014: 9.6%) and was thus in the upper half of the targeted range of 8 -10%. **Segment profit before tax** (EBT) improved by 9.3% to a new high of € 7,523 million (2014: € 6,886 million).

The **BMW** brand maintained its top position in the premium segment in 2015 by posting a new record sales volume figure. Deliveries to customers were 5.2% higher at 1,905,234 units (2014: 1,811,719 units), with excellent performances by the BMW 2 Series, the BMW 4 Series and the BMW X family helping to drive sales volume growth. Additional momentum is expected in the current year, in particular from the new BMW 7 Series and the new BMW X1.

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The **BMW 2 Series** proved exceptionally popular in 2015, with deliveries to customers reaching a total of 157,144 units (2014: 41,038 units), including more than 107,000 units of the BMW 2 Series Active and Gran Tourer, which therefore accounted for more than two thirds of the total figure for the series. The **BMW 4 Series** performed equally well, consolidating its position as market leader in its segment with a 27.4% sales volume increase to 152,390 units (2014: 119,580 units). The brand's growth is also being driven by the success of the **BMW X** family. Sales of the **BMW X4** more than doubled to 55,050 units (2014: 21,688 units). Worldwide sales of the **BMW X5**, also the market leader in its segment, grew by 14.1% to 168,143 units (2014: 147,381 units), while the **BMW X6** recorded a 53.1% increase to 46,305 units (2014: 30,244 units).

The number of **BMW i** vehicles delivered to customers jumped by 65.9% to 29,513 units (2014: 17,793 units), comprising 24,057 units (2014: 16,052 units) of the **BMW i3** (+49.9%) and 5,456 units (2014: 1,741 units) of the **BMW i8**.

MINI achieved a new sales volume record in 2015, with deliveries up 12.0% to 338,466 units (2014: 302,183 units). Worldwide sales of the new **MINI 5-Door** totalled 94,788 units (2014: 13,113 units), while sales of the **MINI 3-Door** edged up to 127,194 units (2014: 126,938 units; +0.2%). The new **MINI Clubman** went on sale in October and registered sales of 8,003 units by the end of the year.

Rolls-Royce Motor Cars recorded the second-best performance in its 112-year history. The Goodwood-based company sold 3,785 units worldwide in 2015 (-6.8%), with the **Wraith** and **Ghost** models making the largest contributions to the sales volume figure. Demand for the brand remained high around the world, the only notable exception being China, where the luxury segment as a whole felt stiff headwinds.

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In line with its strategy of achieving a balanced distribution of worldwide sales, the BMW Group recorded sales volume growth in **all major sales regions**. The four largest sales markets for the BMW Group over the past year were China, the USA, Germany and Great Britain.

Sales of BMW Group vehicles in **Europe** in 2015 exceeded the one-million mark for the first time, with a total of 1,000,427 units (2014: 914,587 units; +9.4%) handed over to customers. Sales volume was 5.0% higher in Germany at 286,098 units (2014: 272,345 units) and 12.6% higher in Great Britain at 230,982 units (2014: 205,071 units).

The pace of growth in **Asia** slowed in 2015 as a result of the continuing normalisation of the Chinese market. The BMW Group sold 685,792 units (2014: 658,384 units) in this region, 4.2% more than the previous year, including sales on the Chinese mainland, which grew by 1.6% to 464,086 units (2014: 456,732 units).

The BMW Group also increased sales volume in the **Americas** region, with the number of vehicles sold up 2.8% to 495,897 units (2014: 482,257 units), including 405,715 units (2014: 396,961 units) sold in the USA (+2.2%).

Significant increase in Motorcycles segment earnings

Motorcycles segment **revenues** grew 18.5% year-on-year to € 1,990 million (2014: € 1,679 million). **EBIT** improved by 62.5% to € 182 million (2014: € 112 million), while **profit before tax** advanced by 67.3% to € 179 million (2014: € 107 million). **Sales volume** increased by 10.9% to 136,963 units (2014: 123,495 units), thus outperforming the market as a whole. BMW Motorrad's five largest markets were Germany, the USA, France, Italy and Spain.

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Financial Services segment continues to grow

The Financial Services segment also continued to perform well in 2015.

Segment revenues were 15.2% higher at € 23,793 million (2014: € 20,599 million), while **profit before tax** improved by 14.6% to € 1,975 million (2014: € 1,723 million).

In total, 1,655,961 (2014: 1,509,113) **new contracts** were signed in conjunction with financing and leasing business, up 9.7% on the previous year. The **portfolio of lease and financing contracts** in place with dealers and retail customers at the end of the reporting period rose by 8.2% to 4,718,970 contracts (2014: 4,359,572 contracts).

Increase in workforce and number of apprentices

The **workforce** increased by 5.1% compared with the previous year. Overall, the BMW Group had a worldwide workforce of 122,244 employees (2014: 116,324 employees) at the end of the reporting period. The increase mainly reflects the ongoing expansion of the Group's international production network and the targeted recruitment of engineers, IT specialists and skilled workers needed to step up the development of future technologies and new services.

The BMW Group expanded training activities worldwide. During the past year, approximately 1,500 **young people** began an apprenticeship within the organisation, including 1,200 in Germany. At the end of the reporting period, 4,700 young people worldwide were in vocational training and training programmes for young talent within the BMW Group.

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The BMW Group – an overview		2015	2014	Change in %
Sales volume Automotive	Units	2,247,485	2,117,965	6.1
Thereof: BMW	Units	1,905,234	1,811,719	5.2
MINI	Units	338,466	302,183	12.0
Rolls-Royce	Units	3,785	4,063	-6.8
Sales volume Motorcycles	Units	136,963	123,495	10.9
Workforce ¹		122,244	116,324	5.1
EBIT margin Automotive Segment	Percent	9.2	9.6	-0.4 %Points
Revenues	€ million	92,175	80,401	14.6
Thereof: Automotive	€ million	85,536	75,173	13.8
Motorcycles	€ million	1,990	1,679	18.5
Financial Services	€ million	23,739	20,599	15.2
Other Entities	€ million	7	7	-
Eliminations	€ million	-19,097	-17,057	-12.0
Profit before financial result (EBIT)	€ million	9,593	9,118	5.2
Thereof: Automotive	€ million	7,836	7,244	8.2
Motorcycles	€ million	182	112	62.5
Financial Services	€ million	1,981	1,756	12.8
Other Entities	€ million	169	71	-
Eliminations	€ million	-575	-65	-
Profit before tax (EBT)	€ million	9,224	8,707	5.9
Thereof: Automotive	€ million	7,523	6,886	9.3
Motorcycles	€ million	179	107	67.3
Financial Services	€ million	1,975	1,723	14.6
Other Entities	€ million	211	154	37.0
Eliminations	€ million	-664	-163	-
Income taxes	€ million	-2,828	-2,890	2.1
Net profit	€ million	6,396	5,817	10.0
Earnings per share ²	€	9.70/9.72	8.83/8.85	9.9/9.8

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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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 2015, the BMW Group sold approximately 2.247 million cars and nearly 137,000 motorcycles worldwide. The profit before tax for the financial year 2015 was approximately € 9.22 billion on revenues amounting to € 92.18 billion. As of 31 December 2015, the BMW Group had a workforce of 122,244 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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