

Media Information  
3 May 2016

## **BMW Group makes positive start to the year**

New sales volume and earnings records in first quarter  
Profit before tax 4.4% higher at € 2.37 billion  
EBIT margin of 9.4% in Automotive segment  
Group net profit up by 8.2% to € 1.64 billion  
BMW Group reaffirms outlook for full year 2016

**Munich.** The BMW Group continued to steer a successful course at the beginning of an important year of centenary celebrations by posting new highs for sales volume and earnings in the first quarter of 2016.

“Our first-quarter performance is further proof of our ability to generate positive earnings with our core business, despite a volatile environment,” stated **Harald Krüger**, Chairman of the Board of Management of BMW AG, on Tuesday. “The decisive factor for us is not short-term profit but sustainable, profitable growth. From this position of strength, we intend to play a pioneering role in transforming and shaping the world of individual mobility going forward.” The BMW Group presented its **Strategy Number ONE > NEXT** in March, setting the framework for its continued commitment to drive the change of the future mobility.

In its Automotive segment, **sales volume** for the BMW Group rose by 5.9% to a total of 557,605 units (2015: 526,669 units) in the first three months of the year, thus setting a new first quarter record.

At € 20,853 million, **Group revenues** for the period from January to March were at a similar level to the previous year (2015: € 20,917 million; -0.3%), influenced by increased sales volume on the one hand and unfavourable currency factors (such as the value of the British pound and the Chinese renminbi against the euro) on the other. **Profit before financial result** (EBIT) amounted to € 2,457 million (2015: € 2,521 million; -2.5%). **Group profit before tax** (EBT) increased by 4.4% to a new record level of € 2,368 million (2015: € 2,269 million). **Group net profit** rose by 8.2% to € 1,641 million (2015: € 1,516 million), also marking a new first quarter record.

**Automotive segment: EBIT margin at upper end of target range**

At € 18,814 million, **Automotive segment revenues** were at a similar level to the previous year (2015: € 18,893 million; -0.4%). **EBIT** amounted to € 1,763 million, also coming very close to the previous year's figure (2015: € 1,794 million; -1.7%). The **EBIT margin** in the Automotive segment came in at 9.4% (2015: 9.5%) and was therefore once again in the upper half of the targeted range between 8 and 10%. **Profit before tax** rose by 6.1% from € 1,634 million to € 1,734 million.

The **BMW** brand set a new sales volume record, with 478,743 units (2015: 451,576 units; +6.0%) sold in the first quarter. Tailwind came from various areas, including the contributions made by the BMW Group's flagship model, the BMW 7 Series, and the BMW X models. First-quarter deliveries of the **BMW 7 Series** were 20.3% ahead of the previous year. In addition the BMW 7 Series plug-in-hybrid and the BMW M760Li xDrive will come to market this year. Sales of the **BMW X1** in the three-month period jumped by 67.6% year-on-year to 51,002 units. The **BMW X3** recorded a 26.9% sales volume increase to 38,719 units, and the **BMW X6** was 15.2% up on the previous year (11,043 units). Customers took delivery of 5,128 electrically powered **BMW i** vehicles worldwide during the first three months of the year, bringing the total number sold since market launch at the end of 2013 to over 50,000 units. An additional version of the BMW i3 with an **electric range of up to 300 kilometres** in the standard cycle (NEDC) is expected to stimulate demand from summer onwards. Even in everyday use, in bad weather conditions and with the air conditioning or heating turned on, up to 200 kilometres of range can be achieved on one full battery charge.

**MINI** recorded a new high for deliveries to customers in a first quarter as well, with worldwide sales 5.4% higher at 78,311 units (2015: 74,312 units). Strong momentum

came from the new MINI Clubman, of which more than 12,000 units were sold during the three-month period.

First-quarter sales of **Rolls-Royce Motor Cars** were affected by a number of factors, including political and economic uncertainties, most notably in the Middle East. Preparations for the market launch of the Dawn also had an impact. In total, 551 units were handed over to customers during the period under report (2015: 781 units; -29.4%). The new Rolls-Royce Dawn made its debut at the end of March. Order intake is good and is expected to stimulate demand.

The positive trend for the BMW Group continued in **Europe**, where first-quarter sales of 257,120 units were up 9.5% on the previous year. Numerous markets in the region recorded sales volume growth, even on a double-digit scale in some countries, including Great Britain (+10.5%; 59,169 units), France (+10.7%; 20,816 units) and Italy (+11.5%; 19,951 units).

First-quarter sales of BMW Group vehicles in **Asia** rose by 9.9% to 183,204 units, including 127,167 units sold on the Chinese mainland (+10.5%) and 18,703 units in Japan (+8.8%).

Deliveries to customers in the **Americas region** decreased by 8.7% to 100,245 units, including 81,601 units (-10.8%) sold in the USA.

### **Motorcycles segment sets new sales volume record**

The Motorcycles segment continues to perform well. The number of BMW motorcycles sold to customers worldwide since the beginning of the year rose by 7.7% to 33,788 units, with the BMW R 1200 GS long-distance enduro and its sister model, the BMW R 1200 GS Adventure, remaining BMW Motorrad's best-selling models. The Boxer GS also performed well, with 11,391 units sold worldwide during the three-month period. First-quarter **segment revenues**

were 2.6% higher at € 582 million (2015: € 567 million) on the back of good sales volumes. **EBIT** amounted to € 94 million (2015: € 115 million; -18.3%), while **profit before tax** also finished at € 94 million (2015: € 114 million; -17.5%).

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

The Financial Services segment continued to perform well during the period from January to March, setting a new first quarter record. In total, 413,372 (2015: 384,565) **new contracts** were signed in conjunction with financing and leasing business in the first quarter, 7.5% more than in the previous year. The number of **lease and financing contracts** increased by 8.3% to a total of 4,786,441 contracts at the end of the reporting period (2015: 4,419,817 contracts).

At € 6,032 million, **segment revenues** were at a similar level to the previous year (2015: € 6,058 million: -0.4%). Segment **profit before tax** improved by 2.0% to € 570 million (2015: € 559 million) on the back of increased business volumes.

### **Workforce increased**

The size of the **workforce** increased by 4.4% compared with the end of the first quarter of the previous year. Overall, the BMW Group employed a workforce of 122,692 people worldwide at the end of the reporting period (2015: 117,554). The BMW Group continues to recruit engineers and skilled workers in order to keep pace with the rising demand for BMW Group vehicles, push ahead with innovations and develop new technologies.

## **BMW Group reaffirms targets for full year 2016**

The BMW Group remains confident in achieving its forecast targets for the current financial year thanks to its strong brands, its attractive product portfolio and the expectation that international automobile markets will continue their generally upward trend. These favourable factors contrast with high levels of upfront expenditure for new technologies, intense competition and rising personnel expenses. The global political and economic environment is expected to remain volatile.

The BMW Group reaffirms its targets for the full year. "We forecast slight increases, and thus new record figures for **sales volume** in the Automotive segment and **group profit before tax** in 2016," stated Krüger. The BMW Group also firmly intends to remain the world's leading premium manufacturer of vehicles in 2016.

**Automotive segment revenues** are also set to grow slightly over the year as a whole backed by higher sales volumes. In 2016, the **EBIT margin** is forecast to remain within the targeted range of between 8 and 10%.

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 trade fairs last autumn have given the product portfolio additional breadth and are attracting new customer groups. A slight year-on-year increase in **sales volume** is forecast for the full year.

The successful business performance of the **Financial Services segment** is expected to continue. Despite rising equity capital requirements worldwide, the BMW Group forecasts a **return on equity (RoE)** for the full financial year 2016 at a similar level to the previous year (2015: 20.2%), once again above the **target rate of at least 18%**.



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

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<b>The BMW Group – an overview</b>		<b>1<sup>st</sup> quarter 2016</b>	<b>1<sup>st</sup> quarter 2015</b>	<b>Change in %</b>
<b>Sales volume</b>				
<b>Automotive</b>	Units	<b>557,605</b>	<b>526,669</b>	<b>5.9</b>
Thereof: BMW	Units	478,743	451,576	6.0
MINI	Units	78,311	74,312	5.4
Rolls-Royce	Units	551	781	-29.4
<b>Sales volume Motorcycles</b>	Units	<b>33,788</b>	<b>31,370</b>	<b>7.7</b>
<b>Workforce <sup>1</sup></b>				
		<b>122,692</b>	<b>117,554</b>	<b>4.4</b>
<b>EBIT margin Automotive Segment</b>				
	Percent	<b>9.4</b>	<b>9.5</b>	<b>-0.1 %Points</b>
<b>Revenues</b>				
	€ million	<b>20,853</b>	<b>20,917</b>	<b>-0.3</b>
Thereof: Automotive	€ million	18,814	18,893	-0.4
Motorcycles	€ million	582	567	2.6
Financial Services	€ million	6,032	6,058	-0.4
Other Entities	€ million	1	2	-50.0
Eliminations	€ million	-4,576	-4,603	0.6
<b>Profit before financial result (EBIT)</b>				
	€ million	<b>2,457</b>	<b>2,521</b>	<b>-2.5</b>
Thereof: Automotive	€ million	1,763	1,794	-1.7
Motorcycles	€ million	94	115	-18.3
Financial Services	€ million	591	555	6.5
Other Entities	€ million	11	40	-72.5
Eliminations	€ million	-2	17	-
<b>Profit before tax (EBT)</b>				
	€ million	<b>2,368</b>	<b>2,269</b>	<b>4.4</b>
Thereof: Automotive	€ million	1,734	1,634	6.1
Motorcycles	€ million	94	114	-17.5
Financial Services	€ million	570	559	2.0
Other Entities	€ million	-2	-23	91.3
Eliminations	€ million	-28	-15	-86.7
<b>Income taxes</b>				
	€ million	<b>-727</b>	<b>-753</b>	<b>3.5</b>
<b>Net profit</b>				
	€ million	<b>1,641</b>	<b>1,516</b>	<b>8.2</b>
<b>Earnings per share <sup>2</sup></b>				
	€	<b>2.48/2.48</b>	<b>2.30/2.30</b>	<b>7.8/7.8</b>

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

<sup>2</sup> Earnings per share of common stock/preferred stock

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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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