

BMW Group Corporate Communications

Media Information
02 November 2005

BMW Group opens up Indian market

Opening of own production and sales subsidiary in 2007
Initial investments 20 million Euros

New Delhi / Munich. Advancing its international market strategy, the BMW Group now makes a formal entry into India. The wide range of activities planned for the country include the establishment of a production and sales subsidiary. Apart from sales subsidiary in the Delhi area the company will build an assembly plant for BMW automobiles in Chennai in southern India and expanding its dealership network to all metropolitan centers of the country.

The opening up of the Indian market is an important step in the company's expansion plans in Asia. "The Indian automobile market offers significant growth potential in the long term. With our increased presence there, we will be well positioned to fully tap into this potential", says Helmut Panke, Chairman of the Board of Management of BMW AG. "This marks a further important step in our Asia strategy."

The company is targeting an annual sales volume of 150,000 units of BMW, MINI and Rolls-Royce cars in the Asian markets by 2008. In fiscal 2004, the company sold 95,482 automobiles in Asia.

The production and sales subsidiary will be owned 100% by BMW Group and will commence business operations at the beginning of 2007. Initial investments total 20 million euros. The plant will produce BMW 3 Series and 5 Series saloons, and production is intended solely for the local market. In addition to operating the assembly plant and importing BMW cars, the tasks of the subsidiary will also include developing the dealer organisation, deciding on pricing and product strategy as well as marketing and after sales. In the medium term, the company will employ around 200 people in India, up to 600 additional jobs will be created in the dealer and service network.

Currently, two intermediary dealers with three outlets represent the BMW Group in the Indian market. In 2004 financial year, the company delivered 122 BMW brand vehicles through this network. In the first half of 2005, deliveries totalled 100 automobiles. Owing to the high growth potential, the BMW Group is hopeful of multiplying its annual sales volume with its entry into the Indian market.

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With its planned assembly plant in India, the BMW Group will have a total of 23 production locations in 13 countries worldwide, while the new sales subsidiary will take its number of international sales subsidiaries to 35. A network of national importers is able to serve another 120 countries. This gives the BMW Group an unmatched international production and sales network in comparison with its competitors.

The BMW Group is present in almost all the strategic nodal points in Asia. It is already represented in Japan, Indonesia, Malaysia, South Korea, Thailand and the Philippines with its own sales subsidiaries. In China, the Group has a production and sales joint venture for BMW automobiles. In addition, the company operates an assembly plant in Thailand, from which the upcoming AFTA markets are to be supplied in the future. Further BMW assembly plants are located in Malaysia and Indonesia.

The Asian importer markets are managed from the Singapore-based regional office, BMW Asia. In addition, from 2006 a design studio will also be set up in Singapore. Malaysia forms the logistical node for the BMW Group in Asia, with an IT centre and a parts distribution centre.

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