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MINI USA LAUNCH EXCEEDS EXPECTATIONS

Jack Pitney Credits Innovative Marketing, Enthusiastic Dealers On Road to Success

Detroit, MI -- May 7th, 2003... One year after the MINI brand was launched in the U.S., its brand awareness has more than quadrupled and sales have exceeded expectations by fifty percent, according to Jack Pitney, General Manager for MINI USA, in a speech to the Automotive Press Association in Detroit today.

Brand Awareness Quadrupled in 18 Months

In the fall of 2001, MINI brand awareness was just 12 percent, Pitney said. After going on sale in March 2002, brand awareness had grown to 53 percent by December 2002 -- a substantial feat considering the brand was launched without a national television campaign, often considered a crucial element in successfully launching an automotive brand.

"Our brand awareness continues to grow steadily despite being nearly unknown less than two years ago," said Pitney. "The U.S. is now MINI's largest market outside of the UK where it has enjoyed icon status for over 40 years."

Innovative Marketing Helped Establish the Brand

"Rather than implement the traditional advertising blitz associated with launches, the company relied on "out-of-the-box" thinking and grass roots tactics to generate groundbreaking buzz," Pitney said. "While low brand awareness in this market presented a challenge, it also gave us the luxury of starting with a clean slate."

"It was important for us to identify the MINI customer," Pitney said, "since MINI's appeal is not limited to a demographic boundary. Instead, MINI customers have similar psychographic qualities – what we call the "MINI mindset," and our marketing had to be relevant to all of them. The youngest MINI buyer is 15 and the oldest one 97!"

Innovative pre-launch tactics included MINI riding atop SUVs, and "sitting" in the stands during major league football games.

Even print media was utilized in non-traditional ways. In two of the executions, MINI was "cornering" editorial text on page margins and zigzagging between orange staples at the centerfolds. These proved to be uncharted media buys. In a 2002 Playboy spread, MINI posed for the iconic Playboy Centerfold, which was photographed by an actual staff photographer and given final approval by Hugh Hefner himself.

Strong Retail Environment Supported Successful Launch

Pitney credited MINI dealers with helping to build the brand, too. Dealers have created architectural separation for MINI showrooms, which dispense literature from vending machines and have sound walls of music cds for test drives.

Many of the 71 dealers build MINI's customer loyalty with events that continue the playful mindset conveyed in the brand marketing. Halloween scavenger hunts and Valentine's Day road rallies have drawn hundreds of MINI customers.

"We aim to emulate MINI's icon status in the UK," continued Pitney. "The best way to do that is to have it rub against popular American icons." MINI's 2003 ad campaign has the car in the getup of popular automotive TV icons of the 70's and 80's including Knight Rider's K.I.T.T, The Partridge Family bus, The Dukes of Hazzard's General Lee and Starsky and Hutch's signature red and white Ford Grand Tourino.

MINI launched in March of 2002 with a modest sales target of 20,000 units in that year. By the end of March 2003, the brand had seen sales for just over 30,000 cars. In addition to being named North American Car of the Year, MINI has received more than 30 other awards.

BMW Group In America

BMW of North America has been present in the United States since 1975. Since then, the BMW Group in the United States has grown to include marketing, sales and financial service organizations for the BMW and MINI brands and Rolls-Royce Motor Cars; DesignworksUSA, an industrial design firm in California; a technology office in Silicon Valley and various other operations throughout the country. BMW Manufacturing Corp. in South Carolina is part of BMW Group's global manufacturing network and is the exclusive manufacturing plant for all Z4 Roadster and X5 Sports Activity Vehicles. The BMW Group sales organization is represented in the U.S. through networks of 340 BMW car, 327 BMW Sports

Activity Vehicle, 148 BMW Motorcycle retailers, and 70 MINI dealers. BMW (US) Holding Corp., the BMW Group's sales headquarters for North, Central and South America, is located in Woodcliff Lake, New Jersey.

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