

Press Release
February 17, 2004

Despite tough market conditions BMW Motorrad again outstrips previous year's result

Munich/Berlin. In 2003, BMW Motorrad once again succeeded in upping sales for the eleventh year running. Notwithstanding the tough market, 0.4% growth was recorded with 92,962 units against the previous year's result of 92,599 units. In 2003, turnover amounted to 1,056 million €. This reflected a 6.6% decline, mainly caused by the encumbering dollar exchange rate and withdrawal of the C1.

Apart from heavy rates of growth experienced in the Swiss motorcycle market (2,500 units, +26.3%), product promotion and marketing activities made a successful impact, primarily on business generated in the North American market. The potential offered by this market was further exploited resulting in 15,299 units (+13.3%) changing hands from retailer to buyer. Substantial growth rates were also recorded in the UK (4,207 units, +6.5%).

In Germany – the major outlet of BMW Motorrad – a rise of 2.4% was likewise achieved over against the previous year (26,355 units in 2002). With sales of 26,987 motorcycles and a market share of 19.45%, BMW Motorrad came to occupy position Number One in the registration statistics again after a space of more than thirty years – a particularly gratifying result for this division considering the 4.6% decline encountered in the German market as a whole. As in the previous year, the BMW R 1150 GS once again proved to be the best-selling motorcycle in Germany with sales of 6,242 units (including the R 1150 GS Adventure). Models F 650 GS (including the F 650 GS Dakar), R 1150 RT as well as R 1150 R – among the Top Ten in last year's German registration statistics – again succeeded in joining the leading ranks.

The two F 650 single cylinder bikes, ranking third in German registration licensing statistics, were responsible for sales of 3,524 units, the R 1150 RT assuming ninth position with 2,607 units and the R 1150 R tenth after attaining a sales volume of 2,539 units.

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Still the most popular selling BMW Motorrad model worldwide, the R 1150 GS, including the Adventure version, accounted for deliveries totalling 17,136 units in 2003. 14,455 buyers opted for the travel tourer, R 1150 RT. The two single-cylinder models F 650 GS and F 650 GS Dakar attracted no fewer than 13,284 buyers. Position four in the ranks was accorded to the two Roadsters R 1150 R and R 1150 R Rockster with a total volume of 12,897 units.

As part of the BMW Motorrad product launches, no fewer than four modified model presentations were introduced at the end of 2003. The three single-cylinder versions F 650 CS, F 650 GS and F 650 GS Dakar as well as the luxury-touring bike K 1200 LT have been retailing since spring 2004.

In time for the 2004 biking season the tremendously successful R 1150 GS receives an even more powerful, lighter and more agile successor, the completely newly developed R 1200 GS. Also included in the BMW Motorrad 2004 launch package is a new four-cylinder motorcycle as a sporty addition to the K Series. This will likewise contribute to continued and profitable growth on the company's charts, which represents a challenge in 2004 in the light of the current economic environment.

The aggressive product campaign and ensuing success have also come to have a sustained positive effect on motorcycle production at the BMW plant in Berlin. Last year's output amounted up to 470 units daily with the annual production rate totalling 89,745 motorcycles. However, the previous year's figure (93,010 motorcycles) is slightly fallen short of by 3.5 percent on account of the model changes.

In alignment with unabated positive development in the BMW motorcycle business segment, the course of long-term growth is being maintained at the production site in Berlin with continuous investment in modernization and expansion of the motorcycle manufacturing plant.

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Capital spent on expanding the motorcycle production facilities involved disbursements amounting to some 117 million € between 2001 and 2003. Major investments were made in highly flexible engine and motorcycle assembly and production systems as well as in providing innovative facilities for the mechanical handling of engine and chassis components. This expansion and modernization process underwent completion in November 2003 with the commissioning of a new automated body finishing plant incorporating exceptional environmental-friendly features of design through the application of hydrotechnology (use of water-based paints having a low solvent content). This makes the Berlin BMW plant one of the most modern motorcycle factories in the whole world.

Over the past three years, the BMW Group has invested a total of 170 million € in the Berlin plant, this serving to endorse the company's firm commitment to make Berlin a major industrial and production site. With a workforce of some 2,600 BMW Berlin ranks among the main industrial employers in the German capital.

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