

Press release
4 November 2014

BMW Group achieves a strong third quarter

Group revenues in third quarter at € 19.6 billion
Profit before financial result rises to € 2.26 billion
Automotive segment EBIT margin improved to 9.4%
Nine-month Group revenues up to € 57.7 billion
Nine-month Group EBIT increased to € 6.95 billion
Nine-month EBIT margin of 10.2% for Automotive segment
BMW Group reaffirms earnings forecast for full year 2014

Munich. The BMW Group continued to perform well in both the third quarter and the first nine months of 2014, posting growth in its sales volume, revenues and group earnings figures and underlining its leading position worldwide in the premium segment.

Group revenues increased in the **third quarter** by 4.5% on the back of higher sales volume to € 19,600 million compared with one year earlier (2013: € 18,751 million). **Profit before financial result** (EBIT) rose by 17.1% to € 2,256 million (2013: € 1,926 million) thanks to a higher-value model mix.

Group profit before tax (EBT) rose by 1.2% to € 2,013 million (2013: € 1,989 million). All three figures constituted new highs to date for a third quarter. **Group net profit** was slightly lower than the previous year at € 1,314 million (2013: € 1,330 million/-1.2%) due to the higher income tax expense. The **operating margin** (EBIT) for the Group was 11.5% (2013: 10.3%).

The total number of BMW, MINI and Rolls-Royce brand **vehicles delivered to customers worldwide** increased year-on-year by 5.8% during the period from July to September to a new record of 509,669 units (2013: 481,657 units).

Nine-month revenues grew by 3.4% to € 57,740 million (2013: € 55,849 million). **EBIT** increased by 15.2% to € 6,949 million (2013: € 6,030 million) and **profit before tax** by 13.5% to € 6,839 million (2013: € 6,024 million). These figures also marked new all-time highs for a first nine-month period. **Group net profit** improved by 12.7% to € 4,547 million

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(2013: € 4,034 million). The number of vehicles sold in the first nine months increased by 6.5% to a new record figure of 1,529,880 units (2013: 1,436,178 units). The **operating margin** (EBIT) for the period from January to September came in at 12.0% (2013: 10.8%).

"We continued to perform well in both the third quarter and over nine-month period within an increasingly challenging environment", commented **Norbert Reithofer**, Chairman of the Board of Management of BMW AG, on Tuesday in Munich.

Automotive segment: third-quarter EBIT rises to approx. € 1.70 billion

The BMW Group sold more BMW, MINI and Rolls-Royce brand vehicles in the reporting period than ever before in its history. **Revenues** of the **Automotive segment** rose in the period from **July to September** by 5.5% to € 18,142 million (2013: € 17,197 million). **EBIT** improved by 9.7% to € 1,697 million (2013: € 1,547 million), which corresponded to an **EBIT margin** of 9.4% (2013: 9.0%). **Segment profit before tax** amounted to € 1,430 million (2013: € 1,631 million).

Segment **revenues** for the **nine-month period** grew by 3.7% to € 53,205 million (2013: € 51,305 million). **EBIT** increased by 11.4% to € 5,438 million (2013: € 4,882 million), while **segment profit before tax** rose by 11.0% to € 5,323 million (2013: € 4,795 million), resulting in an **EBIT margin** of 10.2% (2013: 9.5%).

The **BMW** brand held on to its pole position in the premium segment throughout the period under report by posting new record sales volume figures. Sales climbed by 6.9% to 433,145 units (2013: 405,350 units) in the **third quarter** and by 9.1% to 1,319,492 (2013: 1,209,598 units) over the **nine-month period**. Good contributions to this performance were made by the



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BMW 3, 4, 5 Series and the X5, each of which head the world market in its own segment.

Sales of the **BMW 3 Series** in the period from **January to September** were slightly lower than one year earlier at 353,078 units (2013: 365,772 units/-3.5%). It should be noted that the Coupé and Convertible variants are now included as part of the BMW 4 Series. The **BMW 4 Series** has proved highly popular since its market launch in autumn 2013, with a total of 81,876 units delivered to customers in the period from January to September. The **BMW 5 Series** also continues to sell well, with nine-month sales up by 2.8% to 278,479 units (2013: 270,902 units).

The various models of the BMW X family also continue to enjoy a high degree of popularity. Sales of the **BMW X1** edged up in the first **nine months** of the year by 0.2% to 116,722 units (2013: 116,451 units), while those of the **BMW X3** increased by 1.8% to a total of 116,015 units (2013: 113,945 units). Since its market launch in summer, sales volume of the **BMW X4** has already reached 7,199 units. Sales of the **BMW X5** jumped by 34.2% to 104,997 units (2013: 78,244 units).

Sales of the **BMW i3** since the beginning of the year surpassed the 10,000 mark in September. In total, 10,199 units of this innovative electric vehicle were sold during the nine-month period. Following the market launch in the USA and Japan in the second quarter, the BMW i3 has also been available in China since October. 341 units of the **BMW i8**, launched in June, had been delivered to customers by the end of September.

The number of **MINI** brand vehicles sold in the **third quarter** edged up by 0.2% to 75,633 units (2013: 75,482 units). Sales of the core model, the MINI Hatch, in the three-month period rose by 12.4% to 36,452 units (2013: 32,436 units). In line with expectations, sales of the MINI brand in the first **nine months**



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of the year were lower at 207,529 units (2013: 224,280 units/-7.5%) owing to the change of the brand's core model. Over the full year, however, MINI sales are likely to be back to the high level reported for the previous year. One of a number of models expected to generate tailwind in this period is the new MINI 5-door, which made its first appearance in the European showrooms at the end of October.

In the ultra-luxury segment, **Rolls-Royce Motor Cars** increased worldwide sales by 8.0% to 891 units (2013: 825 units) in the **third quarter** and by 24.3% to 2,859 units (2013: 2,300 units) in the **nine-month period**.

In line with its strategy of achieving an even-balanced distribution of worldwide sales, the BMW Group recorded sales volume growth in **all major sales regions** in the period from **January to September**.

In **Europe**, the number of vehicles sold increased by 3.4% to a total of 663,407 units (2013: 641,537 units). Sales volume in Germany grew by 3.2% to 198,083 units (2013: 191,889 units) and in Great Britain by 2.5% to 150,626 units (2013: 146,913 units).

Since the beginning of the year, the BMW Group has sold a total of 482,718 units (2013: 422,777 units) in **Asia**, surpassing the previous year's nine-month figure by 14.2%. Sales on the Chinese mainland in this period grew by 17.8% to 336,499 units (2013: 285,630 units).

The BMW Group also increased sales volume in the **Americas** region during the first nine months of the year, with the number of vehicles sold 3.7% higher at 337,852 units (2013: 325,677 units). Sales volume in the USA grew by 5.2% and reached 276,491 units (2013: 262,745 units) for the nine-month period.

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Sharp increase in earnings for the Motorcycles segment

Motorcycles segment **revenues** in the **third quarter** grew by 14.2% to € 370 million (2013: € 324 million). **EBIT** improved sharply to € 27 million (2013: negative EBIT of € 4 million), while **profit before tax** jumped to € 26 million (2013: loss before tax of € 5 million). Third-quarter **sales volume** climbed by 3.6% to 29,239 units (2013: 28,213 units).

Nine-month segment revenues advanced by 10.9% to € 1,370 million (2013: € 1,235 million). **EBIT** jumped by 57.0% to € 146 million (2013: € 93 million) and **profit before tax** by 58.9% to € 143 million (2013: € 90 million). **Sales volume** increased by 7.6% to 100,217 units (2013: 93,154 units), the first time that BMW Motorrad has exceeded the 100,000 mark in the first nine months of a year.

Financial Services segment remains on growth course

The Financial Services segment also continued to perform well throughout the **third quarter** 2014. **Segment revenues** were 4.5% higher at € 5,221 million (2013: € 4,994 million). **Profit before tax** improved by 14.3% to € 455 million (2013: € 398 million).

Nine-month revenues grew by 2.6% to € 15,266 million (2013: € 14,882 million). **Profit before tax** was 4.5% higher at € 1,373 million (2013: € 1,314 million).

A total of 1,111,700 **new contracts** (2013: 1,104,527 contracts) were signed in the period from January to September in conjunction with financing and leasing business. The **portfolio of lease and financing contracts** in place with dealers and retail customers at 30 September 2014 rose by 5.2% to a total of 4,260,436 contracts (2013: 4,048,821 contracts).

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Workforce size increased

The number of employees at 30 September 2014 increased by 4.3% compared with one year earlier. Overall, the BMW Group had a worldwide workforce of 114,587 employees at the end of the reporting period (30 September 2013: 109,871 employees). The increase was attributable to the growing need for engineers and skilled workers in order to keep pace with rising demand for vehicles on the one hand and to forge ahead with innovations and to develop new technologies on the other. More than 1,500 apprentices – including 1,200 in Germany – began their careers with the BMW Group at the start of the new training year.

BMW Group reaffirms earnings targets for the full year

Based on its strong performance in the first nine months of 2014, the BMW Group is aiming to achieve new records in terms of **sales volume** (2013: 1,963,798 units) and **Group profit before tax** (2013: € 7,913 million): "We remain on course to achieve a significant increase in Group profit before tax for the full year and to deliver more than two million vehicles during the twelve-month period", stated Reithofer.

In the current year alone, the BMW Group is launching 16 new models and various model revisions.

The **Automotive segment** continues to strive in 2014 to achieve an EBIT margin within a corridor of 8 to 10% (2013: 9.4%). However, depending on economic and political developments, actual margins could end up being above or below the targeted range. A solid increase in revenues from automobile business is expected for the full year (2013: € 70,629 million).



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The **Motorcycles segment** is also expected to continue to perform well over the year as a whole. Despite difficult conditions on international motorcycle markets, sales are forecast to show a solid increase over the previous year (2013: 115,215 units).

The **Financial Services segment** is also expected to remain on growth course in 2014. As a consequence of related investments, the return on equity is likely to decrease slightly (2013: 20.2%), but still surpass the BMW Group's minimum required level of 18%.

Expenditure on new technologies will remain high throughout the remainder of the year. One important factor driving this trend is the need to develop new technologies aimed at bringing down CO₂ emissions even further in the face of increasingly stringent regulatory requirements. In addition to these issues, the global economy is also susceptible to a number of risks. The BMW Group's forecasts for the current year are based on the assumption that political and economic conditions remain stable in 2014.

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The BMW Group – an overview		3rd quarter 2014	3rd quarter 2013*	Change in %
Sales volume				
Automotive	units	509,669	481,657	5.8
Thereof:				
BMW	units	433,145	405,350	6.9
MINI	units	75,633	75,482	0.2
Rolls-Royce	units	891	825	8.0
Motorcycles	units	29,239	28,213	3.6
Workforce¹		114,587	109,871	4.3
Operating cash flow				
Automotive segment	€ million	1,646	2,574	-36.1
Revenues	€ million	19,600	18,751	4.5
Thereof:				
Automotive	€ million	18,142	17,197	5.5
Motorcycles	€ million	370	324	14.2
Financial Services	€ million	5,221	4,994	4.5
Other Entities	€ million	2	1	-
Eliminations	€ million	-4,135	-3,765	-9.8
Profit before financial result (EBIT)	€ million	2,256	1,926	17.1
Thereof:				
Automotive	€ million	1,697	1,547	9.7
Motorcycles	€ million	27	-4	-
Financial Services	€ million	456	390	16.9
Other Entities	€ million	31	14	-
Eliminations	€ million	45	-21	-
Profit before tax (EBT)	€ million	2,013	1,989	1.2
Thereof:				
Automotive	€ million	1,430	1,631	-12.3
Motorcycles	€ million	26	-5	-
Financial Services	€ million	455	398	14.3
Other Entities	€ million	63	11	-
Eliminations	€ million	39	-46	-
Income taxes	€ million	-699	-659	-6.1
Net profit	€ million	1,314	1,330	-1.2
Earnings per share²	€	1.99/1.99	2.02/2.02	-1.5/-1.5

* Prior year's figures partially adjusted due to application of IFRS 10 and IFRS 11.

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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		Jan. - Sept. 2014	Jan. - Sept. 2013*	Change in %
Sales volume				
Automotive	units	1,529,880	1,436,178	6.5
Thereof:				
BMW	units	1,319,492	1,209,598	9.1
MINI	units	207,529	224,280	-7.5
Rolls-Royce	units	2,859	2,300	24.3
Motorcycles	units	100,217	93,154	7.6
Workforce¹		114,587	109,871	4.3
Operating cash flow				
Automotive segment	€ million	5,148	6,923	-25.6
Revenues	€ million	57,740	55,849	3.4
Thereof:				
Automotive	€ million	53,205	51,305	3.7
Motorcycles	€ million	1,370	1,235	10.9
Financial Services	€ million	15,266	14,882	2.6
Other Entities	€ million	5	4	25.0
Eliminations	€ million	-12,106	-11,577	-4.6
Profit before financial result (EBIT)	€ million	6,949	6,030	15.2
Thereof:				
Automotive	€ million	5,438	4,882	11.4
Motorcycles	€ million	146	93	57.0
Financial Services	€ million	1,380	1,308	5.5
Other Entities	€ million	57	38	50.0
Eliminations	€ million	-72	-291	-
Profit before tax (EBT)	€ million	6,839	6,024	13.5
Thereof:				
Automotive	€ million	5,323	4,795	11.0
Motorcycles	€ million	143	90	58.9
Financial Services	€ million	1,373	1,314	4.5
Other Entities	€ million	145	167	-13.2
Eliminations	€ million	-145	-342	-
Income taxes	€ million	-2,292	-1,990	-15.2
Net profit	€ million	4,547	4,034	12.7
Earnings per share²	€	6.90/6.91	6.12/6.13	12.7/12.7

* Prior year's figures partially adjusted due to application of IFRS 10 and IFRS 11.

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 2013, the BMW Group sold approximately 1.963 million cars and 115,215 motorcycles worldwide. The profit before tax for the financial year 2013 was € 7.91 billion on revenues amounting to approximately € 76.06 billion. As of 31 December 2013, the BMW Group had a workforce of 110,351 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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