



Press release
18 March 2015

BMW Group targets continuing success in 2015

New record sales volume and revenue figures targeted
Solid increase expected in sales volume and profit before tax
EBIT margin target of 8 - 10% for Automotive segment

Munich. The BMW Group aims to continue its success story in 2015 despite the current volatile environment. "We are targeting solid growth, and hence new record figures for **sales volume** and **group profit before tax** in the current financial year," stated Norbert Reithofer, Chairman of the Board of Management of BMW AG at the Annual Accounts Press Conference on Wednesday in Munich.

Momentum in 2015 will come from the BMW Group's attractive model range, the market launch of 15 new models and model revisions as well as from the expected positive development of international automobile markets. Against that, personnel costs will continue to rise and upfront expenditure for new technologies will remain at a high level. The political and economic environment is also expected to remain volatile.

The **Automotive segment** is forecast to achieve solid sales volume growth in 2015. This will be driven by new models, including the revised model of the BMW 1 Series and the new spacious seven-seater BMW 2 Series Gran Tourer presented at the Geneva Motor Show, as well as the new BMW 7 Series, preparations for which are already well under way at the Dingolfing plant. The BMW Group predicts that it will remain the world's leading premium car company in 2015.

Solid growth is also expected in Automotive segment revenues, in line with the increase in sales volume. The EBIT margin in 2015 is forecast to remain within the targeted range of between 8 and 10%.

The BMW Group believes that the **Motorcycles segment** will continue its upward trend in the current year, with good contributions coming from new

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models (R1200 R and RS; S 1000 RR and XR; F 800 R). Sales of BMW motorcycles over the year as a whole are forecast to grow solidly.

The **Financial Services segment** is also forecast to continue its success in 2015. Despite rising equity capital requirements worldwide, the BMW Group expects a return on equity (RoE) in line with the previous year's level (2014: 19.4%), thus remaining ahead of the target of at least 18%.

Another record year for BMW Group in 2014

The BMW Group achieved its fifth record year in succession in 2014.

"We continued to perform well during the past year, achieving new highs for sales volume, revenues and group earnings," stated Reithofer.

Group revenues grew by 5.7% in 2014 to € 80,401 million (2013: € 76,059 million). **Profit before financial result** (EBIT) rose by 14.3% to € 9,118 million (2013: € 7,978 million), thanks primarily to sales volume growth and a high-value model mix. **Group profit before tax** (EBT) increased by 10.3% to a new high level of € 8,707 million (2013: € 7,893 million). **Net profit** improved by 9.2% to € 5,817 million (2013: € 5,329 million), also a new record high for the BMW Group.

Sales volume surpassed the two-million mark for the first time in the BMW Group's history, climbing by 7.9% to a total of 2,117,965 units (2013: 1,963,798 units).

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Dividend of € 2.90 per share of common stock proposed

The Board of Management and the Supervisory Board will propose to shareholders at the Annual General Meeting on 13 May 2015 that the dividend be increased to a new high of € 2.90 (2013: € 2.60) per share of common stock and € 2.92 (2013: € 2.62) per share of preferred stock, corresponding to a distribution ratio of 32.7% (2013: 32.0%).

“Our proposal to pay a record dividend clearly reflects our intention to include shareholders in the BMW Group's successful performance. The distribution rate of approximately 33% is clearly within the BMW Group's target range of 30 to 40%,” commented Friedrich Eichiner, member of the Board of Management responsible for Finance.

Automotive segment profitability increased

Automotive segment **revenues** grew by 6.4% to € 75,173 million (2013: € 70,630 million) on the back of good sales volume figures and new models. **EBIT** increased by 8.9% to € 7,244 million (2013: € 6,649 million). The **EBIT margin** improved to 9.6% (2013: 9.4%) and was thus in the upper half of the segment's targeted range of 8 - 10%. **Segment profit before tax** increased by 5.0% to € 6,886 million (2013: € 6,561 million).

The **BMW** brand retained its leading position in the premium segment in 2014 by posting a new record sales volume figure. Sales climbed by 9.5% to 1,811,719 units (2013: 1,655,138 units), driven in particular by the excellent performances of the BMW 3, 4 and 5 Series and the BMW X5, each of which led the world market in its own segment.

The **BMW 2 Series** recorded a total sales volume of 41,038 units in 2014. Sales of the **BMW 3 Series** remained at a high level in 2014 with 480,214 units sold (2013: 500,332 units). The Convertible and Coupé models have been



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incorporated into the BMW 4 Series since the end of 2013, as a result of which, the previous year's total was not quite achieved. The **BMW 4 Series** performed exceedingly well, with sales volume of 119,580 units (2013: 14,763 units). The **BMW 5 Series** also continued its success story, with sales increasing to 373,053 units (2013: 366,992 units; +1.7%). Sales of the highly popular **BMW X5** climbed steeply (by 37.4%) to 147,381 units (2013: 107,231 units).

BMW i vehicles are also on the road to success, recording a total sales volume of 17,793 units in the year under report. Worldwide sales of the **BMW i3** totalled 16,052 units, a large proportion of which arose during the second half of the year, following the model's launch in various major markets, including the USA. The **BMW i8** achieved sales of 1,741 units since its market launch in summer 2014.

With a sales volume of 302,183 units, **MINI** maintained sales at the previous year's high level, despite the changeover of the brand's core model to its third generation (2013: 305,030 units; -0.9%). Sales of the **MINI Hatch** saw a 9.0% increase in sales on the previous year at 140,051 units (2013: 128,498 units). The number of **MINI Countryman** sold increased year-on-year by 5.0% to 106,995 units (2013: 101,897 units).

Rolls-Royce Motor Cars consolidated its position as market leader in the ultra-luxury segment in 2014, surpassing the 4,000-unit sales volume threshold for the first time. Overall, the number of vehicles sold during the year rose by 11.9% to 4,063 units (2013: 3,630 units), including 1,906 units (2013: 492 units) of the Wraith, launched in autumn 2013.

In line with its strategy of achieving a balanced distribution of worldwide sales, the BMW Group recorded sales volume growth in **all major sales regions**. The four largest sales markets for the BMW Group over the past year were China, the USA, Germany and Great Britain.

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Within a more stable market environment, sales in **Europe** increased year-on-year by 6.4% to a total of 914,587 units (2013: 859,546 units). Sales volume was 5.1% higher in Germany at 272,345 units (2013: 259,219 units) and 8.4% higher in Great Britain at 205,071 units (2013: 189,121 units).

Markets in **Asia** continued to develop dynamically in 2014. The BMW Group sold 658,384 units (2013: 578,678 units) in this region, 13.8% more than the previous year. Sales on the Chinese mainland grew by 16.6% to 456,732 units (2013: 391,713 units).

The BMW Group also increased sales volume in the **Americas** region, with the number of vehicles sold increasing 4.0% to 482,257 units (2013: 463,822 units), including 396,961 units (2013: 376,636 units) sold in the USA (+5.4%).

Sharp increase in earnings for the Motorcycles segment

Motorcycles segment revenues grew 11.6% year-on year to € 1,679 million (2013: € 1,504 million). **EBIT** jumped by 41.8% to € 112 million (2013: € 79 million), while **profit before tax** advanced by 40.8% to € 107 million (2013: € 76 million). **Sales volume** increased by 7.2% to 123,495 units (2013: 115,215 units), thus outperforming the market as a whole. BMW Motorrad's five largest markets were Germany, the USA, France, Italy and Brazil.

Financial Services segment remains on growth course

The Financial Services segment continued to perform well in 2014. **Segment revenues** were 3.6% higher at € 20,599 million (2013: € 19,874 million), while **profit before tax** increased by 6.4% to € 1,723 million (2013: € 1,619 million).



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In total, 1,509,113 (2013: 1,471,385) **new contracts** were signed in conjunction with financing and leasing business, 2.6% more than in 2013. The **portfolio of lease and financing contracts** in place with dealers and retail customers at 31 December 2014 rose by 5.6% to a total of 4,359,572 contracts (2013: 4,130,002 contracts).

Increase in workforce and number of apprentices

The **workforce** increased by 5.4% compared to the previous year. Overall, the BMW Group had a worldwide workforce of 116,324 employees at the end of the reporting period (2013: 110,351 employees). The increase mainly reflected the 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 develop new technologies on the other.

The BMW Group has expanded its apprenticeship activities worldwide. During the past year, approximately 1,500 **young people** began an apprenticeship within the organisation, including 1,200 in Germany. At the end of the reporting period, 4,595 young people worldwide were in vocational training and training programmes for young talent within the BMW Group.

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The BMW Group – an overview		2014	2013*	Change in %
Sales volume				
Automotive	units	2,117,965	1,963,798	7.9
Thereof:				
BMW	units	1,811,719	1,655,138	9.5
MINI	units	302,183	305,030	-0.9
Rolls-Royce	units	4,063	3,630	11.9
Motorcycles	units	123,495	115,215	7.2
Workforce¹		116,324	110,351	5.4
Operating cash flow				
Automotive segment				
Revenues	€ million	80,401	76,059	5.7
Thereof:				
Automotive	€ million	75,173	70,630	6.4
Motorcycles	€ million	1,679	1,504	11.6
Financial Services	€ million	20,599	19,874	3.6
Other Entities	€ million	7	6	16.7
Eliminations	€ million	-17,057	-15,955	6.9
Profit before financial result (EBIT)	€ million	9,118	7,978	14.3
Thereof:				
Automotive	€ million	7,244	6,649	8.9
Motorcycles	€ million	112	79	41.8
Financial Services	€ million	1,756	1,643	6.9
Other Entities	€ million	71	44	61.4
Eliminations	€ million	-65	-437	85.1
Profit before tax (EBT)	€ million	8,707	7,893	10.3
Thereof:				
Automotive	€ million	6,886	6,561	5.0
Motorcycles	€ million	107	76	40.8
Financial Services	€ million	1,723	1,619	6.4
Other Entities	€ million	154	164	-6.1
Eliminations	€ million	-163	-527	69.1
Income taxes	€ million	-2,890	-2,564	-12.7
Net profit	€ million	5,817	5,329	9.2
Earnings per share²	€	8.83/8.85	8.08/8.10	9.3/9.3

*Prior year figures partially adjusted in accordance with IAS 8

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 2014, the BMW Group sold approximately 2.118 million cars and 123,000 motorcycles worldwide. The profit before tax for the financial year 2014 was approximately € 8.71 billion on revenues amounting to € 80.40 billion. As of 31 December 2014, the BMW Group had a workforce of 116,324 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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