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BMW Group: 2007 sales revenue rises to record level

Sales revenue up by 14.3% to euro 56,018 million

Sales volume set to reach new high level again in 2008

Munich. The BMW Group has achieved a new sales revenue record in 2007. Compared to the previous year, group revenues rose by 14.3% to euro 56,018 million (2006: euro 48,999 million). Revenues of the Automobiles segment went up by 12.7% to euro 53,818 million (2006: euro 47,767 million). The Motorcycles segment reported sales of euro 1,228 million (2006: euro 1,265 million /- 2.9%), while the Financial Services segment increased its revenues by 25.8% to euro 13,940 million (2006: euro 11,079 million).

The total number of BMW, MINI and Rolls-Royce brand vehicles delivered to customers in 2007 also rose to its highest level to date, with the sales volume rising by 9.2% to 1,500,678 units (2006: 1,373,970 units). This upper single-digit growth rate means that the BMW Group was well within the sales volume target that it had set itself for the full year.

BMW Group aiming for sales volume records for all three brands in 2008

The BMW Group is again aiming to achieve sales volume growth for all three brands in the current year and therefore to retain its position as the world's leading premium manufacturer: "We expect a new record sales volume figure in 2008, with stronger growth in the first half of the year and more moderate growth in the second", stated Norbert Reithofer, Chairman of BMW AG's Board of Management in Munich on Wednesday. The BMW Group is also working intensively to improve group profitability. "These targets – sales growth and profitability – are both of paramount importance for the future of the BMW Group", Reithofer went on to emphasise.

Reithofer confirms earnings forecast for the financial year 2007

The group is keeping to its earnings target for the financial year 2007. "We are confident that, adjusted for the exceptional gain on the settlement of the

exchangeable bond on shares in the British engine manufacturer Rolls-Royce, we will be posting a higher pre-tax profit for the financial year 2007 than for the previous year", continued Reithofer. As usual, the BMW Group will publish its earnings figures for the full year in March.

Capital expenditure slightly lower than in the previous year

Capital expenditure in 2007 decreased by 1.1% to euro 4,267 million (2006: euro 4,313 million). Capitalised development costs recognised as assets in accordance with IAS decreased by 13.2% to euro 1,333 million (2006: euro 1,536 million), reflecting the lower volume of series development projects. Capital expenditure for property, plant and equipment and other intangible assets increased

by 5.7% to euro 2,934 million (2006: euro 2,777 million), partly in connection with the expansion of the production network.

Workforce slightly larger than one year earlier

The workforce increased slightly during the year, mainly as a result of the acquisition of Husqvarna Motorcycles and two acquisitions made by the Financial Services segment. At the end of 2007, the worldwide workforce comprised 107,539 employees (31 December 2006: 106,575 employees), an increase of 0.9%. The number of trainees at the year-end (4,281) remained at a high level (31 December 2006: 4,359).

Sales impetus from EfficientDynamics measures

The BMW Group sold more cars in 2007 than ever before in its history. An important factor for this was the contribution made by the EfficientDynamics package which is helping to reduce fuel consumption and CO₂ emissions. Customers are also benefiting from this innovative technology in many MINI models. By the end of the year, more than 450,000 BMW and MINI cars driving on Europe's roads were benefiting from EfficientDynamics.

1,276,793 BMW brand cars were sold in 2007, surpassing the previous year's level (1,185,088 units) by 7.7%. The MINI also recorded good growth, with the retail sales volume rising by 18.5% to 222,875 units (2006: 188,077 units). Rolls-Royce increased its sales volume figures for the fourth year in succession and remains the undisputable market leader in the ultra-luxury segment. Rolls-Royce Motor Cars handed over 1,010 vehicles (2006: 805 vehicles) to customers in 2007 (+ 25.5%), therefore achieving a four-figure annual sales volume figure for the first time.

The BMW 3 Series, with its Limousine, Touring, Coupé and Cabrio versions, was once again, by far, the main BMW model series, and also remained well ahead in comparison with relevant competitors. It accounted for 37% of the entire car sales volume recorded by the BMW Group, with the number of cars sold rising by 9.2% to 555,219 units (2006: 508,479 units). The BMW 5 Series, the second best-selling model in volume terms, almost matched the previous year's high level with 230,845 units sold (2006: 232,193 units/-0.6%). The BMW 1 Series took third place with a retail sales volume of 165,803 units (2006: 151,918 units). This 9.1% increase was driven in particular by the introduction of the three-door version in May 2007.

BMW's Sports Activity Vehicles (SAV) continued to sell extremely well in 2007, with the number of BMW X5 in particular jumping by 60.1% to 120,617 units (2006: 75,321 units). Sales of this model, which continues to outpace all relevant competitors in its segment, were therefore well ahead of the BMW Group's own expectations. Now in its fourth year since market launch, sales of the BMW X3, at 111,879 units (2006: 114,000 units/-1.9%) remained at a high level.

A total of 44,421 (2006: 50,227/-11.6%) BMW 7 Series cars were sold. The BMW Z4 (Roadster and Coupé versions) recorded a sales volume of 28,383 units (2006: 30,996/-8.4%). In total, 19,626 units of the luxury BMW 6 Series Convertible and Coupé models (2006: 21,947 units/-10.6%) were handed over to customers.

USA remains largest single market for BMW and MINI cars

The USA remained the largest single market for BMW and MINI cars in 2007. With a sales volume of 335,840 units (2006: 313,603 units /+7.1%), the BMW Group sold more vehicles there than ever before. On top of this, BMW was the most popular European premium brand among US customers in 2007. In total, 293,795 BMW brand cars (2006: 274,432 units, +7.1%) were sold in the United States, making it the most successful European car brand on the US market in 2007.

Germany is the second largest market in volume terms, with 284,523 new registrations of BMW Group vehicles (2006: 296,930 new registrations). As a result of the higher value added tax rate and the uncertainty caused by the on-going CO₂ debate, it was not quite possible to match the previous year's high level. With a 4.2% decrease, the BMW Group nevertheless performed significantly better than the German market as a whole (-9.2%). Double-digit growth was achieved in each of the following markets representing places three to six for the BMW Group: 173,685 units (2006: 153,957/+12.8%) were sold in Great Britain, 106,985 units (2006: 96,458 units/+10.9%) in Italy, 72,849 units (2006: 63,040 units/+15.6%) in Spain and 65,081 units (2006: 52,875 units/+23.1%) in France.

Good retail sales volume performances were also recorded on the fast growing markets of China with 51,588 units (2006: 36,357 units/+41.9%), Russia with 14,686 units (2006: 9,505 units /+54.5%) and India with 1,387 units (2006: 257 units/+439.7%).

New sales volume record for BMW Motorcycles in 2007

BMW Motorcycles also succeeded in recording a new sales volume high in 2007. After surpassing the 100,000 mark for the first time in the previous year, the Motorcycles segment continued to grow and recorded a sales volume of 102,467 units (2006: 100,064/+2.4%) in 2007.

Financial services business remains on growth course

The BMW Group's financial services business continued to grow in 2007. The volume of new retail customer contracts rose by 16.4% to euro 28,462 million, thereby reaching a new record level (2006: euro 24,449 million). The proportion of new BMW and MINI cars financed by the Financial Services segment increased in 2007 to 44.7% (2006: 42.4%).

The BMW Group – an Overview

| | | 2007 | 2006 | Change in % |
|--------------------------------|--------------|-----------|-----------|----------------|
| Deliveries to customers | | | | |
| Automobiles | units | 1,500,678 | 1,373,970 | +9.2 |
| Motorcycles | units | 102,467 | 100,064 | +2.4 |
| Workforce at year-end | | | | |
| | | 107,539 | 106,575 | +0.9 |
| Sales revenue | | | | |
| | euro million | 56,018 | 48,999 | +14.3 |
| thereof: | | | | |
| Automobiles | euro million | 53,818 | 47,767 | +12.7 |
| Motorcycles | euro million | 1,228 | 1,265 | -2.9 |
| Financial Services | euro million | 13,940 | 11,079 | +25.8 |
| Reconciliations | euro million | -12,968 | -11,112 | - |
| Capital expenditure | | | | |
| | euro million | 4,267 | 4,313 | -1.1 |