



Media Information
6 May 2015

- Check against delivery -

Statement

Dr. Norbert Reithofer

Chairman of the Board of Management of BMW AG

Conference Call Interim Report to 31 March 2015

6 May 2015, 10:00 a.m.

Ladies and Gentlemen!

Our targets for 2015 have already been announced.

- We plan to achieve solid growth and new all-time highs for both our Group sales and the pre-tax Group result.
- We plan to remain the world's leading premium car company.
- Regarding the EBIT margin in the Automotive segment, we are still aiming for a target range of 8 to 10 percent.

The business environment will continue to be highly volatile. We see both risks and opportunities over the course of the year.

On the one hand, a number of factors will have a positive effect on our business development:

The global economy is expected to grow. The economic momentum in the U.S. remains high and the outlook for Europe is once again slightly positive. However, there remains economic uncertainty in the EU. Experts have also forecast an upward trend for the global car market. In the U.S., new car registrations are likely to reach 17 million. In Europe, our largest sales region, experts anticipate 13.5 million new car registrations. This would be an increase of 3.8 percent.



Media Information

Date 6 May 2015

Subject Statement by Dr. Norbert Reithofer, Chairman of the Board of Management
of BMW AG, Conference Call Interim Report to 31 March 2015

Page 2

On the other hand, there are still uncertainties:

The growth momentum in China is slowing down. For 2015, the Chinese government is striving to achieve a GDP growth rate of seven percent. In addition, the Chinese car market is normalizing. We have always said that such a development would come, and so it has. We call this the “new normal” and of course we considered this situation in our planning. Forecasts for the world’s largest car market predict an increase of about seven percent to more than 20 million new car registrations this year. The premium segment in China developed more slowly than the overall car market during the first three months of 2015. Our core brand BMW grew at the same rate as the Chinese premium market.

In Japan, the number of new car registrations is expected to decline again this year. Development in the emerging markets still remains uneven. However, the economic environments of countries like Brazil and Russia are experiencing a downward trend and are expecting a decrease in automotive sales.

Our strategy of balanced global sales continues to allow us to even out the disparities across the world. We have always emphasized: We do not want to be dependent on any single market or region. This approach continues to be our strength. Thanks to our strategy, we have a flexible and agile approach that allows us to offset market imbalances. Due to our highly flexible production network, we can respond immediately to local market fluctuations. And due to the high demand for our brands, we are able to shift vehicle sales to other markets at short notice.

Having said that, there will always be new challenges in our business. These include political and military conflicts, which affect global trade and the development of the world’s car markets. This makes it even more important for us to have our strategy Number ONE as a long-term strategic guideline.



Media Information

6 May 2015

Date

Subject

Statement by Dr. Norbert Reithofer, Chairman of the Board of Management
of BMW AG, Conference Call Interim Report to 31 March 2015

Page

3

However, our forecasts for 2015 can only be upheld when there are no major changes to these underlying expectations, which presume that the economic and political conditions will remain stable and there won't be any unforeseen changes. Rest assured: We remain fully committed to our successful course we have achieved over the past years, also within a volatile business environment.

And this commitment can be seen through our positive results in the first quarter. In sales, we posted the sixth record result in a row. All in all, we delivered close to 527,000 cars to customers worldwide. Our pre-tax result also reached a new record level for a first quarter at more than 2.2 billion euros. The EBIT margin in the Automotive segment stands at 9.5 percent and thus at the top end of our defined profitability range of 8 to 10 percent.

Our successful business development is based on the strong demand for the products of our three premium brands: BMW, MINI and Rolls-Royce. And this is reflected in the sales figures of the first quarter of the year. Never before have we sold more cars of our BMW and MINI brands in a first quarter. BMW expanded its lead in the compact, mid-size and upper mid-size segments. At Rolls-Royce, 781 motor cars were sold in the first quarter, which were fewer than in the same period last year. Overall, the BMW Group continues to offer our customers worldwide a very young product portfolio.

In total, we are launching 15 new models and model updates for BMW and MINI customers this year. Let me give you a few examples:

- The new BMW 2 Series Convertible has been available since February.
- March saw the market launch of the updated BMW 1 Series. The model range includes BMW's new CO₂ Champion – the 116d Efficient Dynamics. Fitted with a 3-cylinder engine, it needs 3.4 liters of diesel per 100 km and emits 89 grams of CO₂ per km.



Media Information

6 May 2015

Date

Subject

Statement by Dr. Norbert Reithofer, Chairman of the Board of Management
of BMW AG, Conference Call Interim Report to 31 March 2015

Page

4

- Another launch in March was the model update of the BMW 6 Series, including the M6.
- The BMW X5 M and X6 M also arrived at the dealerships in March.
- MINI has offered its new John Cooper Works model since April.
- June will see the launch of the BMW 2 Series Gran Tourer.
- MINI is going to present the new Clubman later this year.

In the past few weeks, many media representatives had the opportunity to drive the prototype of the new BMW 7 Series at the BMW test grounds in Miramas. According to many reports and articles, the driving experience was absolute “sheer driving pleasure”. You have seen the wealth of innovations in the sixth generation of the BMW 7 Series. The positive feedback has affirmed our commitment to take luxury experience to a new level.

For us, future luxury means the perfect balance of many superlatives: aesthetic design, dynamic driving experience, maximum comfort, extensive connectivity and outstanding efficiency.

Or as a motoring magazine has put it: “We seriously believe that this time, the guys from Munich have managed to square the circle.”

Further growth potential for the entire automotive industry is going to arise from the implementation of the free trade agreement between the EU and the USA. Let me comment briefly on the TTIP.

For us in the EU, the single market has led to growth and prosperity. It has also strengthened the German car industry in its role as a driver of innovation, a motor for qualified jobs, and a reliable partner for the communities in which we operate. For the BMW Group, Europe is still our largest sales market.



Media Information

Date 6 May 2015

Subject Statement by Dr. Norbert Reithofer, Chairman of the Board of Management
of BMW AG, Conference Call Interim Report to 31 March 2015

Page 5

The TTIP gives the two economic regions – Europe and Northern America – the opportunity to create a common economic area with over 850 million consumers. Together, these two regions account for almost half of world GDP. This move could lead to the world's largest free trade area, which would also be based on similar cultural values.

Europe in particular relies on close transatlantic cooperation to secure its position in the global business world and would benefit from the TTIP over the long term. There is already a lively transatlantic trade between the automotive industries in Europe and the U.S. The OEMs in the two regions are well connected and have established a close production network, which is one-of-a-kind worldwide.

Carmakers could save customs duties and invest the money instead in innovative technologies, cutting-edge production processes, and in their future viability. All of these aspects would have a share in ensuring that the EU remains on par with other major economic regions in the world.

Today is my last conference call with you, reporting on our quarterly results. In November 2006, I told you: “The value of successful, sustainable development is often underestimated. The BMW Group will continue on its course of profitable growth in the future.”

I would say we have managed to do exactly that in the past years. I am convinced that my successor as CEO, Harald Krüger, will continue to follow our path with a long-term focus and a clear vision toward the future.

So let me thank you once again for our discussions over the last eight and a half years.

Thank you very much for your attention.