

BMW Group

Corporate and Governmental Affairs

Media Information

10 March 2011

BMW Group posts record earnings for 2010

Profit before tax rises to euro 4,836 million

Profit before financial result climbs to euro 5,094 million

Automobiles segment reports EBIT of euro 4,355 million

Record dividend of euro 1.30 per share proposed

Munich. The BMW Group has achieved new record highs for revenues and earnings in 2010, with revenues climbing by 19.3% to euro 60,477 million (2009: euro 50,681 million) and the profit before tax (EBT) jumping to euro 4,836 million (2009: euro 413 million). The Group reports a profit before financial result (EBIT) of euro 5,094 million (2009: euro 289 million) and a record net profit for the year of euro 3,234 million (2009: euro 210 million).

In the light of this strong performance, the Board of Management and the Supervisory Board will propose to shareholders at the Annual General Meeting on 12 May 2011 that the dividend be increased to euro 1.30 (2009: euro 0.30) per share of common stock and euro 1.32 (2009: euro 0.32) per share of preferred stock, in both cases representing new all-time highs.

“We are extremely pleased with developments over the past financial year. We have set new records for revenues and group earnings and have more than achieved our targets for the full year. We now want our shareholders to participate in this success by paying a record-level dividend. Our attractive model range and continued rigorous implementation of our Strategy Number ONE enabled us to improve profitability and efficiency significantly in 2010“, explained Norbert Reithofer, the Chairman of the Board of Management of BMW AG on Thursday in Munich.

In terms of sales volumes, the BMW Group registered the second-best ever performance in its history with the total number of BMW, MINI and Rolls-Royce brand vehicles delivered to customers rising by 13.6% to 1,461,166 units (2009: 1,286,310 units). The BMW Group therefore easily surpassed its target to increase sales for the full year 2010 to over 1.4 million units and thus remains the world’s leading provider of premium cars.

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EBIT margin of 8% in Automobiles segment

Significantly higher sales volume figures, a high-value model-mix, better transaction prices and lower material costs resulted in a significant improvement in earnings in the Automobiles segment in 2010. Revenues grew by 23.8% to euro 54,137 million (2009: euro 43,737 million). The segment's EBIT improved to euro 4,355 million (2009: loss of euro 265 million), while the profit before tax increased to euro 3,887 million (2009: loss before tax of euro 588 million). The segment EBIT margin was therefore 8.0%, compared to the full-year EBIT margin of over 7% previously forecast for the Automobiles segment.

Sales of BMW brand cars rose by 14.6% to 1,224,280 units (2009: 1,068,770 units) in 2010 thanks to attractive new models. The new BMW 5 Series for instance recorded a sales volume increase of 35.5% with 238,454 units sold (2009: 175,983 units): this model has been market leader in its segment since the fourth quarter. The BMW X1 also performed extremely well, with approximately 100,000 units sold during its first full year on the markets.

Demand for BMW's flagship, the 7 Series, and for the remaining X-models also remained strong. BMW 7 Series sales rose by 24.9% over the year to 65,814 units (2009: 52,680 units), driven by strong demand in Asia and the gradual recovery of the North American market. Sales of the BMW X5, which remains the market leader in its segment, rose by 15.0% to 102,178 units (2009: 88,851 units). 46,404 units (2009: 41,667 units) of the BMW X6 were sold, 11.4% more than in the previous year.

The MINI brand continues to perform well, registering a new sales record in 2010 of 234,175 units (2009: 216,538 units; +8.1%). This performance was helped by the MINI Countryman (14,337 units) launched in September, by the MINI Hatch with 155,841 units sold (2009: 150,043; +3.9%) and by the MINI

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Convertible which achieved a sales volume of 32,680 units (2009: 28,303; +15.5%).

The Rolls-Royce brand also set a new sales record, with the number of vehicles sold in 2010 rising to 2,711 units (2009: 1,002 units; +170.6%).

The BMW Group was able to increase sales volumes in almost all markets in 2010. Germany remained the largest single market with 267,160 BMW and MINI brand cars sold. In fact, BMW was the only premium brand to have recorded an increase in new car registration figures in Germany in 2010.

In the company's second largest single market, the USA, the BMW Group was able to increase sales by 10.1% to 266,580 units, thus making BMW once again the best-selling European premium brand in the USA in 2010.

Strong growth rates were also achieved in China, the company's third largest market. The number of cars sold in this region (including Hong Kong and Taiwan) jumped by 85.3% to 183,328 units.

Impetus for growth also came from other regions of the world. The number of cars sold in important emerging markets such as Russia, South Korea, Brazil, India and Turkey all increased at double digit rates.

EBIT of euro 71 million for Motorcycles segment in 2010

Despite continuing unfavourable market conditions, the Motorcycles segment recorded sales volume, revenues and earnings growth in 2010. Revenues increased by 22.0% to euro 1,304 million (2009: euro 1,069 million), EBIT improved to euro 71 million (2009: euro 19 million) and the profit before tax rose to euro 65 million (2009: euro 11 million). In total, 110,113 BMW and Husqvarna brand motorcycles were sold in 2010 (2009: 100,358 units; +9.7%).

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Sharp rise in earnings of Financial Services segment

The Financial Services segment benefitted in 2010 from its attractive range of products, favourable refinancing conditions and an improved risk profile.

Segment revenues increased by 5.2% to euro 16,617 million (2009: euro 15,798 million) while the profit before tax improved to euro 1,214 million (2009: euro 365 million).

The number of new financing and lease contracts signed (1,083,154) was 6.6% up on the previous year. Compared to the previous year, the lease business grew by 3.2% and credit financing by 8.1%. Leasing accounted for 28.8% of new business, credit financing for 71.2%. The proportion of new BMW and MINI brand cars financed by the Financial Services segment was 48.2%, down by 0.8 percentage points compared to the previous year.

Workforce of approximately 95,500 employees at end 2010

The BMW Group's workforce decreased slightly over the past year as a result of a combination of natural attrition, pre-retirement part-time working arrangements and voluntary employment contract termination agreements.

The BMW Group workforce comprised 95,453 employees at the end of the year (2009: 96,230 employees; -0.8%) worldwide. At the beginning of the new training year, a total of 1,124 young people were given apprenticeships with the BMW Group.

Reithofer: BMW Group is targeting a new record in sales in 2011

The BMW Group forecasts that sales will continue to develop positively in the current year thanks to its attractive model range. A balanced relationship in sales activities between Europe, Asia and America remains the goal. "We are targeting record sales of more than 1.5 million vehicles in 2011 and expect to achieve new highs for all three of our brands", stated Reithofer.

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In the financial year 2012, the BMW Group aims to achieve an unchanged EBIT margin of eight to ten percent in the Automobiles segment and a return on equity of at least 18% in the Financial Services segment.

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Further information on the Group Financial Statements 2010 and the outlook for the current year will be available at the Annual Accounts Press Conference to be held on 15 March 2011 in Munich.

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The BMW Group – an Overview

		2010	2009	Change in %
Deliveries to customers				
Automobiles		1,461,166	1,286,310	13.6
Thereof:				
BMW	units	1,224,280	1,068,770	14.6
MINI	units	234,175	216,538	8.1
Rolls-Royce	units	2,711	1,002	-
Motorcycles	units	110,113	100,358	9.7
Thereof:				
BMW	units	98,047	87,306	12.3
Husqvarna	units	12,066	13,052	-7.6
Workforce at the end of the year¹		95,453	96,230	-0.8
Revenues	euro million	60,477	50,681	19.3
Thereof:				
Automobiles	euro million	54,137	43,737	23.8
Motorcycles	euro million	1,304	1,069	22.0
Financial Services	euro million	16,617	15,798	5.2
Profit before financial result	euro million	5,094	289	-
Thereof:				
Automobiles	euro million	4,355	-265	-
Motorcycles	euro million	71	19	-
Financial Services	euro million	1,201	355	-
Profit before tax	euro million	4,836	413	-
Thereof:				
Automobiles	euro million	3,877	-588	-
Motorcycles	euro million	65	11	-
Financial Services	euro million	1,214	365	-
Income taxes	euro million	-1,602	-203	-
Net profit	euro million	3,234	210	-

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Earnings per share² euro	4.91/4.93	0.31/0.33	-
Dividend per share of common/preferred stock euro	1.30/1.32	0.30/0.32	-

¹ figures exclude dormant employment contracts, employees in the work and non-work phases of pre-retirement part-time arrangements and low wage earners

² earnings per share in accordance with IAS 33 for common and preferred stock shares

The BMW Group

With its three brands – BMW, MINI and Rolls-Royce – the BMW Group is one of the world's most successful premium manufacturers of cars and motorcycles. It operates internationally with 24 production sites in 13 countries and a global sales network with representation in more than 140 countries.

During the financial year 2010, the BMW Group sold 1.46 million cars and more than 110,000 motorcycles worldwide. The profit before tax for 2010 was euro 4.8 billion on revenues amounting to euro 60.5 billion. At 31 December 2010, the BMW Group had a workforce of approximately 95,500 employees.

The success of the BMW Group has always been built 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. As a result of its efforts, the BMW Group has been ranked industry leader in the Dow Jones Sustainability Indexes for the last six years.

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