

## **BMW Fact Sheet**

### **July, 2011**

#### **BMW Group and BMW North America**

- BMW North America, LLC is a wholly owned subsidiary of Bayerische Motoren Werke AG (BMW Group). It imports and manufactures BMW brands, and provides marketing, sales, and financial services through almost 900 dealerships and motorcycle retailers in the U.S. Global headquarters located at Petuelring 130, Munich 80788, Germany. Norbert Reithofer, CEO and Chairman of the Board of Management, BMW Group. Jim O'Donnell, Chairman and CEO, BMW North America.
- Significant BMW brands include the 1, 3, 5, 6, 7 Series; the X5, X6, and 24M models; and MINI and Rolls-Royce.
- BMW operates automotive production plants in Germany, Austria, China, South Africa, the United Kingdom and South Carolina. Other BMW North America Divisions include the industrial design firm DesignworksUSA, parts distribution centers in Ontario and Stockton, CA, Lower Nazareth, PA, Senatobia, MS, Jacksonville, FL and Minooka, IL; port facilities in Baltimore, MD, Brunswick, GA, Charleston SC, Port Hueneme, CA and Port Authority of New York and New Jersey; and a technology office and a technical training center.
- The U.S. is the BMW Group's second-largest market after Germany. Worldwide, the company sold about 1.5 million vehicles during fiscal year 2010. For 2010, BMW of North America reported total sales of 265,757 vehicles, up 9.9% compared to the 241,727 vehicles sold in 2009.
- BMW Group earned more money per car than ever before in its 95-year history during the first-quarter of 2011. BMW Group's first-quarter operating margin climbed to 11.9% from 2.7% a year earlier - a profit of about \$6,600 per car on average. BMW had global sales of almost \$81 billion in 2010 or about \$848,000 per employee.
- BMW has 5,400 workers in the U.S. and over 95,000 worldwide. BMW North America's revenue in fiscal year 2010 was \$17.37 billion, an increase of 10.6% compared to 2009.
- BMW's advertising agency quit in 2010 due to confusion in BMW's marketing efforts, after an apparent internal dispute erupted amongst BMW executives pitting traditionalists, who want BMW to concentrate on the high-performance luxury sedan market, against others who want to expand competition into a number of other market niches and consumer profiles.
- In the past 10 years, BMW has been fined over \$103 million by the National Highway Traffic Safety Administration (NHTSA) for failing to meet Corporate Average Fuel Economy (CAFE) requirements. The purpose of the CAFE program is to reduce energy consumption by increasing the fuel economy of cars and light trucks.

#### **Safety Problems**

- In May 2011, NHTSA announced it would upgrade its investigation of a power-steering problem on nearly 60,000 Mini Coopers. Among consumer complaints were allegations of several crashes and fires.
- In October 2010, a class-action lawsuit was filed against BMW of North America, alleging that BMW designed and manufactured Mini Cooper brand automobiles in model years 2002 to 2009 with a defective power steering system that purportedly manifests itself without warning, rendering the Mini Cooper vehicle uncontrollable in traffic and potentially resulting in fire in the engine compartment.
- Two class-action lawsuits have been filed against BMW over sudden engine power failures, alleging that high-powered fuel pumps in various models can suddenly fail, after which the engine goes into what's known as "limp mode" and subsequently can't go faster than 20 miles per hour, if at all.
- In 2010, BMW recalled 198,000 5-series, 6-series and 7-series cars due to the risk of loss of power braking. NHTSA said, "In extreme cases there could be a complete loss of power assist braking. An unexpected reduction or loss in power braking assist may increase the risk of a crash."

#### **BMW Employees**

- BMW workers in Germany are represented by IG Metall. BMW workers in the United Kingdom are represented by Unite. BMW workers in South Africa are represented by the National Union of Metalworkers of South Africa. The workers in Austria are represented by Austrian Industrial Union PRO-GE.
- While BMW operates its South Carolina plant non-union, workers in BMW's United States importation and parts distribution network are represented by UAW, the International Longshore and Warehouse Union, the International Longshoremen's Association, and the International Brotherhood of Teamsters.
- In 2010 BMW attempted to outsource a portion of its automobile preparation center in Jersey City, New Jersey but was stopped because of resistance by its workers, their union, the International Longshoreman's Association, and community supporters.
- BMW plans to terminate all employees at its Ontario, California parts distribution center on August 31, 2011. BMW announced it will re-open the facility on September 1, 2011 with a subcontractor managing the facility and hiring new outsourced employees.
- Warehouse employees at BMW's distribution center in Ontario, Calif. are represented by Teamsters Local 495. Contact: Bob Lennox, Secretary-Treasurer, Teamsters Local 495, 800 S. Barranca Ave., Covina, California 91723. Phone (626) 915-4954.