

BMW Rakes In \$424 Million In First-Quarter Profits

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BERLIN (AP) — German luxury automaker BMW AG reported Wednesday a first-quarter profit on improved sales and said that rising demand for premium cars bodes well for its full-year earnings.

The world's biggest luxury car maker, BMW earned euro324 million (\$424.1 million) in net income in the first quarter compared with a loss of euro152 million a year ago.

Revenue in the January-March period rose 8.1 percent to euro12.4 billion from euro11.5 billion last year.

The company, based in Munich, also builds motorcycles and the Mini and Rolls-Royce car brands.

"The BMW Group has made a good start to 2010," Chief Executive Norbert Reithofer said in a statement. "We increased earnings significantly in the first quarter and are now back on a growth course on almost all car markets."

Investors appeared to agree, sending BMW shares up nearly 2 percent to euro36.51 in morning Frankfurt trading.

Reithofer said BMW is aiming for higher earnings in 2010, above the euro210 million it earned last year, when consumers' reluctance to spend created a challenging market.

"We intend to remain the world's leading provider of premium cars in 2010 and plan to increase our sales volume" to more than 1.3 million cars, Reithofer said.

First-quarter sales were driven higher by growth in Europe, Asia and the U.S., a key market. Sales in the U.S. rose by 7.5 percent to 55,141 cars while in China, sales more than doubled to 36,607. European sales rose 4 percent. Worldwide, the automaker said it sold 265,809 cars, an increase of nearly 14 percent from the first quarter of 2009.

The sales increases included BMW-branded cars, motorcycles, the Mini and the ultra luxury Rolls-Royce, which had its best first-quarter results ever as sales rose more than 60 percent with 279 cars sold, including 158 new Rolls-Royce Ghosts.

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