BMW Profit Quadruples On Accelerating Sales Worldwide

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FRANKFURT, Germany (AP) — German luxury carmaker BMW says first-quarter net profit rose almost fourfold to euro1.21 billion ($1.79 billion) as sales climbed all around the world, but particularly in China.

Profits were up from last year's euro324 million. Revenues grew 29 percent to euro16.04 billion.

BMW, which includes the Mini and Rolls-Royce brands, saw especially big sales increases in Asia, where it sold 53 percent more cars, including a 72 percent jump in China.

Wednesday's results confirmed a strong quarter for Germany's export-oriented carmakers, whose luxury products are selling strongly in China's booming economy. First-quarter earnings for Daimler AG, maker of Mercedes-Benz cars, nearly doubled to euro1.18 billion and Volkswagen AG, maker of the Audi luxury brand, saw profits more than triple to euro1.7 billion.

For BMW, sales also grew significantly in Europe, despite an uneven recovery there, and in North America.

BMW sold 13 percent more cars in Europe, which remains its biggest market with 200,000 vehicles out of the company's overall sales of 383,000. The European luxury segment has held up better than the car market as a whole, which shrank slightly as scrapping incentives expired in some countries and several countries struggle with debt crises or weak growth.

A strong model mix helped earnings, as several high-margin vehicles such as its X3 SUV and 5-series sedan showed large unit sales increases. Two other high-margin products, the 7-series large luxury sedan and the X5 large SUV, showed more modest increases.

BMW's profit of euro1.84 per share beat analyst estimates of euro1.55, and the shares rose 1.7 percent to euro64.45 in morning trading German time.

Sanford C. Bernstein analyst Max Warburton called the earnings "a serious beat" and pointed to the 11.9 profit operating profit margin, measured as earnings before interest and taxes, saying it was "the highest for any quarter despite Q1 not normally being a seasonally strong quarter."

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