

BMW GROUP

INVESTOR FACTBOOK

Dezember 2016

**BMW
GROUP**

THE NEXT
100 YEARS 



Rolls-Royce
Motor Cars Limited

CONTENT.

1 STRATEGY NUMBER ONE NEXT

2 GROUP FINANCIALS

3 AUTOMOTIVE

4 MOTORCYCLES

5 FINANCIAL SERVICES

6 MARKETS

7 SUSTAINABILITY

8 BMW SHARES

9 DEBT & RATINGS

10 CONTACT & CALENDAR

FORWARD-LOOKING STRATEGIES LEADING TO A SUCCESSFUL CORPORATE DEVELOPMENT SINCE 2001.

STRATEGY NUMBER ONE NEXT 2016

2001/
2003



Rolls-Royce
Motor Cars Limited

Premium brand strategy

Strategy Number ONE



2007



SUCCESSFUL STRATEGY IMPLEMENTATION SINCE 2007: STRATEGIC MILESTONES.

2007



Strategy Number ONE



ESTABLISHMENT
PROJECT i



MINI E



PLANT CHENNAI,
INDIA



LIFE-DRIVE
ARCHITECTURE



FIRST HYBRID MODELS
IN SERIES PRODUCTION



EXPANSION PLANT
SPARTANBURG, USA



DRIVE NOW

2009

BMW MOTORRAD,
BRAZIL



BMW VISION
EFFICIENT
DYNAMICS

2011



BRAND BMW i



PLANT TIEXI,
CHINA

2013



LAUNCH
BMW i8



LAUNCH
BMW i3



BMW ACTIVE E



CARBON PRODUCTION
MOSES LAKE, USA

BMW C EVOLUTION



PLANT ARAQUARI,
BRAZIL

PLANT SAN LUIS POTOSI,
MEXICO



LAUNCH
X5 xDrive40e

2015



ADAPTING OUR STRATEGY TO A CHANGING ENVIRONMENT. ADDRESSING NEW TRENDS.



VISION

**COMPETITIVE
ADVANTAGE**

**STRATEGY
NUMBER ONE**  **NEXT**

**STRATEGIC
APPROACH**

**CORPORATE
CULTURE**

WE INSPIRE PEOPLE ON THE MOVE.



VISION

We are Number ONE.

We inspire people on the move:

We shape tomorrow's individual premium mobility.

STRATEGY NUMBER ONE NEXT

VISION

We are Number ONE.
We inspire people on the move:
We shape tomorrow's individual
premium mobility.

COMPETITIVE ADVANTAGE

We unite excitement, responsibility and
success: We have the most emotional
products and attractive
services.

STRATEGIC APPROACH

We are leading the BMW Group into a new era:
We leverage innovative technologies, digitalization
and sustainability to deliver unique customer experiences.

- > Brands & Design
- > Products
- > Technologies
- > Customer Experience & Services
- > Digitalization
- > Profitability

CORPORATE CULTURE

We create the future:
We combine operational
excellence and fresh
thinking.

BRANDS & DESIGN.

> PROFITABILITY

> BRANDS & DESIGN

> PRODUCTS

> TECHNOLOGIES

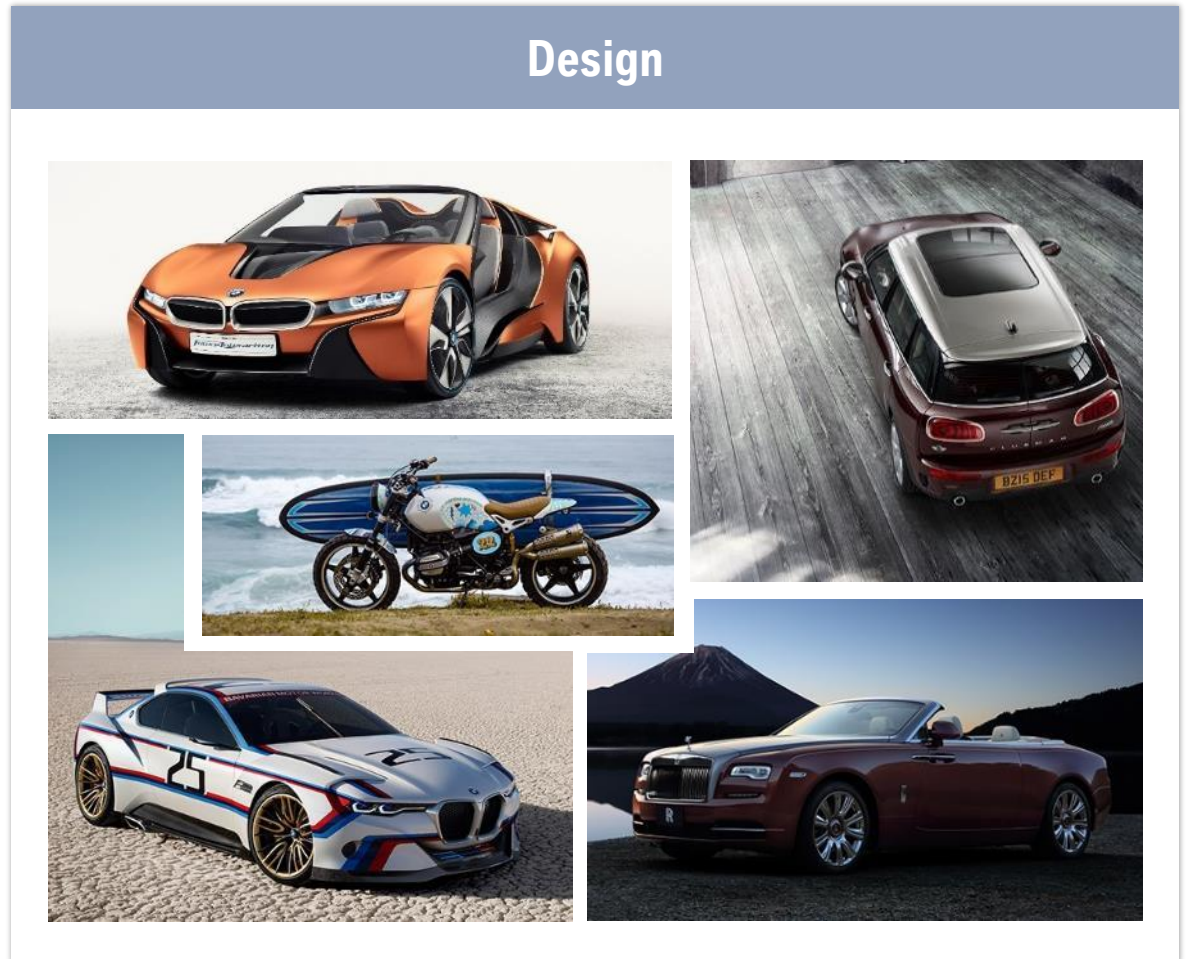
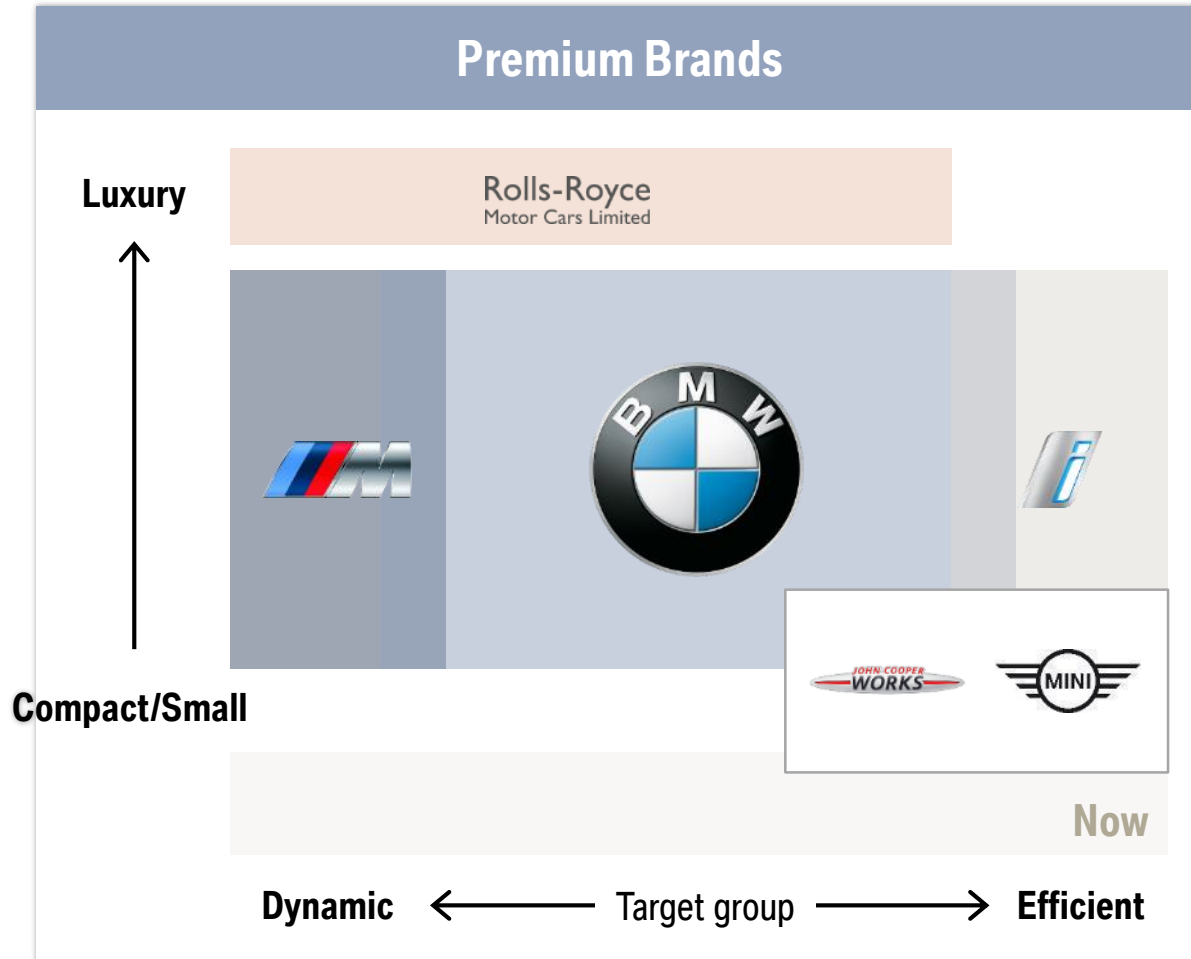
> CUSTOMER EXPERIENCE & SERVICES

> DIGITALIZATION

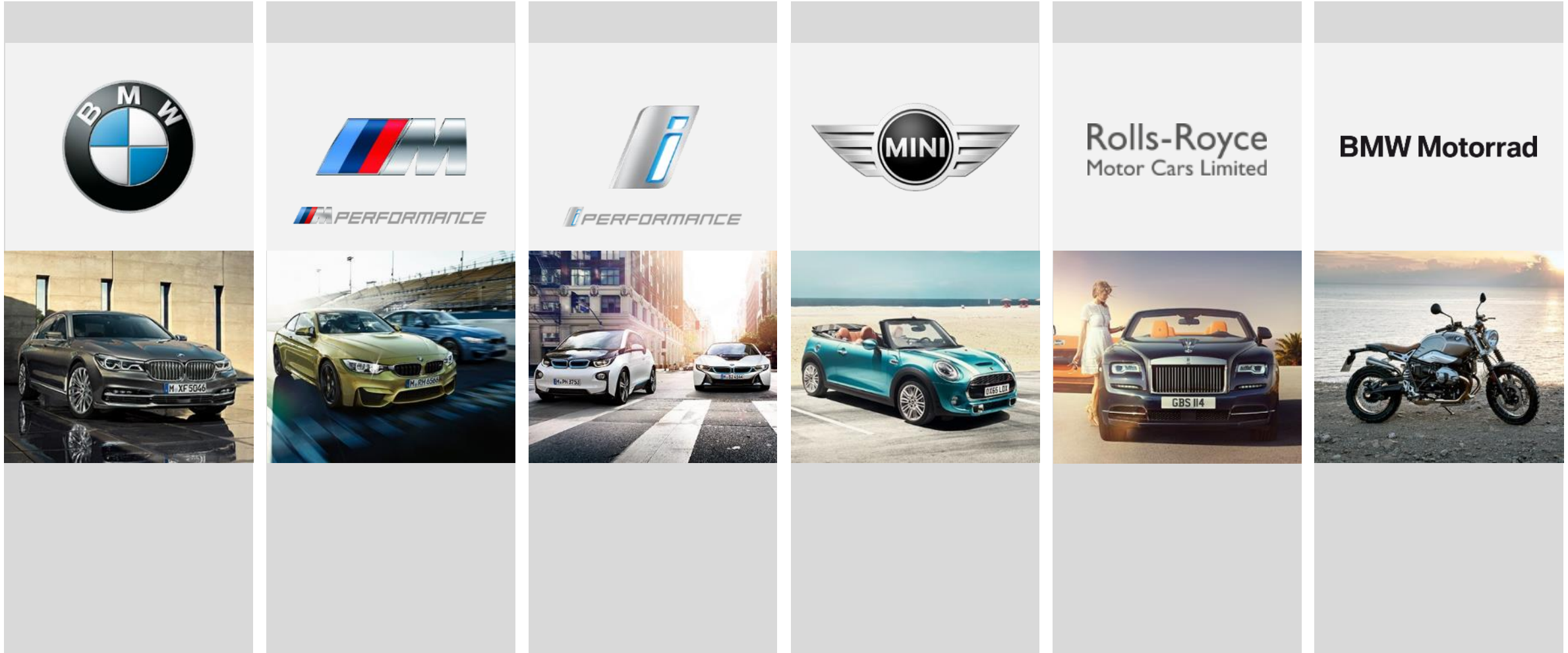
We have the
MOST ASPIRATIONAL BRANDS.
We continuously grow the value of our brands
through focused brand management and outstanding design.



LEADERSHIP DRIVEN BY ASPIRATIONAL BRAND PORTFOLIO AND HIGHLY EMOTIONAL PRODUCTS.



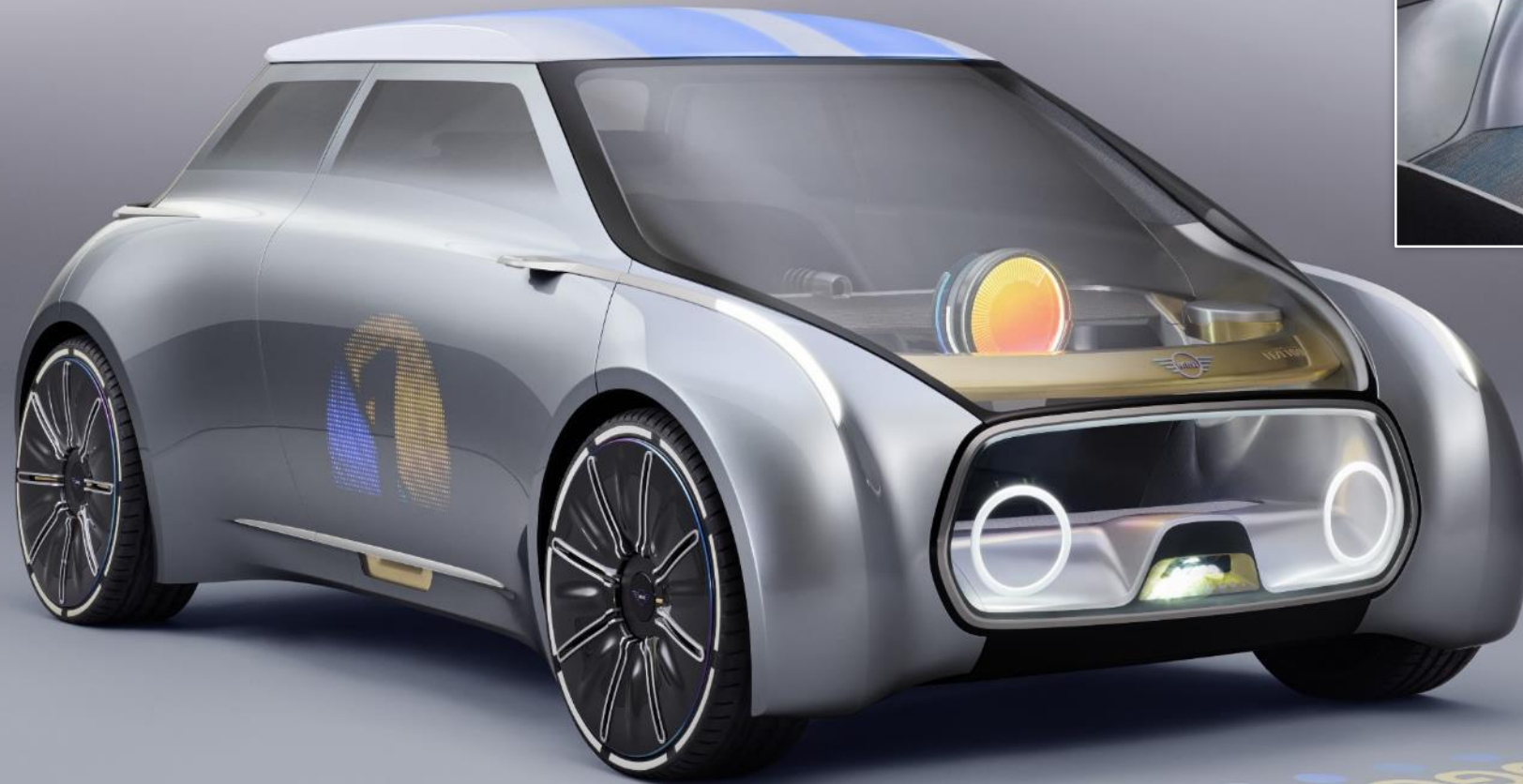
ATTRACTIVE PREMIUM BRANDS PROVIDE THE BASIS FOR A FURTHER EXPANSION OF THE PRODUCT PORTFOLIO.



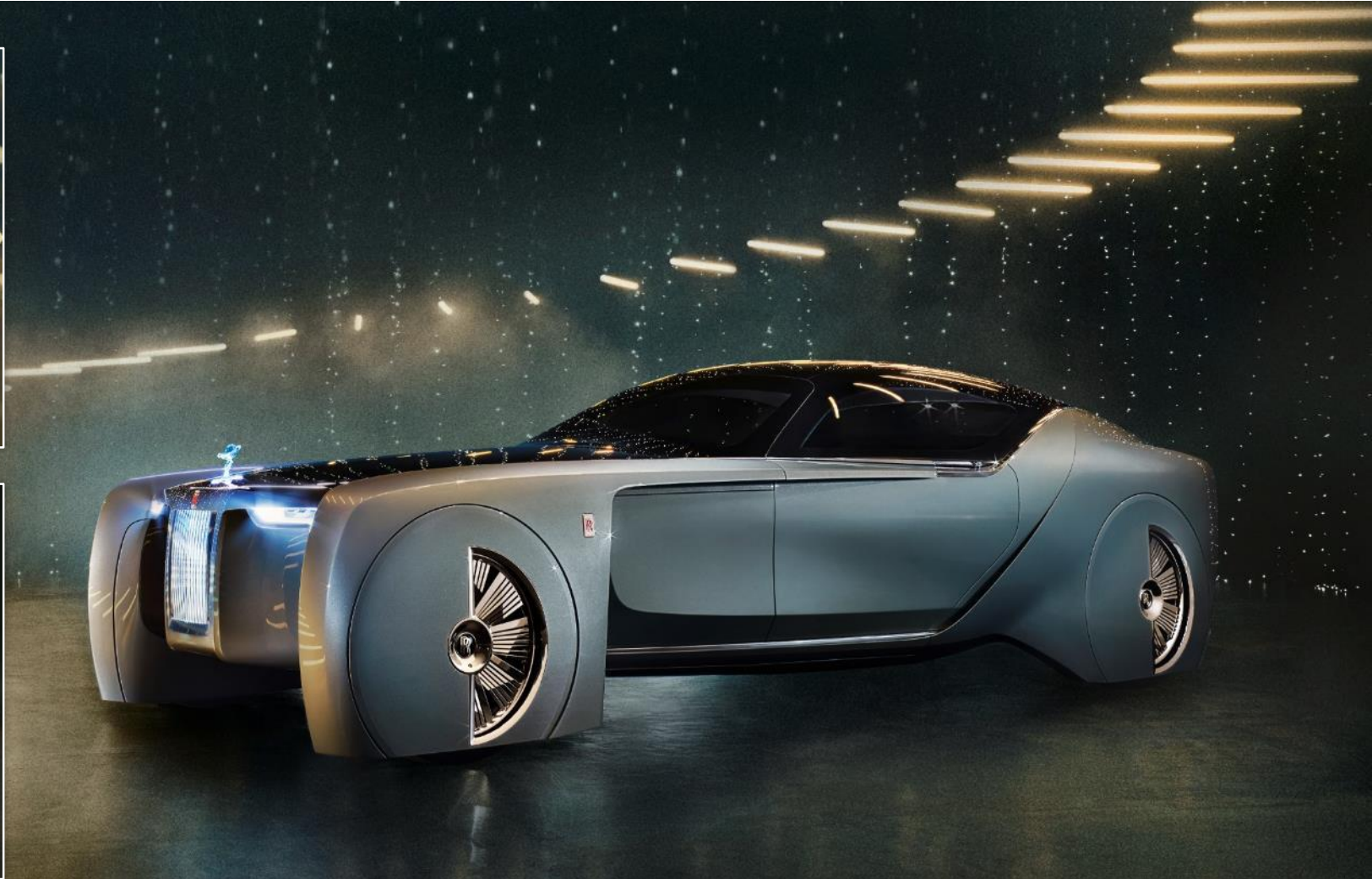
BMW VISION NEXT 100. A GLIMPSE INTO THE FUTURE OF MOBILITY.



MINI VISION NEXT 100. EVERY MINI IS MY MINI.



ROLLS-ROYCE VISION NEXT 100. THE FUTURE OF LUXURY.



BMW MOTORRAD VISION NEXT 100. THE ULTIMATE RIDING EXPERIENCE OF THE FUTURE.



PRODUCTS.

> PROFITABILITY

> BRANDS & DESIGN

> PRODUCTS

> TECHNOLOGIES

> CUSTOMER EXPERIENCE & SERVICES

> DIGITALIZATION



SIXTH GENERATION OF BMW 7 SERIES: THE NEW BENCHMARK IN THE LUXURY SEGMENT.



KEEPING THE LEAD. FURTHER EXPANSION OF THE X-PORTFOLIO PLANNED UNTIL 2020.

BMW X1



BMW X2*



BMW X3



BMW X4



BMW X5



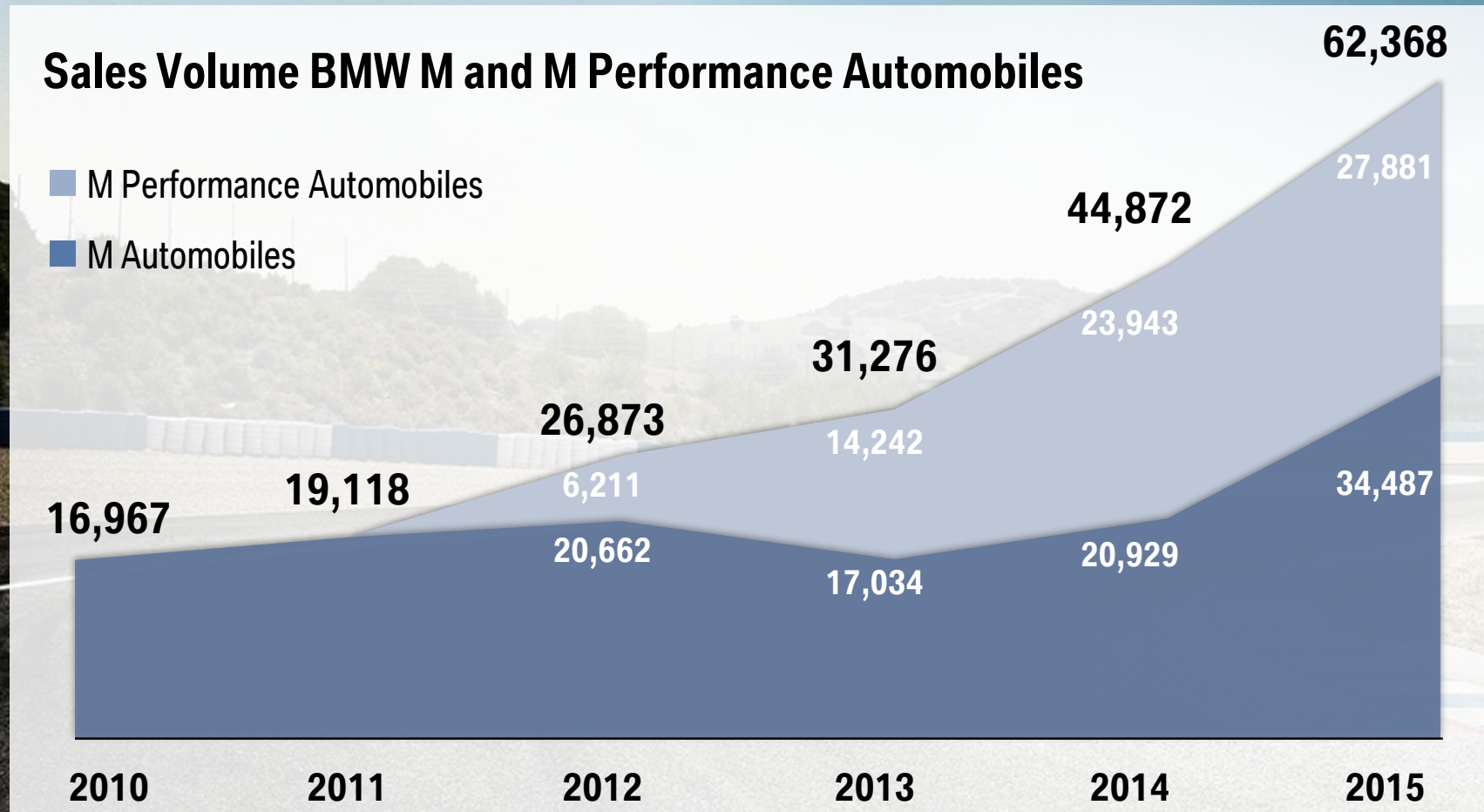
BMW X6



BMW X7

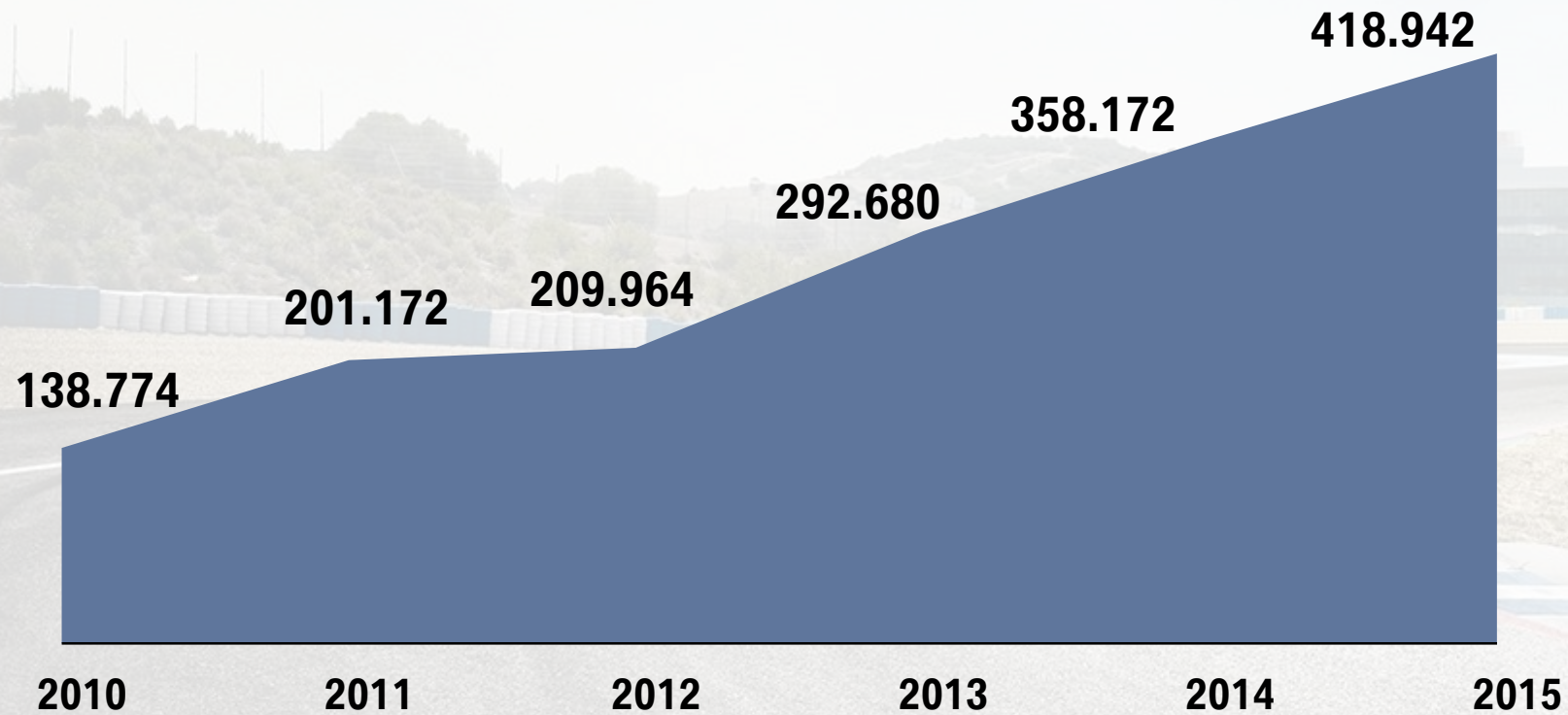


STRONG PERFORMANCE OF M PRODUCTS SERVES AS A STARTING POINT FOR FURTHER GROWTH.



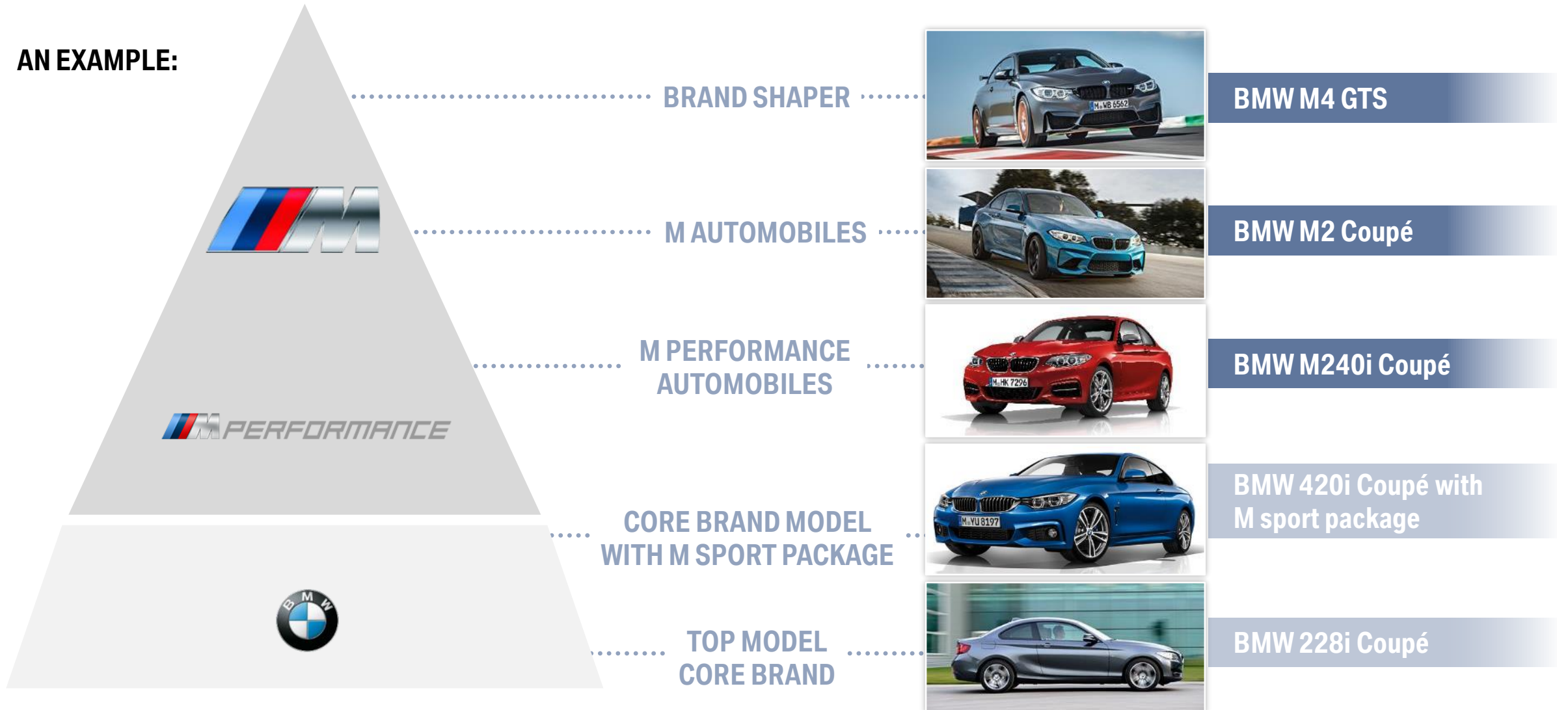
EVERY FIFTH BMW COMES WITH AN M SPORT PACKAGE. ADDITIONAL EQUIPMENT AS A STRONG PROFIT POOL.

Production volume M Sport packages



BMW M AUTOMOBILES ARE THE VERY SPORTY AND DYNAMIC END OF OUR MODEL RANGE.

AN EXAMPLE:



STRONG M PRODUCT PORTFOLIO.



BMW M2 Coupé, launched 04/16



M4 Competition Package, launched 03/16



BMW M4 GTS, launched 03/16



BMW X4 M40i, launched 02/16



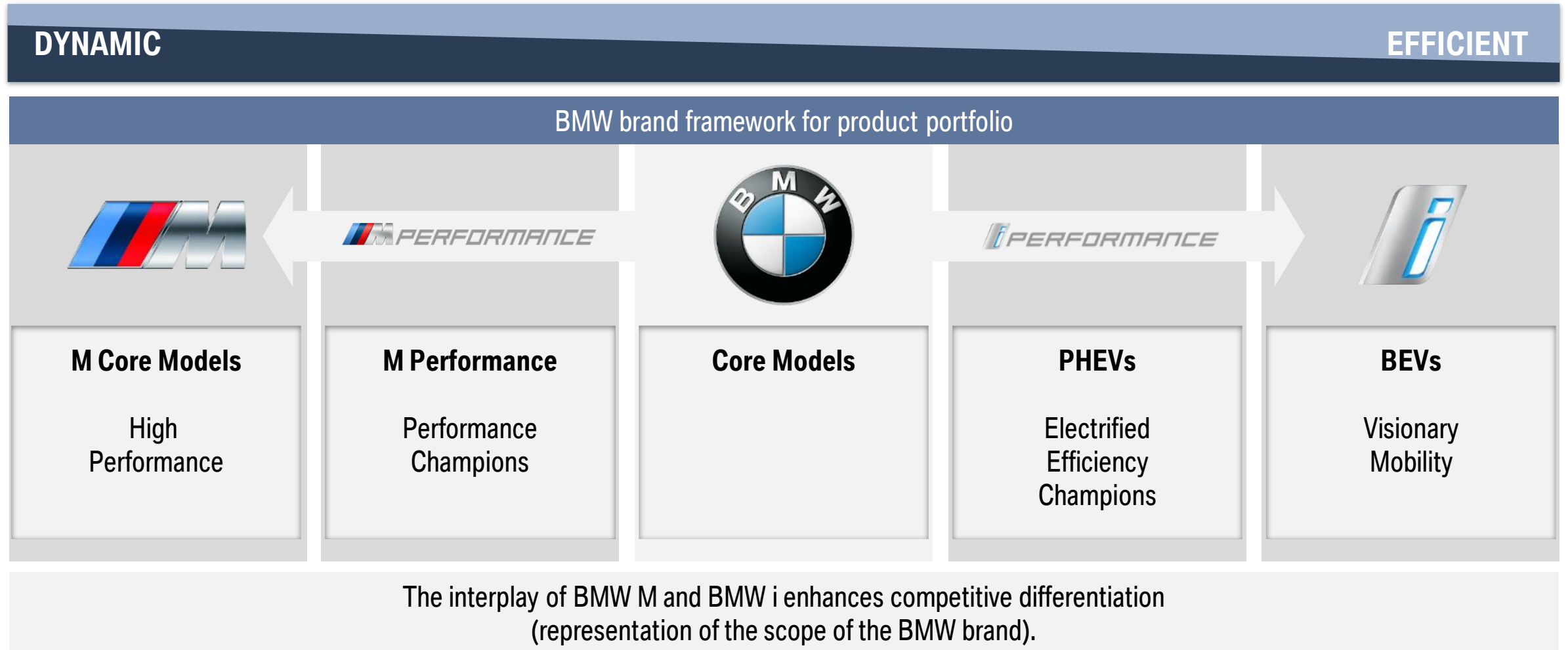
BMW M760Li xDrive, beginning of 2017



M760Li xDrive V12 Excellence, beginning of 2017



iPERFORMANCE AND BMW i – BALANCING THE PRODUCT PORTFOLIO.



ELECTRIFICATION OF PORTFOLIO ACROSS ALL BRANDS, SEGMENTS & SERIES WITH SHARE OF TOTAL SALES INCREASING TO 15-25% IN 2025.

BATTERY ELECTRIC VEHICLES



2013

2016

2017

2018

2020

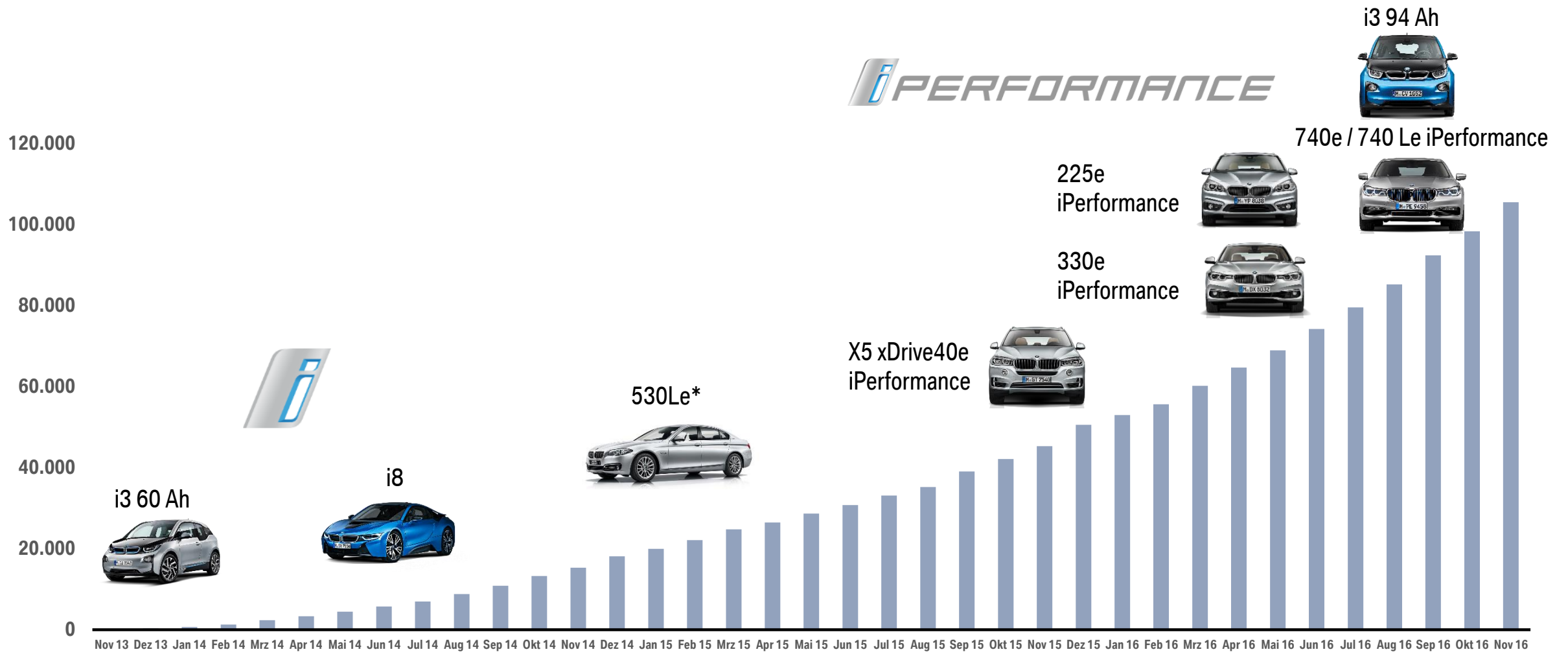
PLUG-IN HYBRIDS



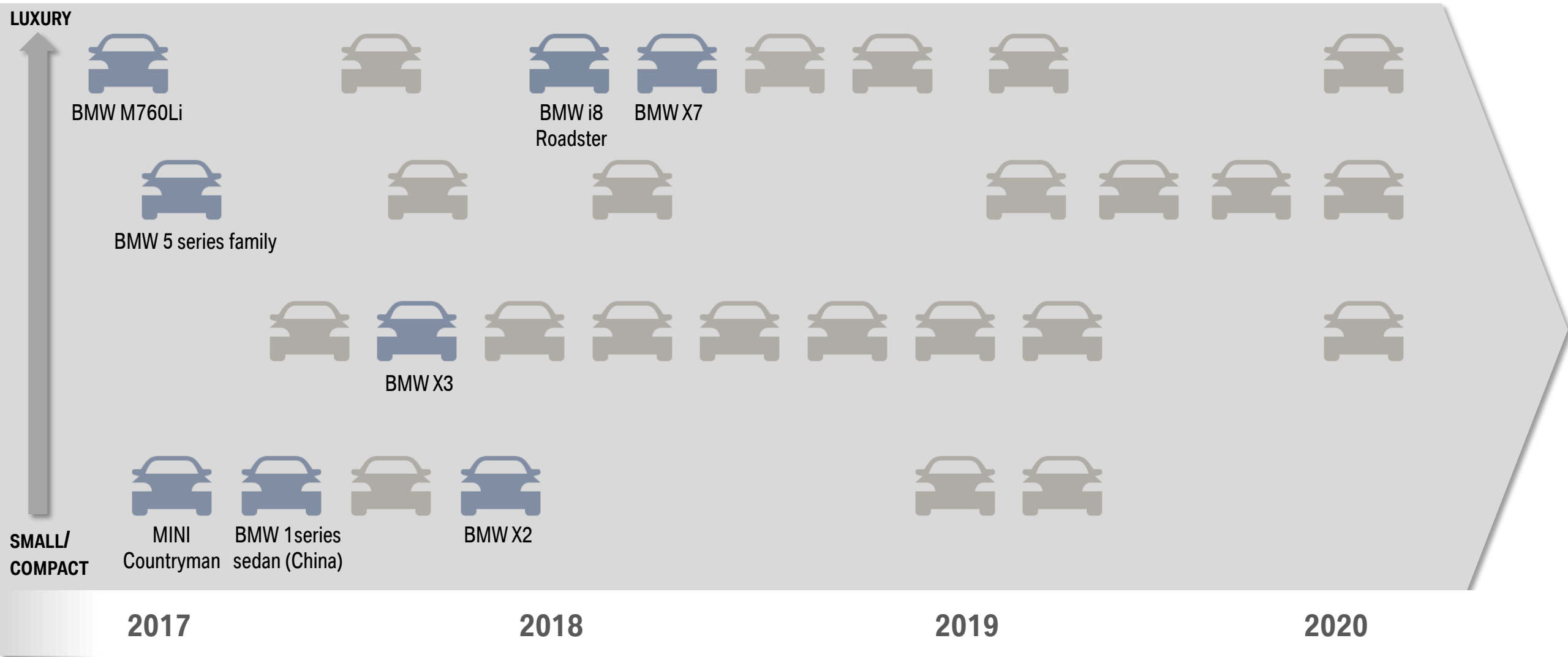
...MORE TO COME



OVER 100,000 ELECTRIFIED BMW VEHICLES SOLD YTD 2016.



MORE THAN 70% OF EXPECTED ANNUAL SALES VOLUME WILL BE RENEWED UNTIL 2020.



MINI – STRENGTHENING THE PORTFOLIO. OPTIMIZATION FROM 8 TO 5 CORE MODELS.



ROLLS ROYCE – REWRITING LUXURY. EXPANSION INTO THE LUXURY SUV AREA.



TECHNOLOGIES.

> DIGITALIZATION

> CUSTOMER EXPERIENCE & SERVICES

> TECHNOLOGIES

> PRODUCTS

> BRANDS & DESIGN

> PROFITABILITY

We shape **FUTURE TECHNOLOGIES.**
We develop innovative technologies
for tomorrow's products and services.



ENSURING OUR POSITION AS TECHNOLOGY LEADER.

Technology and innovation leader

Powertrain technologies



**Efficient
Dynamics
NEXT**



E-Mobility



Hydrogen

Digitalization



Connectivity



**Artificial
Intelligence**



**Autonomous
driving**

DRIVING EXPERIENCE REDEFINED. CUSTOMER BENEFIT AS THE FOCAL POINT.

Delegation

Ability

Safety



Driver unchallenged

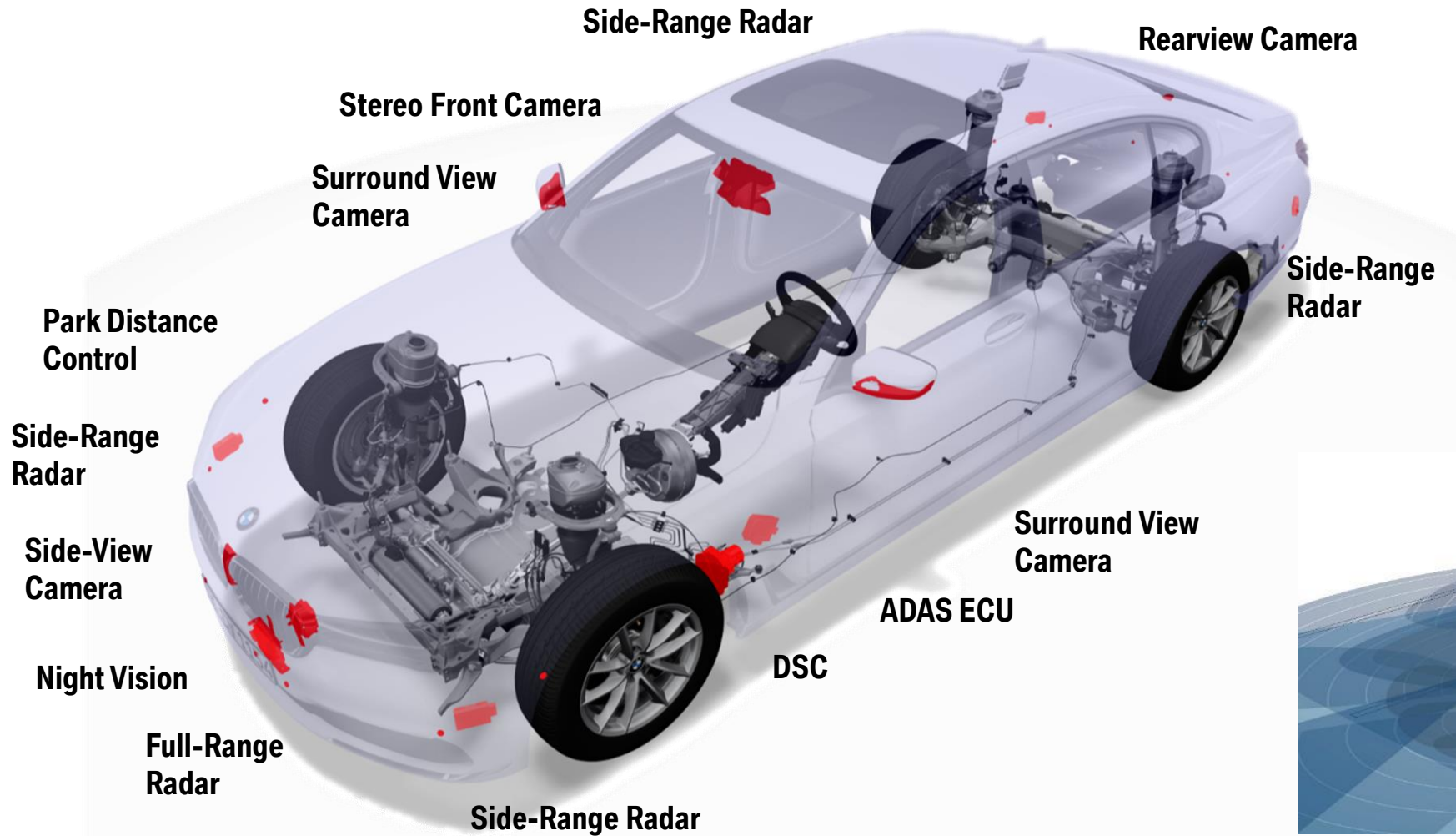
“FLOW”

Driver overchallenged

--- Need for automation of driving tasks



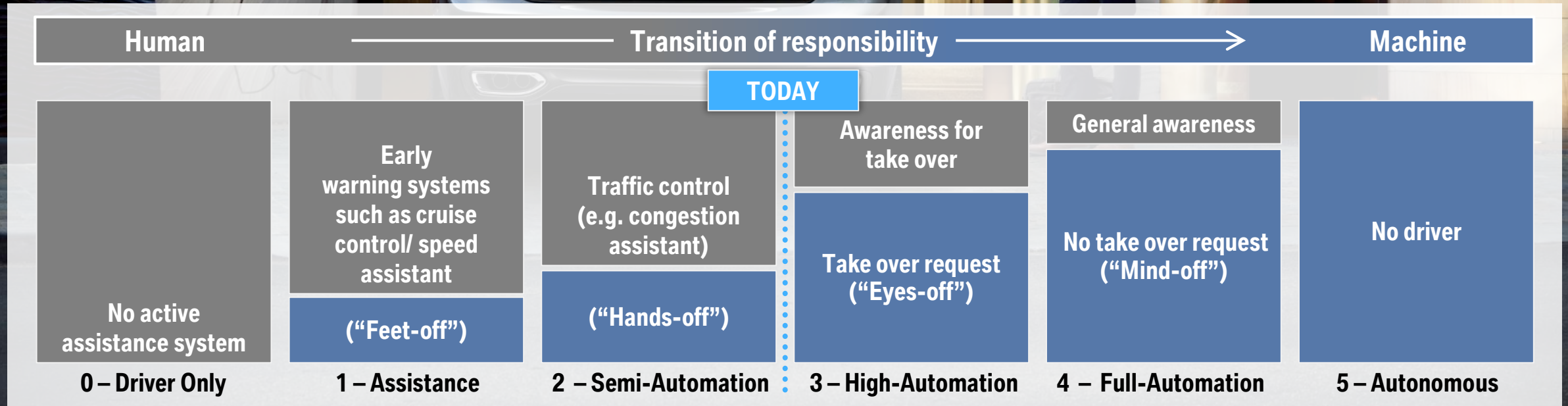
THE NEW BMW 7 SERIES ALREADY OFFERS A COMPREHENSIVE RANGE OF DRIVING ASSISTANCE: SCANNING THE SURROUNDINGS.



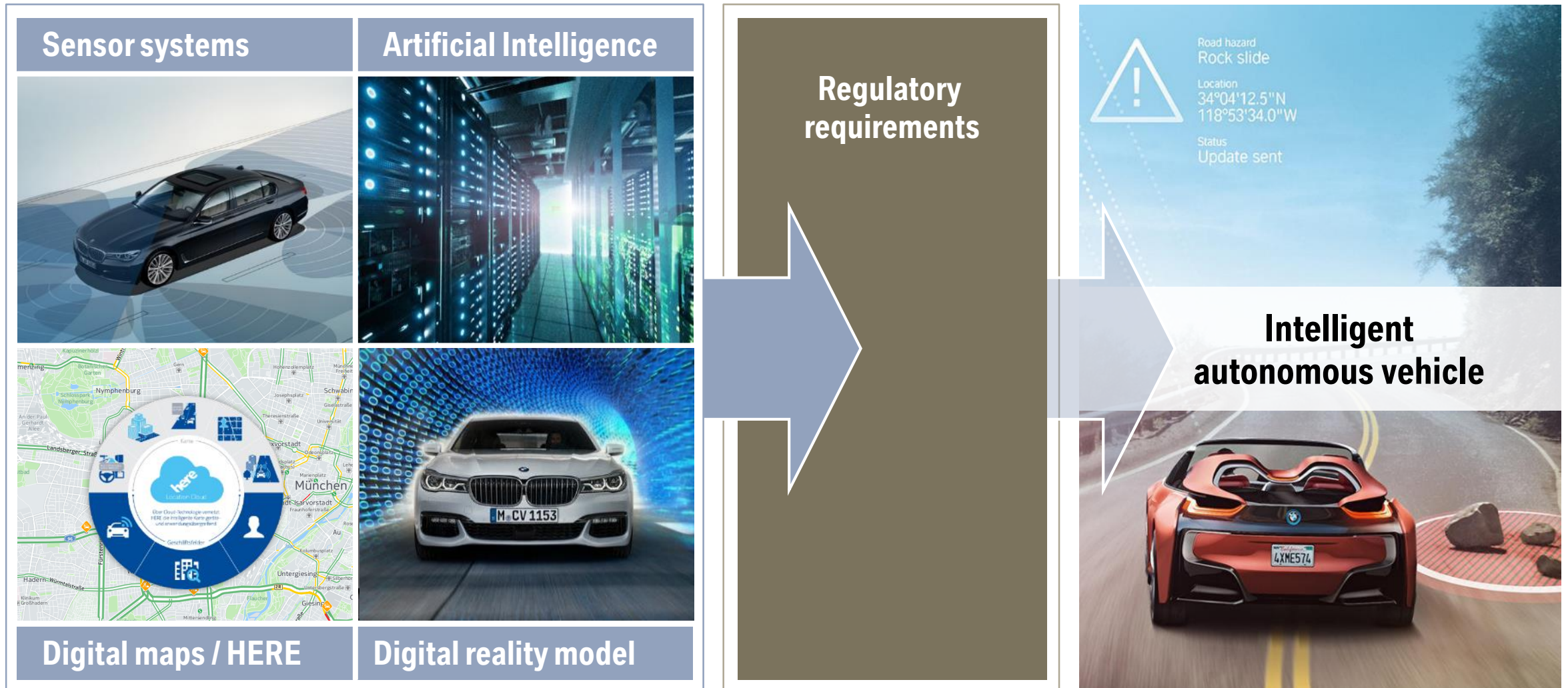
THE NEW BMW 7 SERIES DRIVER ASSISTANCE PROVIDES COMFORT AND SAFETY AT THE HIGHEST LEVEL.



THE NEXT STEPS ARE HIGHLY AND FULLY AUTONOMOUS DRIVING.



MASTERING THE BASIC TECHNOLOGIES IS THE FIRST STEP FOR HIGHLY AUTOMATED DRIVING.



HIGHLY ACCURATE MAPS AND BACKEND CONNECTIVITY. TWO CORNERSTONES FOR HIGHLY AUTOMATED DRIVING.



EN-ROUTE APPROVAL



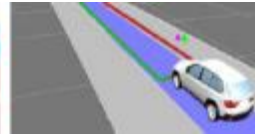
VARIABLE TRAFFIC SIGNS



TRAFFIC CONDITIONS



ROAD WORKS



HIGH-PRECISION DIGITAL MAPS



WEATHER CONDITIONS



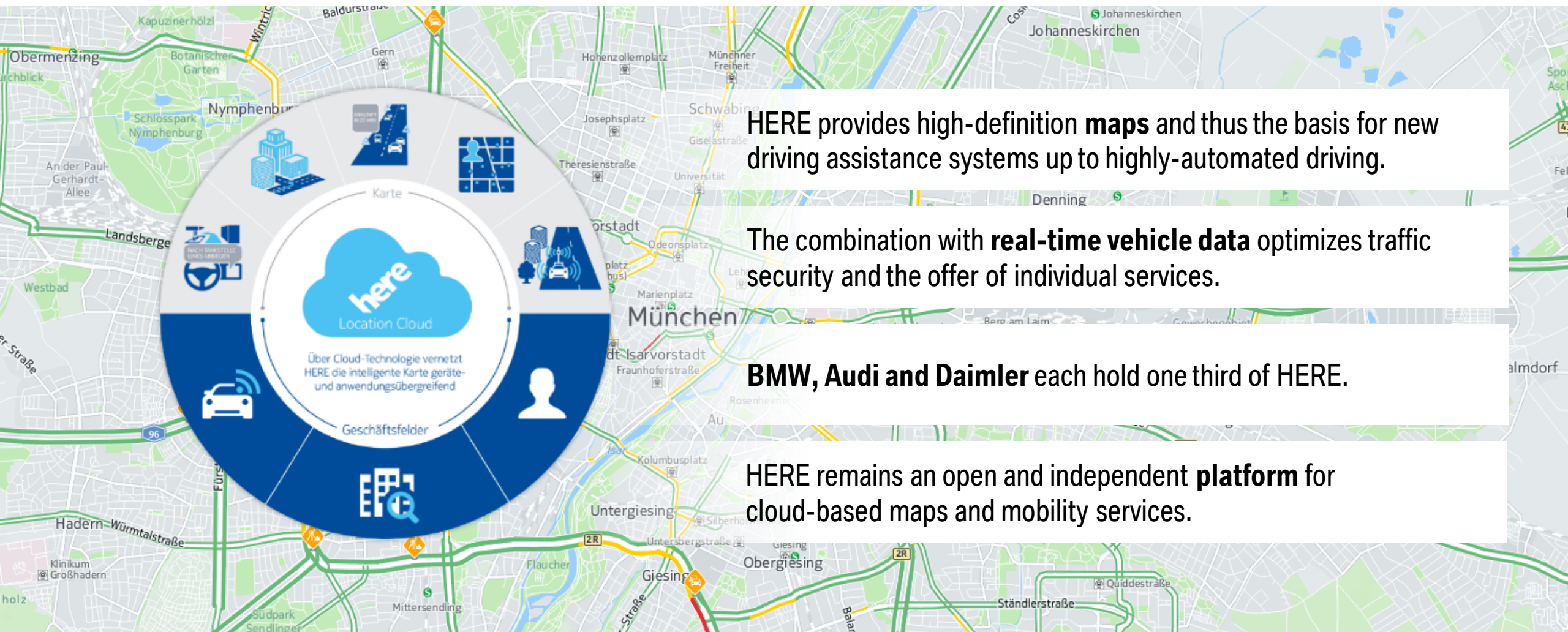
Foresight by Backend > 200 m

Far Range Sensors ~ 200 m

Short/ Mid- Range Sensors ~ 70 m



HIGH-DEFINITION MAPS FOR FUTURE MOBILITY. ACQUISITION OF MAPPING AND LOCATION SERVICE 'HERE'.



HERE provides high-definition **maps** and thus the basis for new driving assistance systems up to highly-automated driving.

The combination with **real-time vehicle data** optimizes traffic security and the offer of individual services.

BMW, Audi and Daimler each hold one third of HERE.

HERE remains an open and independent **platform** for cloud-based maps and mobility services.



BMW GROUP, INTEL AND MOBILEYE TEAM UP TO BRING FULLY AUTONOMOUS DRIVING TO STREETS BY 2021.



JULY 1, 2016

#FUTUREOFDRIVING
#BMWINTELMOBILEYE

BMW
GROUP

THE NEXT
100 YEARS



JULY 1, 2016



Fleets of fully autonomous cars for new mobility services in urban environments

Creation of an **open platform** for the next generation of cars

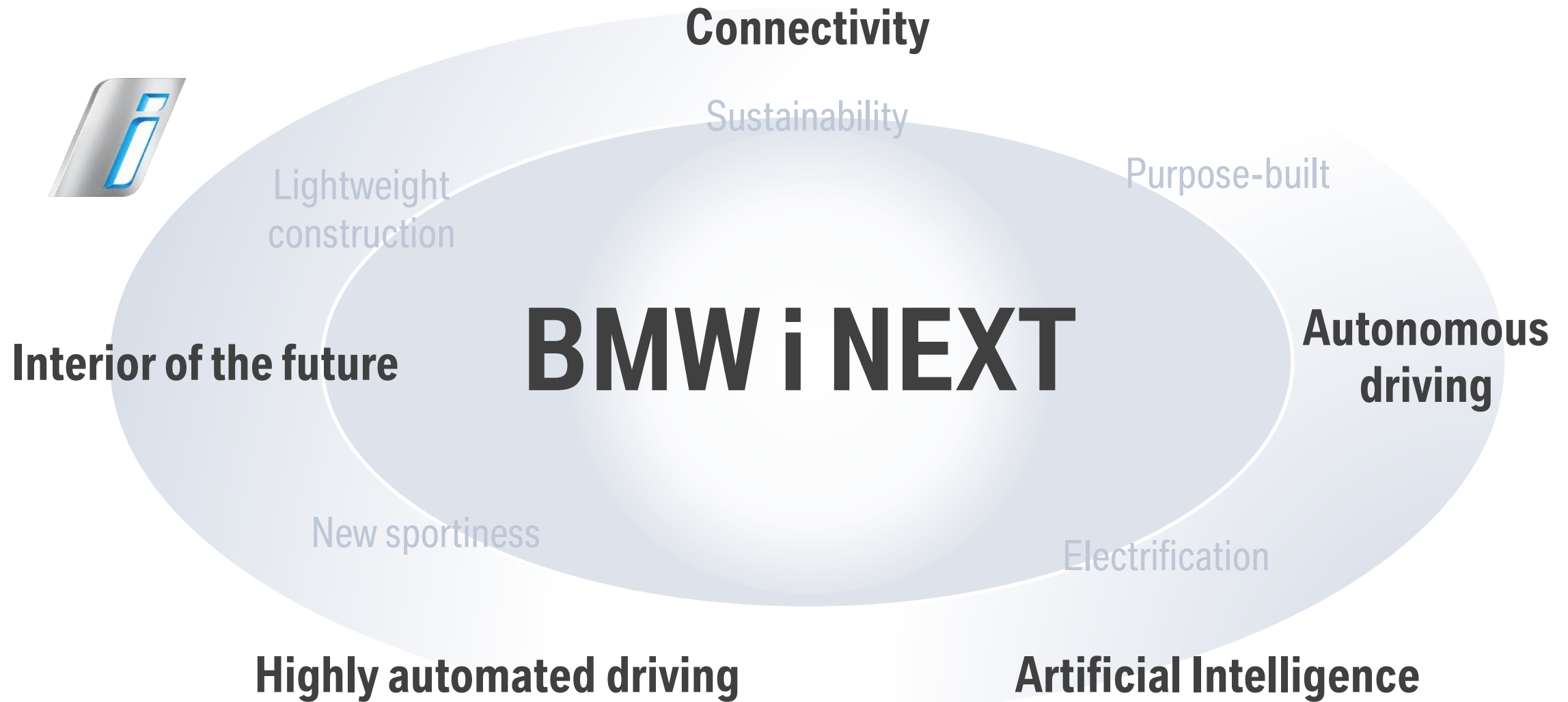
In-vehicle computing, robust cloud and set of machine-learning solutions from **Intel**

Full suite of expertise in sensing, localization, and driving policy from **Mobileye**

BMW iNEXT model will be the basis for fleets of fully autonomous vehicles



PROJECT i 2.0.
THE BMW i NEXT IS THE FUTURE OF MOBILITY.



CUSTOMER EXPERIENCE & SERVICES.

> PROFITABILITY

> BRANDS & DESIGN

> PRODUCTS

> TECHNOLOGIES

> CUSTOMER EXPERIENCE & SERVICES

> DIGITALIZATION

**We offer the
BEST CUSTOMER EXPERIENCE.**



DELIVERING UNIQUE CUSTOMER EXPERIENCES. INDIVIDUAL SOLUTIONS IN REAL TIME.

Individual customer experiences



24/7 and along the customer lifecycle

Omni-channel

360° customer knowledge
Next Best Offer

Consistent customer experience at all physical and digital points of contact

..... Data analytics

Business lines

New cars

Pre-owned cars

Financial services

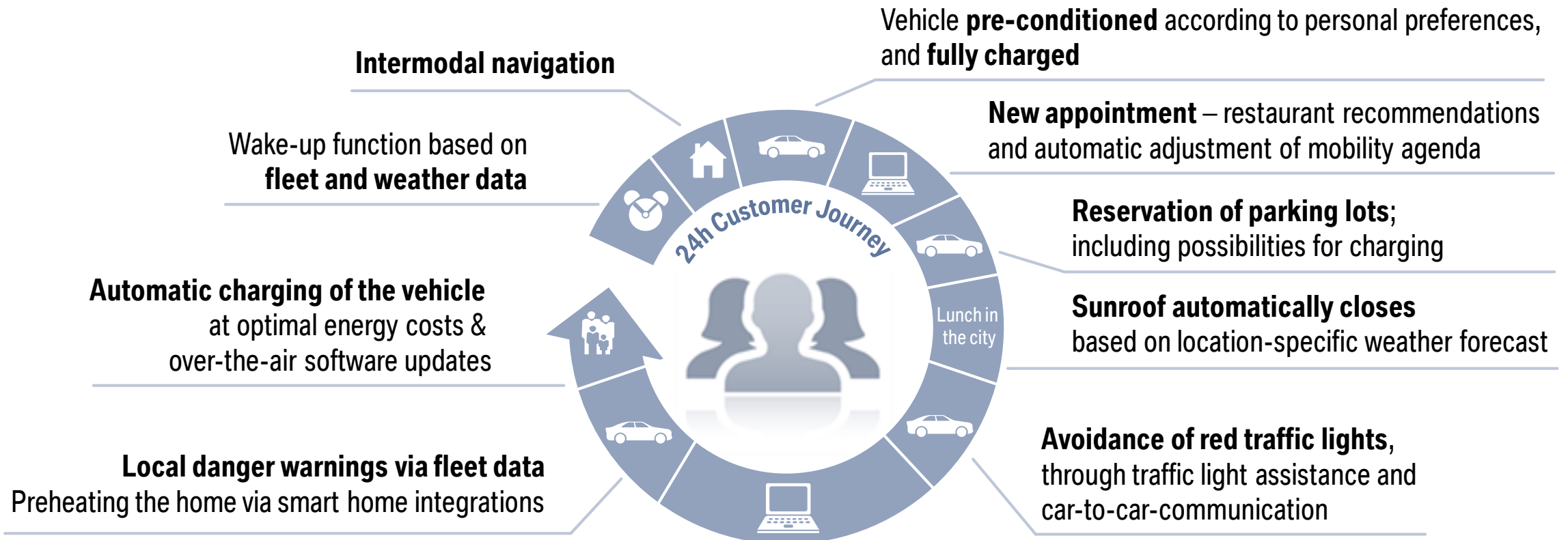
After-sales

Mobility services

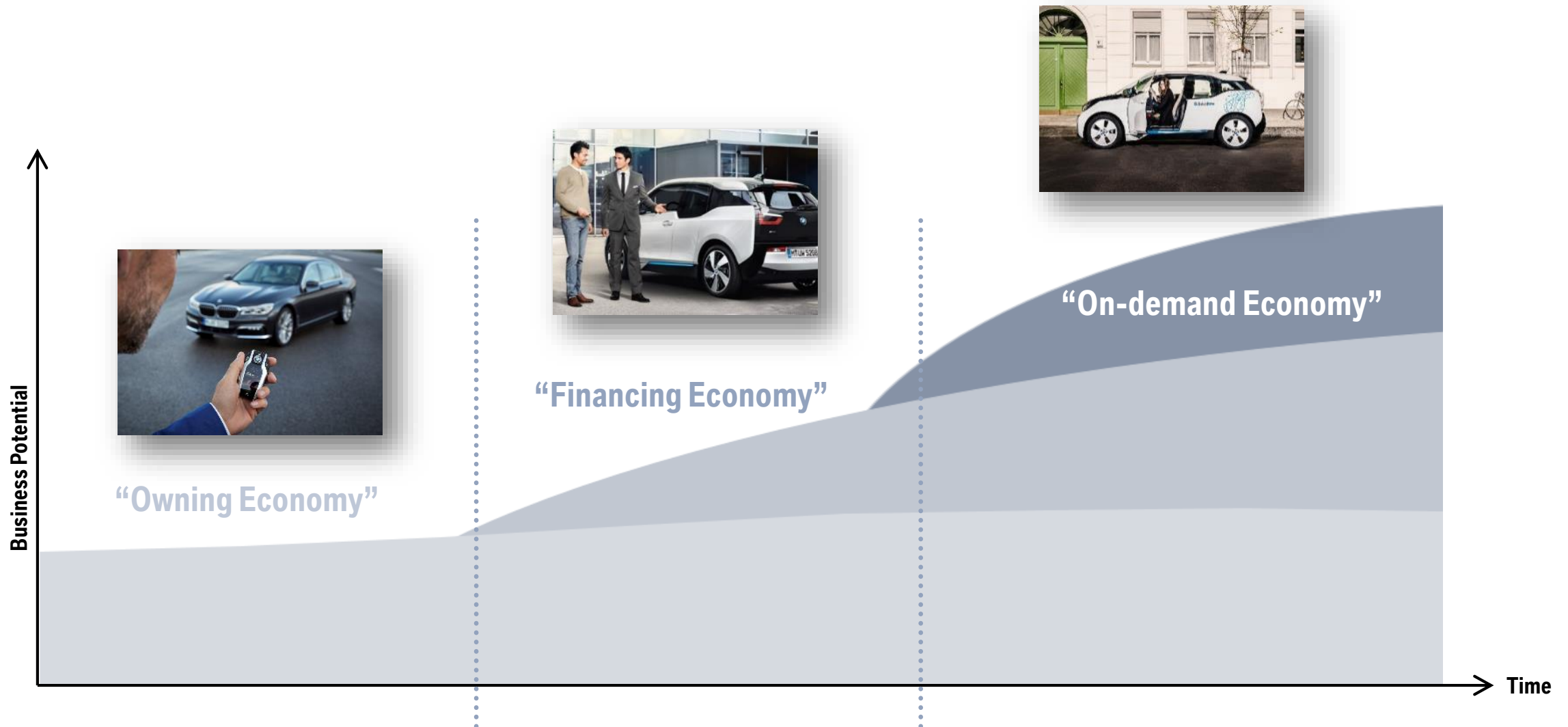


OUR PORTFOLIO OF DIGITAL SERVICES WILL ADDRESS THE WHOLE CUSTOMER JOURNEY.

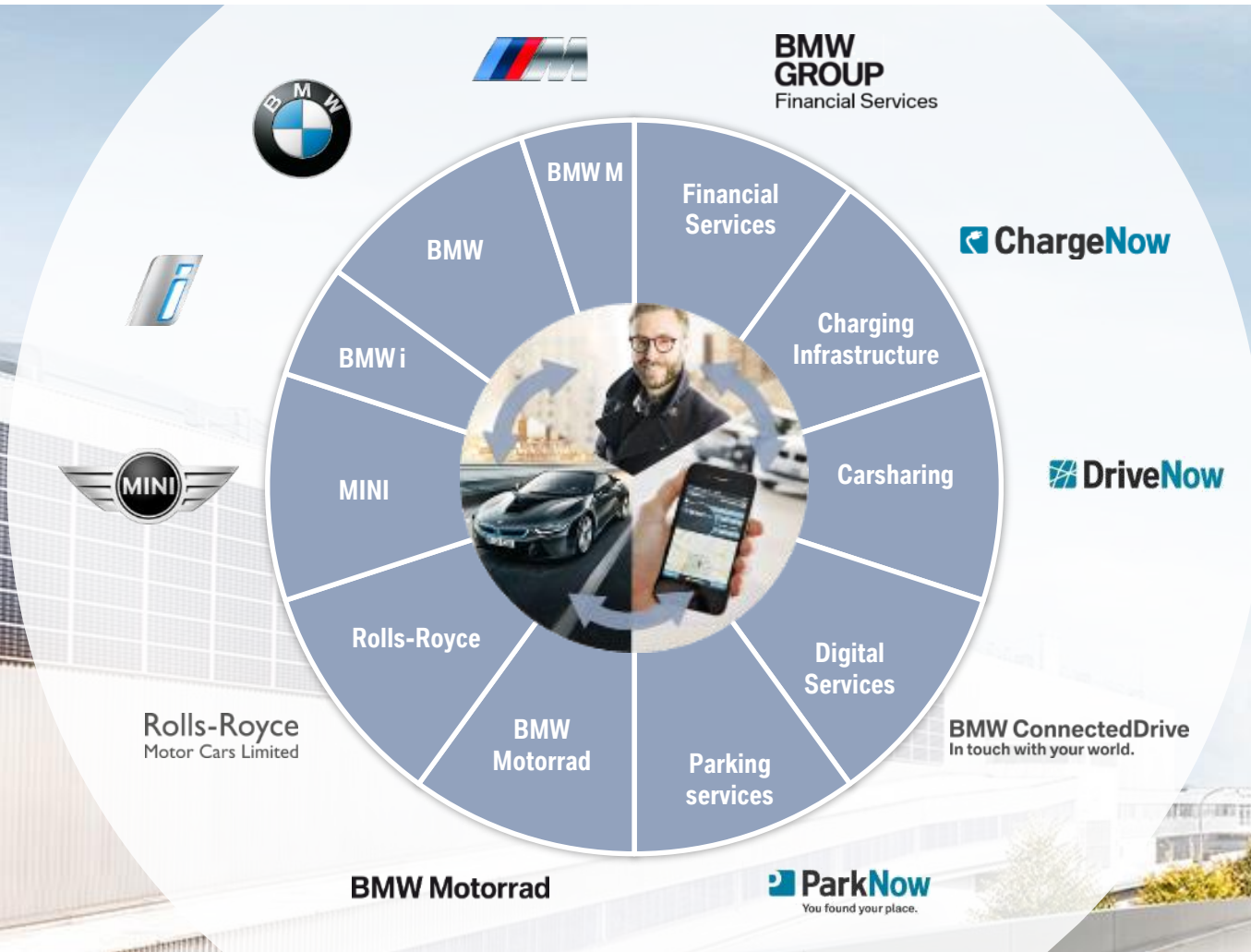
Customer lifetime within the BMW ecosystem



ON-DEMAND ECONOMY OFFERING ADDITIONAL POTENTIAL FOR GROWTH.



WE CREATE THE INDIVIDUAL PREMIUM MOBILITY PORTFOLIO OF THE FUTURE FOR OUR CUSTOMERS .



LEVERAGING POTENTIAL OF DIGITALIZATION AND CONNECTIVITY.



BMW Connected

05 January Tuesday

Pure Drive

Departure 8:10 am

BMW i8

+15 min
70°F

Arrival 9:20 am

comes with
P Parking
Charging

Departure 8:18 am

comes with
P Parking

Departure 3:18 am

comes with
Chauffeur Service
\$25

Departure 8:25 am

comes with
P Parking

BMW Motorbike

DriveNow

Mobility Cloud

BMW Connected

DRIVE NOW. PREMIUM, FREE FLOATING CAR SHARING SERVICE FROM BMW GROUP.

DriveNow Customers are BMW Group's
youngest & most modern
target group

750,000 customers
in **11** cities

5,000+ cars
in the fleets



CAR SHARING EXPERIENCE ON A NEW LEVEL. REACH NOW TO INTRODUCE UNIQUE FEATURES TO THE CUSTOMERS.

Launched in April
2016 in **Seattle**

Additional services available:

- Vehicle Delivery Service
- Long period use of vehicles
- Carsharing for closed user groups
- Chauffeur Service – Car with driver
- Renting out your own car via ReachNow

More cities
to come soon



370 cars



PREMIUM MOBILITY SERVICES CHARGENOW AND PARKNOW MAKE CHARGING AND PARKING EASIER THAN EVER.

42,000+ charging points
in 25 countries



On- and off-street
parking



Cashless

Time & cost
efficient

Launched
in March 2016
in Austria & Germany

in cooperation with BMW i.



ParkNow



DIGITALIZATION.

> DIGITALIZATION

> CUSTOMER EXPERIENCE & SERVICES

> TECHNOLOGIES

> PRODUCTS

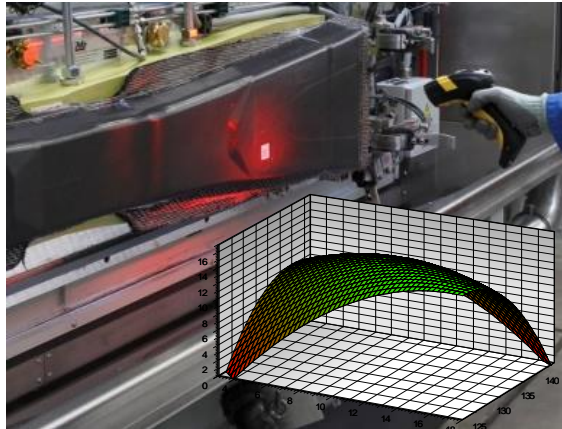
> BRANDS & DESIGN

> PROFITABILITY



INTELLIGENT AND INNOVATIVE PRODUCTION. DIGITALIZATION CREATES NEW OPPORTUNITIES.

Data and Analytics

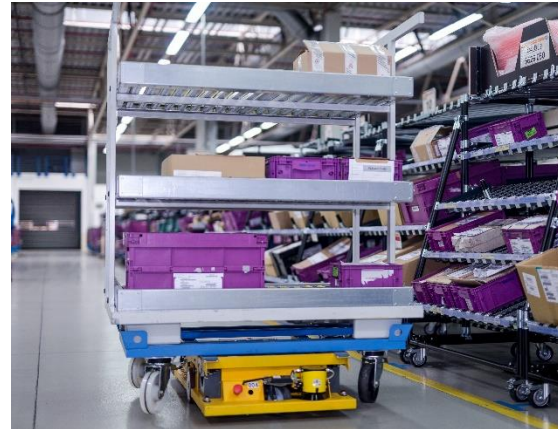


Internet-of-Things
Architecture

Data Management for Planning
and Control

Cyber Security

Smart Logistics

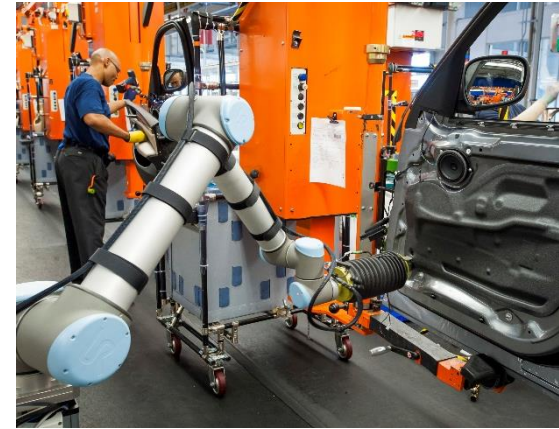


Autonomous Transport Systems

Global Supply Chain
Visibility and Control

Integrated Supplier Networks

Innovative Automation



Collaborative Robot Systems

Context-sensitive Worker
Support Systems

Reorganization of Work

Additive Manufacturing



Laminate or Metal

Serial Production
and Rapid Prototyping

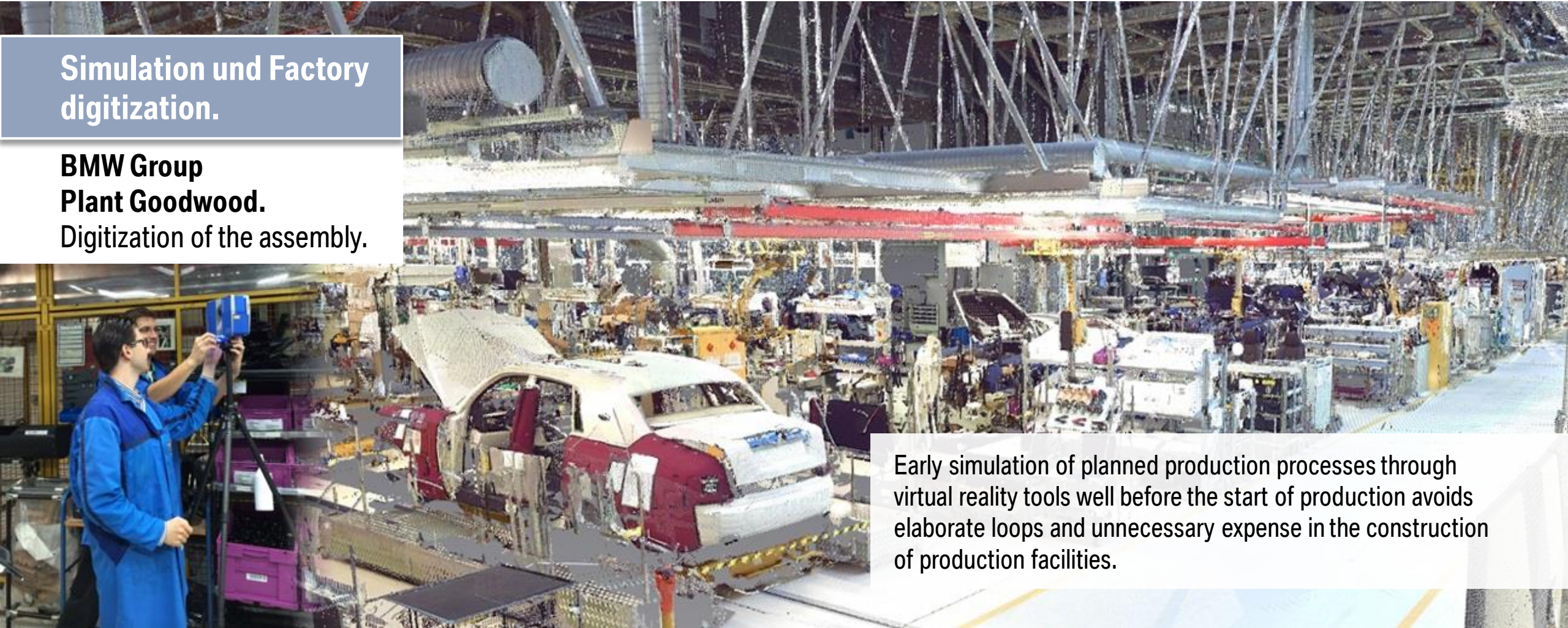
New Individualization



CONNECTING THE REAL WORLD WITH THE DIGITAL WORLD FACILITATES PLANNING OF ROBUST PRODUCTION LAUNCHES.

Simulation und Factory digitization.

**BMW Group
Plant Goodwood.**
Digitization of the assembly.



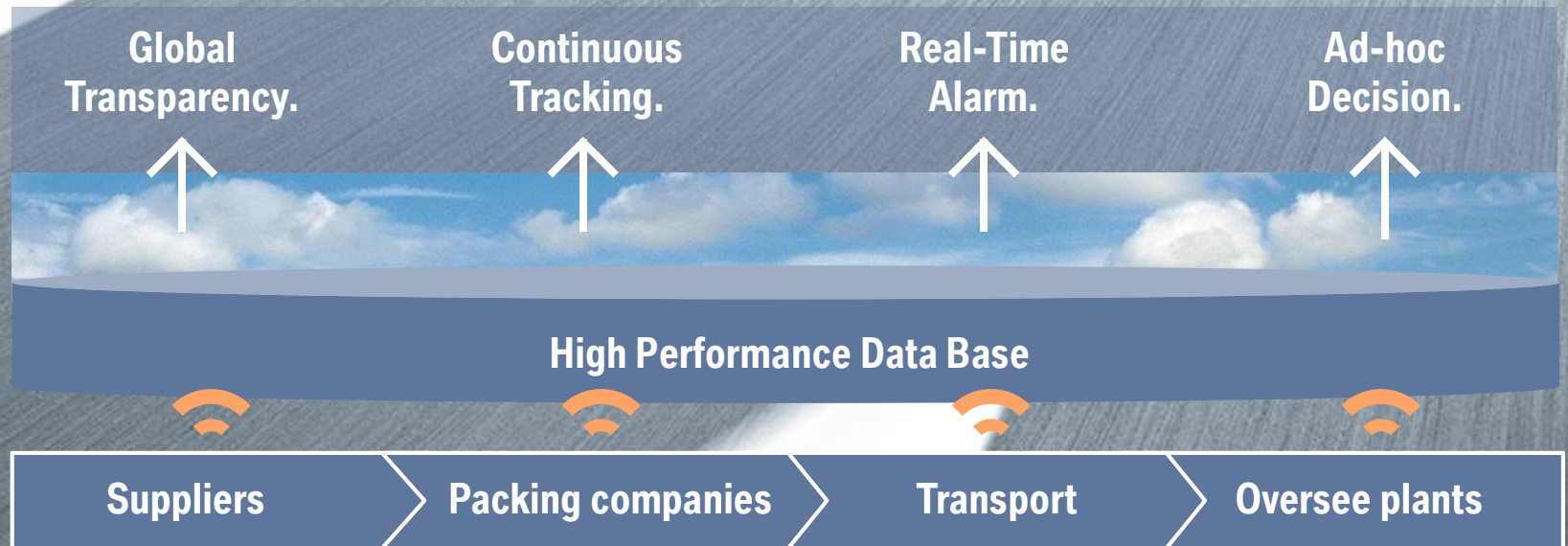
Early simulation of planned production processes through virtual reality tools well before the start of production avoids elaborate loops and unnecessary expense in the construction of production facilities.



“BIG DATA” TECHNOLOGIES INCREASE TRANSPARENCY IN THE INTERNATIONAL SUPPLY NETWORK.

Smart Logistics.

BMW Group
Oversee supply network



Big Data helps to increase supply security and to reduce high transport costs which would be incurred through bottlenecks.

Optimizing inbound logistics by better use of existing data has resulted in a benefit of EUR 200 million with an expense of EUR 1 million.



COLLABORATIVE LIGHTWEIGHT ROBOTS TAKE OVER PHYSICALLY DEMANDING ACTIVITIES.

Innovative Robot systems.

**BMW Group
Plant Dingolfing.**
Fixing the door insulation.



PROFITABILITY.

> PROFITABILITY

> BRANDS & DESIGN

> PRODUCTS

> TECHNOLOGIES

> CUSTOMER EXPERIENCE & SERVICES

> DIGITALIZATION

As a consequence, we consistently generate
EXCELLENT RESULTS.



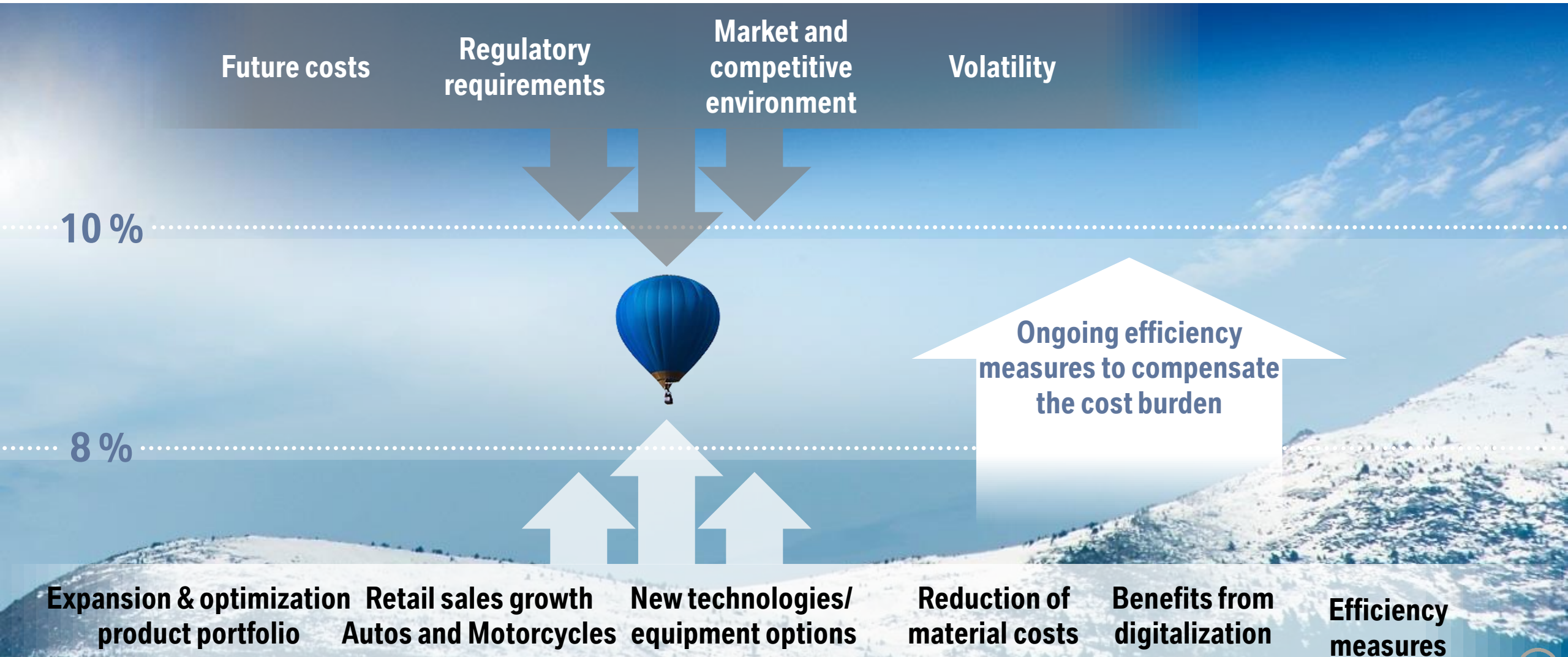
FINANCIAL TARGETS 2020: SUSTAINABLE GROWTH AND SOLID PROFITABILITY DESPITE CHALLENGES.

BMW Group	2015	2020
EBT margin (from 2017)	10.0%	>10%
Investment ratio*	4.2%	<5.0%
Research and development ratio	5.6%	5.0 - 5.5%
Payout ratio	32.9%	30 - 40%
Automotive Segment		
EBIT margin	9.2%	8 -10%
Free Cashflow	5.4 bn €	>3 bn €
Motorcycles Segment		
Sales volume	136,963 units	> 200,000 units
EBIT margin (from 2017)	9.1%	8 -10%
Financial Services Segment		
Return on Equity	20.2%	>18%

* Investments in property, plant and equipment and other intangible assets (without capitalized development costs).



MAINTAINING THE AUTOMOTIVE EBIT MARGIN IN THE CORRIDOR OF 8-10% DESPITE ONGOING CHALLENGES.



STRENGTHENING PROFITABILITY BY SALES GROWTH AND PRODUCT EXPANSION.

High Performance Cars



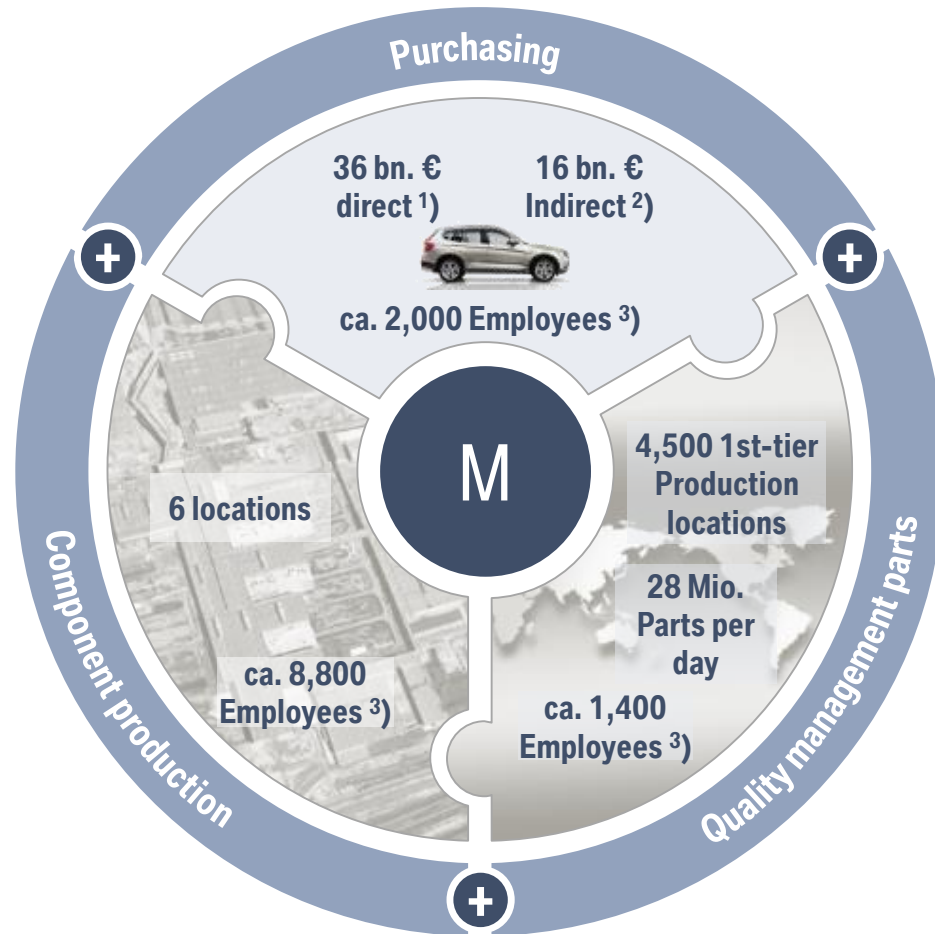
Luxury Segment



BMW i



MANAGING THE SUPPLY CHAIN AND COMPONENT PRODUCTION IS A KEY SUCCESS FACTOR.



The integration of purchasing, component production and Parts Quality Management is the basis for a sustainable supply chain.

¹⁾ 2015; Europe: 28 bn. €, NAFTA: 6 bn. €, Asia/Other: 2 bn. €

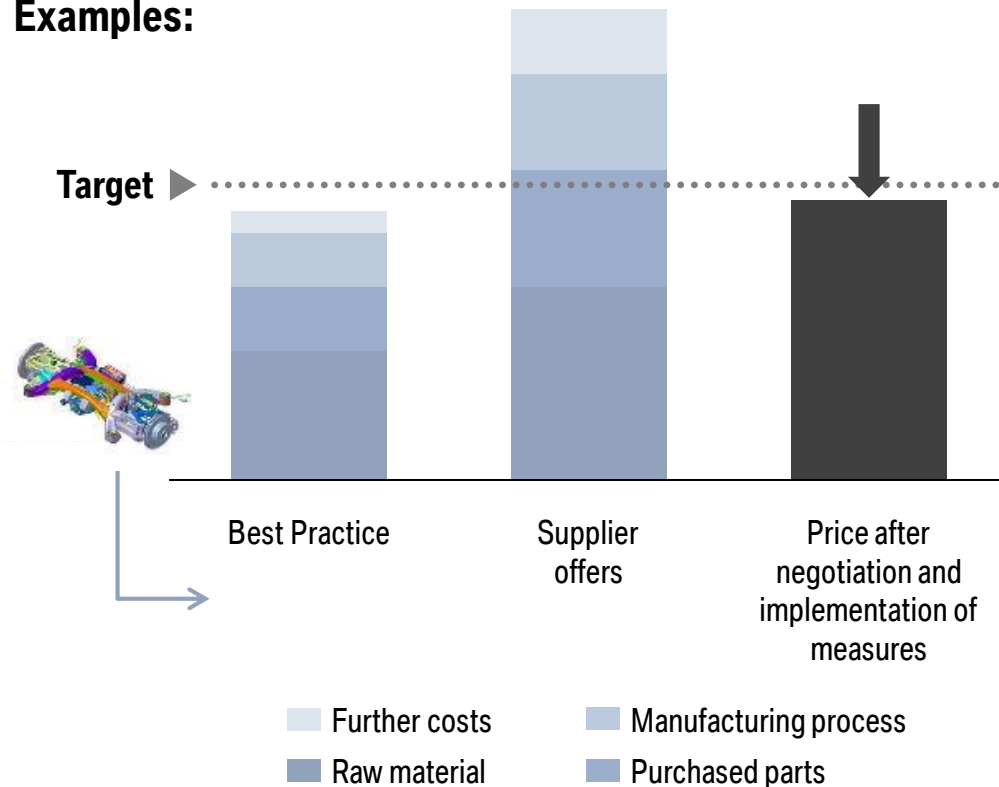
²⁾ 2015; Europe: 11,5 bn. €, NAFTA: 1,5 bn. €, Asia/Other: 3 bn. €

³⁾ 31.12.2015

COST ANALYSIS IS THE STARTING POINT FOR COST OPTIMIZATION MEASURES IN PURCHASING.

Cost analysis creates transparency

Examples:



Strategic measures

Better understanding of the cost components and drivers.

Generate input for purchasing strategies and negotiations.

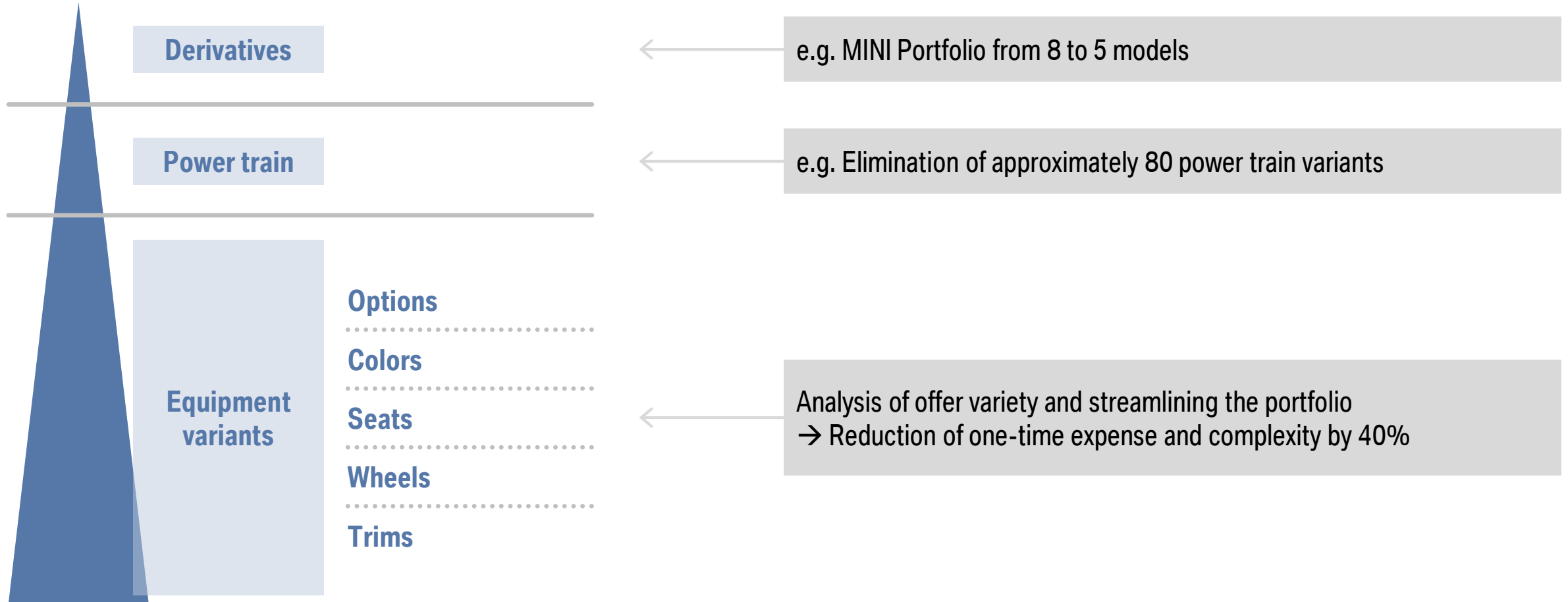
Definition of measures to implement a best-cost approach.



PROJECT SIMPLIFY: REDUCTION OF COMPLEXITY BY OPTIMIZATION AND VERIFICATION OF OFFER VARIETY.

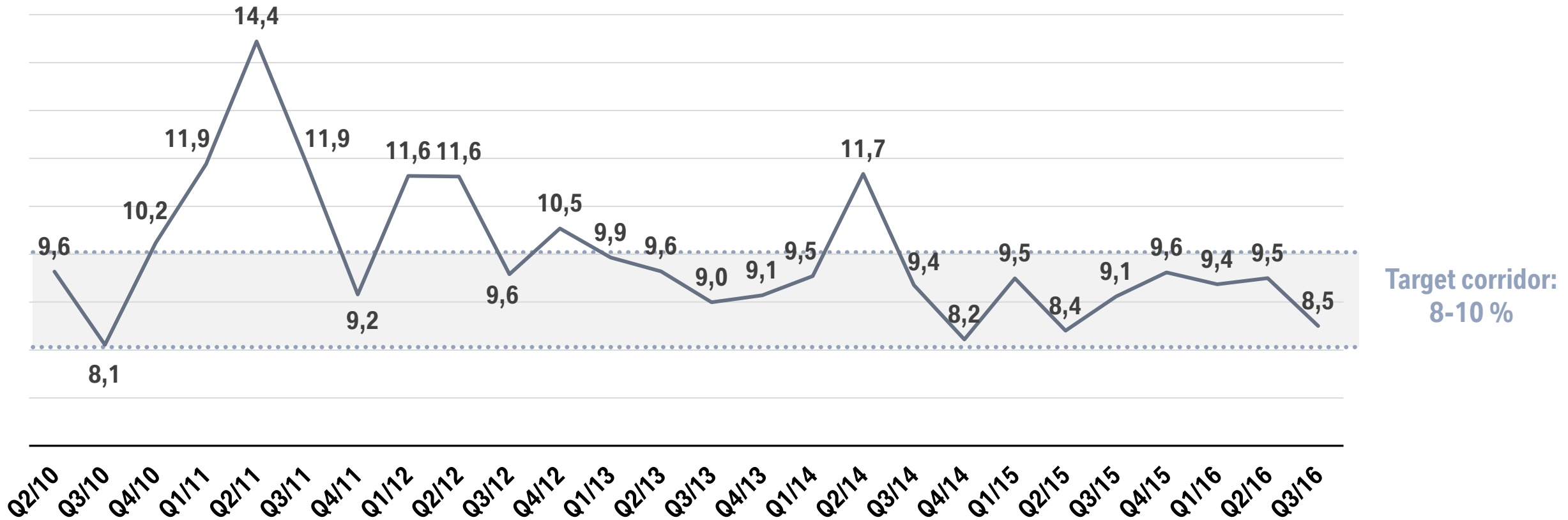
Variants pyramid

Sublevel



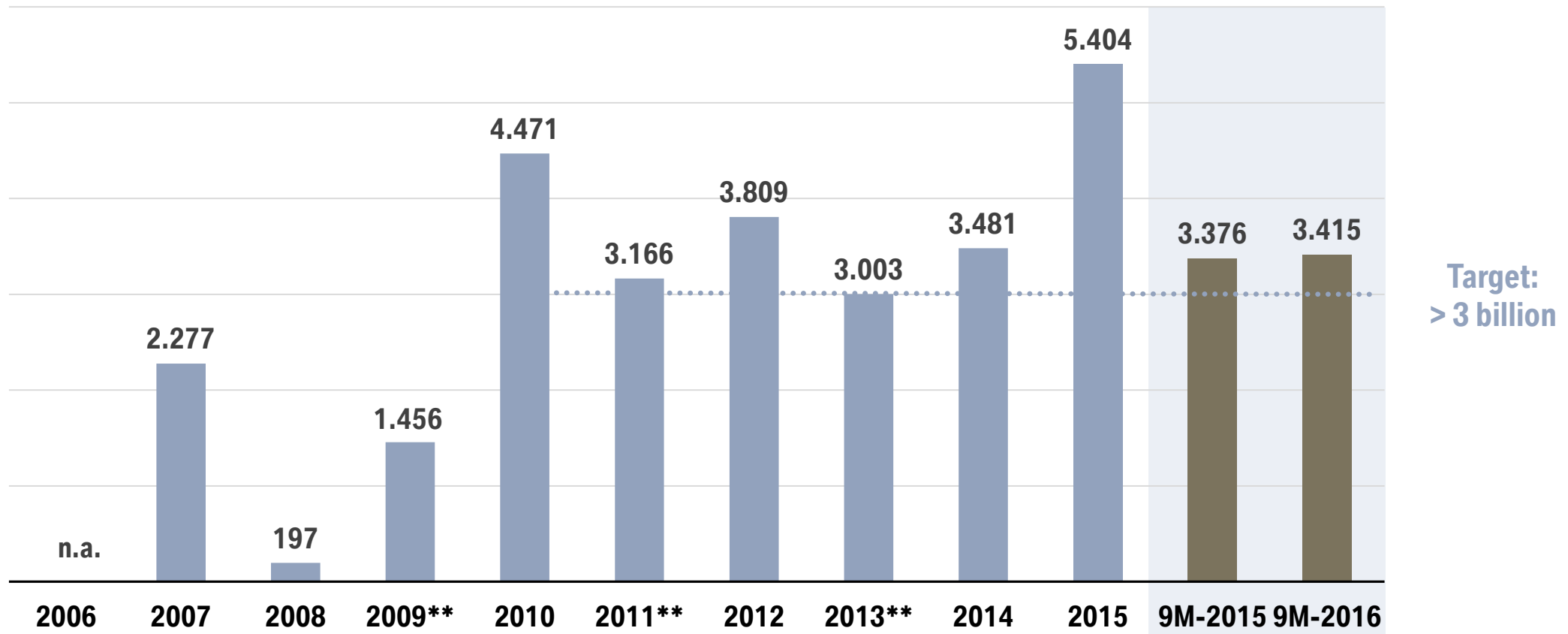
26TH CONSECUTIVE QUARTER TO ACHIEVE AUTOMOTIVE SEGMENT EBIT MARGIN WITHIN TARGET RANGE OF 8 TO 10% OR HIGHER.

EBIT margin development automotive segment [in %]



SOLID FREE CASH FLOW DEVELOPMENT IN THE AUTOMOTIVE SEGMENT.

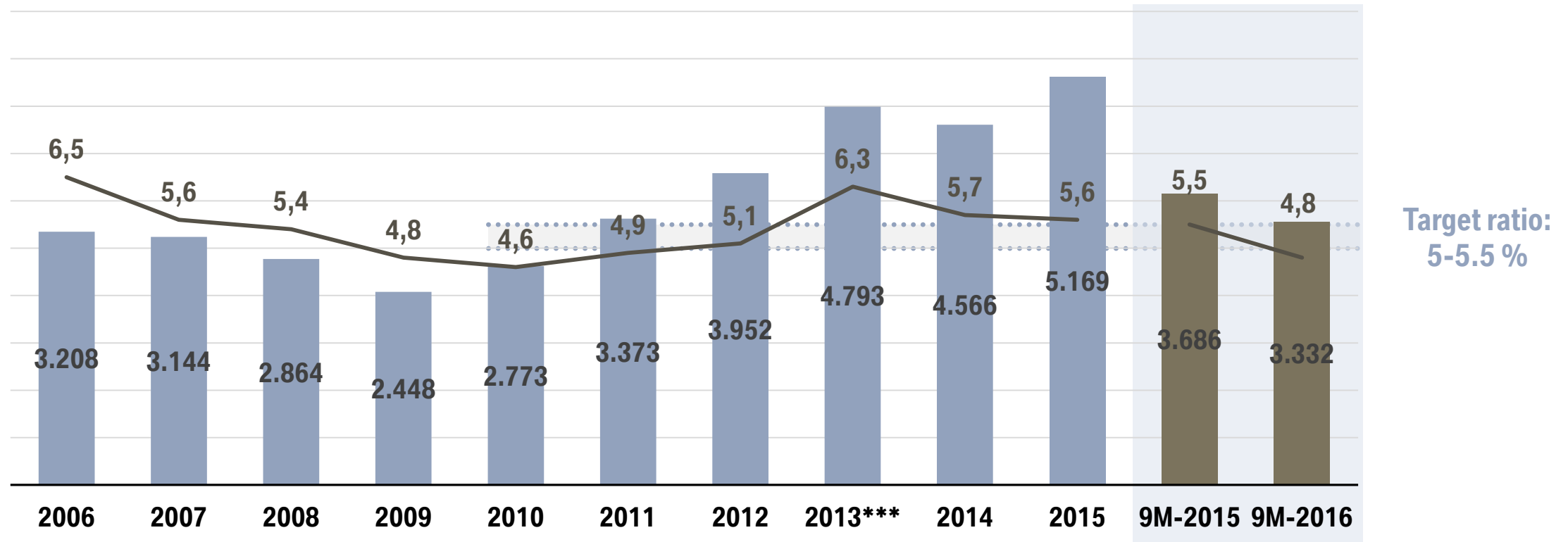
Free Cash Flow (Automotive)* [in m€]



ONGOING RESEARCH & DEVELOPMENT PROJECTS TO MAKE BMW GROUP FUTURE PROOF.

R&D Costs*
[in m€, HGB]

R&D Ratio**
[in %, HGB]



HGB: German Commercial Code

* R&D Expenditure: Research and development expenses plus capitalized research and development cost minus amortization of capitalized development costs.

** R&D Ratio: R&D expenditure divided by Group revenues.

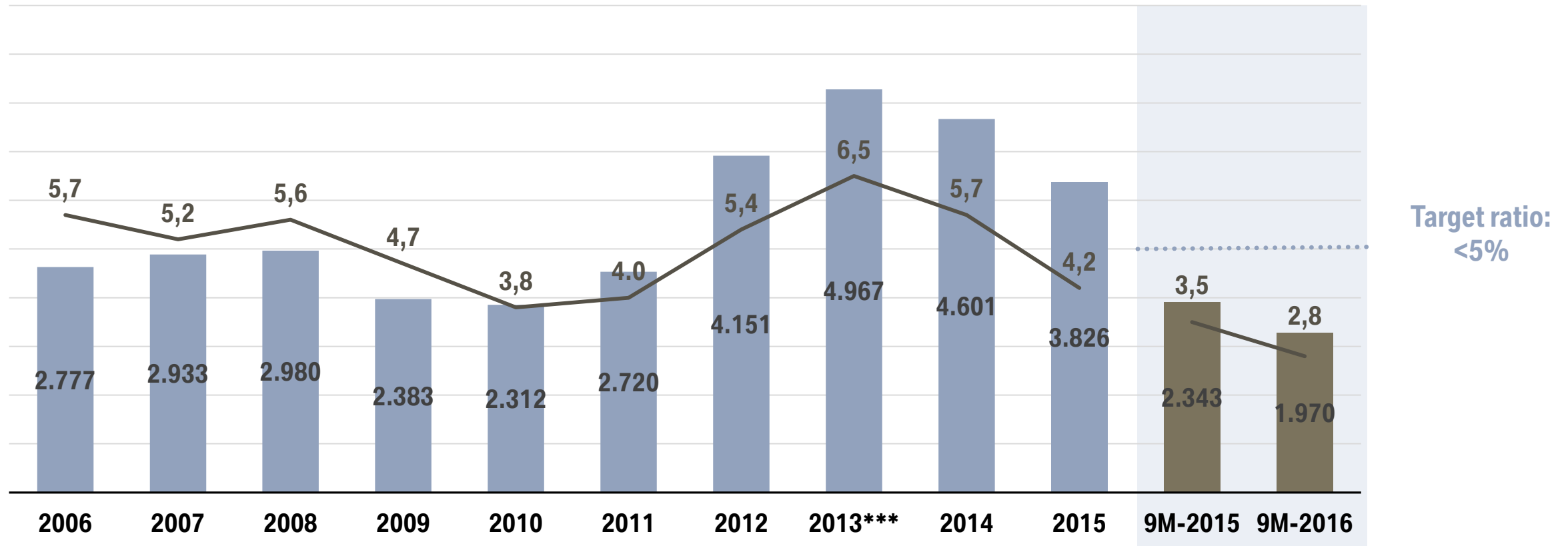
*** 2013 figures have been adjusted in accordance with IAS 8.



TIGHT MANAGEMENT OF CAPITAL EXPENDITURE TO ACHIEVE TARGET RATIO.

BMW Group Capital Expenditure*
[in m€]

Capex Ratio**
[in %]



* Capital Expenditure: additions to property, plant and equipment and other intangible assets (definition has been changed in 2016).

** Capital expenditure ratio: Capital expenditure divided by Group revenues.

*** 2013 figures have been adjusted in accordance with IAS 8.



WE HAVE THE MOST EMOTIONAL PRODUCTS AND ATTRACTIVE SERVICES.



COMPETITIVE ADVANTAGE

**We unite excitement,
responsibility and success:
We have the most emotional
products and attractive services.**



CULTURE

**We create the future:
We combine operational excellence and
fresh thinking.**

RESPONSIBILITY

APPRECIATION

TRANSPARENCY

TRUST

OPENNESS



CONTENT.

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BMW GROUP – 2015 FINANCIAL YEAR. POSITIVE BUSINESS DEVELOPMENT WITHIN A VOLATILE ENVIRONMENT.

BMW Group	2015	2014	Change in %
Earnings before tax – Group (in m€)	9,224	8,707	+ 5.9
EBT margin (in %) – Group	10.0	10.8	-0.8 pp
Automotive Segment			
Automotive sales (units)	2,247,485	2,117,965	+ 6.1
Earnings before interest and tax (EBIT) (in m€)	7,836	7,244	+ 8.2
EBIT margin (in %)	9.2	9.6	-0.4 pp
Net financial assets (m€)	16,911	14,223	+18.9
Motorcycles Segment			
Sales (units)	136,963	123,495	+ 10.9
Earnings before interest and tax (EBIT) (in m€)	182	112	+ 62.5
EBIT margin (in %)	9.1	6.7	+2.4 pp
Financial Services			
Earnings before tax (EBT) (in m€)	1,975	1,723	+ 14.6
Penetration rate (in %)	46.3	41.7	+4.6 pp
Credit loss ratio (in %)	0.37	0.50	+0.13 pp



THE BMW GROUP CONTINUED TO CHART A COURSE OF PROFITABLE GROWTH IN THE THIRD QUARTER 2016.

BMW Group	Q3-2016	Q3-2015	Change in %
Earnings before tax – Group (in m€)	2,575	2,263	+13.8
EBT margin (in %) – Group	11.0	10.1	+0.9 pp
Automotive Segment			
Automotive sales (units)	583,499	545,062	+7.1
Earnings before interest and tax (EBIT) (in m€)	1,837	1,912	-3.9
EBIT margin (in %)	8.5	9.1	-0.6 pp
Net financial assets (m€)	16,715	14,772	+13.2
Motorcycles Segment			
Sales (units)	35,290	33,993	+3.8
Earnings before interest and tax (EBIT) (in m€)	32	46	-30.4
EBIT margin (in %)	7.1	10.1	-3.0 pp
Financial Services			
Earnings before tax (EBT) (in m€)	568	462	+22.9
Penetration rate (in %)*	49.0	46.1	+2.9 pp
Credit loss ratio (in %)*	0.30	0.35	-0.05 pp



BMW GROUP POSTS BEST-EVER FIGURES FOR THE FIRST NINE MONTHS OF 2016.

BMW Group	9M-2016	9M-2015	Change in %
Earnings before tax – Group (in m€)	7,741	7,114	+8.8
EBT margin (in %) – Group	11.2	10.6	+0.6 pp
Automotive Segment			
Automotive sales (units)	1,746,638	1,644,810	+6.2
Earnings before interest and tax (EBIT) (in m€)	5,778	5,525	+4.6
EBIT margin (in %)	9.1	9.0	+0.1 pp
Net financial assets (m€)	16,715	14,772	+13.2
Motorcycles Segment			
Sales (units)	116,044	112,411	+3.2
Earnings before interest and tax (EBIT) (in m€)	224	273	-17.9
EBIT margin (in %)	13.6	16.6	-3.0 pp
Financial Services			
Earnings before tax (EBT) (in m€)	1,641	1,517	+8.2
Penetration rate (in %)	49.0	46.1	+2.9 pp
Credit loss ratio (in %)	0.30	0.35	-0.05 pp



OUTLOOK FOR 2016. POSITIVE BUSINESS DEVELOPMENT EXPECTED DESPITE CHALLENGES.

BMW Group

Slight increase in EBT compared with previous year

Automotive Segment

Slight increase in deliveries and revenues compared with the previous year

EBIT margin in the target range of 8-10%

Financial Services Segment

Return on equity of at least 18%, on par with previous year

Motorcycles Segment

Solid increase in deliveries compared with the previous year



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BMW, ROLLS ROYCE, MINI – STRONG PREMIUM BRANDS AS THE BASIS FOR BMW GROUP'S SUCCESS.

The pinnacle of
automobile luxury

Rolls-Royce
Motor Cars Limited

Sheer driving
pleasure



The world's most exciting
premium small car brand

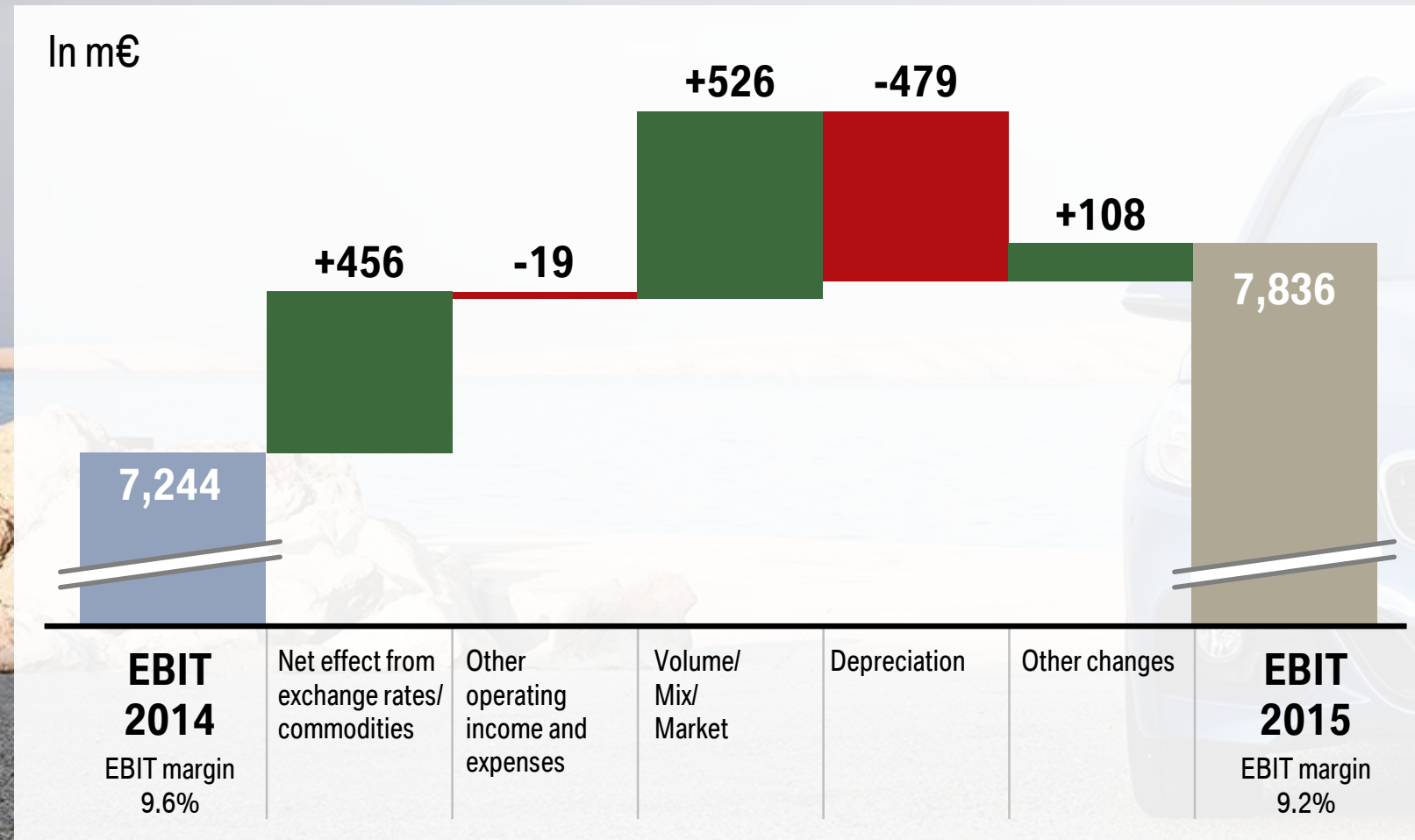


FY-2015 AUTOMOTIVE SEGMENT: EBIT MARGIN OF 9.2%. EBIT OF € 7.8 BN, SOLID INCREASE OVER LAST YEAR.

In m€	2015	2014	Change in %
Sales (units)	2,247,485	2,117,965	+ 6.1
Revenues	85,536	75,173	+ 13.8
Earnings before interest and tax (EBIT)	7,836	7,244	+ 8.2
EBIT margin (in %)	9.2	9.6	-
Earnings before tax (EBT)	7,523	6,886	+ 9.3



AUTOMOTIVE SEGMENT. 2014 TO 2015 EBIT DEVELOPMENT.



Q3-2016 AUTOMOTIVE SEGMENT: 26TH CONSECUTIVE QUARTER TO ACHIEVE EBIT MARGIN WITHIN TARGET RANGE OF 8 TO 10% OR HIGHER.

In m€	Q3-2016	Q3-2015	Change in %
Sales (units)	583,499	545,062	+7.1
Revenues	21,564	20,970	+2.8
Earnings before interest and tax (EBIT)	1,837	1,912	-3.9
EBIT margin (in %)	8.5	9.1	-0.6 pp
Earnings before tax (EBT)	2,030	1,845	+10.0



9M-2016 AUTOMOTIVE SEGMENT: STRONG SALES AND SUSTAINABLE PROFITABILITY WITH EBIT MARGIN OF 9.1%.

In m€	9M-2016	9M-2015	Change in %
Sales (units)	1,746,638	1,644,810	+6.2
Revenues	63,250	61,513	+2.8
Earnings before interest and tax (EBIT)	5,778	5,525	+4.6
EBIT margin (in %)	9.1	9.0	+0.1 pp
Earnings before tax (EBT)	6,041	5,323	+13.5



BMW GROUP SALES FIGURES FOR THE BUSINESS YEAR 2015.

**BMW
GROUP**

2,247,485

+ 6.1%



1,905,234

+ 5.2%



338,466

+ 12.0%

**Rolls-Royce
Motor Cars Limited**

3,785

- 6.8%

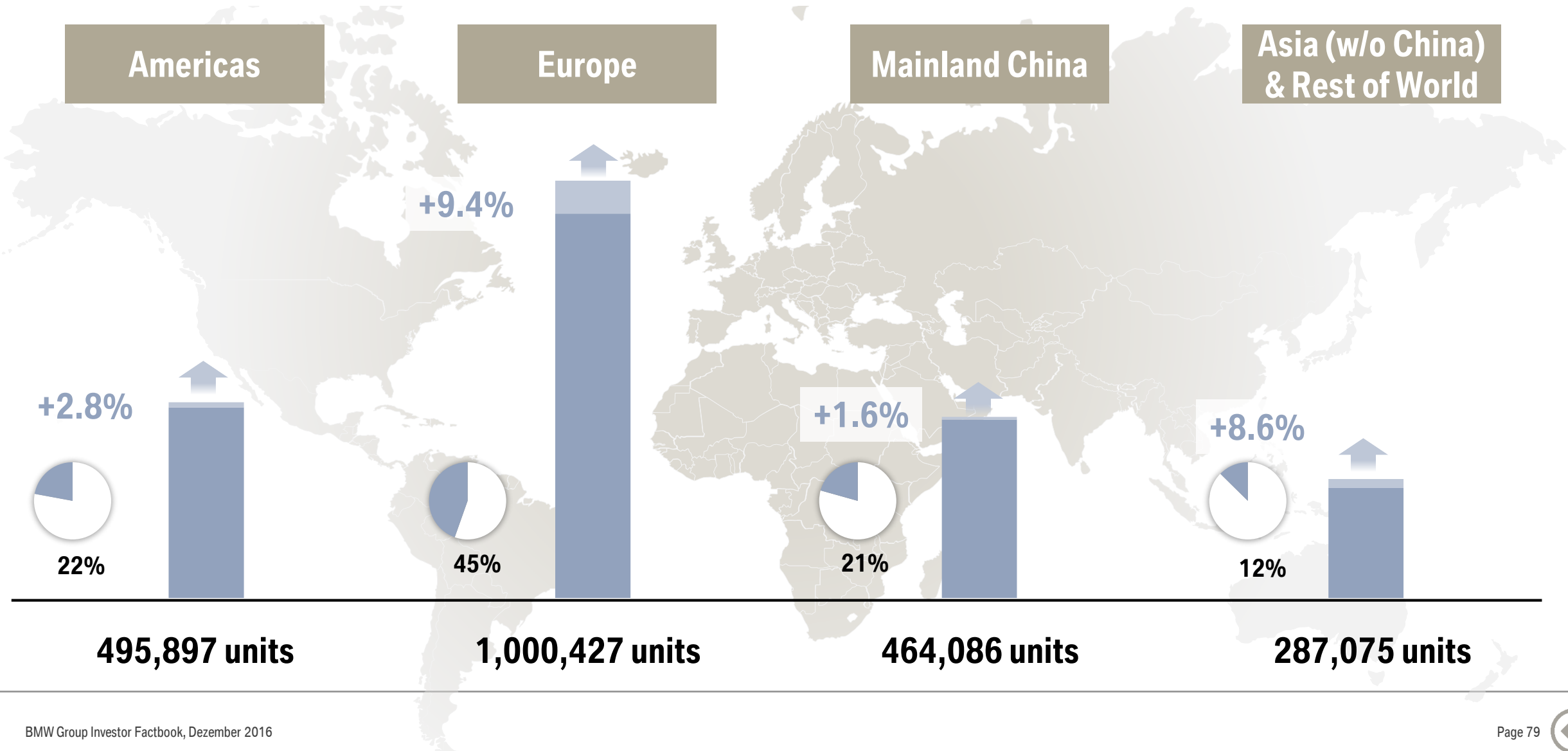
BMW Motorrad

136,963

+ 10.9%



BMW GROUP AUTOMOTIVE: BALANCED SALES DISTRIBUTION AND SOLID FY 2015 GROWTH OF +6.1%.



BMW GROUP SALES CONTINUE TO GROW THROUGH NOVEMBER 2016.

**BMW
GROUP**

2,152,393

+ 5.8%



1,824,490

+ 5.6%



324,417

+ 7.4%

**Rolls-Royce
Motor Cars Limited**

3,486

+ 5.5%

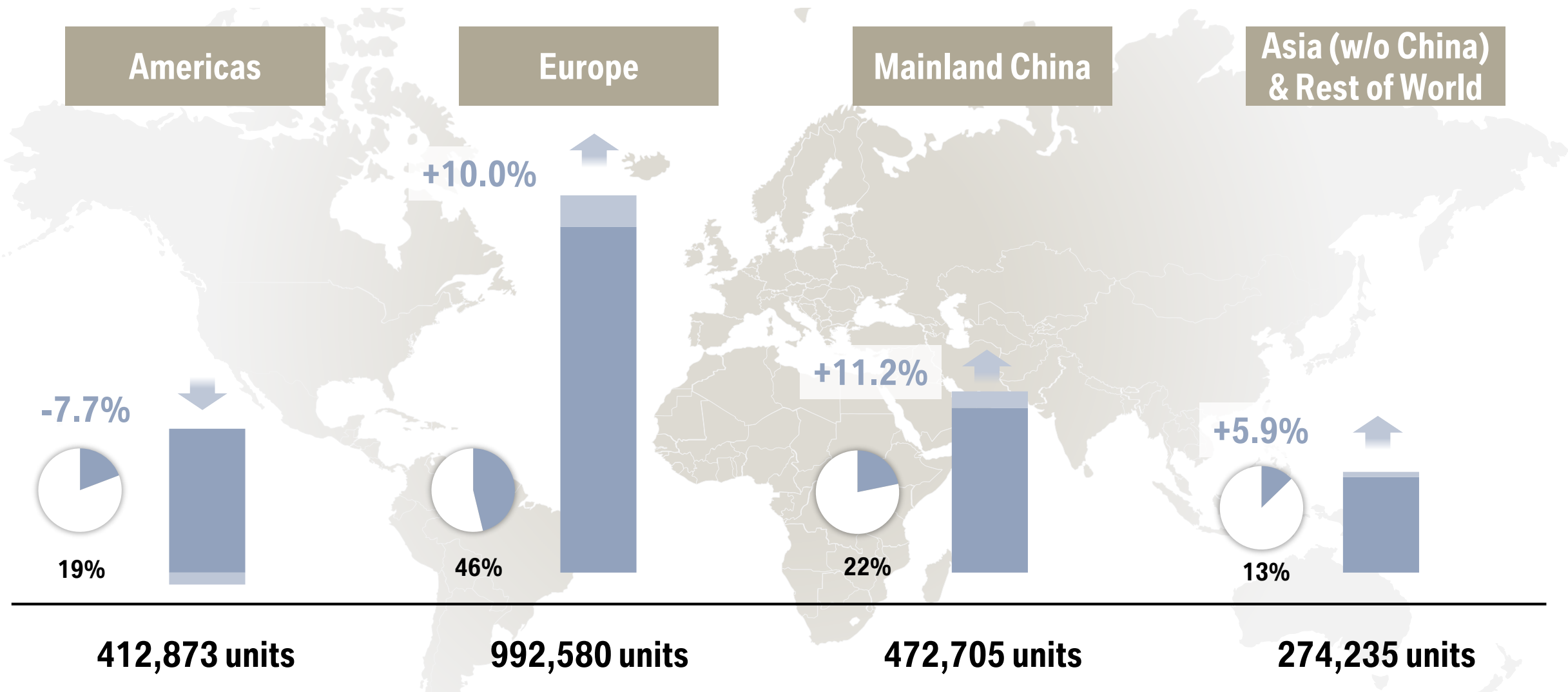
BMW Motorrad

136,393

+5.4%



BMW GROUP AUTOMOTIVE: BALANCED SALES DISTRIBUTION AND SOLID GROWTH OF +5.8% YTD NOVEMBER 2016.



BMW GROUP AUTOMOTIVE MAJOR MARKETS. DELIVERIES TO CUSTOMERS YTD NOVEMBER 2016.

Deliveries of automobiles		YTD 2016	YTD 2015	Change in %
Europe		992,580	902,223	10.0
thereof	Germany ¹⁾	281,508	264,569	6.4
	Great Britain	228,698	207,079	10.4
	France	76,288	70,051	8.9
	Italy	76,306	64,925	17.5
Americas		412,873	447,445	-7.7
thereof	USA	327,711	364,903	-10.2
Asia		680,540	621,671	9.5
thereof	China Mainland	472,705	425,266	11.2
	thereof BBA retail sales	290,031	258,936	12.0
	Japan	67,096	61,005	10.0
Rest of the World (incl. RR) ²⁾		66,400	62,609	6.0
Total		2,152,393	2,033,948	5.8



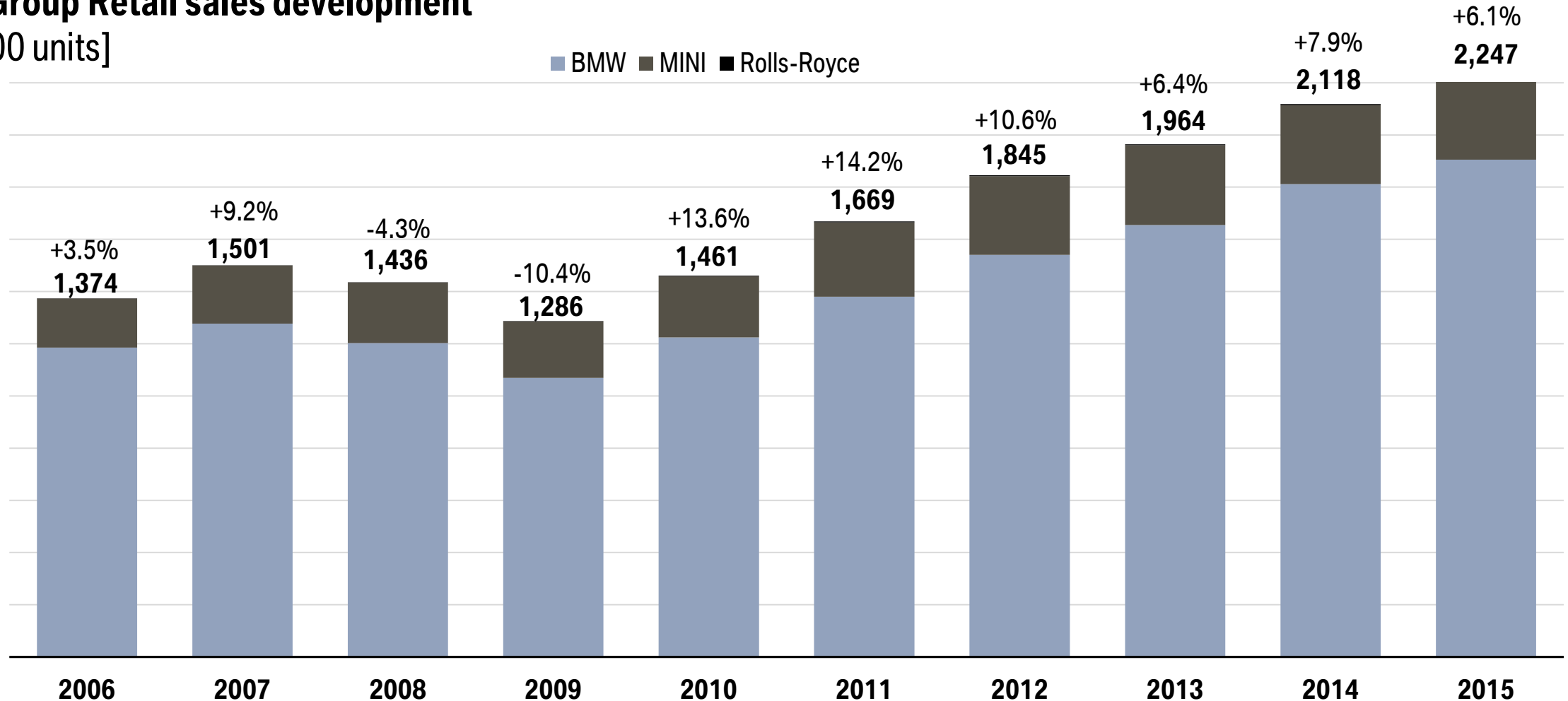
DELIVERIES TO CUSTOMERS BY SERIES OR BRAND YTD NOVEMBER 2016.

Deliveries of automobiles	YTD 2016	YTD 2015	Change in %
1 Series	160,147	165,044	-3.0
2 Series	179,822	140,437	28,0
3 Series	379,124	409,038	-7.3
4 Series	121,538	137,288	-11.5
5 Series	306,341	319,871	-4.2
6 Series	12,180	18,142	-32.9
7 Series	54,306	32,394	67.6
X1	193,337	104,028	85.9
X3	143,329	126,183	13.6
X4	53,191	49,853	6.7
X5	150,951	152,163	-0.8
X6	38,910	41,401	-6.0
Z4	5,079	7,102	-28.5
BMW i	26,235	25,610	2.4
BMW Total	1,824,490	1,728,553	5.6
MINI	324,417	302,091	7.4
Rolls Royce	3,486	3,304	5.5
BMW Group Total	2,152,393	2,033,948	5.8

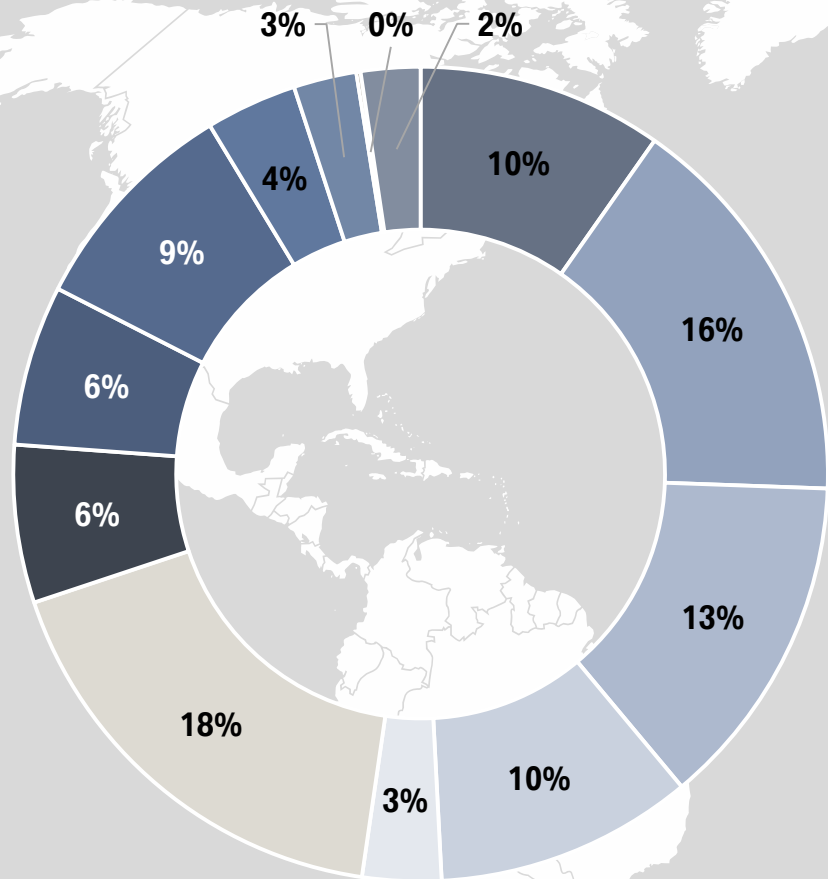


BMW GROUP RETAIL SALES INCREASED ON AVERAGE BY 5.6% SINCE 2006 – GLOBAL LUXURY SEGMENT LEADER SINCE 2004.

BMW Group Retail sales development [in 1,000 units]



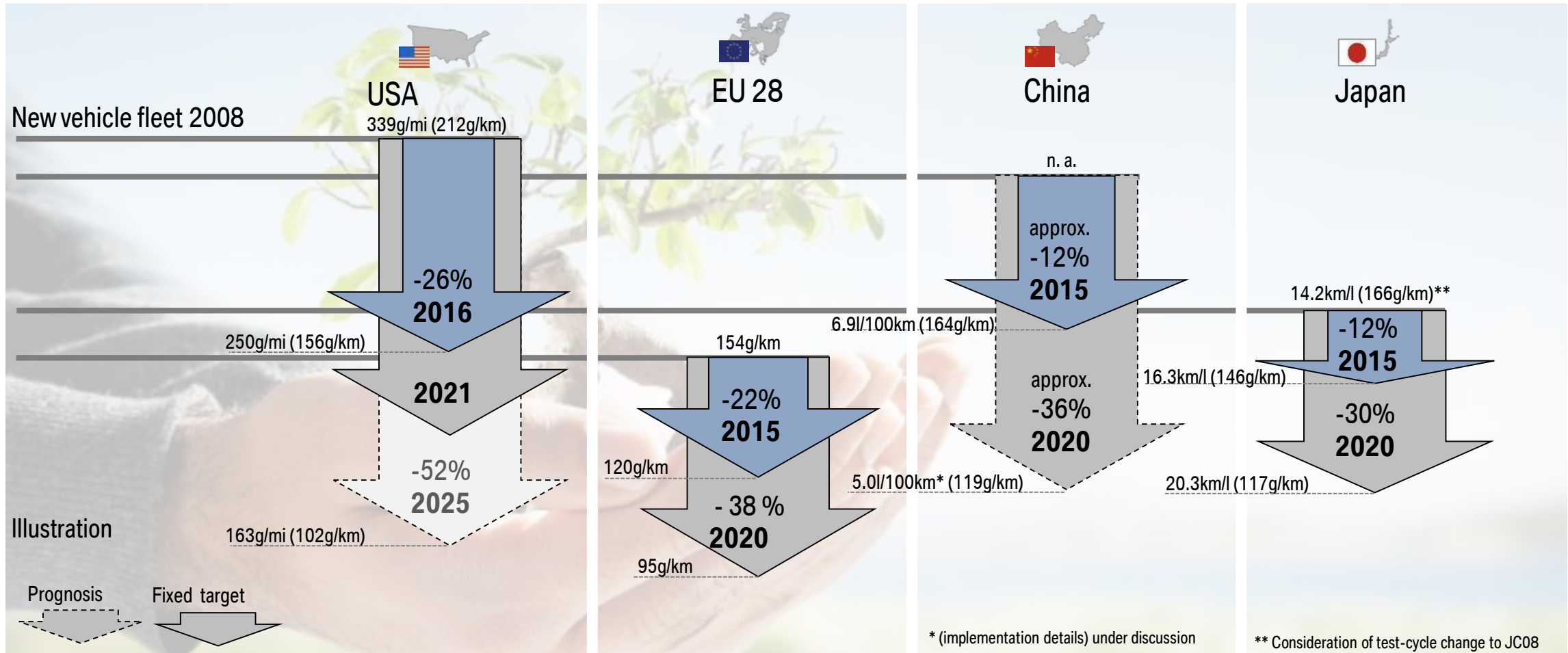
AUTOMOBILE PRODUCTION BY PLANT IN 2015.



■ Munich, Germany	BMW 3, 4 series	221,998
■ Dingolfing, Germany	BMW 3, 4, 5, 6, 7 series, M5, M6	360,804
■ Regensburg, Germany	BMW 1, 2, 3, 4 series, X1, Z4, M3, M4	304,509
■ Leipzig, Germany	BMW 1,2 series, i3, i8, M2	233,656
■ Rossllyn, South Africa	BMW 3 series	71,353
■ Spartanburg, USA	BMW X3, X4, X5, X6, X5 M, X6 M	400,904
■ Dadong, China*	BMW 5 series	142,767
■ Tiexi, China*	BMW 2, 3 series, X1	144,988
■ Oxford, UK	MINI Hatch, Clubman	201,206
■ Graz, Austria (Magna Steyr)**	MINI Countryman, Paceman	82,655
■ Born, Netherlands (VDL Nedcar)**	MINI Hatch	57,019
■ Goodwood, UK	Rolls-Royce	3,848
■ Assembly plants		53,796
Sum		2,279,503

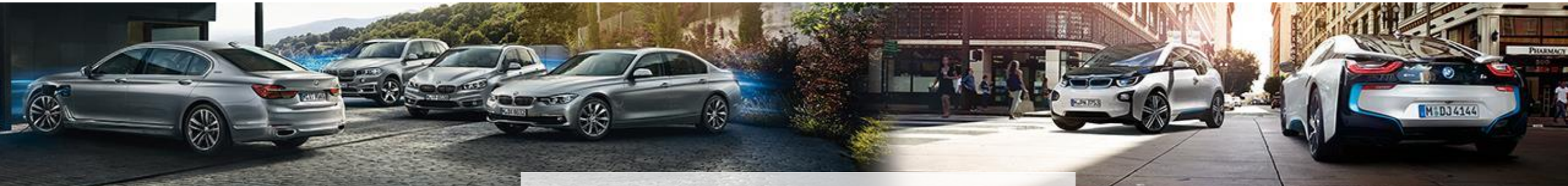


CO₂ LEGISLATION IN MAJOR MARKETS.



- Fleet objectives require a global reduction in CO₂ emissions.
- Regional objectives are not directly comparable due to differences in vehicle portfolio (market demand) and test-cycles/procedures.

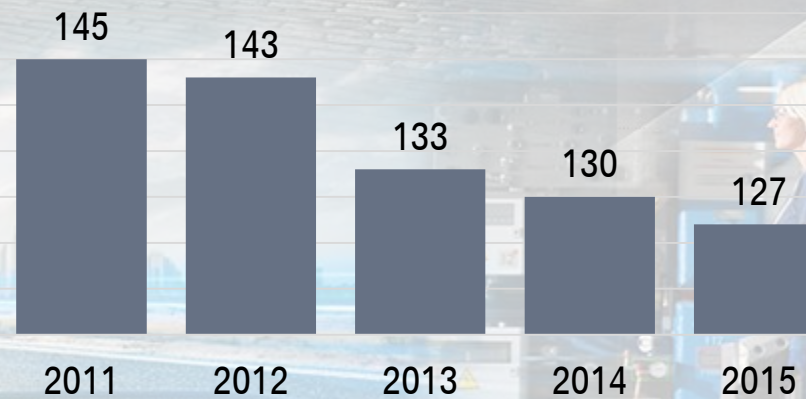
BROAD RANGE OF INNOVATIVE, EFFICIENT DRIVETRAINS TO MEET STRINGENT REQUIREMENTS FOR CO₂ EMISSIONS.



PLUG IN HYBRIDS

BMW i

Fleet emissions EU-28 in g CO₂/km



EFFICIENT DYNAMICS



LIGHT WEIGHT



HISTORY OF HYDROGEN / FUEL CELL CARS.



1984 BMW 745i



1990 BMW 735iL



1998 BMW 728h



2001 BMW 745h



2004 BMW Hydrogen 7



2006 BMW H2R



2015 BMW 5 series GT

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BMW MOTORRAD. WIDER RANGE THAN EVER BEFORE.

ADVENTURE



TOUR



SPORT



ROADSTER



HERITAGE



NEW SINCE 2014

URBAN
MOBILITY



NEW SINCE 2012



FY-2015 MOTORCYCLES SEGMENT. SIGNIFICANT INCREASE IN DELIVERIES, SALES AND EARNINGS.

In m€	2015	2014	Change in %
Sales (units)	136,963	123,495	+ 10.9
Revenues	1,990	1,679	+ 18.5
Earnings before interest and tax (EBIT)	182	112	+ 62.5
EBIT margin (in %)	9.1	6.7	+2.4 pp
Earnings before tax (EBT)	179	107	+ 67.3



Q3-2016 MOTORCYCLES SEGMENT. SOLID PERFORMANCE BUT HIGH COSTS FOR STRATEGY PROJECTS LEAD TO LOWER EARNINGS.

In m€	Q3-2016	Q3-2015	Change in %
Sales (units)	35,290	33,993	+3.8
Revenues	451	454	-0.7
Earnings before interest and tax (EBIT)	32	46	-30.4
EBIT margin (in %)	7.1	10.1	-3.0 pp
Earnings before tax (EBT)	32	45	-28.9



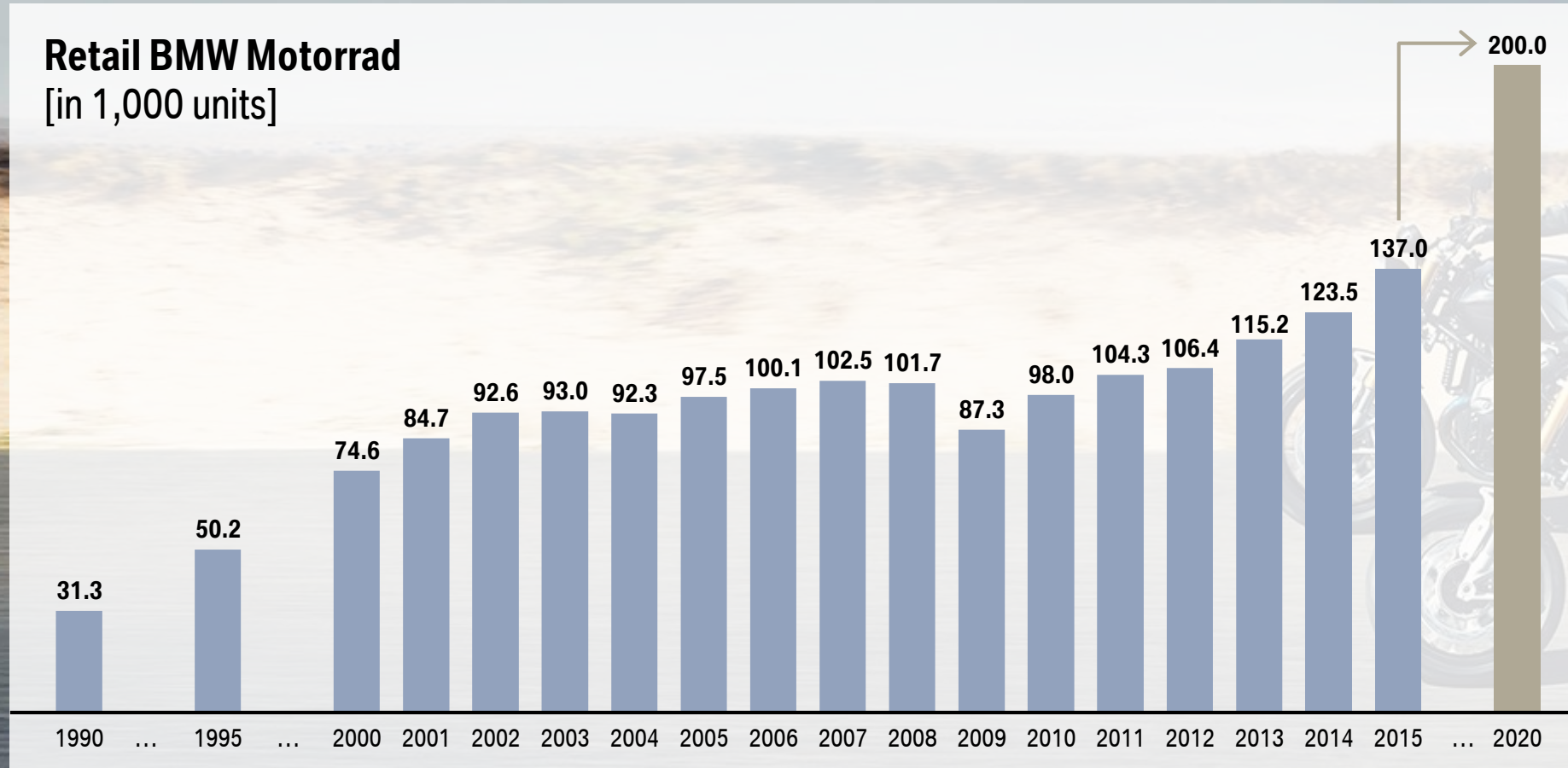
9M-2016 MOTORCYCLES SEGMENT. CONTINUED SALES GROWTH WITH MORE THAN 116,000 UNITS SOLD.

In m€	9M-2016	9M-2015	Change in %
Sales (units)	116,044	112,411	+3.2
Revenues	1,650	1,643	+0.4
Earnings before interest and tax (EBIT)	224	273	-17.9
EBIT margin (in %)	13.6	16.6	-3.0 pp
Earnings before tax (EBT)	223	271	-17.7



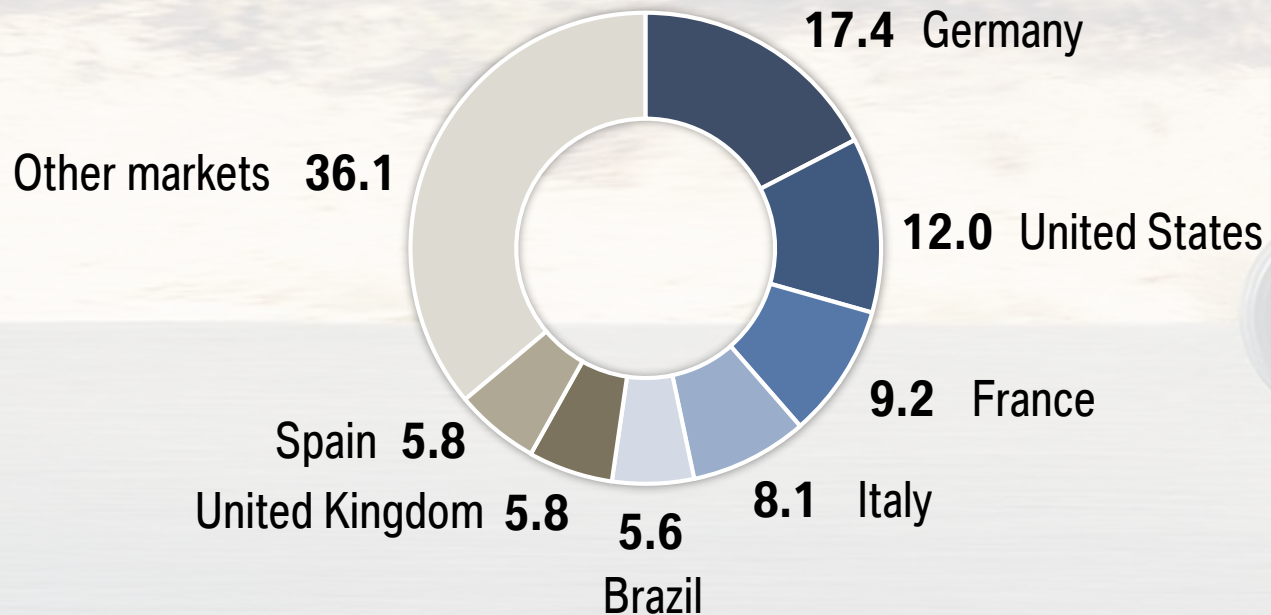
STRONG BMW MOTORRAD RETAIL SALES 1990 TO 2015 AND NEW SALES TARGET 2020.

Retail BMW Motorrad
[in 1,000 units]

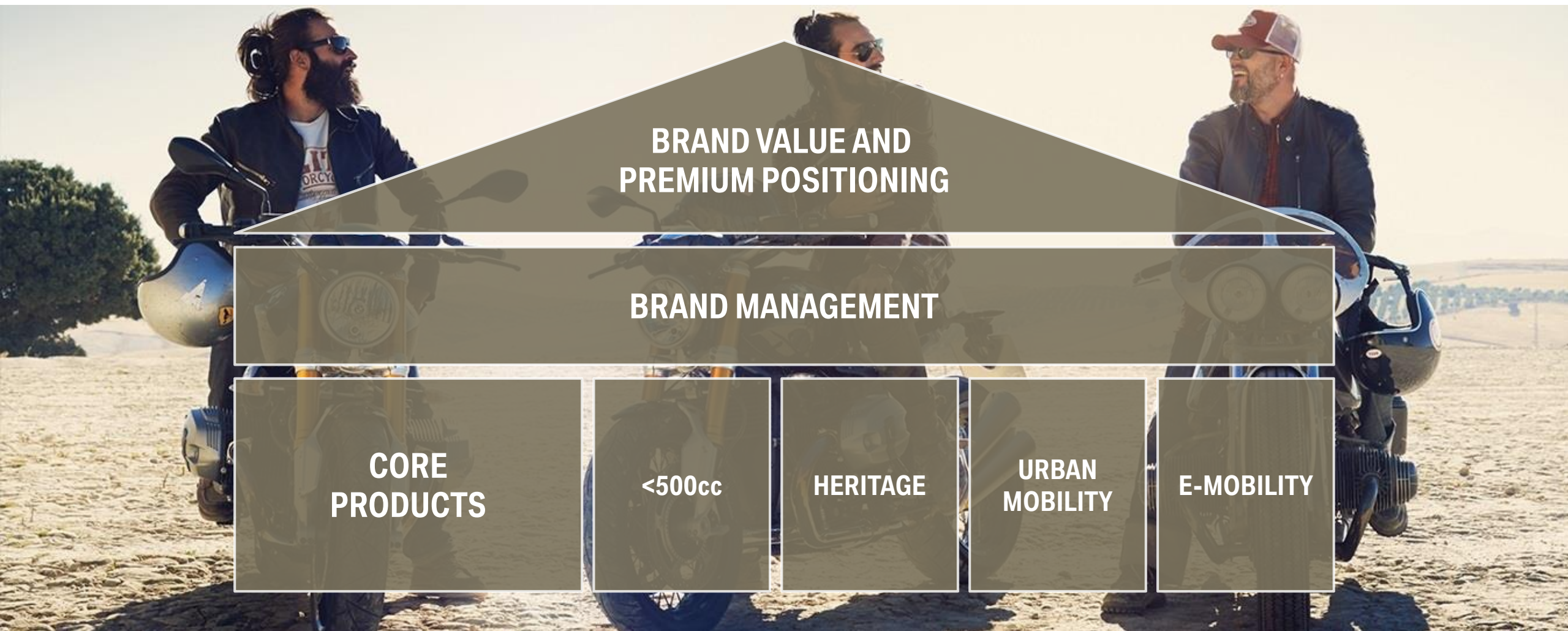


MOST IMPORTANT MARKETS FOR BMW MOTORCYCLES IN 2015.

Retail BMW Motorrad by regions
[in %]



BMW MOTORRAD – NEW STRATEGY SUPPORTS SUSTAINABLE AND PROFITABLE GROWTH.



**BRAND VALUE AND
PREMIUM POSITIONING**

BRAND MANAGEMENT

**CORE
PRODUCTS**

<500cc

HERITAGE

**URBAN
MOBILITY**

E-MOBILITY

PRODUCT EXPANSION INTO SEGMENTS <500CC WITH A NEW PRODUCTION PARTNERSHIP IN INDIA.



INDIA / BANGALORE



CUSTOMIZING BMW MOTORRAD ALLOWS CUSTOMERS TO EXPRESS MORE INDIVIDUALITY.

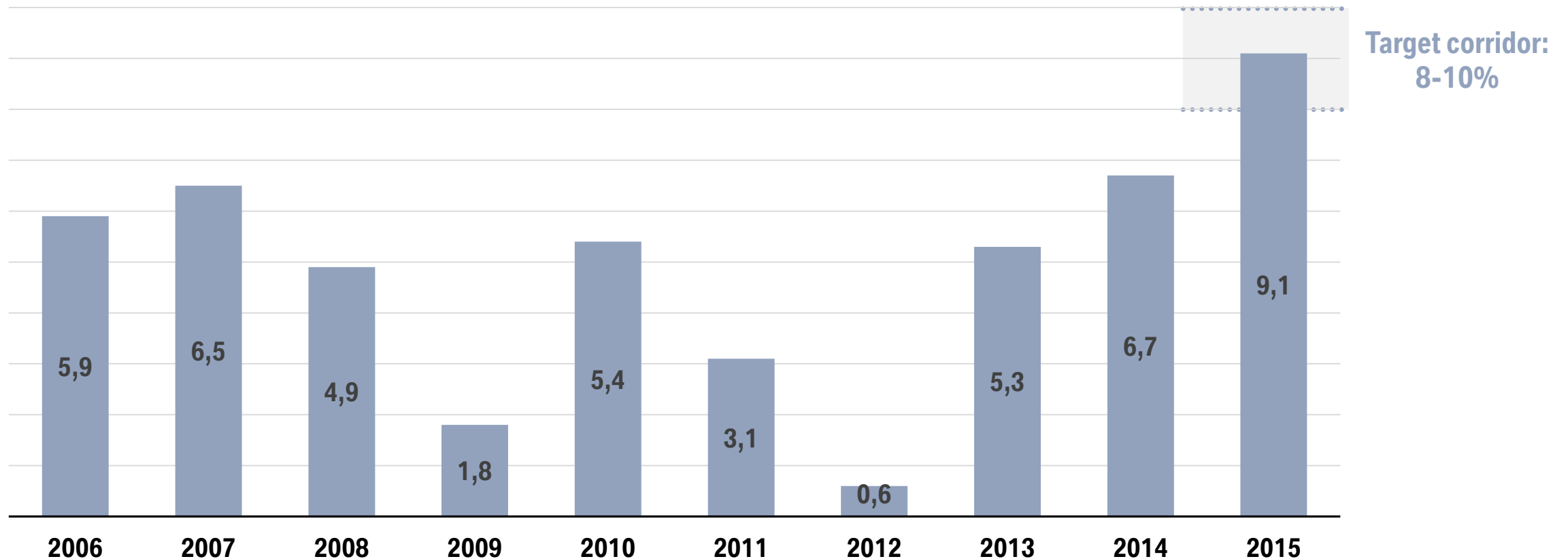


NEW MODEL 2016. BMW R nineT SCRAMBLER.



SUCCESSFUL FY 2015 FOR BMW MOTORRAD WITH STRONG INCREASE IN EBIT MARGIN. TARGET PROFITABILITY 8-10%.

EBIT margin development BMW Motorrad [in %]



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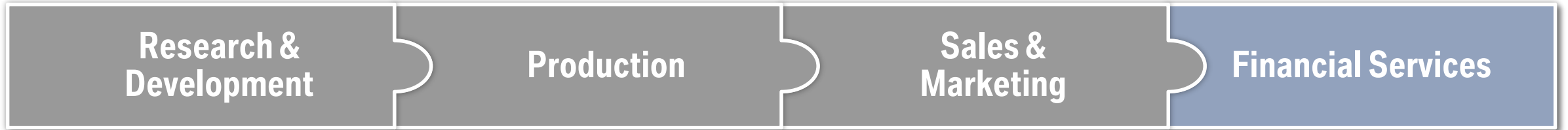
7 SUSTAINABILITY

8 BMW SHARES

9 DEBT & RATINGS

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TODAY SF FULFILLS ITS VALUE CONTRIBUTION ROLE WITHIN THE GROUP.



Support of Sales



Penetration Rate: 46.3% (2015)

- Financing Partners of BMW Group.
- Strengthen Automotive Brands of BMW Group.

Customer Interface



Customers: 4.3 Million (2015)

- Win new Customers for BMW Group.
- Service and Loyalize all Customers for BMW Group.

Profit Contribution



Return on Equity > 18% (Target)

- Significant Profit Contribution to BMW Group.

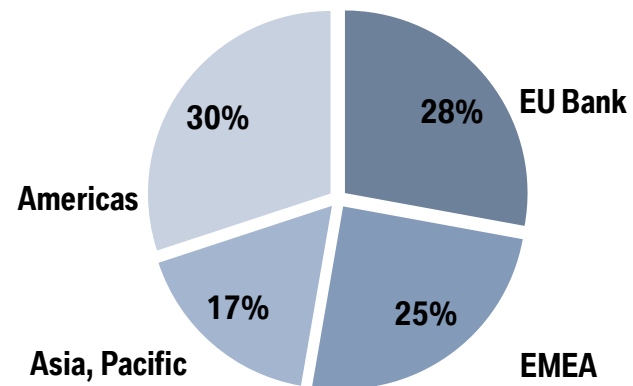
BMW GROUP FINANCIAL SERVICES AT A GLANCE.

Global Presence as of 09/2016

Global Operations in 57 Countries



~ 4.6 Million Served Retail Contracts



Business Lines as of 09/2016



Retail Finance

€ 83.4 bn



Dealer Finance

€ 17.0 bn



Fleet Business

€ 11.3 bn



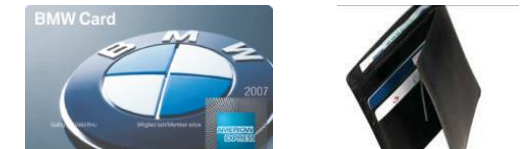
Multi Make Financing

€ 7.9 bn



Insurance

3.4 mn contracts



Banking

€ 9.6 bn



FY-2015 FINANCIAL SERVICES SEGMENT: SIGNIFICANT INCREASE IN EBT. ROE TARGET OF >18% ACHIEVED.

In m€	2015	2014	Change in %
New customer contracts (units)	1,655,961	1,509,113	+ 9.7
Revenues	23,739	20,599	+ 15.2
Earnings before tax (EBT)	1,975	1,723	+ 14.6
Return on equity (in %)	20.2	19.4	+0.8 pp
Penetration rate (in %)	46.3	41.7	+4.6 pp



Q3-2016 FINANCIAL SERVICES SEGMENT: STRONG INCREASE IN NEW CUSTOMER CONTRACTS.

In m€	Q3-2016	Q3-2015	Change in %
New customer contracts (units)	467.702	420.639	+11.2
Revenues	6,403	5,621	+13.9
Earnings before tax (EBT)	568	462	+22.9
Penetration rate (in %)	49.0	46.1	+2.9 pp



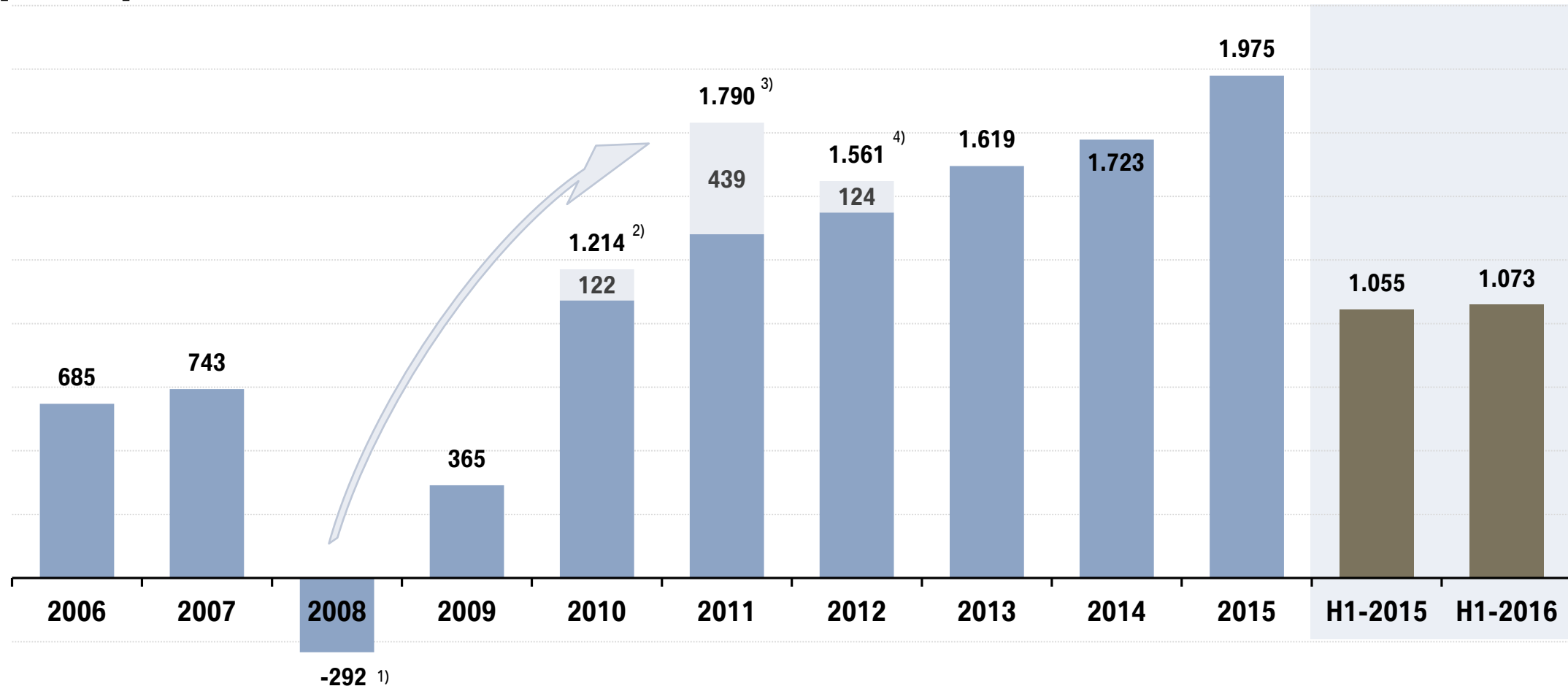
9M-2016 FINANCIAL SERVICES SEGMENT: STRONG PERFORMANCE IN FIRST NINE MONTHS OF 2016 WITH NEW RECORDS.

In m€	9M-2016	9M-2015	Change in %
New customer contracts (units)	1,341,792	1,222,165	+9.8
Revenues	18,940	17,833	+6.2
Earnings before tax (EBT)	1,641	1,517	+8.2
Penetration rate (in %)	49.0	46.1	+2.9 pp



SIGNIFICANT CONTRIBUTION OF FINANCIAL SERVICES TO BMW GROUP PROFIT.

Profit before Tax (PBT) Financial Services [in mn €]



1) FY-08 EBT includes a negative effect of EUR 1,057 million from additional credit and residual value risk provisions.

2) FY-10 EBT includes a positive effect of EUR 122 million from better than expected off-lease business.

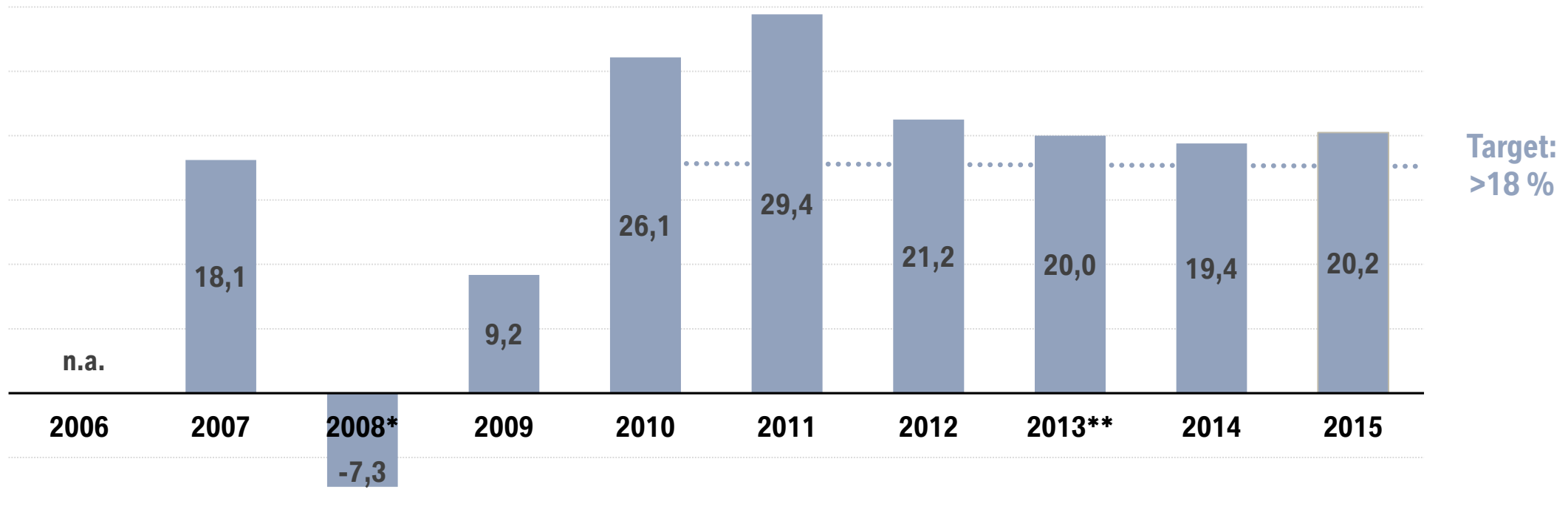
3) FY-11 EBT includes a positive effect of EUR 439 million from adjustment of residual value and credit risk provisions and a better than expected off-lease business.

4) FY-12 EBT includes a positive effect of EUR 124 million from better than expected off-lease business.



RETURN ON EQUITY (ROE) FINANCIAL SERVICES. TARGET ROE OF >18%.

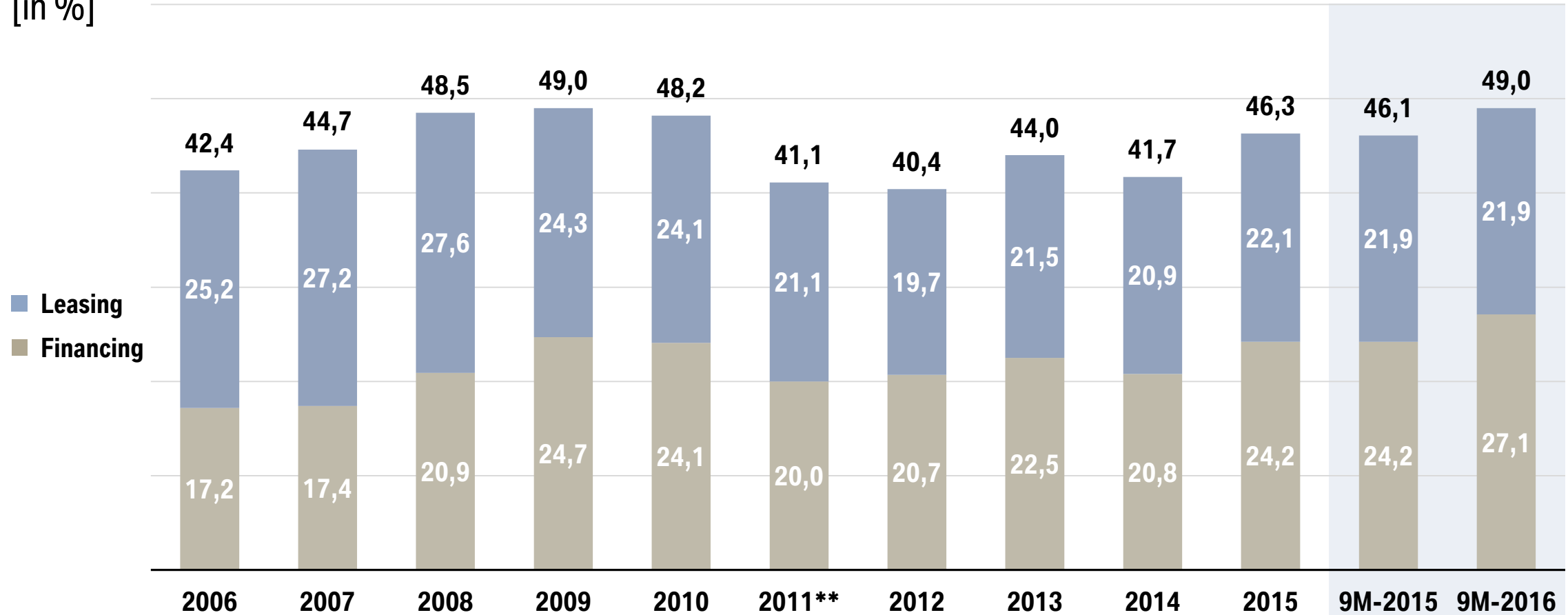
Return on equity (ROE) Financial Services [in %]



BMW GROUP FINANCIAL SERVICES PENETRATION RATE RETAIL BUSINESS.

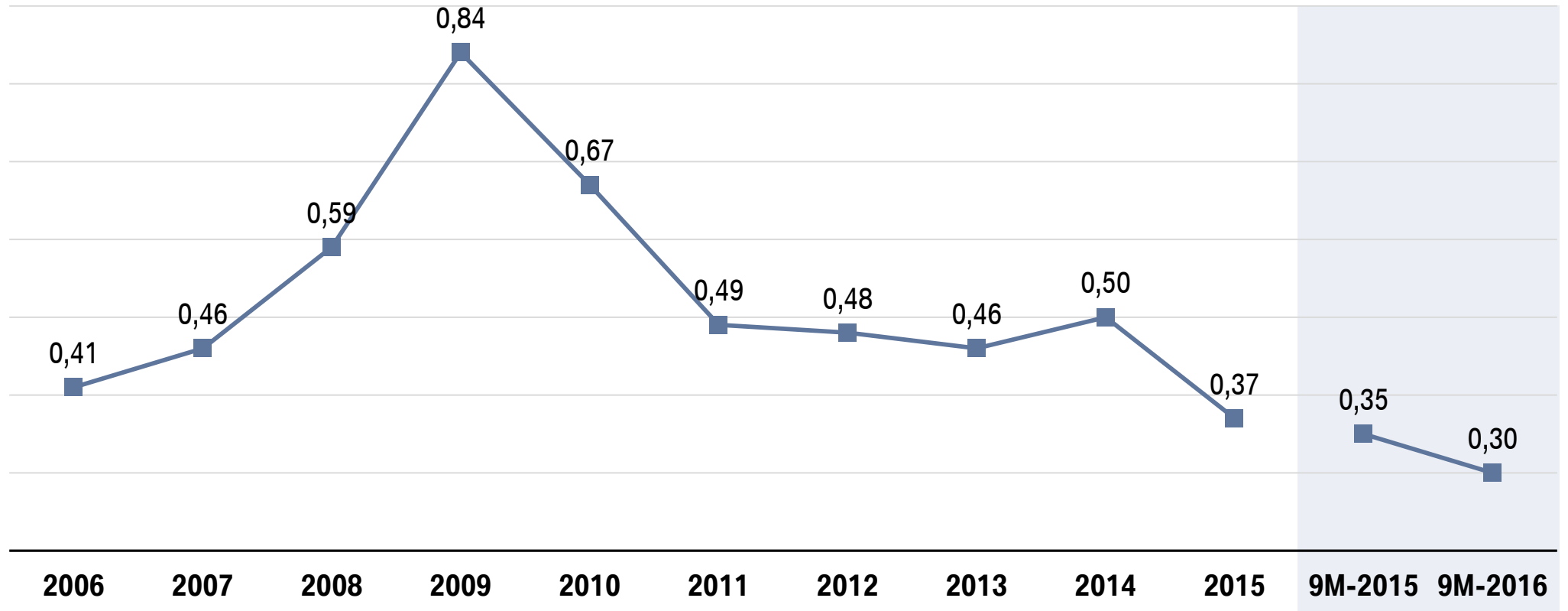
Penetration rate Retail business*

[in %]



BMW GROUP FINANCIAL SERVICES. SOLID DEVELOPMENT OF CREDIT LOSS RATIO.

Credit loss ratio* [in %]



ALPHABET'S PRODUCTS AND SERVICES COVER ALL ASPECTS OF BUSINESS MOBILITY.

- Alphabet provides **innovative** and **holistic mobility services** for **corporate customers**.
- **Fourth largest** European fleet management company.
- **Alphabet optimises fleets in 18 countries.**
- Multi make portfolio of **630,000*** vehicles with a **BMW share of 33%.**
- Stable profit contribution, **meeting profitability** target requirements of Financial Services (ROE >18%).
- Tailor-made, **innovative Business Mobility** solutions including Corporate Car Sharing and Mobility Apps.



Oceania



*incl. Business Lines; as per 30 September 2016



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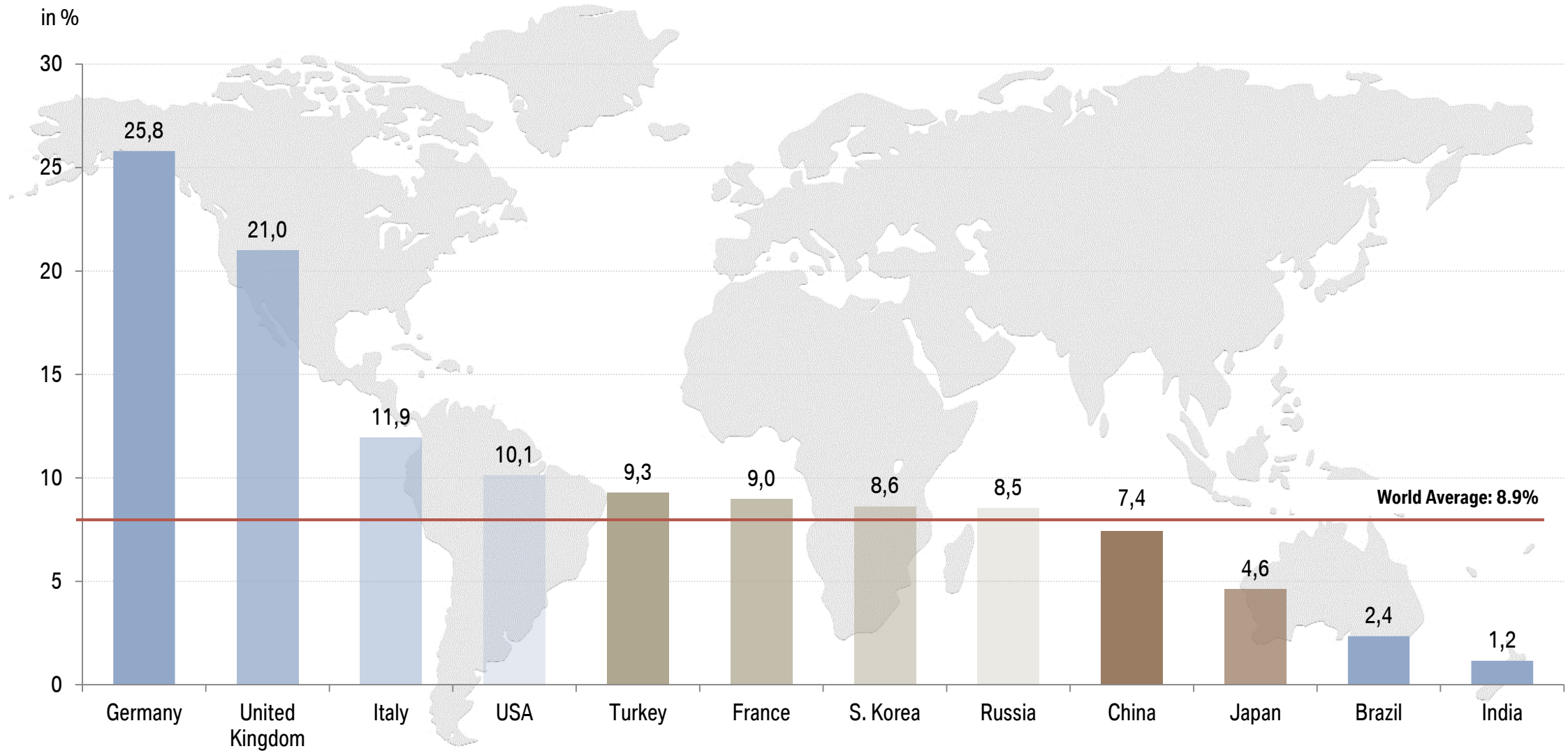
7 SUSTAINABILITY

8 BMW SHARES

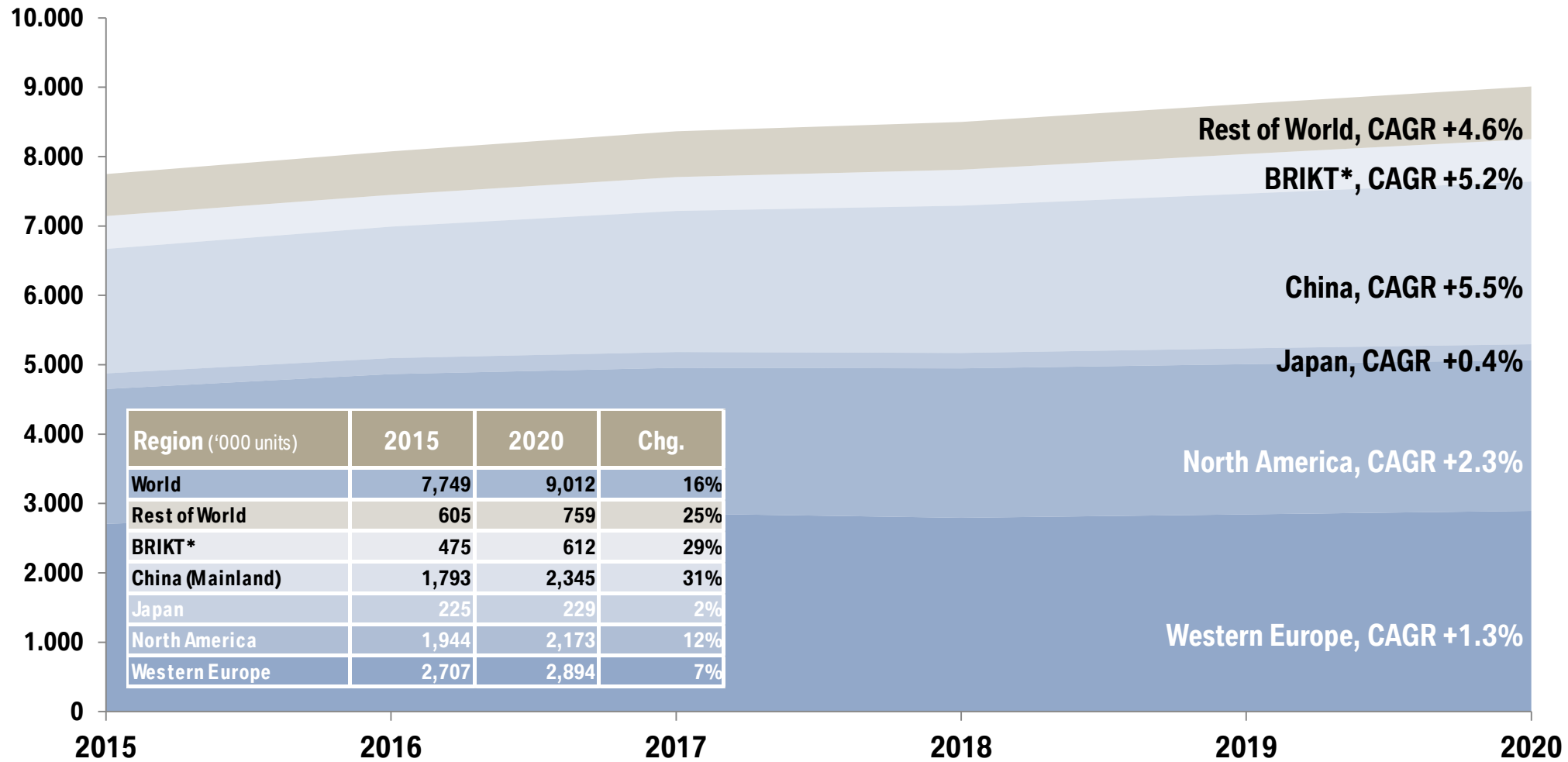
9 DEBT & RATINGS

10 CONTACT & CALENDAR

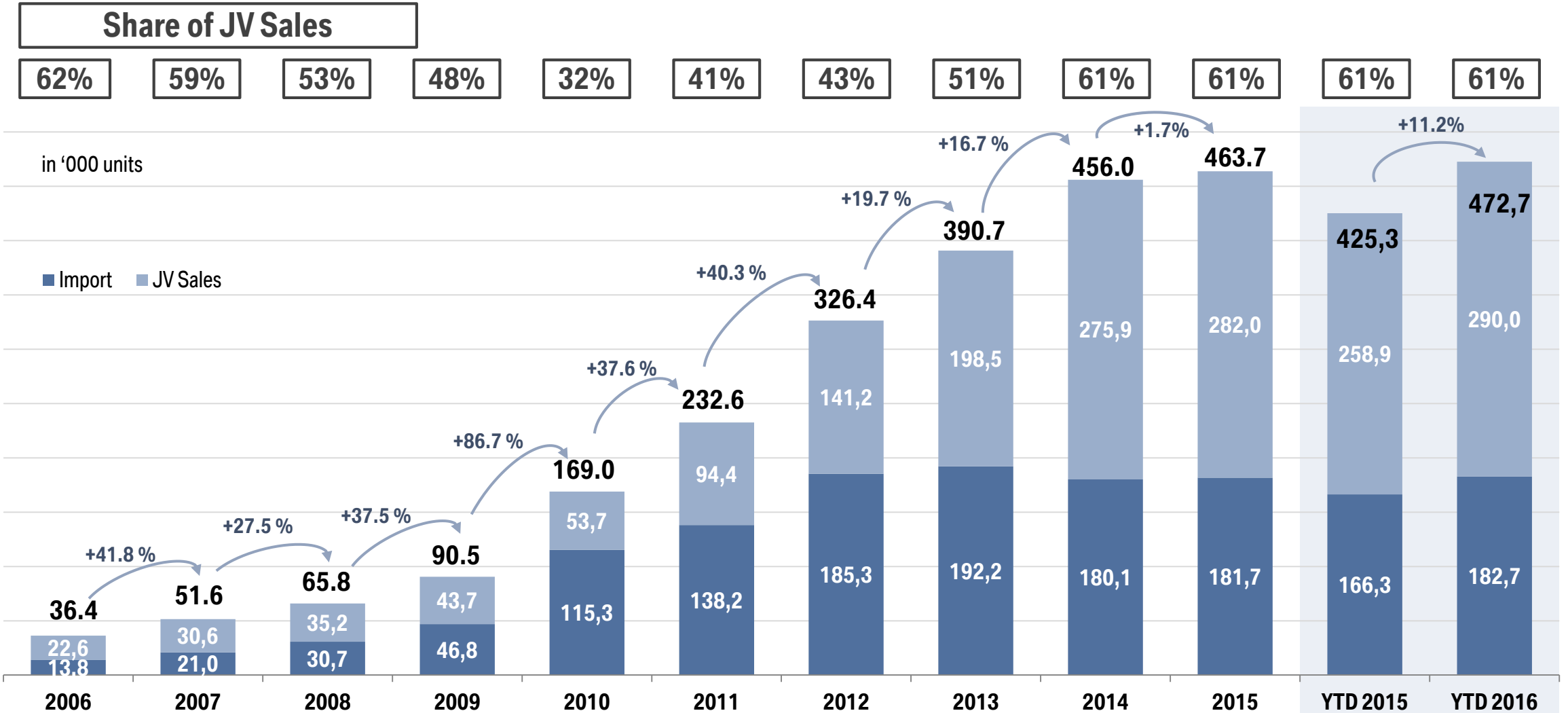
PREMIUM SEGMENT SHARE OF TOTAL MARKET 2015.



GLOBAL ANNUAL PREMIUM SEGMENT SALES ARE EXPECTED TO GROW TO 9.0 MN UNITS BY 2020.

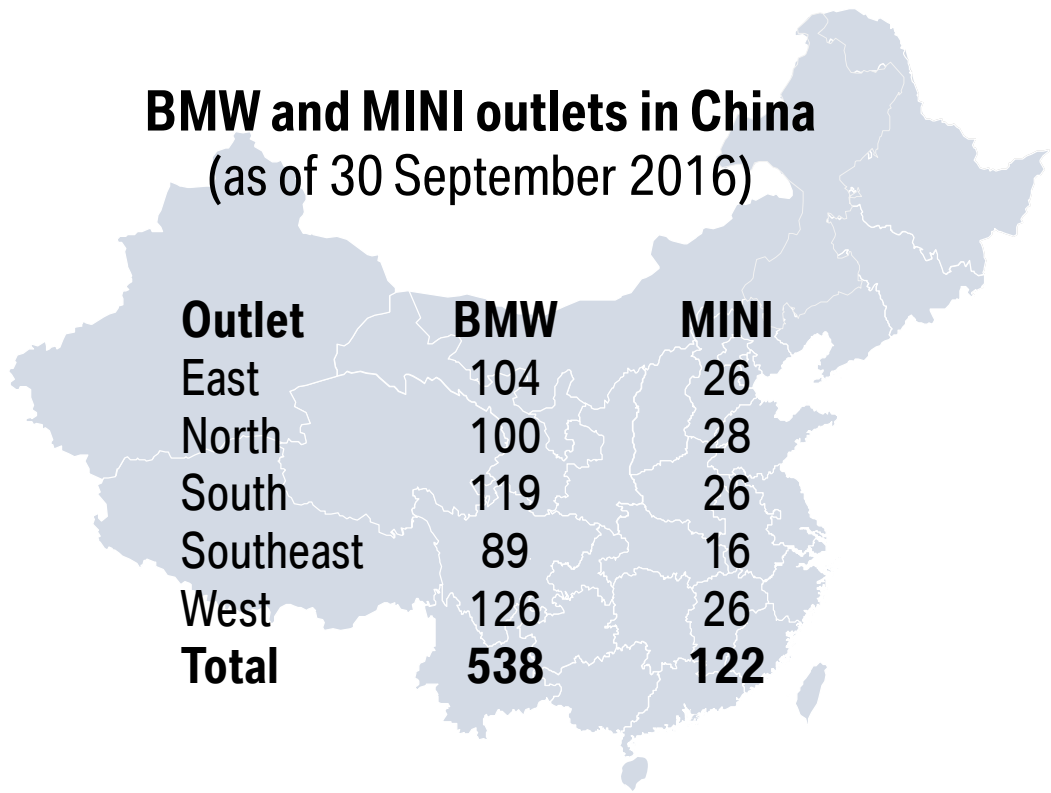


BMW AND MINI RETAIL DEVELOPMENT IN MAINLAND CHINA YTD NOVEMBER 2016.



ROBUST GROWTH IN CHINA DESPITE MARKET NORMALIZATION. GROWTH OF DEALER NETWORK AND FURTHER LOCALIZATION.

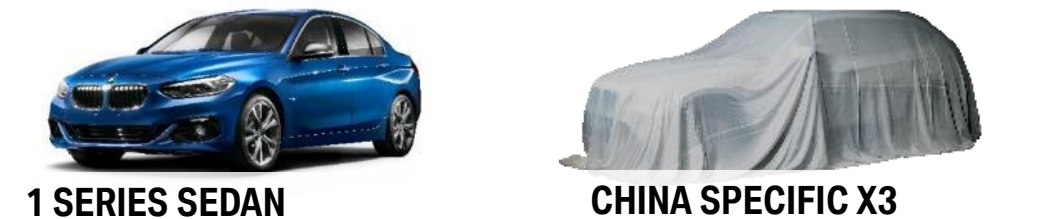
BMW and MINI outlets in China (as of 30 September 2016)



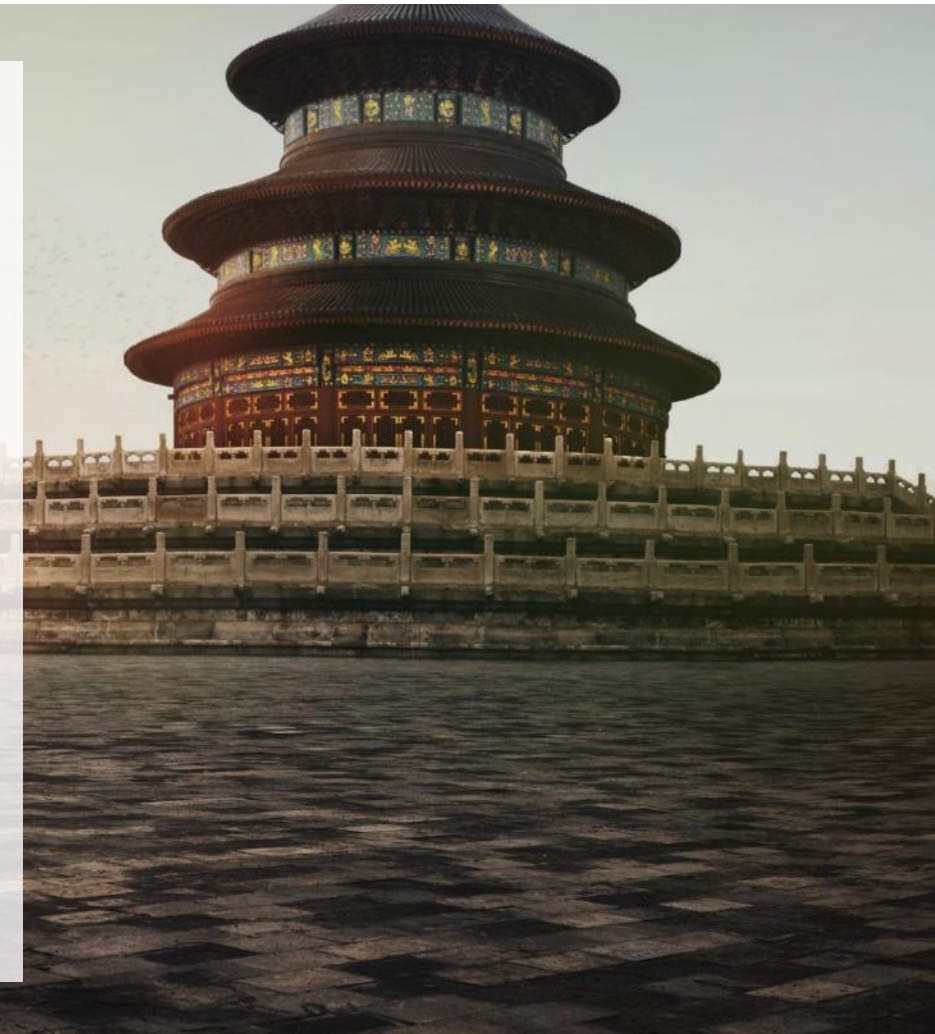
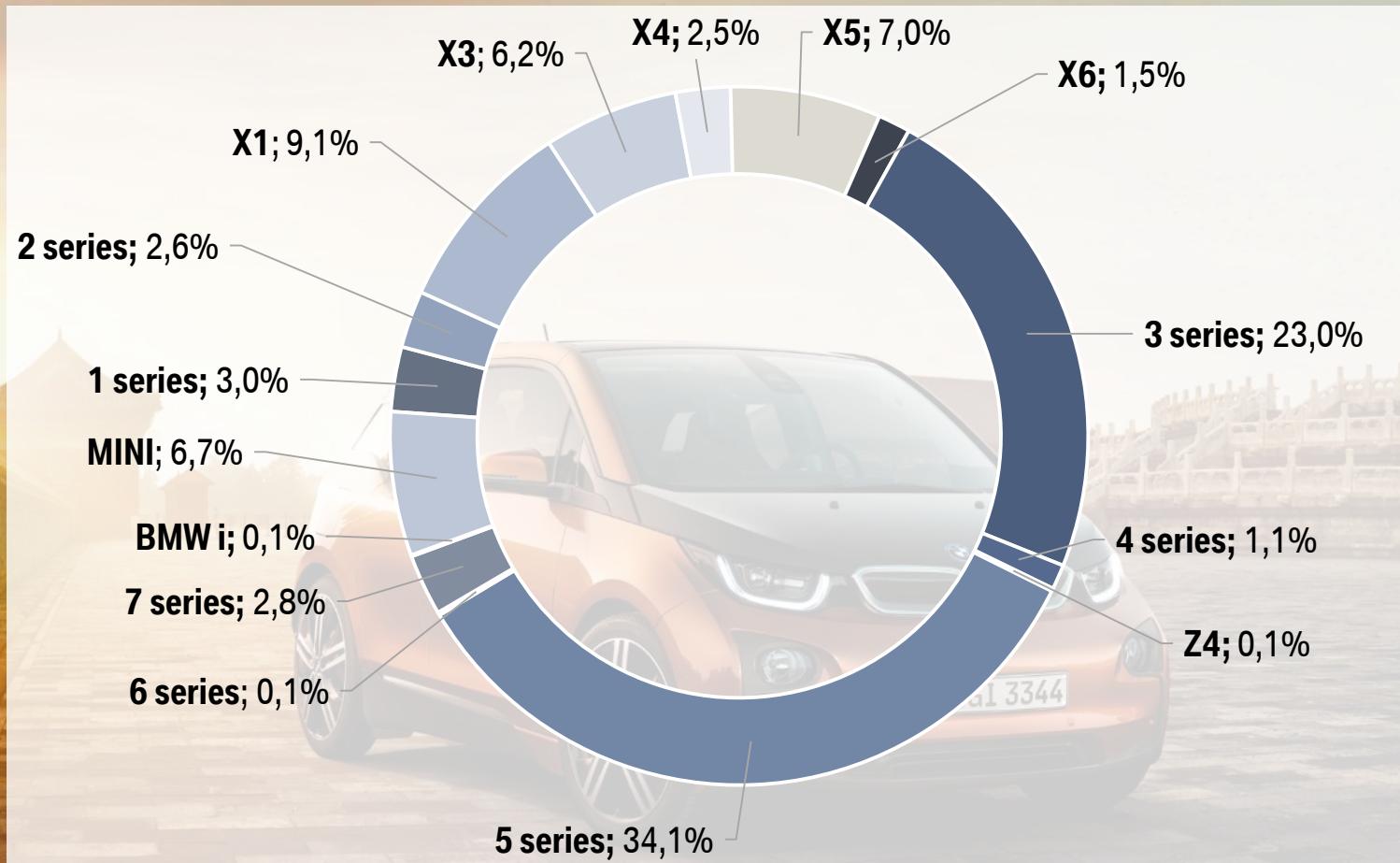
4 MODELS IN LOCAL PRODUCTION



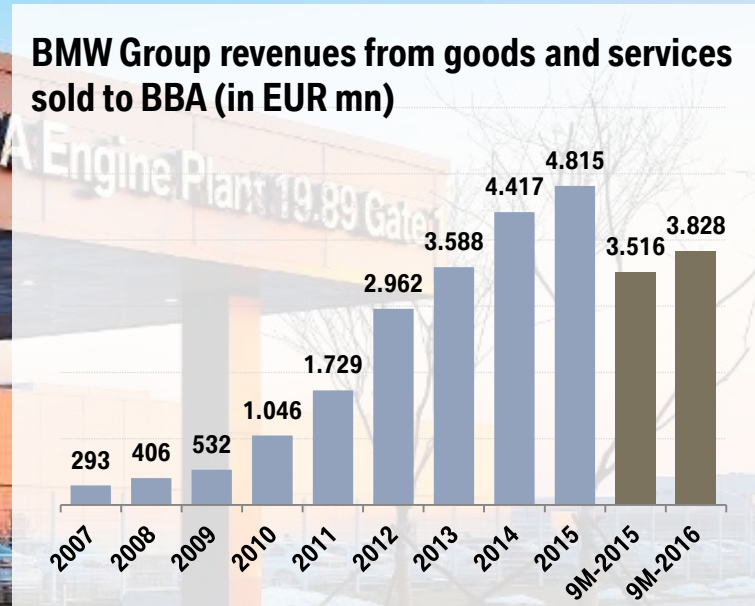
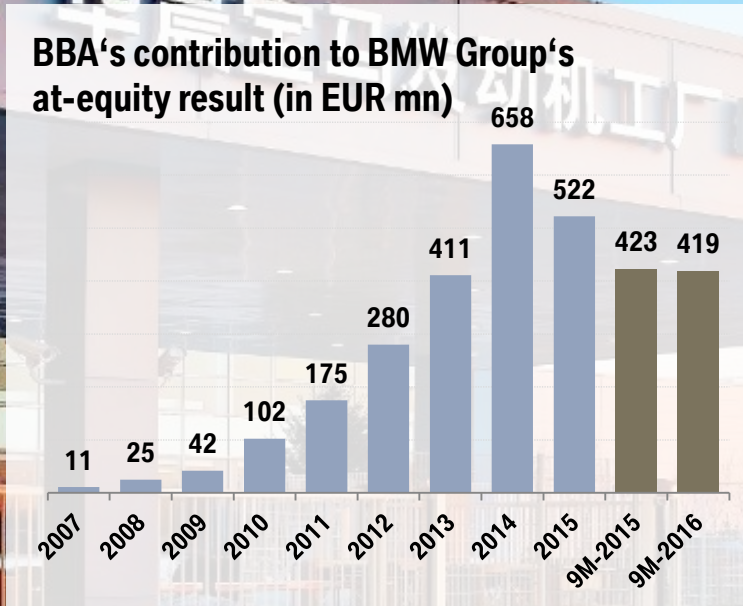
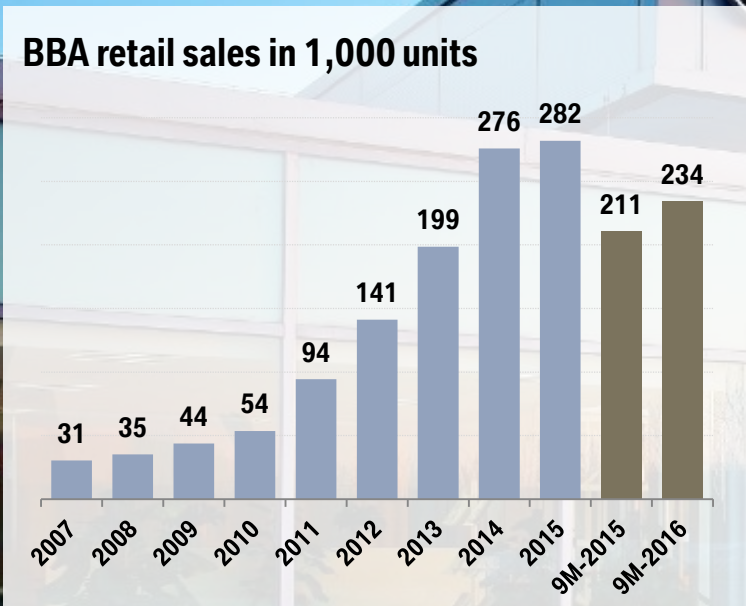
2 MORE MODELS TO COME TO LOCAL PRODUCTION



BMW AND MINI RETAIL MIX IN MAINLAND CHINA FY-2015.



BMW BRILLIANCE AUTOMOTIVE – A SUCCESS STORY WITH GROWING REVENUE AND EARNINGS CONTRIBUTION.



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THE BMW GROUP AIMS TO BE THE LEADING AND MOST SUSTAINABLE PREMIUM PROVIDER OF INDIVIDUAL MOBILITY.

OUR GOAL is being the most sustainable and successful premium provider. The BMW Group shapes the individual mobility of the future, thus creating added value for customers, company and society.

OUR APPROACH is holistic, focused on implementing sustainability throughout the value chain and ensuring that sustainability is firmly entrenched within our company structures and practiced by our employees.



SUSTAINABILITY IS FULLY INTEGRATED IN THE BMW GROUP AND LEADS TO TOP RATINGS.

1973

First environmental manager in the automotive industry.

2000

Executive Board resolution “Sustainability is a guiding principle of the BMW Group’s corporate strategy.”

2009

Establishment of Sustainability Circle and Board.
Corporate sustainability is declared as corporate target.

TOP RATINGS

- **Dow Jones Sustainability Indices:** BMW Group has been a Sustainability Leader in the Automotive Industry for over 15 years.
- **Carbon Disclosure Project:** Industry leader 2011, 2012, 2013, 2014, 2015, 2016.
- **FTSE4Good:** Listed in the FTSE4Good Index.
- **Oekom:** Corporate Responsibility Rating oekom, Status: Prime.
- **Sustainalytics:** Ranked No. 1 in the “DAX 30 Sustainalytics” (no update since 2011).



FTSE4Good



SUSTAINABILITY IS INTEGRATED THROUGHOUT THE ENTIRE VALUE CHAIN.

Research & Development



Supply Chain



Production



Logistics & Transportation



Sales & Utilization



Disposal & Recycling



25%

reduction of CO₂ emissions of new 7series over entire life cycle

53%

of purchasing volume in CDP Supply Chain Program

1,900

supplier locations assessed on an industry-specific sustainability questionnaire

158 mn. €

savings based on resource efficiency

58%

share of renewable energy purchased from third parties

4.4

accidents per 1,000,000 hours worked

63%

of new vehicles leaving plants via railway

50%

reduction in the share of air freight in transport volume

40%

(127 g/km) reduction of CO₂-emissions in European new car fleet

580,000

DriveNow customers worldwide

95%

of end-of-life vehicle recycled / disposed



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3 AUTOMOTIVE

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5 FINANCIAL SERVICES

6 MARKETS

7 SUSTAINABILITY

8 **BMW SHARES**

9 DEBT & RATINGS

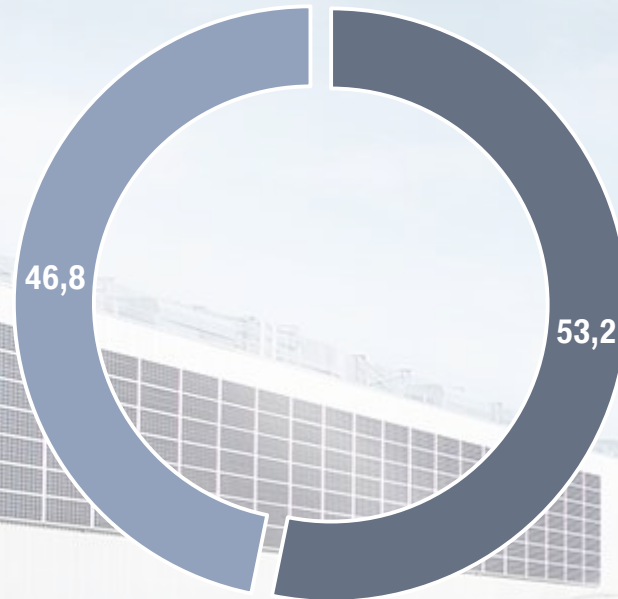
10 CONTACT & CALENDAR

BMW AG SHAREHOLDER STRUCTURE SUPPORTIVE FOR LONG-TERM ORIENTATION OF THE COMPANY.

Ownership of BMW AG's ordinary shares (in %)

■ Free Float

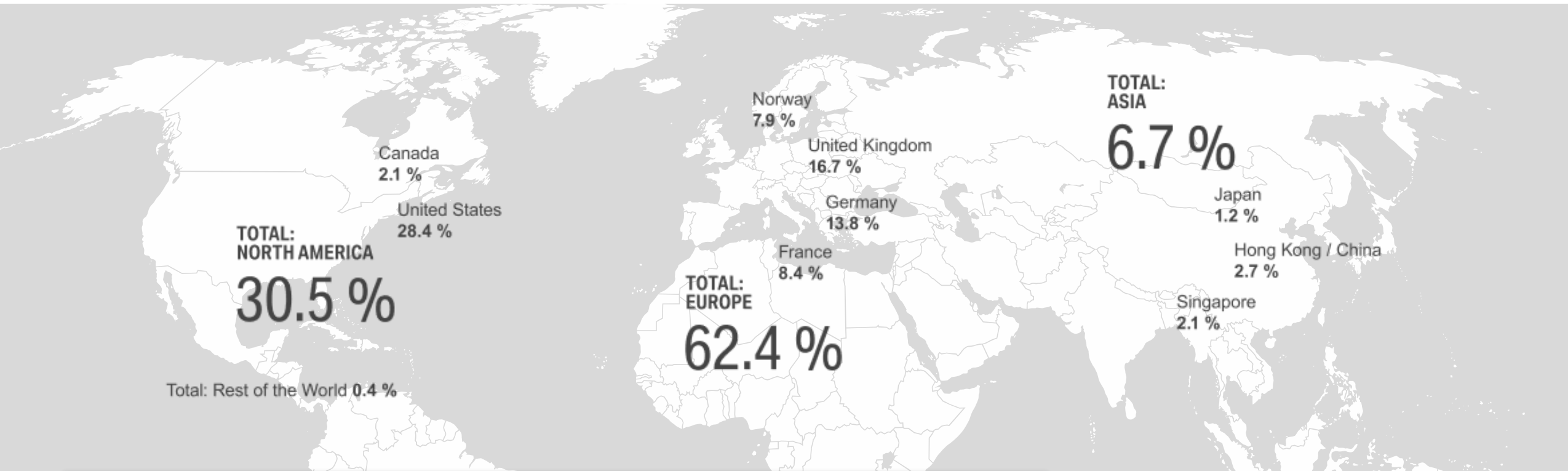
■ Strategic shareholders*



* Strategic shareholders as per 22 September 2016: AQTON SE, Bad Homburg v.d. Höhe (17.4%) held by Mr. Stefan Quandt, Johanna Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v.d. Höhe (16.4%), Susanne Klatten Beteiligungs GmbH, Bad Homburg v.d. Höhe (12.6%), Susanne Klatten (0.2%), Stefan Quandt (0.2%)



DIVERSIFIED SHAREHOLDER STRUCTURE: GEOGRAPHICAL DISTRIBUTION OF INSTITUTIONAL EQUITY INVESTORS.



- The TOP 30 aggregated institutional shareholders represent 186m BMW shares.
- This is a share of 28.6 % out of 656m outstanding shares.
- Majority of investors is long-term oriented.



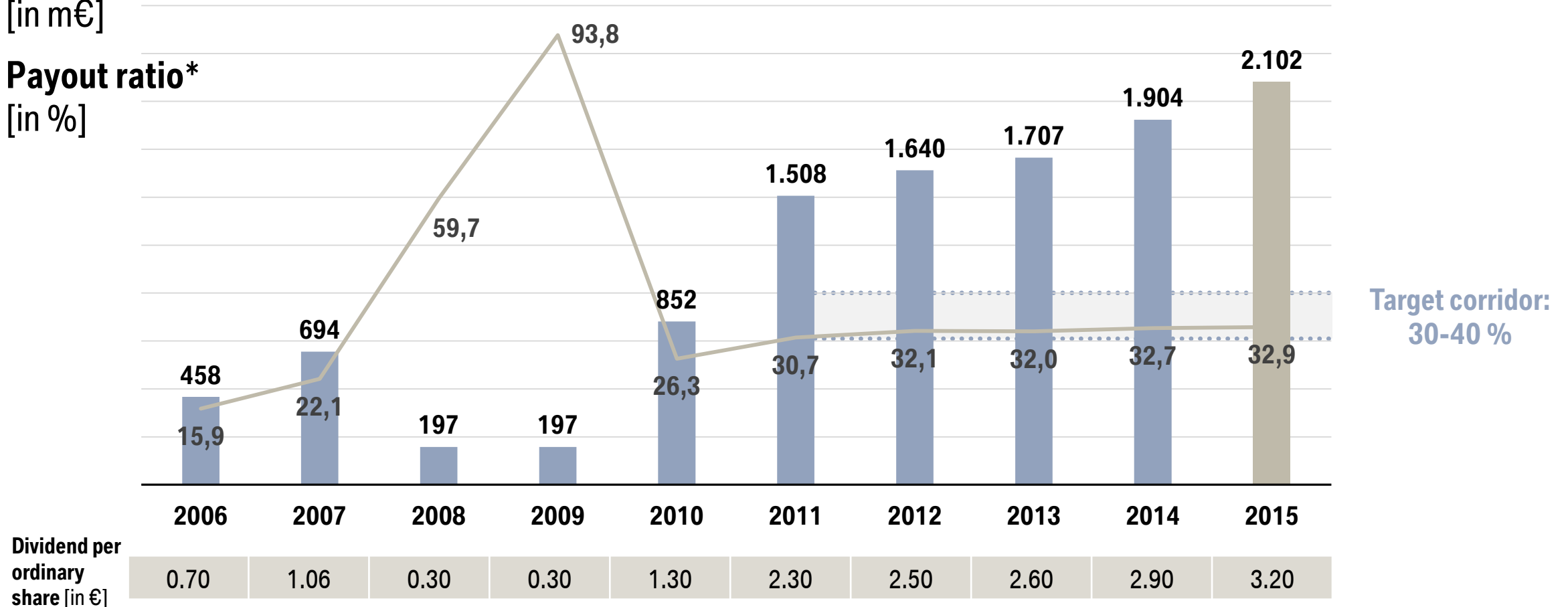
DIVIDEND DEVELOPMENT & PAYOUT RATIO. STRATEGIC TARGET PAYOUT RATIO: 30-40%.

Total Dividend payout to BMW AG shareholders

[in m€]

Payout ratio*

[in %]



Dividend per ordinary share [in €]

* Payout ratio: total dividend payout to BMW AG shareholders divided by Group net profit / loss.

Net profit / loss: 2013 figures have been adjusted in accordance with IAS 8 (AR-2014, p. 90); 2012 figures adjusted in accordance with IAS 19 (AR-2013, p. 88); 2010 figures adjusted for effect of change in accounting policy for leased products (AR-2011, pg. 77).



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BMW GROUP'S FINANCE STRATEGY COVERS THE ENTIRE AUTOMOTIVE VALUE CHAIN.

BMW GROUP CORPORATE FINANCE STRATEGY REFLECTS THE INDUSTRIAL NATURE OF THE BUSINESS AND IS FOCUSED ON THE ENTIRE AUTOMOTIVE VALUE CHAIN.

Automotive value chain



Research & Development



Production



Sales & Marketing



Financial Services



BROAD INVESTOR BASE.

Canada
CAD ABS
CAD Bonds
Project Financing
EDC

USA
USD Commercial Paper
USD Bonds (144A)
USD US PP
USD ABS
BCD/ICD

Mexico
Project Financing
Plant funding

Brazil
BRL ABS
Project Financing
Plant funding

Europe
EUR Commercial Paper
French Commercial Paper
EMTN Private Placements
EUR Bonds
GBP Bonds
CHF Bonds
ECB
Deposits
EUR ABS
GBP ABS
CHF ABS

Project Financing
EIB Plant funding
KFW Tools

India
INR Bonds
INR Promissory Notes

South Africa
ZAR ABS
ZAR Bonds

China
RMB ABS
China Financial Bonds
Project Financing
JV Brilliance

Australia
AUD (AMTN) Bonds
AUD ABS

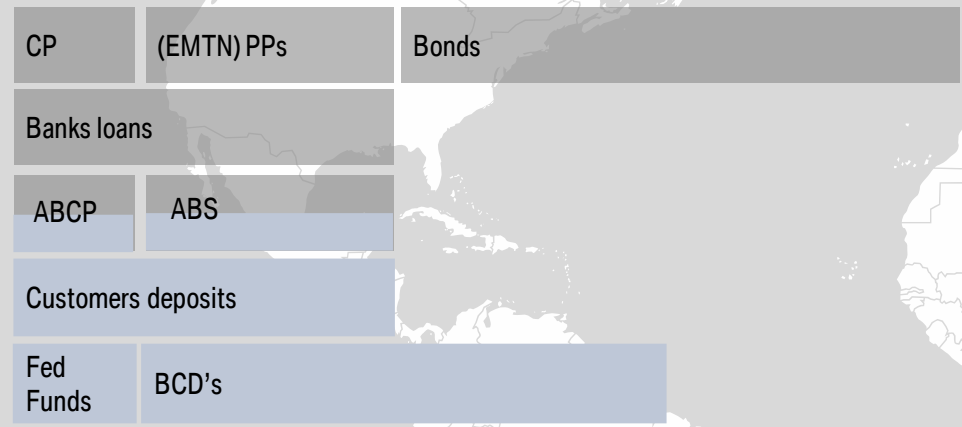
South Korea
KRW Bonds
USD/KRW ABS

Japan
JPY SSD
JPY ABS

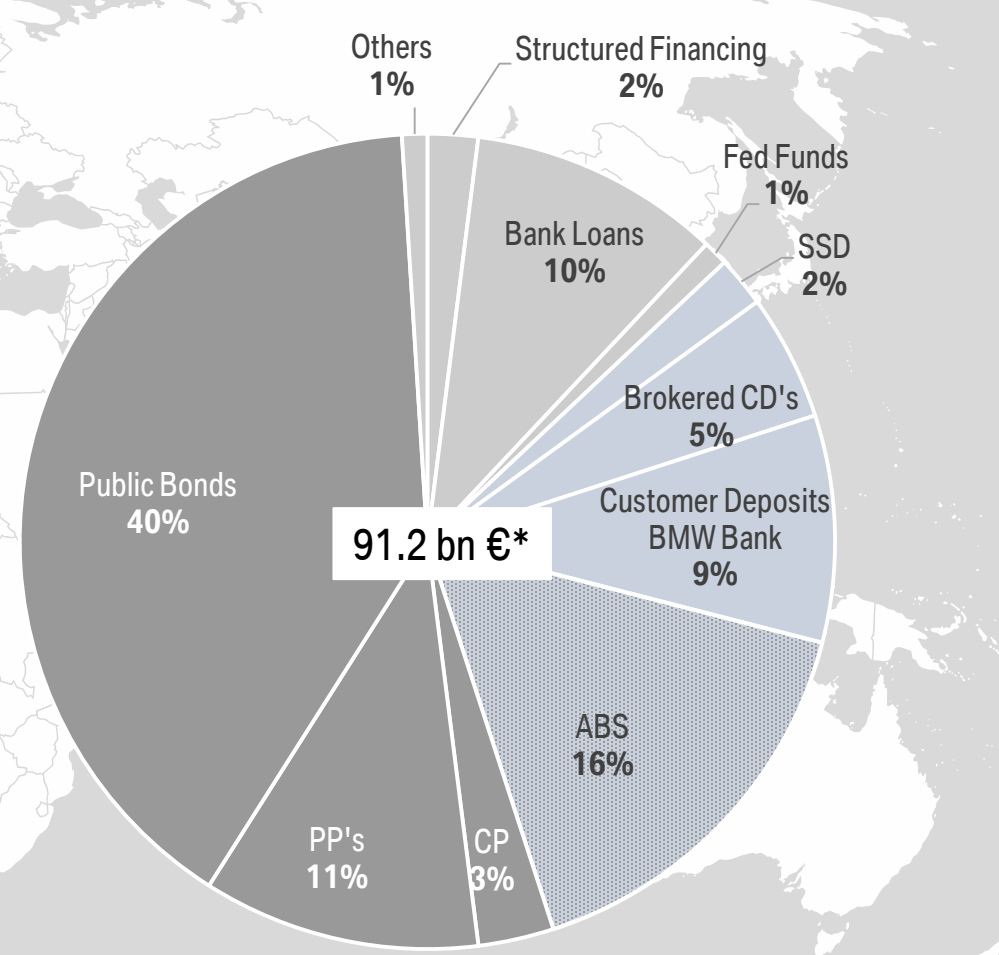


DIVERSIFIED FUNDING MIX WITH A COMBINATION OF INDUSTRY AND BANK TYPICAL FINANCING INSTRUMENTS.

Funding Instruments Financial Debt as of 30.09.2016

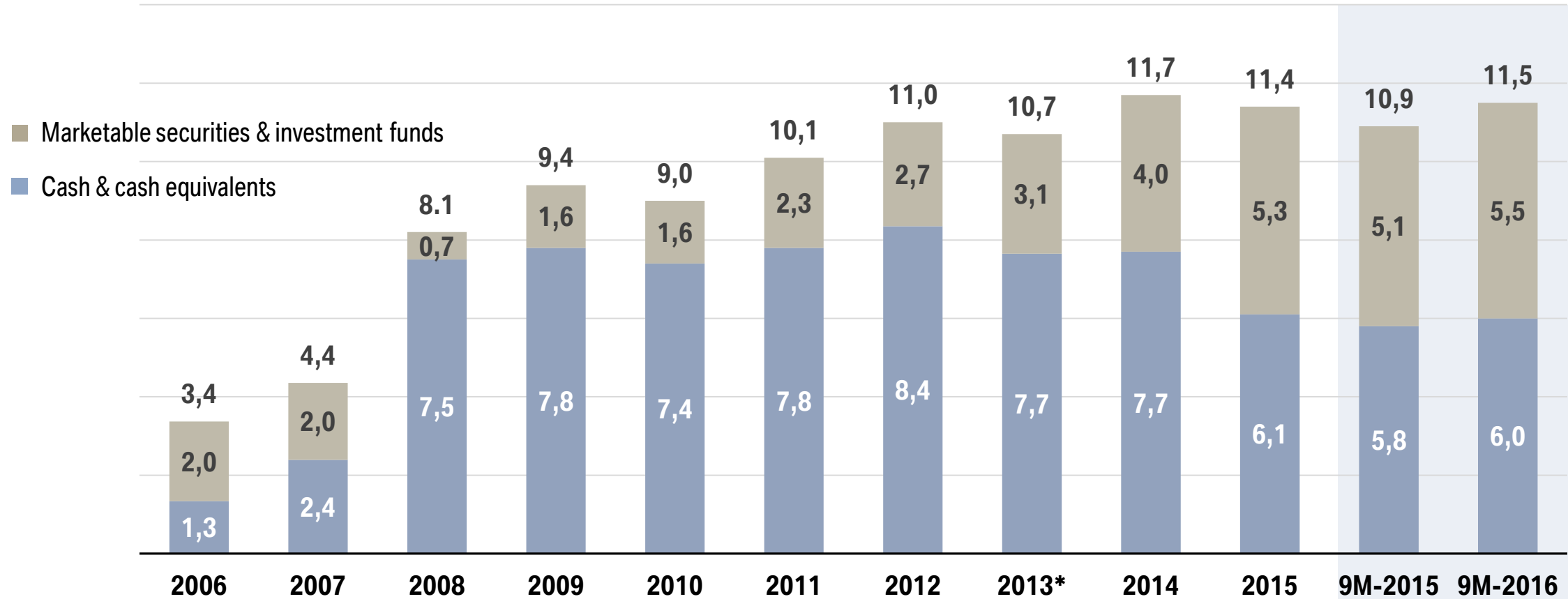


Industry-typical instruments Bank-typical instruments



BMW GROUP CONTINUES TO MAINTAIN A SOLID LIQUIDITY POSITION.

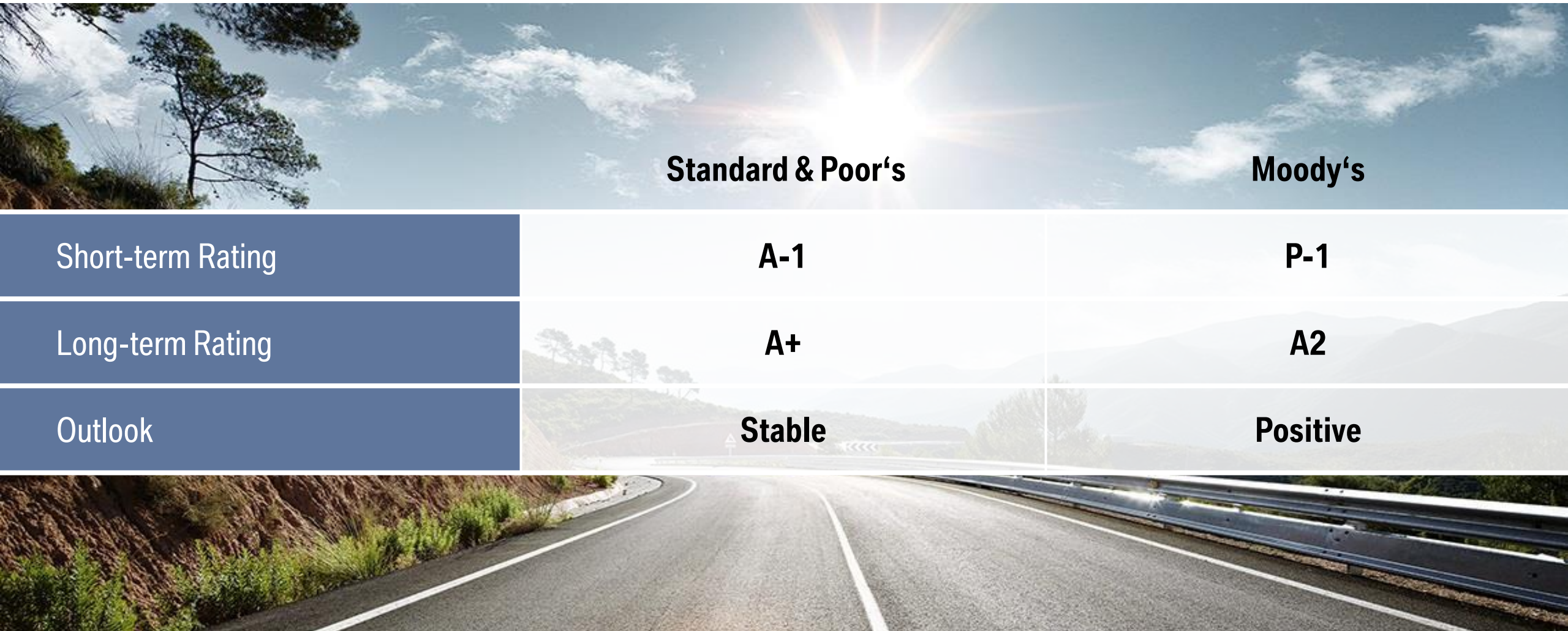
Group Liquidity [in bn€]



DEVELOPMENT OF 5-YEAR CDS.



BMW GROUP WITH BEST RATING AMONG EUROPEAN AUTOMOTIVE MANUFACTURERS.



	Standard & Poor's	Moody's
Short-term Rating	A-1	P-1
Long-term Rating	A+	A2
Outlook	Stable	Positive



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BMW GROUP INVESTOR RELATIONS. FINANCIAL CALENDAR 2017.

21.03.2017	Annual Accounts Press Conference 2017
22.03.2017	Analyst and Investor Conference 2017
04.05.2017	Quarterly Report to 31 March 2017
11.05.2017	Annual General Meeting 2017
03.08.2017	Quarterly Report to 30 June 2017
07.11.2017	Quarterly Report to 30 September 2017



<http://www.bmwgroup.com/ir>



DISCLAIMER.

This document contains forward-looking statements that reflect BMW Group's current views about future events. The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "can," "could," "plan," "project," "should" and similar expressions are used to identify forward-looking statements.

These statements are subject to many risks and uncertainties or may be affected by factors outside BMW Group's control, including adverse developments in global economic conditions resulting in a decline in demand in BMW Group's key markets, including China, North America and Europe; a deterioration in credit and financial markets; a shift in consumer preferences affecting demand for BMW Group's products; changes in the prices of fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; the effective implementation of BMW Group's strategic goals and targets; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; and other risks and uncertainties, including those described under the heading "Report on Risks and Opportunities" in BMW Group's most recent Annual Report.

If any of these risks and uncertainties materializes or if the assumptions underlying any of BMW Group's forward-looking statements prove to be incorrect, actual results may be materially different from those BMW Group expresses or implies by such statements. BMW Group does not intend or assume any obligation to update these forward-looking statements.

