



BMW GROUP

INVESTOR PRESENTATION

December 2016

**BMW
GROUP**

THE NEXT
100 YEARS 



Rolls-Royce
Motor Cars Limited

VISION

**COMPETITIVE
ADVANTAGE**

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

**STRATEGIC
APPROACH**

**CORPORATE
CULTURE**

STRATEGY NUMBER ONE NEXT.

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

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

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

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

MOBILITY OF THE FUTURE: HIGHLY AUTOMATED, ZERO-EMISSION VEHICLES COMBINED WITH INNOVATIVE MOBILITY SERVICES.

E-MOBILITY



AUTONOMOUS DRIVING



MOBILITY SERVICES



BMW GROUP'S ELECTRIFICATION PATHWAY.



PIONEERING

- Building-up expertise
- Technology innovation
- Project i



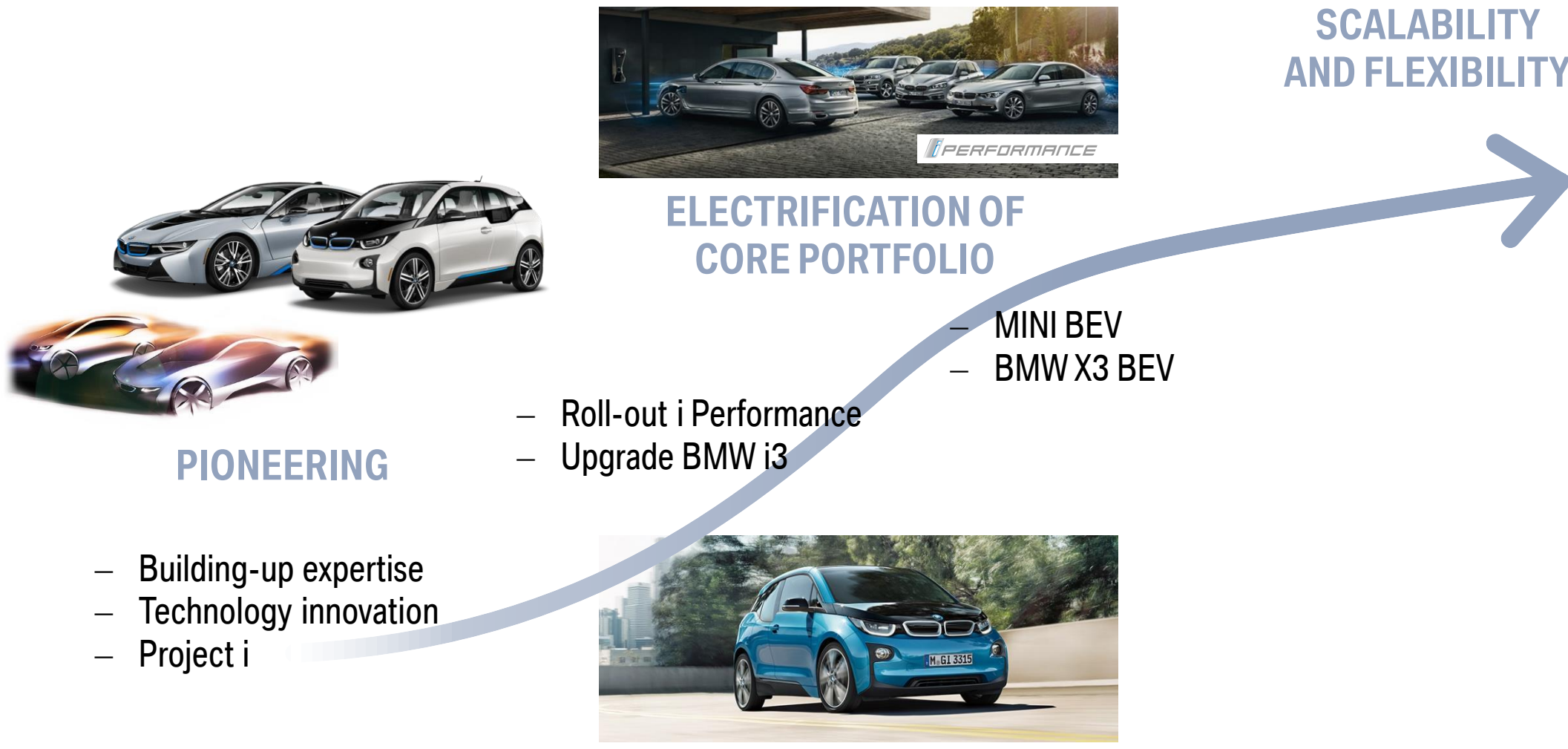
ELECTRIFICATION OF CORE PORTFOLIO

- Roll-out i Performance
- Upgrade BMW i3

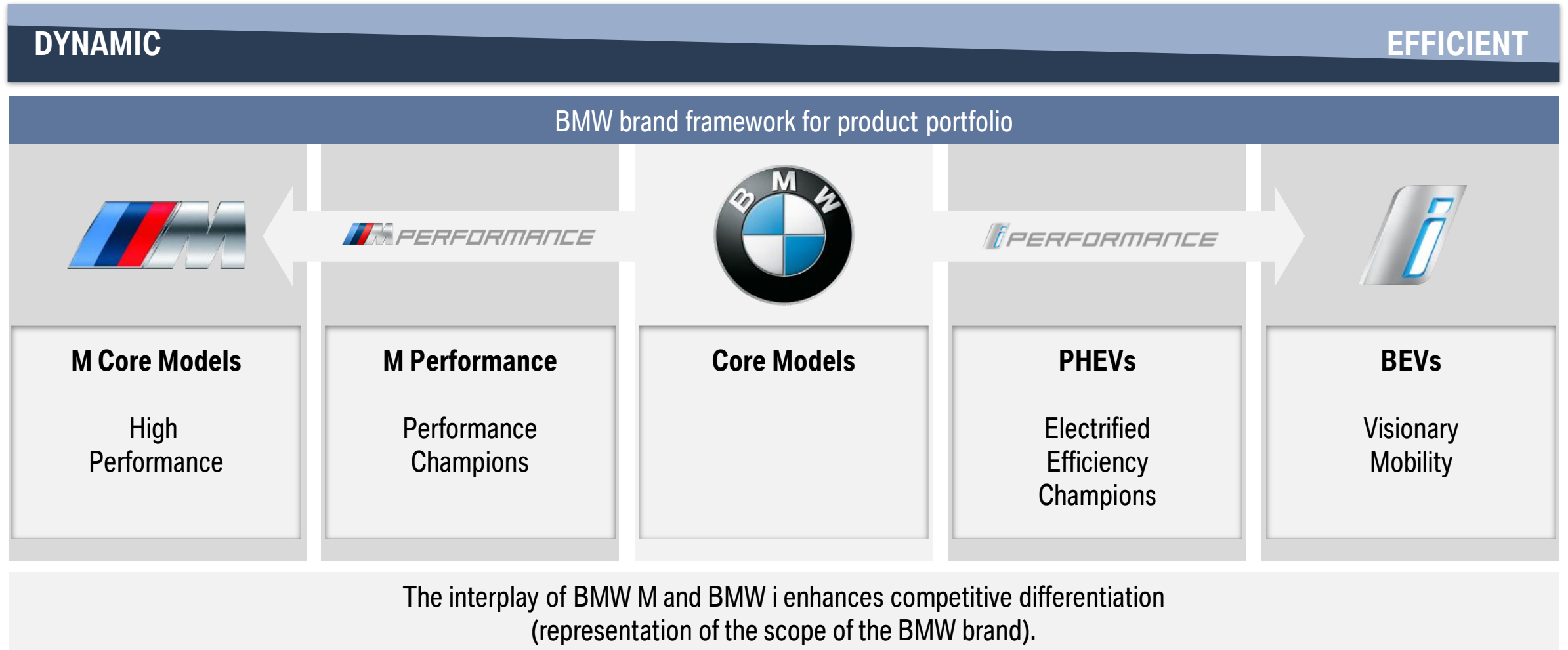
- MINI BEV
- BMW X3 BEV



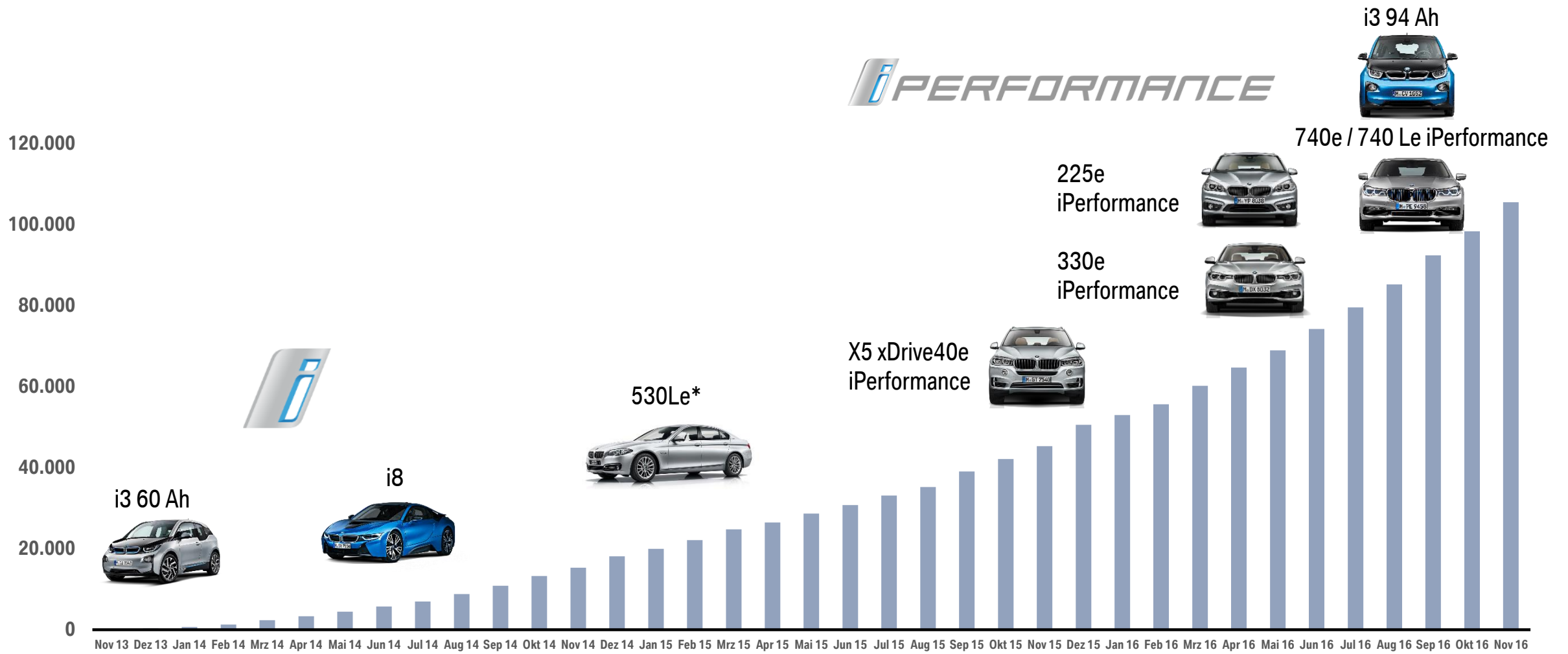
SCALABILITY AND FLEXIBILITY



iPERFORMANCE AND BMW i – BALANCING THE PRODUCT PORTFOLIO.



OVER 100,000 ELECTRIFIED BMW VEHICLES SOLD YTD 2016.



SIGNIFICANT NUMBER OF ELECTRIFIED MODELS ARE ALREADY ON THE STREET.

BATTERY ELECTRIC VEHICLES



2013

2014

2015

2016

2017

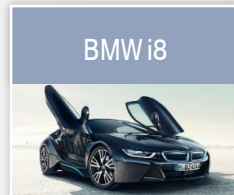
2018

2019

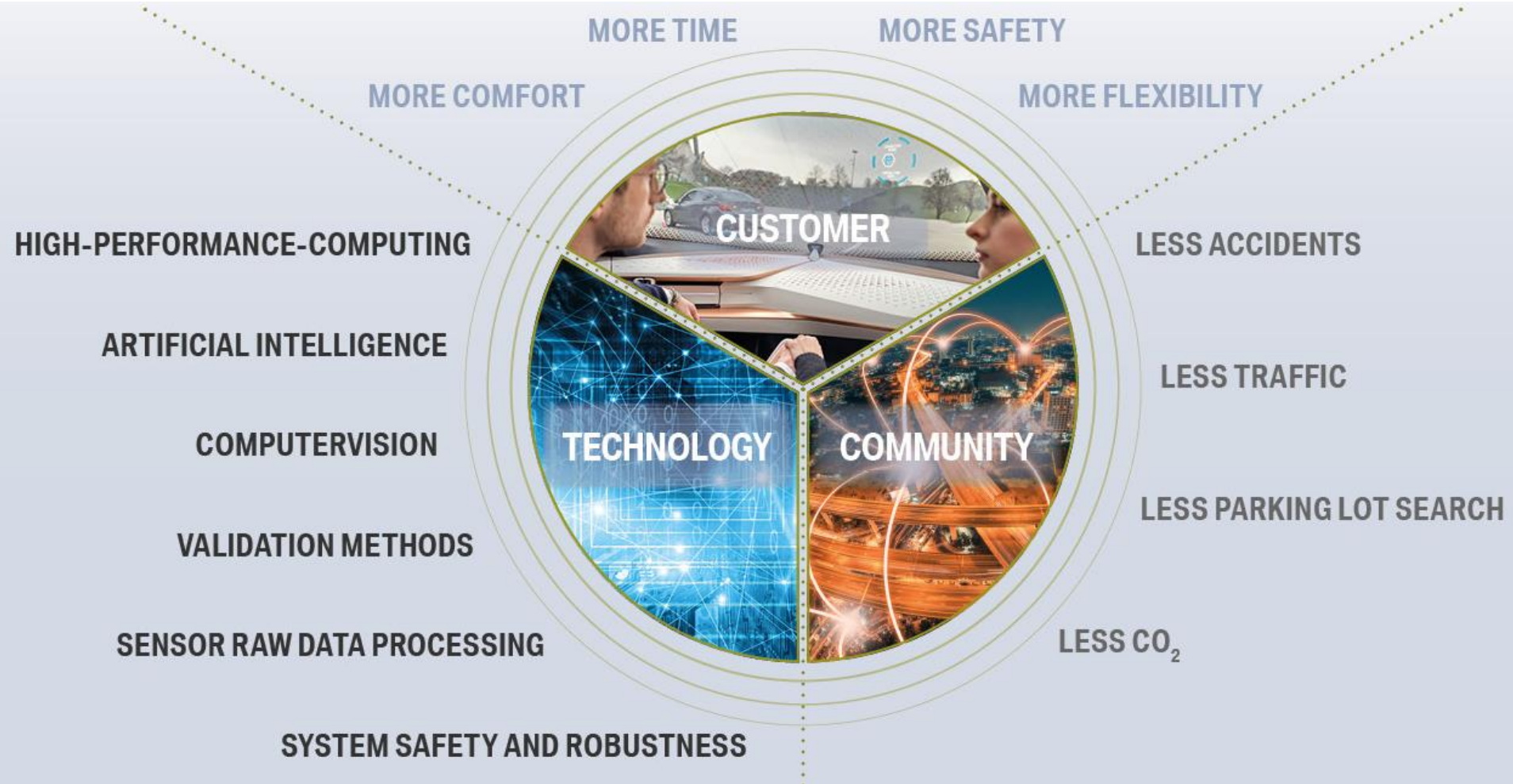
2020

2021

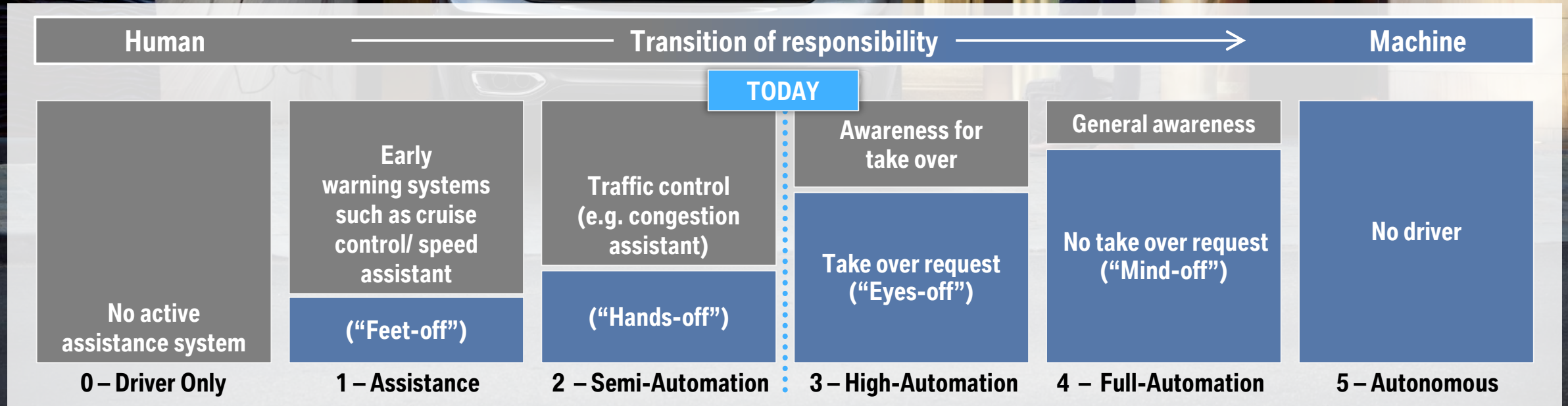
PLUG-IN HYBRIDS



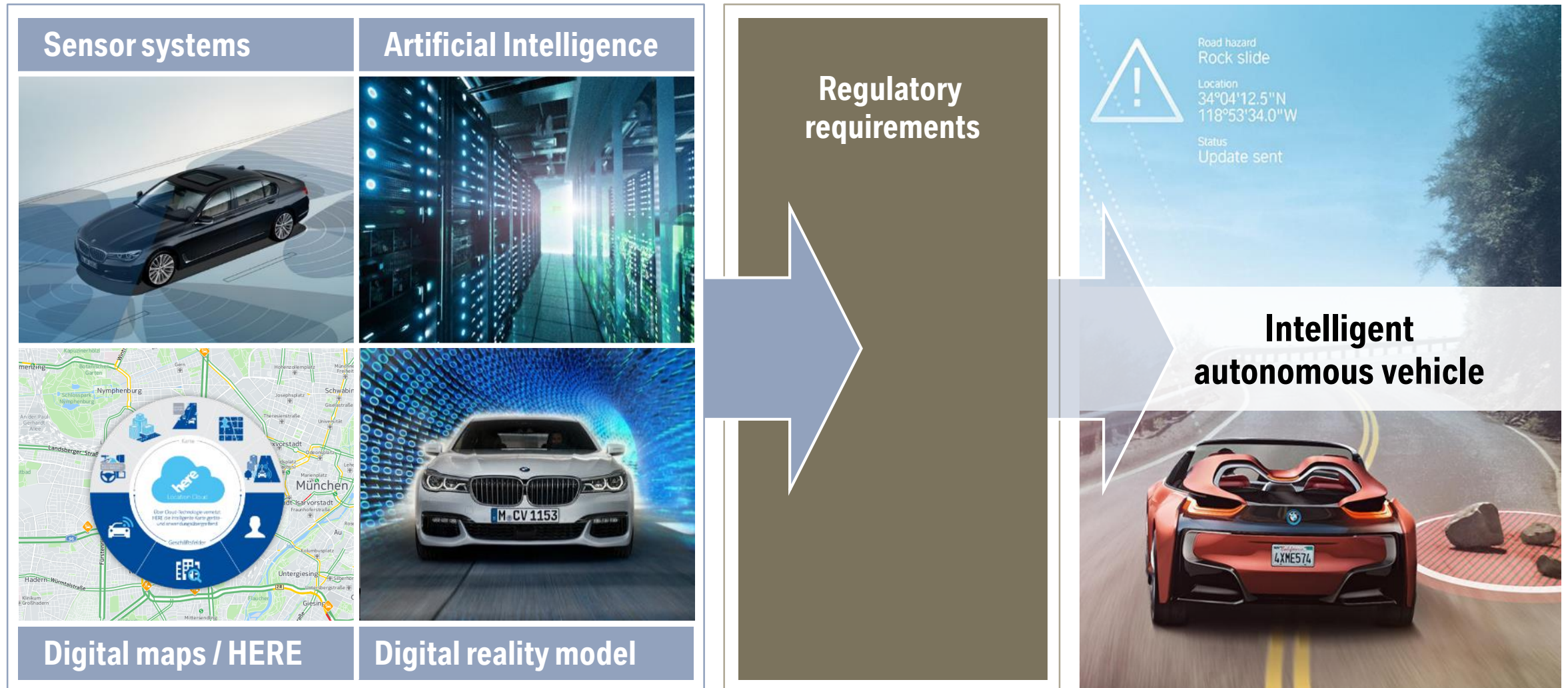
AUTOMATED DRIVING. CHANGING FRAMEWORK LEADS TO NEW DEFINITION OF FUTURE MOBILITY.



THE NEXT STEPS ARE HIGHLY AND FULLY AUTONOMOUS DRIVING.



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



LEVERAGING POTENTIAL OF DIGITALIZATION AND CONNECTIVITY.



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.



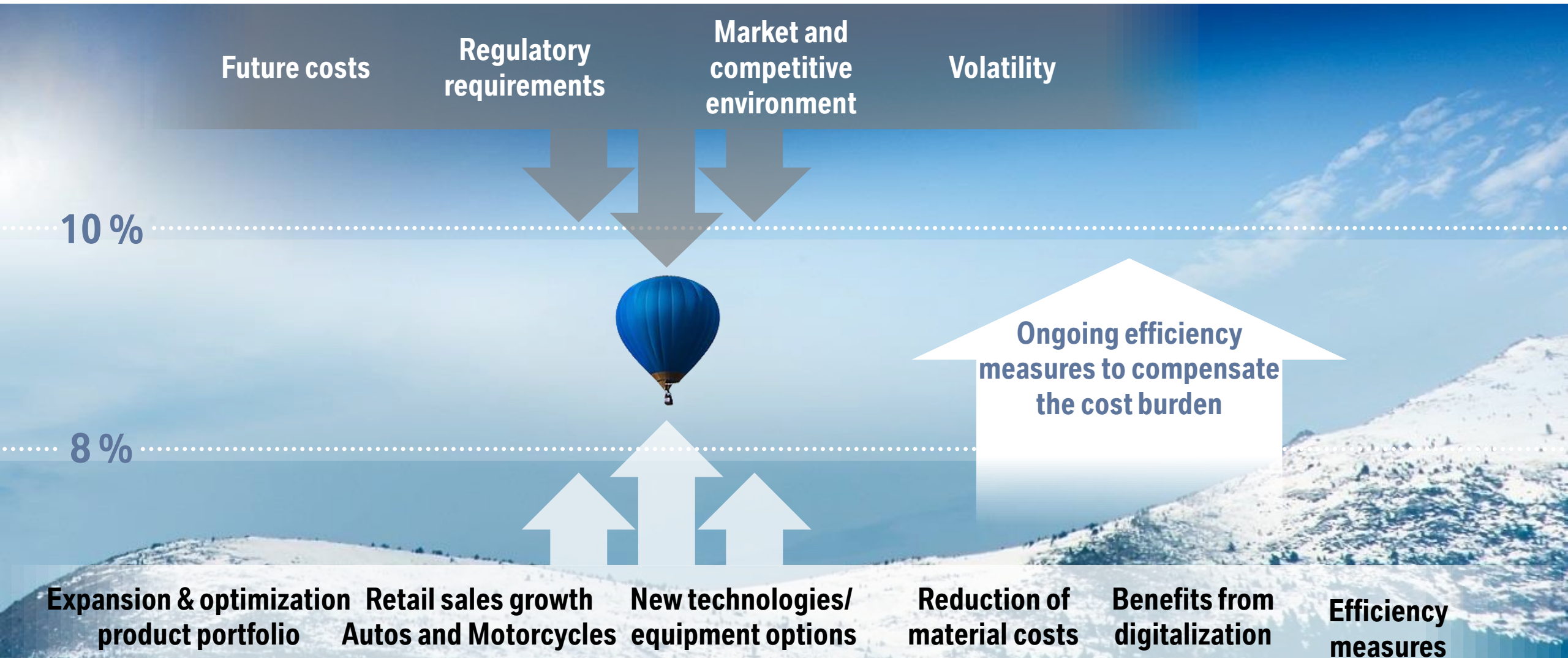
FINANCIAL TARGETS 2020. SUSTAINABLE GROWTH AND SOLID PROFITABILITY DESPITE CHALLENGES.

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%

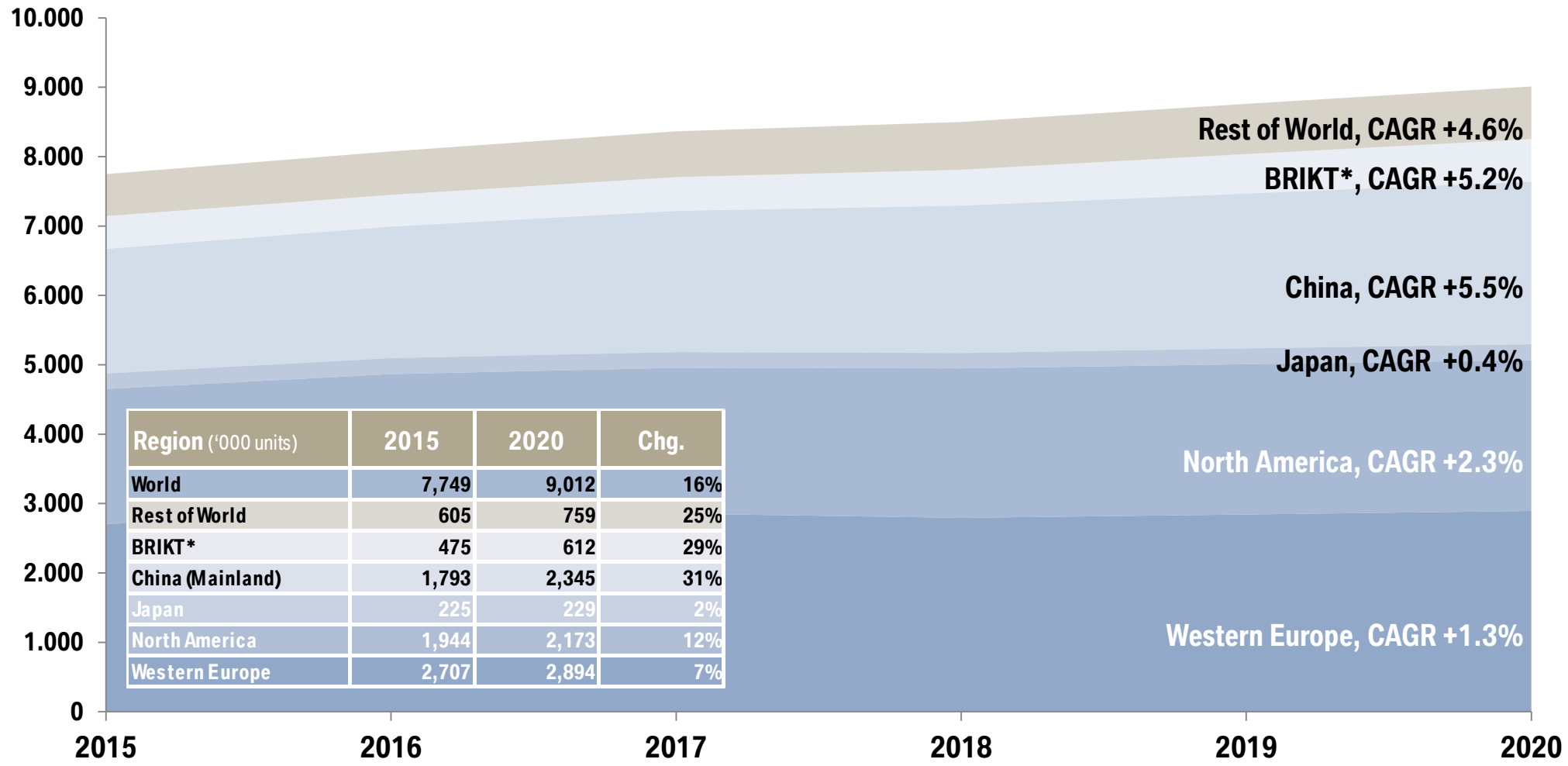
* Investments in property, plant and equipment and other intangible assets (without capitalized development costs).



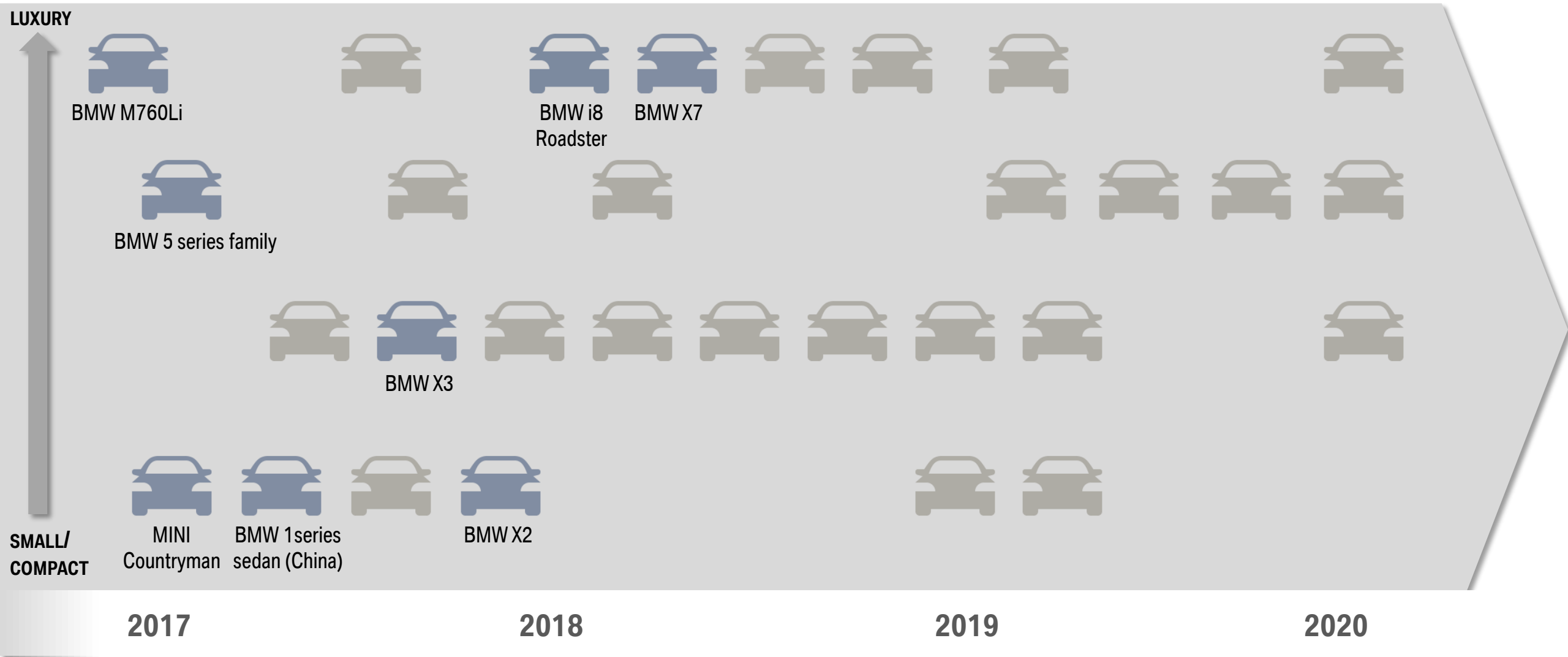
MAINTAINING THE AUTOMOTIVE EBIT MARGIN IN THE CORRIDOR OF 8-10% DESPITE ONGOING CHALLENGES.



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



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



STRENGTHENING PROFITABILITY BY SALES GROWTH AND PRODUCT EXPANSION.

HIGH PERFORMANCE CARS



LUXURY SEGMENT

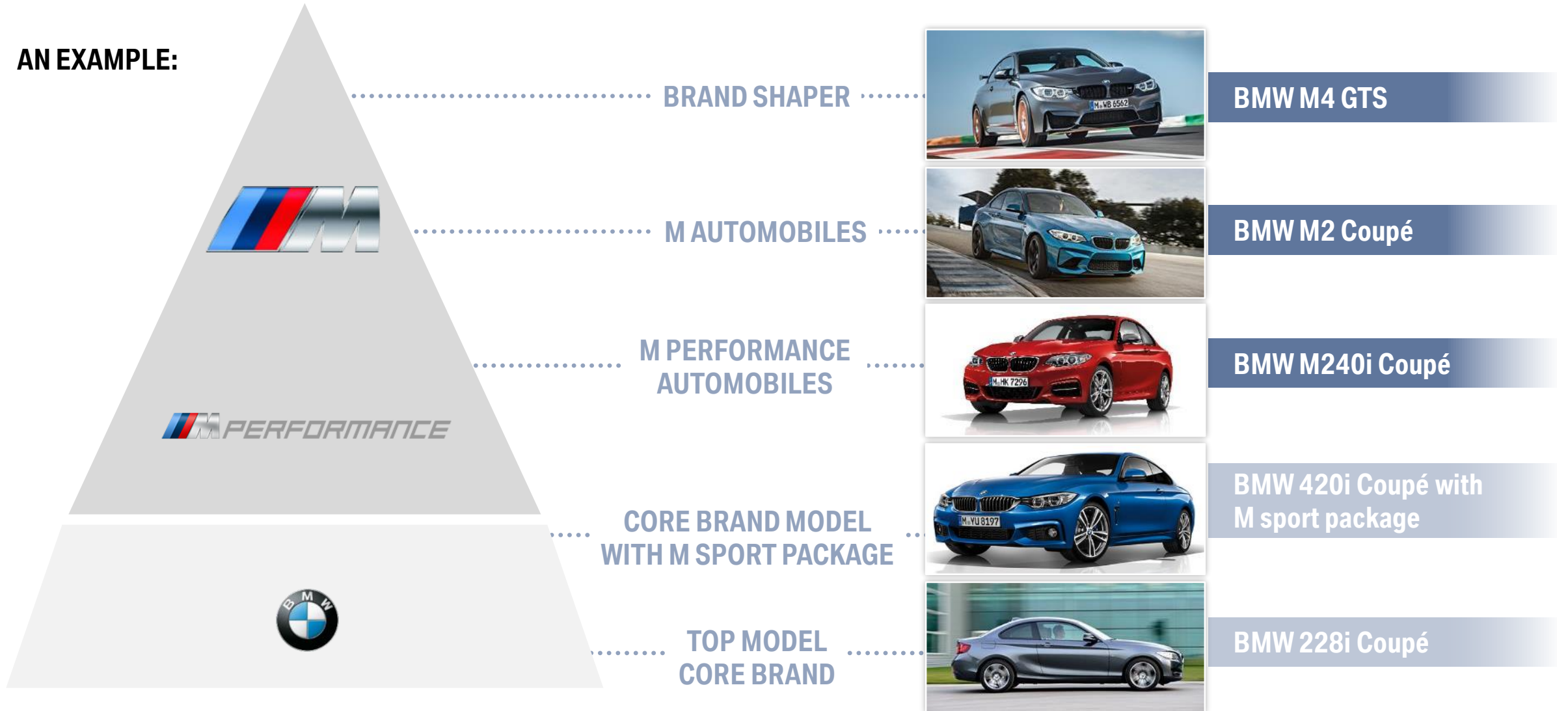


X-PORTFOLIO



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

AN EXAMPLE:



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

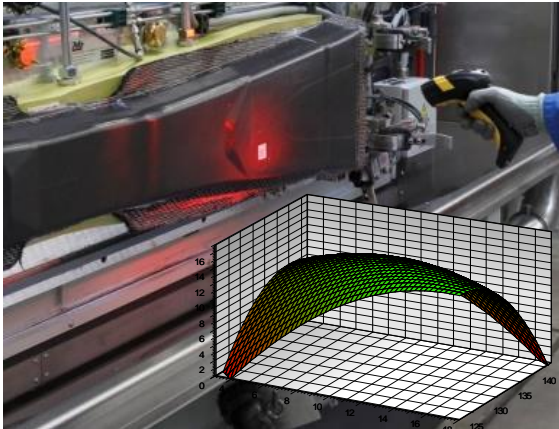


BMW X7



INTELLIGENT AND INNOVATIVE PRODUCTION. DIGITALIZATION CREATES NEW OPPORTUNITIES.

Data and Analytics

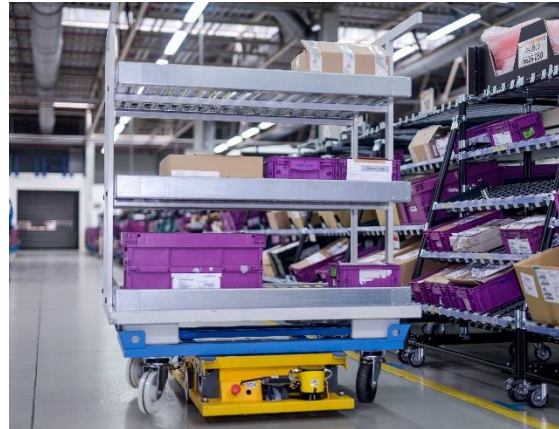


Internet-of-Things
Architecture

Data Management for Planning
and Control

Cyber Security

Smart Logistics

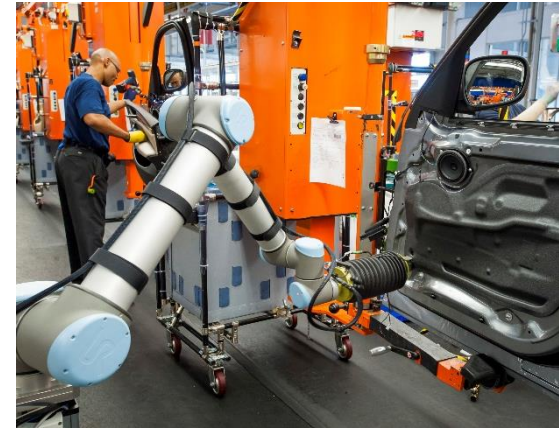


Autonomous Transport Systems

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

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%

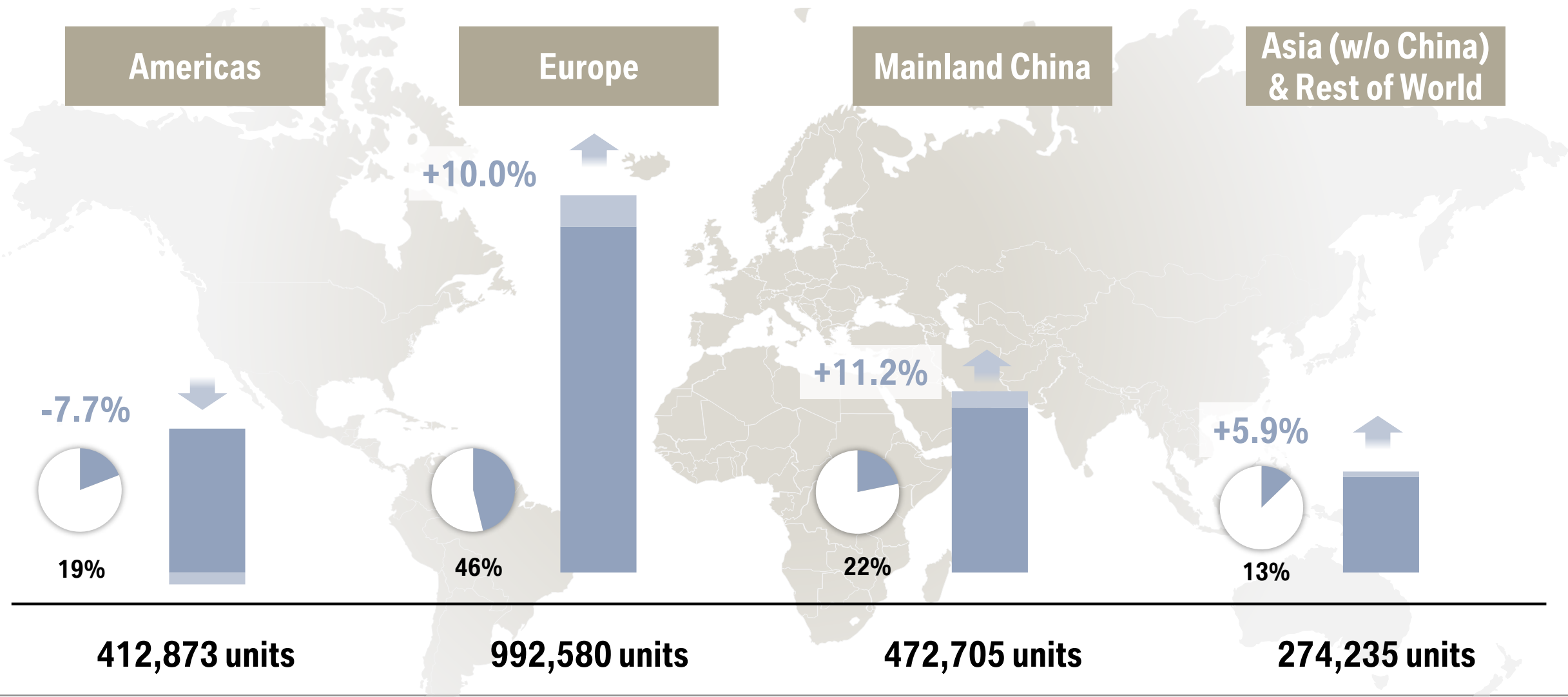
BMW Motorrad

136,393

+5.4%



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

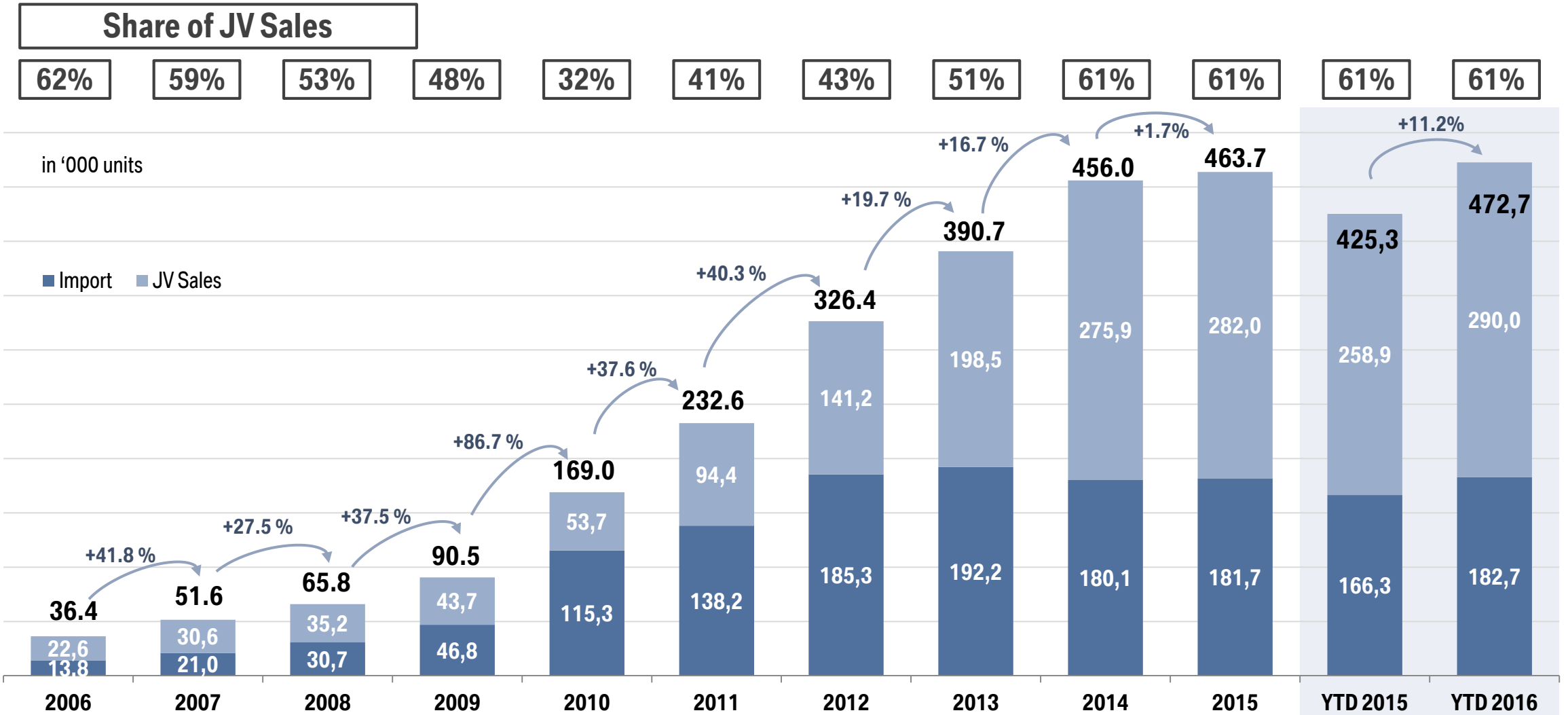


BMW GROUP AUTOMOTIVE MAJOR MARKETS. DELIVERIES TO CUSTOMERS YTD NOVEMBER 2016.

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	6.1
Total		2,152,393	2,033,948	5.8



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



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 MOTORRAD. WIDER RANGE THAN EVER BEFORE.

ADVENTURE



TOUR



SPORT



ROADSTER



HERITAGE



NEW SINCE 2014

URBAN
MOBILITY



NEW SINCE 2012

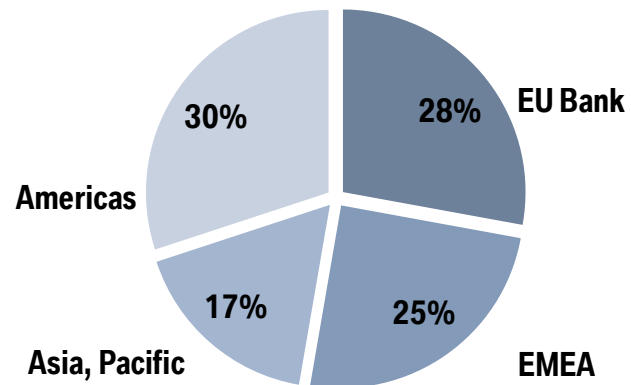
BMW GROUP FINANCIAL SERVICES AT A GLANCE.

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

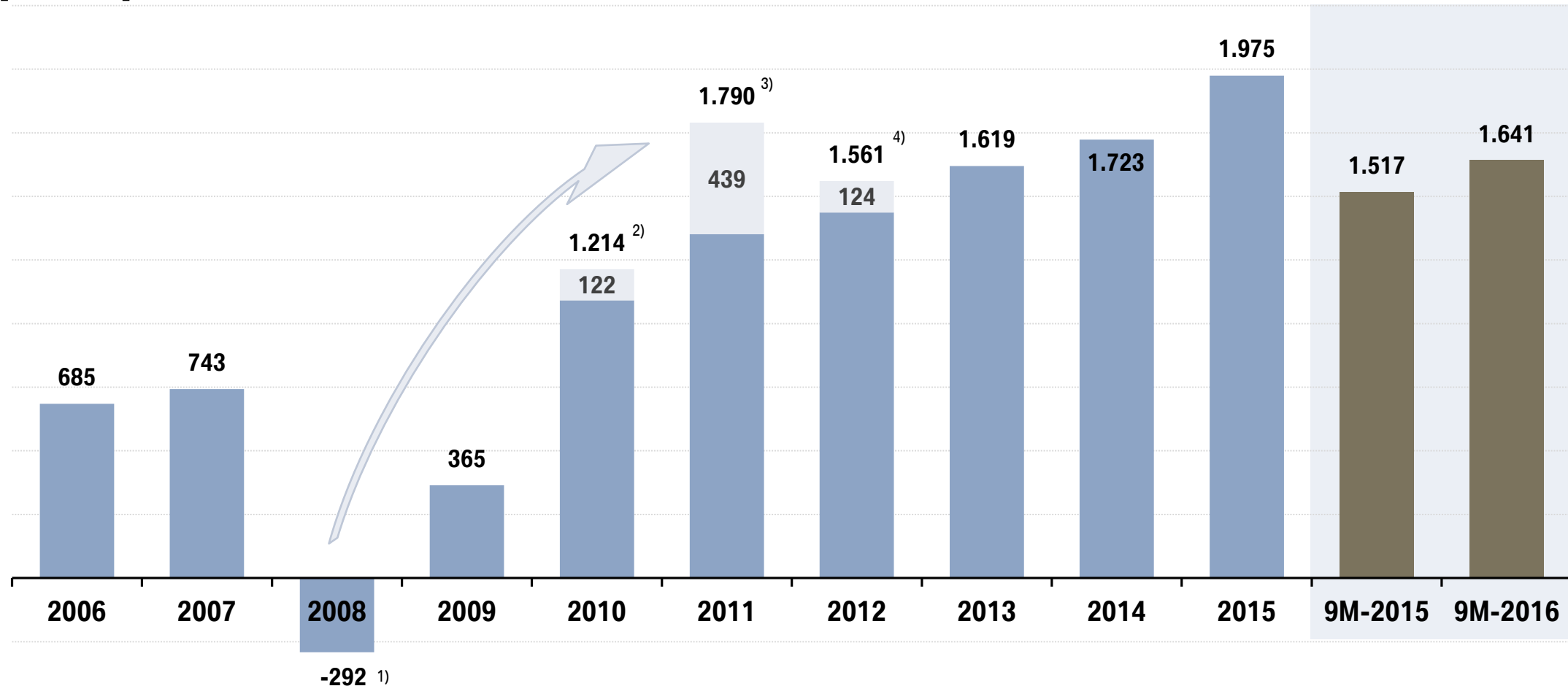


Banking

€ 9.6 bn

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.

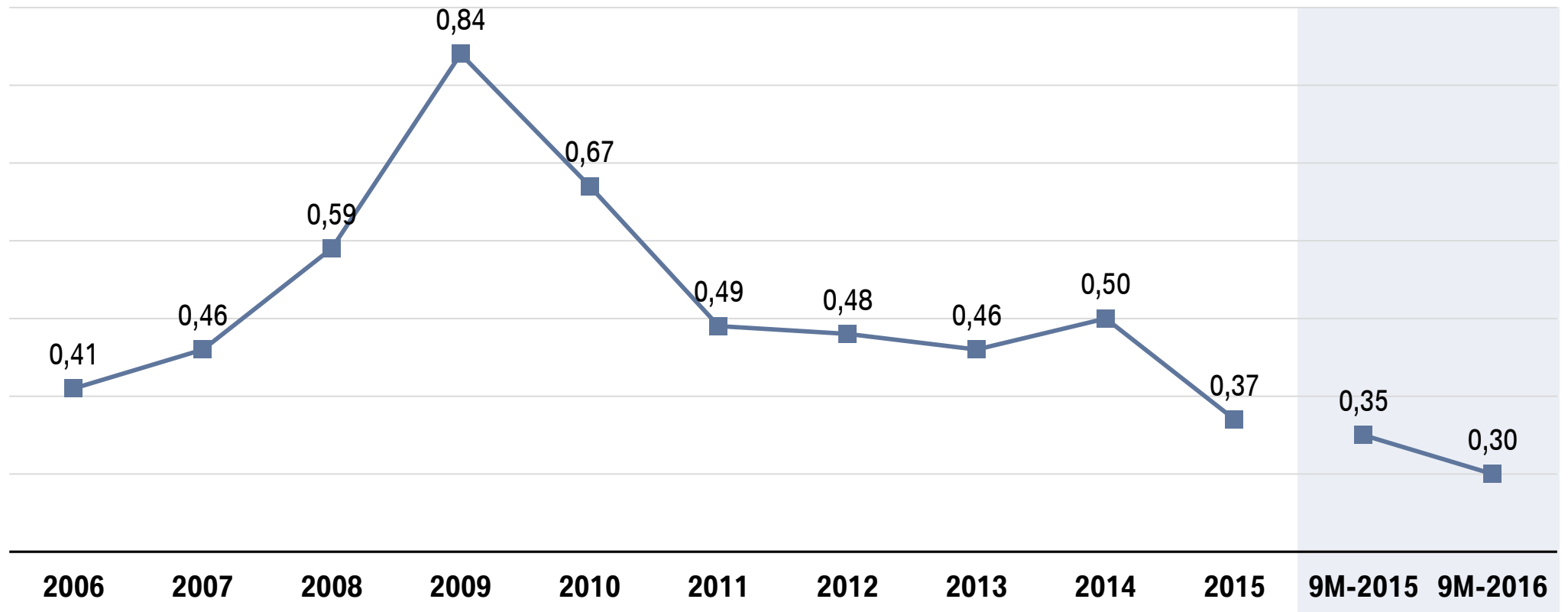
2) FY-10 EBT includes a positive effect of EUR 122 million from better than expected off-lease business.

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.

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

Credit loss ratio*
[in %]



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



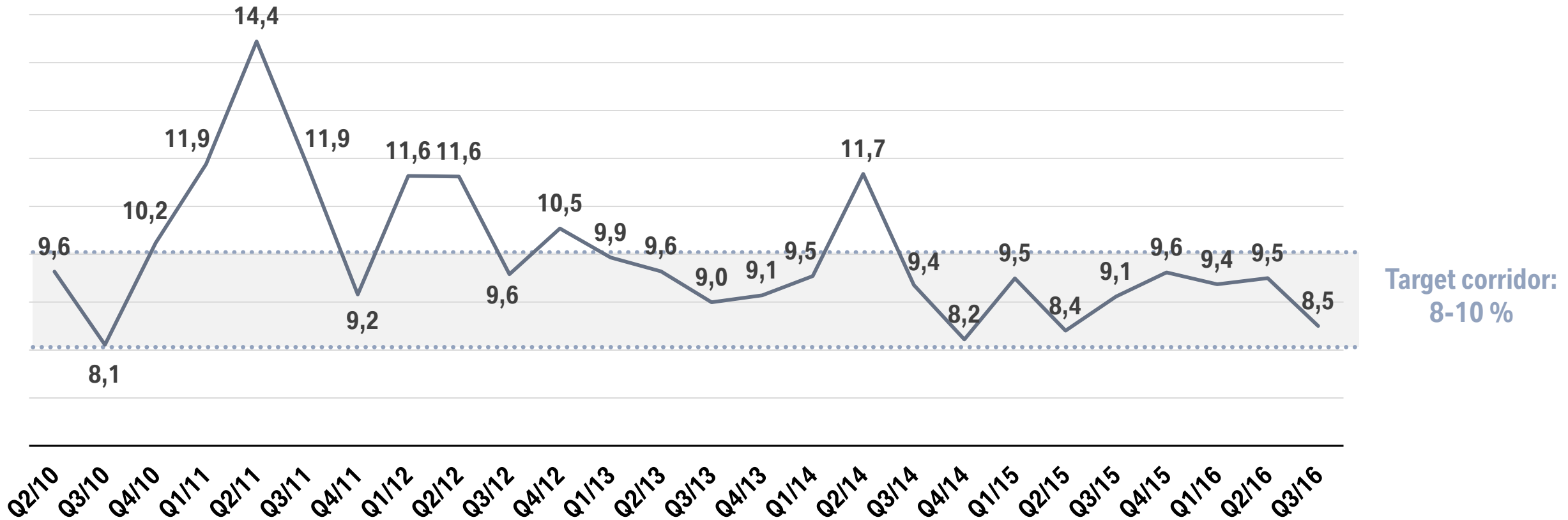
BMW GROUP POSTS BEST-EVER FIGURES FOR THE FIRST NINE MONTHS OF 2016.

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



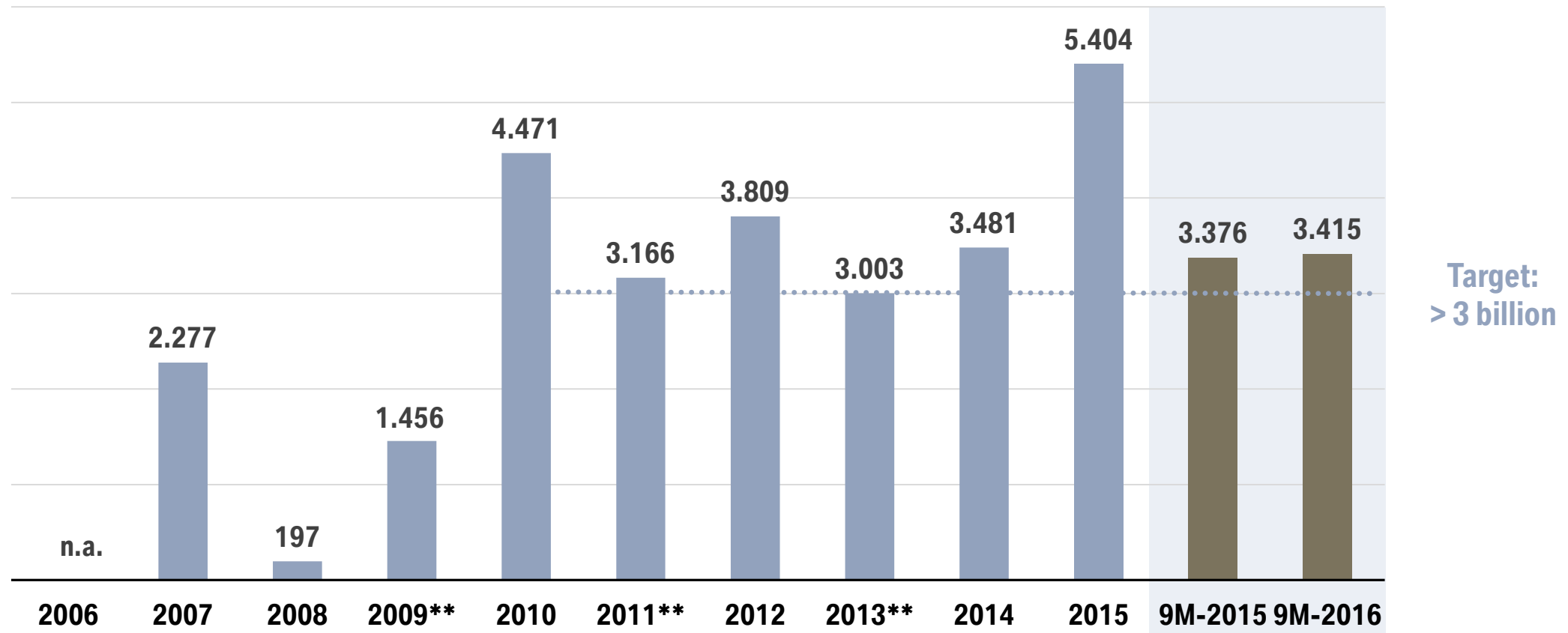
26TH CONSECUTIVE QUARTER TO ACHIEVE AUTOMOTIVE SEGMENT EBIT MARGIN WITHIN TARGET RANGE OF 8 TO 10% OR HIGHER.

EBIT margin development automotive segment [in %]



SOLID FREE CASH FLOW DEVELOPMENT IN THE AUTOMOTIVE SEGMENT.

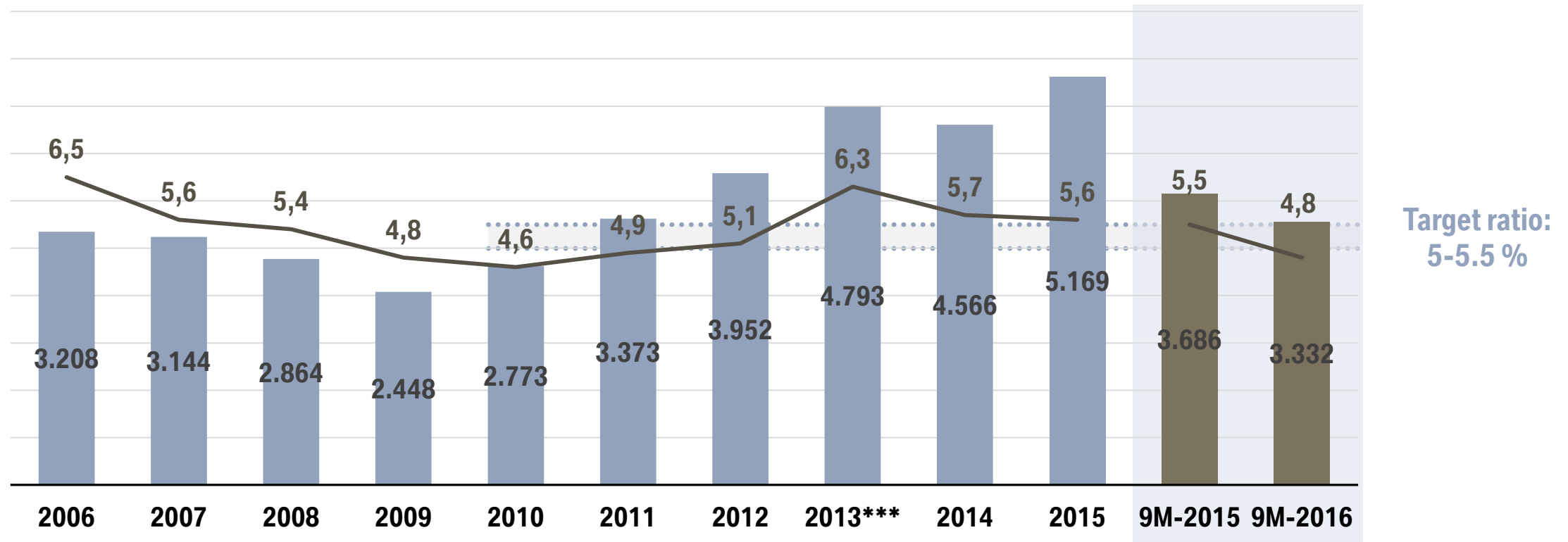
Free Cash Flow (Automotive)* [in m€]



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.

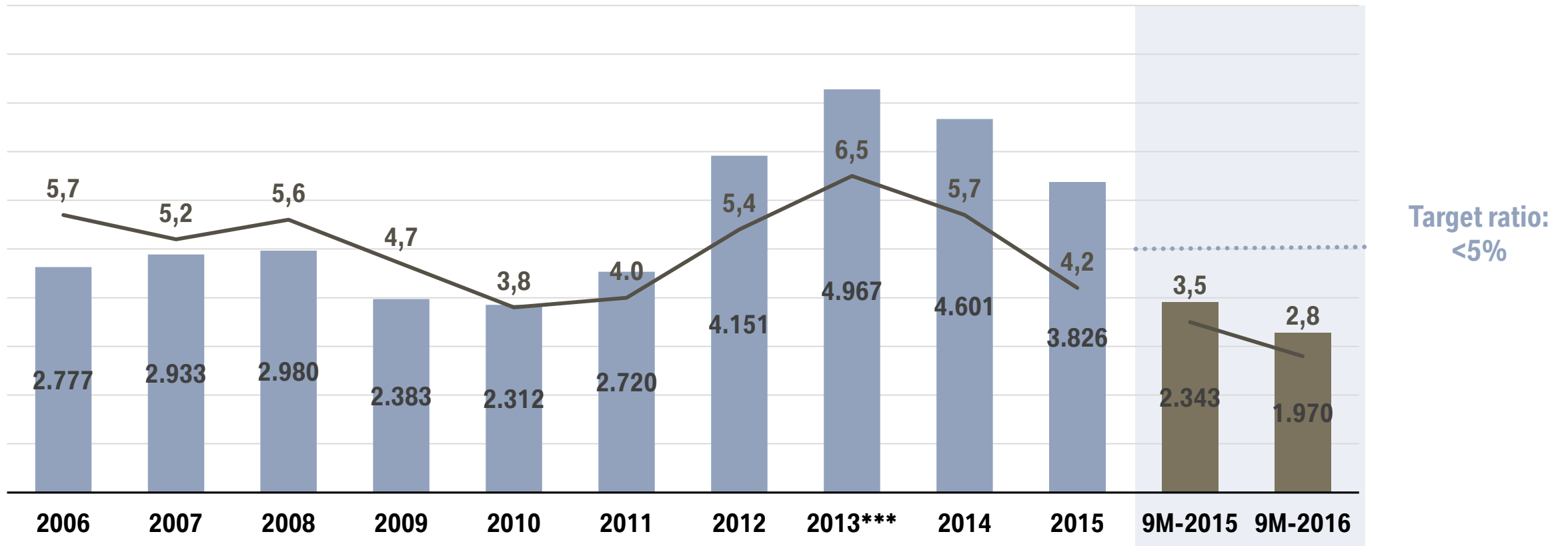
** R&D Ratio: R&D expenditure divided by Group revenues.

*** 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 %]



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

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



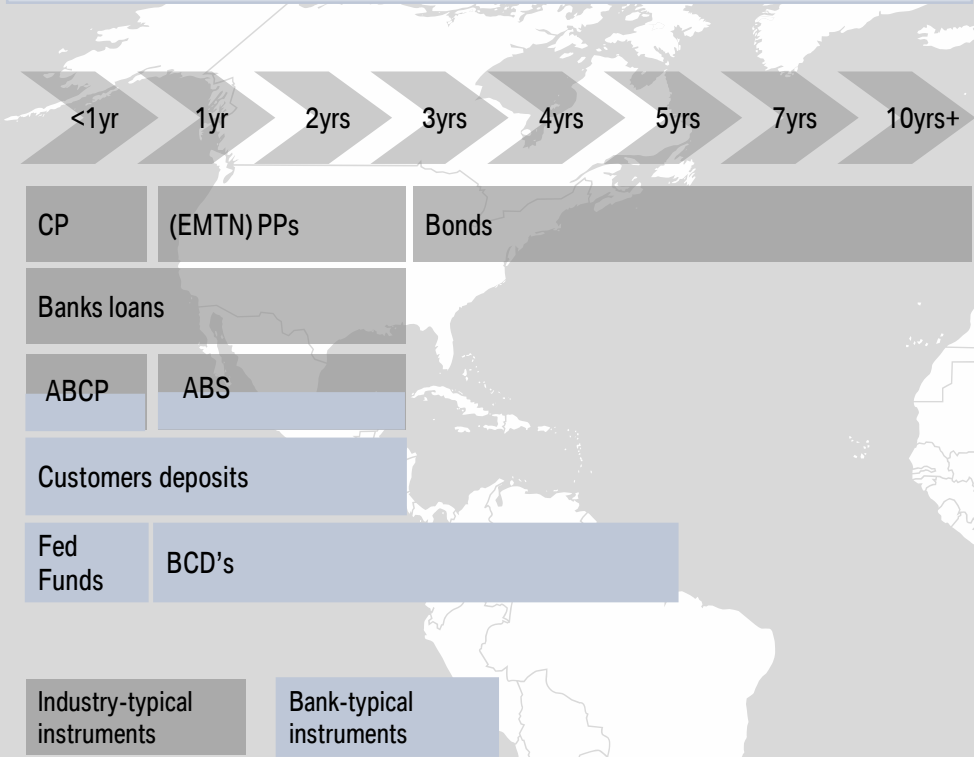
Sales & Marketing



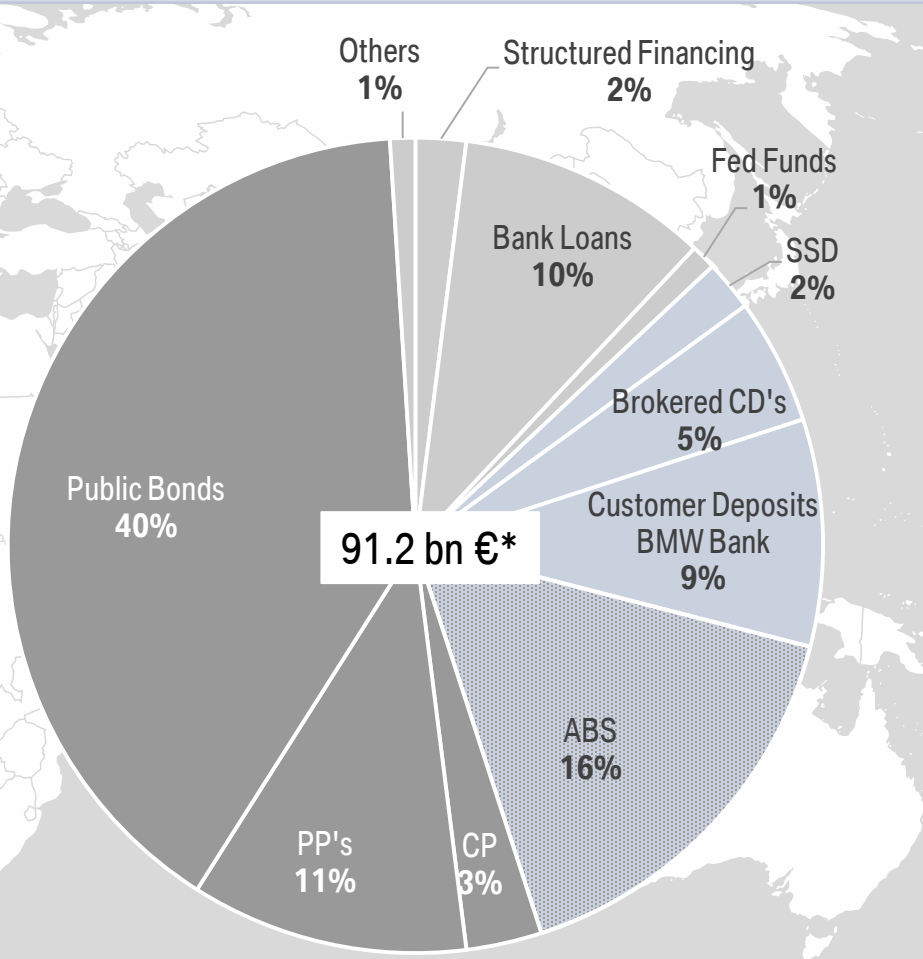
Financial Services

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

Funding Instruments



Financial Debt as of 30.09.2016



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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



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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.

