BMW GROUP IN CHINA

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BMW GROUP

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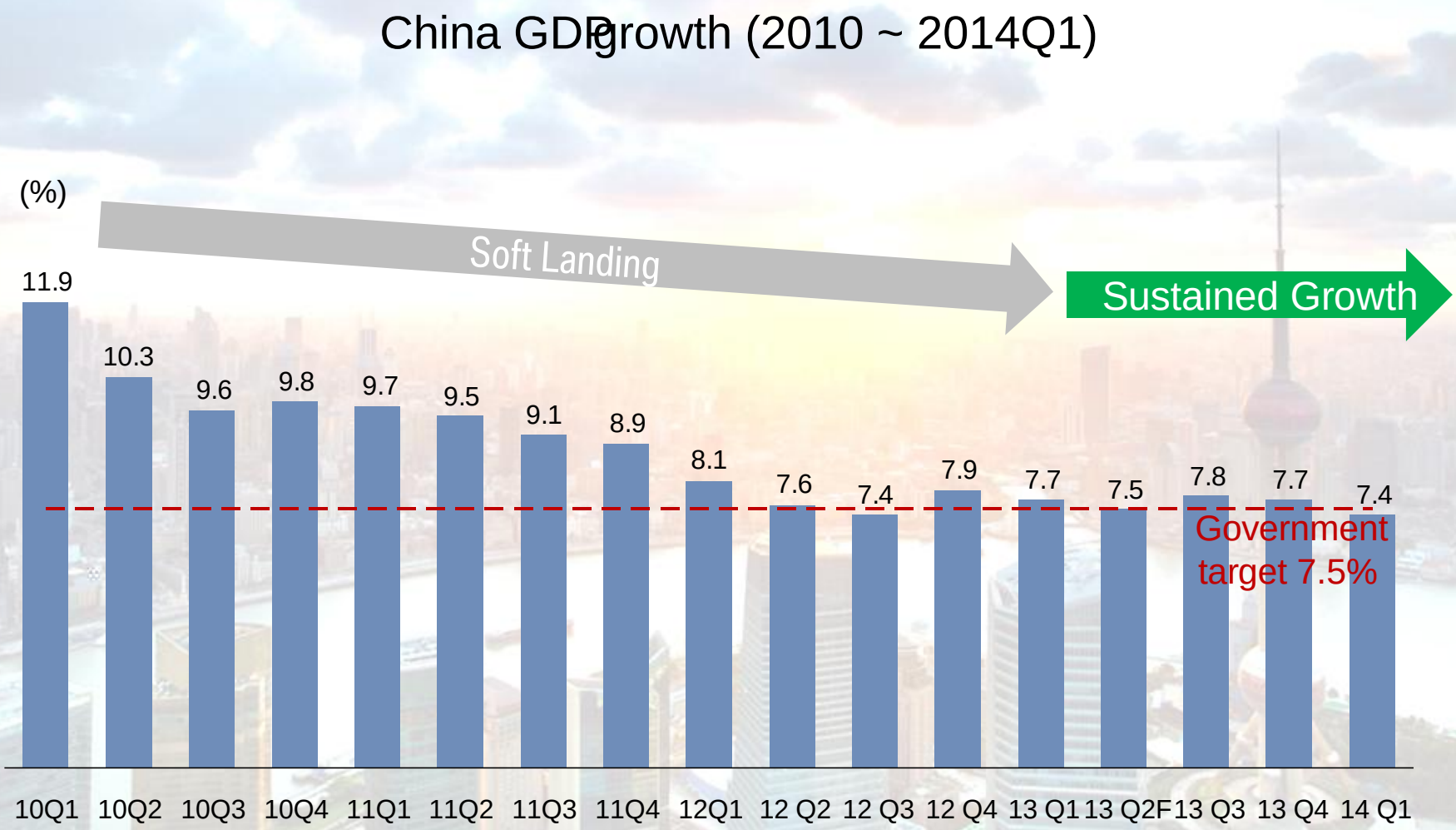
Market Development and BMW Group China Status

BM ro “ or S cce ”

Outlook

CHINA ECONOMIC GROWTH IS IN PROCESS OF AN ENGINEERED SOFT LANDING.

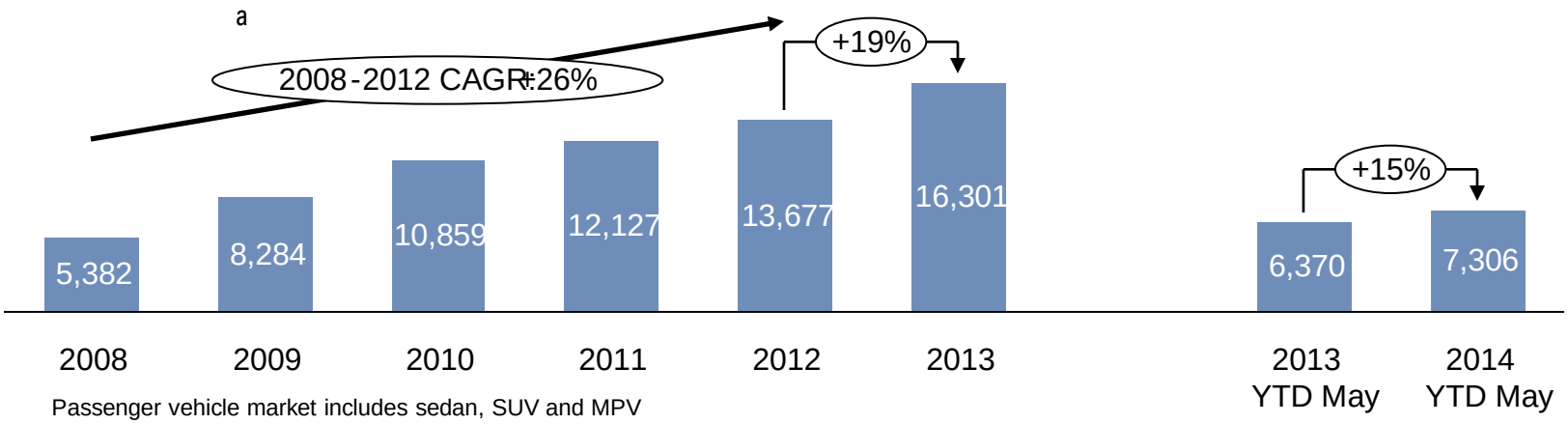


Source National Bureau of Statistics of China

THE URBANIZATION PROCESS WILL CREATE AN EV BIGGER CUSTOMER BASE FOR BOTH PASSENGER VEHICLE MARKET AND PREMIUM SEGMENT.

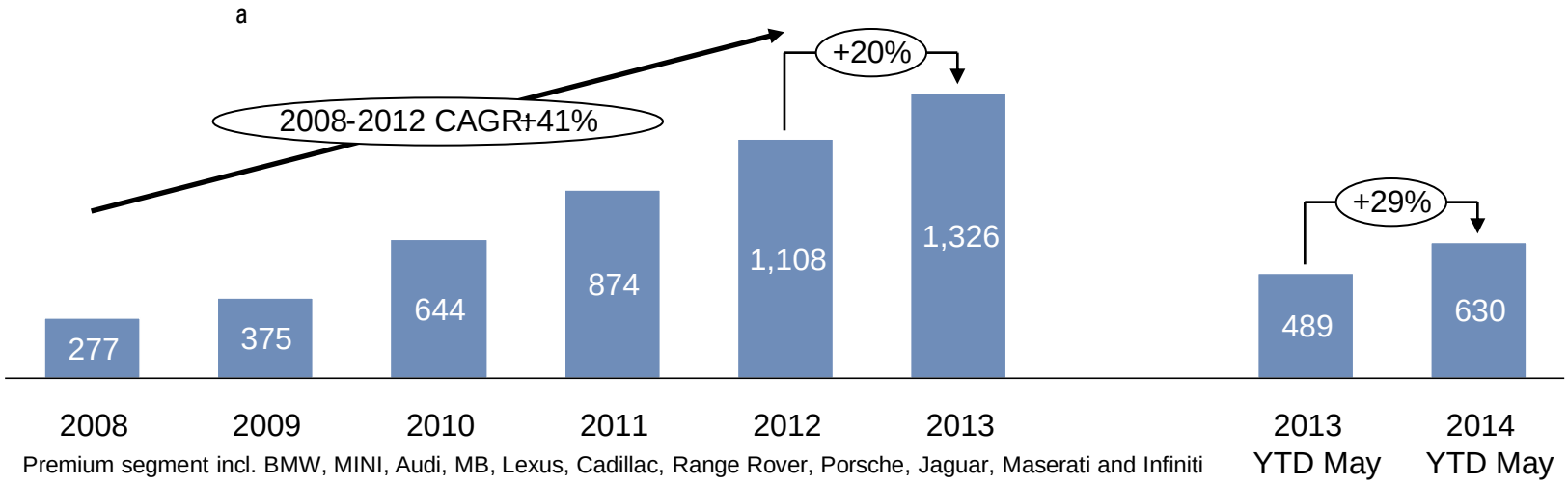
BOTH PASSENGER VEHICLE MARKET AND PREMIUM SEGMENT MAINTAIN HEALTHY GROWTH MOMENTUM IN 2014 YTD.

Passenger vehicle market development



Passenger vehicle market includes sedan, SUV and MPV

Premium segment development



Premium segment incl. BMW, MINI, Audi, MB, Lexus, Cadillac, Range Rover, Porsche, Jaguar, Maserati and Infiniti

Sourcesales data

BMW GROUP IN CHINA
FOUR LEGAL ENTITIES, ONE FACE TO THE CUSTOMER

Customer / Point of Sales/ Market

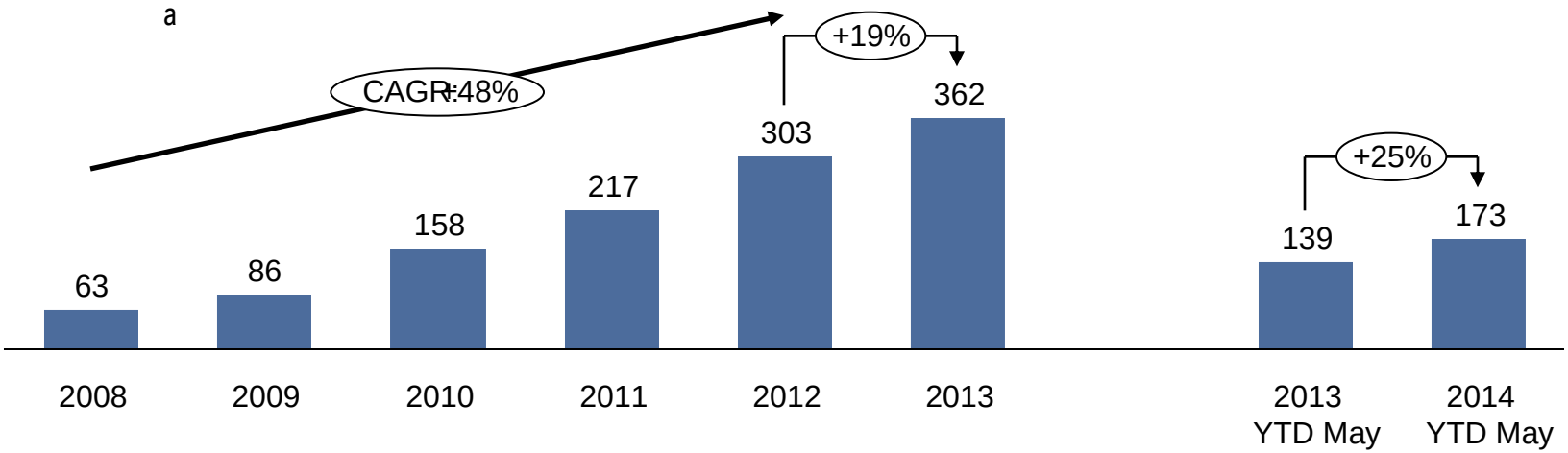
Dealers

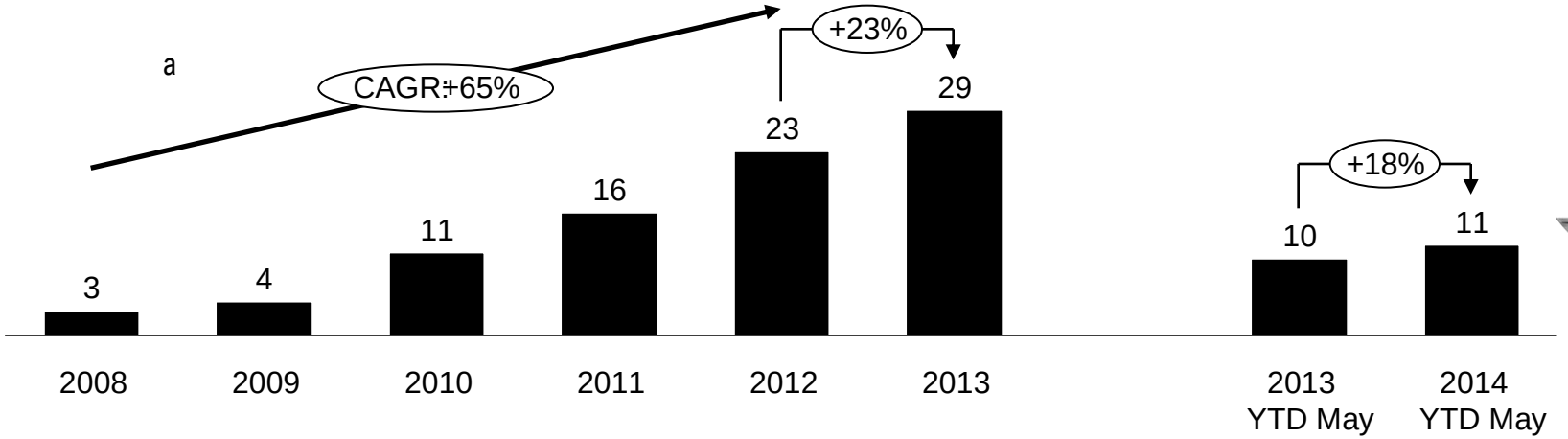
BMW China Automotive Trading Ltd.	BMW Brilliance Automotive	BMW Automotive Finance (China)
National sales company	Joint Venture	Financial Services

BMW China Services Ltd.
R&D and Purchasing

BMW AND MINI HAVE SHOWN STRONG GROWTH IN CHINA IN 2014 YTD.

2014 BMW and MINI sales monthly development





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Outlook

OUR DNA FOR SUCCESS: PRODUCT, BRAND, CUSTOMER, DEALERS, RESPONSIBILITY AND PEO

Product

Brand

People

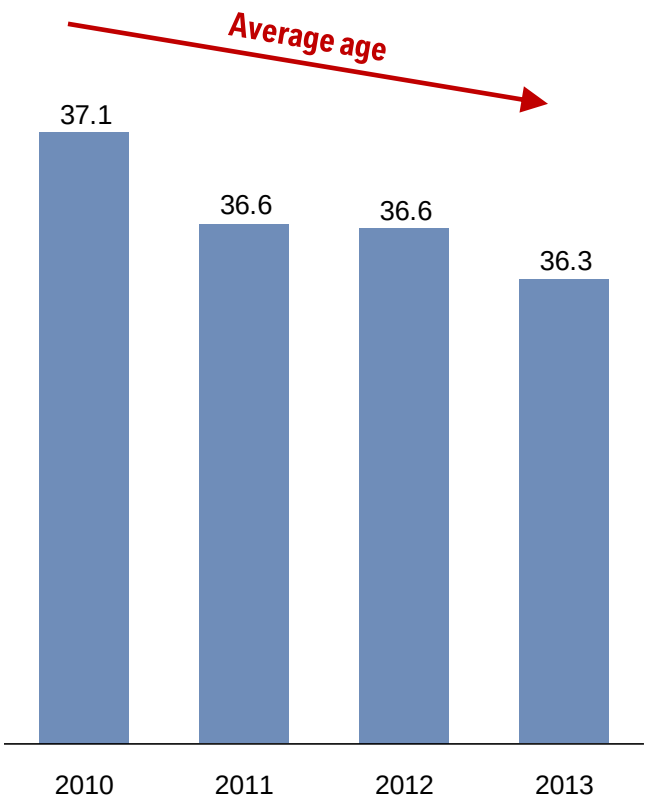
Customer

Social responsibility

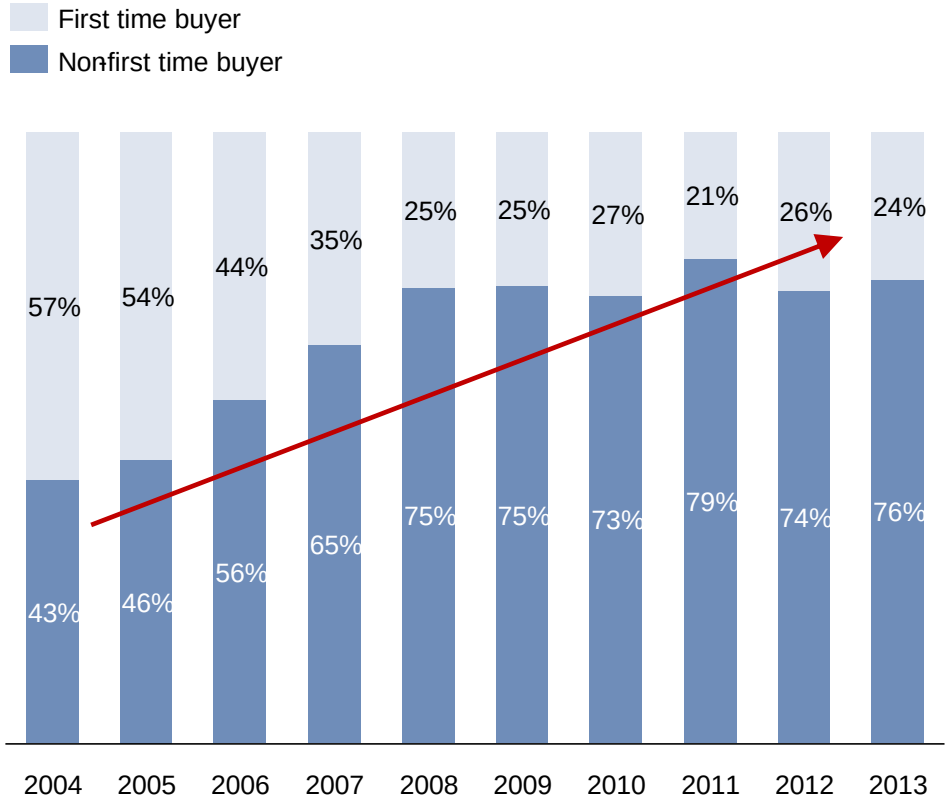
Dealers

YOUNGER GENERATION CONSUMERS INCREASING UPGRADE/ADDITIONAL PURCHASE DEMAND OFFER NEW GROWTH OPPORTUNITY.

Average age of premium new car buyers

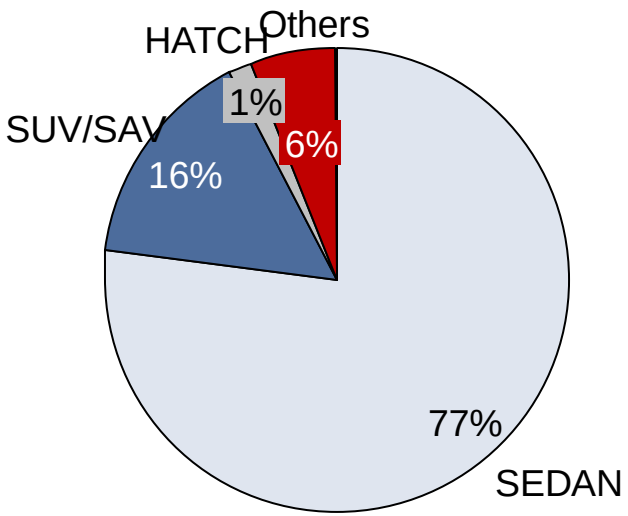


First time vs. Non-first time premium car buyer

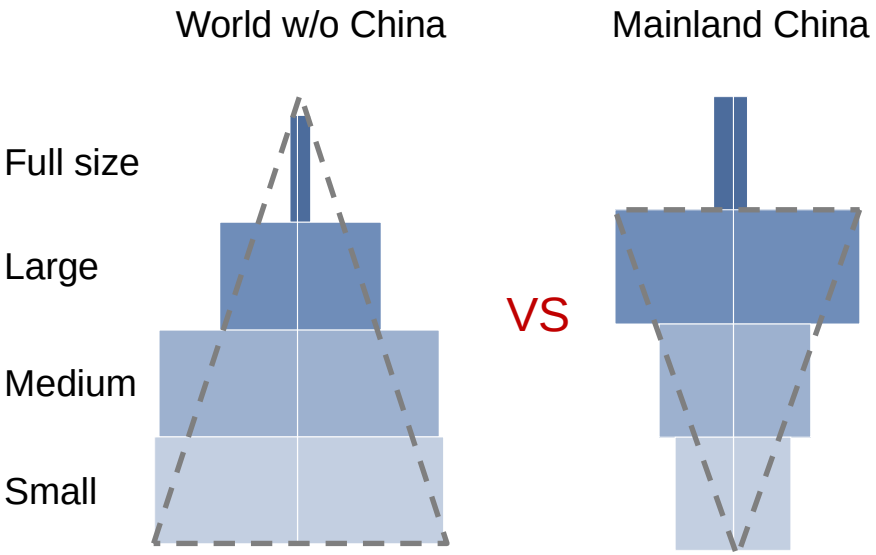


SUV AND MORE INDIVIDUALIZED CONCEPTS WITH STRONG DEMAND. PREFERENCE FOR LARGER VEHICLE.

Premium concept development in 2013



Premium segment development in 2013



BROADEST RANGE AND OPTIMAL PORTFOLIO MIX ADDRESS DIVERSIFIED NEEDS OF CHINESE CUSTOMER.

Localproduction

Sales contribution

2014 YTD MAY

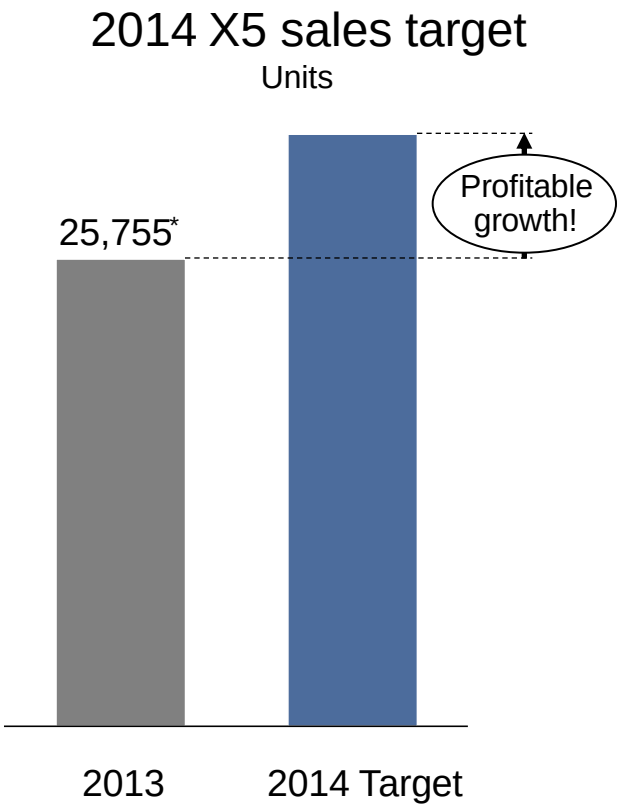
59%

Imported (BMW & MINI)

41%

OVER 10 NEW MODELS, CAPTURING NEW CUSTOM GROUPS WITH 2 SERIES ACTIVE TOURER AND X4.

FOUNDER OF SAV PRODUCTS. NEW X5 SUCCESSFUL LAUNCH WITH PROFITABLE VOLUME GROWTH.



*Remark: Accounts for 7% of BMW China sales 2013.

FUTURE PROVEN WITH BMW i, JV NEV PRODUCTS AND ZINORO, SETTING BENCHMARK IN THE INDUSTRY.

BMW is ready to embrace the growth

BMW i

Imported PHEV

Locally produced NEV

ZINORO

Ground being laid for NEV market development

- Improving Charging Infrastructure
- Unified Charging Standards
- Strong Gov. Support

BMW DEALER NETWORK KEEPS HEALTHY EXPANS
WITH 428 BMW DEALER OUTLETS IN OPERATION BY EN
OF MAY 2014.

Haikou

Zhuhai

S/5S

Changchun

Urumqi

Hohhot

Jinzhou

Qinhuangdao

Erdos

Dalian

Yulin

Shijiazhuang

Foshan

Taiyuan

Weifang

Qingdao

Zibo

Linyi

Luoyang

Wuxi

Xiamen

Guangyuan

Nanjing

Yichang

Hangzhou

Taizhou

Leshan

Zhuzhou

Qujing

Zengcheng

West

Shantou

Jjiangmen

Chongqing

Yuncheng

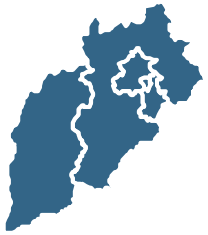
May.

Xuzhou

Jiamusi

Nanchang

Changsha



FIT THE NETWORK FORMAT TO THE NEED AND LOCATION.

Necessity to diversify retail formats

- Enhancement of **Brand Accessibility**
- Approach and development of **new customer** groups
- **Optimization** of retail channel network
- Increase of network **coverage**
- Development of more **flexible and scalable** types
- Meet **customer** a a a
- Improvement of dealer **profitability and stability**

"Brand Enhancement and Profit Stabilization"

4S/5S

Service Center

Fast Lane City

Used Car Center

BMW Premium Selection Showroom

Showroom

Fast Lane Rural

M Showroom

2003-2006 | 2007-2009 | 2010 | 2011 | 2012