

CHANGING THE FACE OF MOBILITY

Dr. Marcus BolligePresider Efficier Dynamics







TECHNOLOGY WILL DRIVE A FUNDAMENTAL CHANGE OF THE AUTO INDUSTRY IN THE NEXT YEARS

ELECTRIC MOBILITY



DATA AND CONNECTIVITY



Date

19 March 2015

Subject

Statement Dr. Eichiner, Member of the Board of Management of BMW AG, Finance; Analyst and InvestorConference 2015

Page {

The segmen W·V EXVLQHVV DUHDV SHUIRUPHG ZHOO LQ WKH \H [services provider Alphabet increased its fleet portfolio to more than 555,000 contracts. In the area of multibrand financing, the contract portfolio grew by 3.0% to almost 466,000 units. Insurance business also saw significant growth² with more than 2.87 million insurance policies in place at the end of the year.

The segment reported pre-WD[HDUQLQJVRI½ ²an interche@s@ of RQLQ 6.4% over the figure for the previous year.

Financial Services earned a return on equity of 19.4% in 2014, meeting our RoE target of at least 18%. Our balance sheet equity ratio stood at 8.8% at the end of WKHILQDQFLDO\HDU PDLQWDLQLQJ)LQDQFLDO 6HUYLFH\ providing adequate coverage for unexpected risks.

7 KH VHJPHQW·V ULVN VLWXDWLRQ FRQWLQXHG LWV VWDEC Mirroring economic developments, used car prices for offlease vehicles were robust. In the main leasing markets of the US, the UK and Germany, average residual value losses were largely unchanged from the previous year and therefore lower than expected.

The net credit loss ratio for our credit portfolio remained at the same comparatively low level as in 2013.

Financial Services makes comprehensive risk provisions to hedge business related risks. Global risk management based on tested, uniform methods is a key element of our risk prevention strategy and will be further expanded worldwide.

) URP WRGD\·V SHUVSHFWLYH WKH %0: *URXS ORRNV WR EI with business risks in 2015. We expect the risk environment to remain largely stable, but cannot rule out the possibility that cyclical fluctuations of the economy will affect our Financial Services business.



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Page 12

We are still aiming for an EBIT margin within our target range of 80% for the Automotive segment. This remains the benchmark for our profitability, despite higher depreciation and a larger proportion of smaller vehicles. However, depending on political and economic conditions, actual margins could be either below or above the targeted range.

In the Financial Services segment, we are once again targeting a return on equity of at least 18% for 2015. The figure is expected to be in line with the previous year, despite continuing capital expenditure for global growth and IT structure.

) URP WRGD\·V SHUVSHFWLYH LW DSSHDUV WKDW WKH VHJ provisions for the risks associated with financial services business.

BMW Motorrad is expected to continue its positive business performance in 2015. New models will provide the momentum for a solid increase in sales. BMW Motorrad should benefit from the positive market environment.

The guidance assumes that political and economic conditions remain mostly stable. Despite global uncertainties and risks, the BMW Group expects to achieve profitable growth again this year. Our attractive models and mobility services will contribute to our performance.

The BMW Group remains committed to its long-term growth strategy. We will continue to leverage our financial strength to expand our activities and enhance our competitiveness through constant innovation.

We also chart our courseand are gearing the company towards a successful future.

Thank you.