Path of Growth.

Recent Development.

Outlook in China.
Road of Growth. 
BMW in China.

Main Locations

Shenyang
BMW Brilliance Automotive
Beijing
NSC / Reg. Office
Chengdu
Reg. Office
Guangzhou
Reg. Office
Shanghai
Reg. Office
Taiwan
Importer: Pan German Motors

Hong Kong
Importer: BMW Concessionaires (HK) Limited

Milestones

1994: Opening of BMW Representative Office
2003: Start of JV production
2005: Establishment of National Sales Company
2005: Opening of Engineering Division (E-Office)
2006: Opening of International Purchasing Office
2009: Plant Phase II signing
2010: Groundbreaking of Plant Phase II
2010: Business commencement for Auto Finance Company
Road of Growth.

178 BMW and 37 MINI dealer outlets in operation YTD August 2010.

<table>
<thead>
<tr>
<th>Outlet</th>
<th>BMW</th>
<th>MINI</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>54</td>
<td>10</td>
</tr>
<tr>
<td>East</td>
<td>59</td>
<td>12</td>
</tr>
<tr>
<td>West</td>
<td>30</td>
<td>5</td>
</tr>
<tr>
<td>South</td>
<td>35</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>178</strong></td>
<td><strong>37</strong></td>
</tr>
</tbody>
</table>
Multi-Tier Product Line.

Most BMW series models are on sale in China.
Multi-Tier Product Line.
Efficient Marketing – special products adapted to local market generate additional opportunities.

760Li China 60 Years Edition.
EXPO Edition.
1 Series Chocolate Edition.
BMW M Tiger Edition.
Multi-Tier Product Line.
EXCITING MINI PRODUCTS IN CHINA.

MINI
MINI Clubman
MINI CABRIO
MINI Countryman (coming soon)

MINI Cooper Mayfair and S Camden
Super Sales Scores.

BMW and MINI annual sales growth averaged +40% in the last 5 years with continuing market penetration and leading positions in top segments (7 Series, X5/X6 and 5 Series GT).

**BMW Group retail development**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>24,025</td>
</tr>
<tr>
<td>2006</td>
<td>36,357</td>
</tr>
<tr>
<td>2007</td>
<td>51,588</td>
</tr>
<tr>
<td>2008</td>
<td>65,822</td>
</tr>
<tr>
<td>2009</td>
<td>90,536</td>
</tr>
<tr>
<td>YTD Aug. 2010</td>
<td>106,447</td>
</tr>
</tbody>
</table>

*CAGR: Compound Average Growth Rate

Source: Sales data
How did we do it?
Highly committed and motivated people are key.

• We have the RIGHT TEAM.
• We have committed PARTNERS, dealers and investors who provide us with the support we need.
• We are CUSTOMER ORIENTED.

天时 地利 人和.

Mutual Trust
Mutual Alignment
Mutual Benefits
Customer Orientation.
Fully dedicated to customer satisfaction.

Test Drive Experiences
Quality of work performed
Workshop lead-time
Standardization of work and cost
Competition of Service Advisor / Sales Consultant
Product Quality
BMW owners activities by dealer
Higher employee retention rate at dealers
Waiting time at car drop-off and pick-up
Efficient customer care & complaint handling
Capital Markets Day.

Agenda.

Path of Growth.

Recent Development.

Outlook in China.
Plant Expansion.

The BMW Brilliance Plant Phase II is a testimony to BMW’s commitment to the Chinese market.
The Latest Hit – BMW 5 Series LWB.

The all-new BMW 5 Series LWB, tailor-made for China, had a grand national launch in Shanghai in August.
The New 5 Series has been highly acclaimed by the Chinese media.

- “BMW is moving together with those who have dreams.”
- “The All-new BMW 5 Series Long Wheelbase is born for China.”
The Latest Hit – BMW 5 Series LWB.
Reset the benchmark of business sedan.

1. Longest wheelbase in the segment.
2. Most efficient and dynamic performance in the segment.
3. Best in class innovation and comfort.

- High quality interior trim and upholstery, Leather Nappa.(USP)
- Advanced rear seat entertainment system.
- Automatic parking assist.(USP)
- Night Vision with pedestrian detection.(USP)
- Head-up Display.(USP)
Joy Campaign.

Key success factor: Understanding and being understood in China.

BMW’s core spirit is translated in local language, and well accepted.
The most cherished treasure we have. In various brand surveys BMW is among the top 3 overall premium brands and the top automotive brand. We make every effort to maintain and strengthen the position of the most successful premium brand.
Social Responsibility – BMW Warm Heart.

Continue and enhance customer-integrated CSR.

## CSR Umbrella

<table>
<thead>
<tr>
<th>Educational Support</th>
<th>Environmental Protection</th>
<th>Cultural Promotion</th>
<th>Corporate Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek cooperation with higher governmental departments</td>
<td>Communication of EfficientDynamic &amp; Joy Campaign</td>
<td>Further Strengthen Culture Engagement &amp; Art Promotion</td>
<td>Further involvement of staff, strengthen volunteer program</td>
</tr>
</tbody>
</table>

### BMW Corporate-Level Programs

### CCF BMW Warm Heart Fund (WHF)

### Dealer & Customer Integration
Part of China.

With constant localization efforts, BMW is deeply integrated in China.
Path of Growth.

Recent Development.

Outlook in China.
China’s Economic Development.

As a huge market with great potential, China has shown fast and stable economic growth over the past 20 years.

Source: China Statistical Yearbook

China GDP Growth (1992-2009)

GDP: trillion RMB

GDP growth (Ø ~20 years = 9.7%)
China’s Economic Development.

Despite possible temporary slow down, China’s economy will maintain high growth in the coming 10 years, with huge growth potential for vehicle penetration.

Forecast on GDP per capita in 2010-2020 (US$)

Passenger Vehicle penetration vs. GDP per capita 2009

Note: GDP deflator in 2010-2019 is calculated as 2.5%, RMB exchange rate is assumed as 4% appreciation in 2005-2010, 3% in 2011-2015 and 1% in 2016-2020.
China’s Economic Development.

A growing middle class will create solid customer base for high-end products.

- Middle class consumers have more trust in foreign brands and are willing to pay a premium for quality.
China’s Economic Development.
China’s urbanization strategy will generate tremendous demand for mobility.

- Since reform and opening-up was initiated 30 years ago, China’s urbanization rate has risen from around 18% to more than 45%.
- By 2020, more than 60% of the total population will live in urban areas.

Source: State Information Center
China’s Economic Development.

One country, three economies.

Per Capita GDP (RMB)

* Preliminary data, and unavailable for some provinces

Source: national statistical bureau
China’s Economic Development. The real purchase power in China could be much bigger than it appears.

- A top scholar’s research found almost RMB 10tn, or 30% of GDP in hidden income.
- The top 10% rich people account for 52% of wealth.
- It helps explain why there are such huge demands for luxury products in China despite a relatively low income in per capita terms.

Source: Prof. Wang Xiaolu (National Economic Research Institute)
A Booming Premium Segment.

Driven by stable economic growth, growing customer base and increasing purchase power, China’s premium segment will jump above 1.5 mn units latest by 2020.

China Premium segment development (units)

- 2005: 111,000
- 2010 F: 635,000
- 2015 F: >1.2 mn
- 2020 F: >1.5 mn

With this development, China will become the biggest market for BMW worldwide.
Further Dealer Network Expansion.
Fast development in our dealer network to match the fast growing market.
Thank you for your attention.