Beijing October 19, 2012

CAPITAL MARKETS DAY CHINA 2012

DR. FRIEDRICH EICHNER
MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG, FINANCE
CHINA IS A SUCCESS STORY FOR THE BMW GROUP DOUBLE-DIGIT GROWTH BY YEAR-END 2012.
CHINA’S ECONOMIC DEVELOPMENT. THE 12TH FIVE-YEAR PLAN (2011–2015) AIMS AT A MORE MODERATE GROWTH PATH.

1990 - 2000: (Ø GDP growth = 10.4%)

2010 - 2015: (Ø GDP growth (Target) = 7%)

- Economic growth from export/investment driven to consumption driven
- Income redistribution and improving people’s living standards
- Urbanization and regional development
- Energy saving and environmental protection
CONTENT.

1. Status BMW Group
2. Status BMW Group in China
3. Outlook
4. Summary
CONTENT.

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ON TRACK TO MEET OUR GUIDANCE: SALES VOLUME ABOVE PREVIOUS YEAR.

**BMW Group**
Sales development (units)

<table>
<thead>
<tr>
<th>Continent</th>
<th>Sales Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2012</td>
<td>1.335 million</td>
</tr>
</tbody>
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Sales by continent

**America**
+6.3% YTD

**Europe**
+0.8% YTD

**Asia**
+27.2% YTD
MARKET CONDITIONS WILL BE MORE DIFFICULT IN 2013.

- European markets will worsen in 2013
- Additional costs for future investments
- Staying the strategic course
- Start of electromobility with the BMW i3
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GROWING SIGNIFICANCE OF CHINA.

China has great potential for the future as well.

China‘s significance for the BMW Group continues to grow.
GLOBAL INSIGHT DATA: CHINESE PREMIUM SEGMENT SHOWS SOLID GROWTH, IN MEDIUM-TERM AT A LOWER PACE. OUR OWN GROWTH EXPECTATIONS ARE LOWER.

Premium Segment Development China
in units of a thousand

Source: Global Insight
CHINA HAS BECOME A MAJOR ENGINE FOR THE GROWTH OF GLOBAL PREMIUM SEGMENT.

China’s share of global premium segment

- **2007**: 4%
- **2009**: 8%
- **2011**: >15%
- **FC 2012**: 18%

Source: Global Insight Data

Capital Markets Day China 2012, Dr. Friedrich Eichiner
INCOME DISTRIBUTION: FURTHER GROWTH OF PREMIUM-RELEVANT UPPER AND UPPER MIDDLE CLASS.

Income class definition by annual household income (inflation and purchasing power parity adjusted, base year 2005)

- **Upper Class** (>100k USD)
- **Upper Middle Class** (60-100k USD)
- **Middle Class** (40-60k USD)
- **Lower Middle Class** (20-40k USD)

**2012**
- 15 mn. premium-relevant households
- CAGR: +8.2%
- 24 households
- 23 households
- 105 households

**2025**
- CAGR: +9.0%
- 73 households
- 107 households
- 213 households

Source: IHS Global
GROWING HNWI NUMBER IN MAINLAND CHINA – CUSTOMERS HAVE A CLEAR PREFERENCE FOR LUXURY GOODS.

Total Number of High Net Worth Individuals (HNWI) with net worth of US$ 1 Million or more in 2011 (unit: Thousands)

1. US 3,068
2. Japan 1,822
3. Germany 951
4. China 562

Source: 2012 Global Wealth Report, by Capgemini and RBC Wealth Management
MAINLAND CHINA: URBANIZATION IN FAST MOTION.

Level of urbanization already at 50%.

Urbanization is driven by medium sized cities.

Urban agglomerations by size

Source: UN 2011
BMW BRILLIANCE AUTOMOTIVE – A JOINT SUCCESS STORY.
CHINA’S DEALER NETWORK – BY END OF SEPTEMBER
332 BMW OUTLETS AND 76 MINI OUTLETS. ROLLSROYCE HAS 13 DEALERS IN EAST AND CENTRAL CHINA.

*4S dealership refers to:
Sale, Spare parts, Service & Survey
BMW X1 AND 3 SERIES LONG WHEEL BASE FROM LOCAL PRODUCTION, AS WELL AS BMW 7 SERIES SUPPORT GROWTH. BMW 5 SERIES LWB CONTINUES SUCCESS.
FURTHER EXPANSION OF PRODUCTION CAPACITY. LOCAL PRODUCTION OF ABOUT 150,000 UNITS BY END OF 2012.
BMW FINANCIAL SERVICES CHINA – PROFITABLE GROWTH WITH PARTNERS.

Business volume of 10 billion RMB (~1.2 billion Euros)
Penetration rate in August 2012 was ~12%
Contracts are partly concluded with cooperation partners
Growth by expansion of portfolio
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THE BMW GROUP IS ON GROWTH TRACK IN CHINA.

- Double-digit Sales Growth in the coming years
- Growing local production
- Further growth in our market presence, across all tier cities
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CHINA WILL REMAIN OUR GROWTH DRIVER IN ASIA. OUR TARGET IS A BALANCED GLOBAL MARKET APPROACH.
Beijing, October 19, 2012

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