CONTENTS.

– Market review
– The BMW business model
– Outlook
ECONOMIC DEVELOPMENT HAS BEEN SUPPORTED BY GROWING URBANIZATION IN CHINA.

350 million people will be added to China’s urban population by 2025 (more than the population of the United States today).

China cities – brief introduction (2010)

- **9 cities** population > 10 million
- **89 cities** population 5-10 million
- **176 cities** population 1-5 million

Source: National Bureau of Statistics of China
CHINA GDP GROWTH IS COOLING DOWN.

China GDP growth (2010~2012 YTD)

~7.5%

Sustained Growth?

Soft Landing?

Source: National Bureau of Statistics of China
ALL CITY TIERS SHOW CONTINUED GROWTH WITH ESPECIALLY STRONG DEVELOPMENT IN THE LOWER CITY TIERS.

GDP growth and GDP per capita of different city tiers in 2007 and 2011

Source: National Bureau of Statistics of China, SIC analysis
CAR DENSITY DIFFERS BETWEEN REGIONS AND CITY TIERs IN CHINA.

PV Ownership per 1000 people in 2011

PV Ownership per 1000 people by city tier in 2011

(Units)

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Tier 4</th>
<th>Tier 5</th>
<th>EU</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>126</td>
<td>94</td>
<td>54</td>
<td>28</td>
<td>20</td>
<td>480</td>
<td>418</td>
</tr>
</tbody>
</table>

China national average: 44

Source: National Bureau of Statistics of China, SIC estimate
PV MARKET GROWTH SLOWED, BUT CONTINUED STRONG PLUS SEGMENT GROWTH.

PV Market Growth

('000 Units) | PV sales
---|---

CAGR: +31%

+12%

Plus Segment Growth

('000 Units) | Plus segment sales
---|---

CAGR: +42%

+37%

Source: sales data
CHINESE CUSTOMERS ARE GETTING WEALTHIER AND ARE WILLING TO SPEND – ON LUXURY.

Population with assets valued over 1 Million Dollars in China

(Unit: ‘000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>825</td>
</tr>
<tr>
<td>2010</td>
<td>875</td>
</tr>
<tr>
<td>2011</td>
<td>960</td>
</tr>
</tbody>
</table>

+6%  +10%

China to overtake Japan as the world's top luxury goods market in 2012.

Ranking of luxury goods consumption

1. Japan
2. China
3. US
4. ...

Source: Hurun Wealth Report 2011, The Economist
BMW & MINI HAVE SUCCESSFULLY DEVELOPED OVER THE YEARS, OUTPERFORMING THE PREMIUM SEGMENT’S GROWTH.

**BMW Group Sales Development (2007-2011)**

*(‘000 Units)*

<table>
<thead>
<tr>
<th>Year</th>
<th>BMW</th>
<th>MINI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>169</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>2012 YTD Sep</td>
<td>237</td>
<td></td>
</tr>
</tbody>
</table>

Premium segment CAGR: 41%

CAGR: +46%

- We will sell the **1 millionth** BMW in 2012 Q4
- We surpassed 2011 FY in September 2012

Source: sales data

BMW Group in China, Dr. Stark, Oct 19, 2012
2012 YTD SEPTEMBER MARKET STATUS.
BMW GROUP HAS OUTPERFORMED THE PREMIUM SEGMENT.

**Total passenger car market**

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 YTD Sep</td>
<td>8,735</td>
</tr>
<tr>
<td>2012 YTD Sep</td>
<td>9,432</td>
</tr>
</tbody>
</table>

**Premium segment**

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 YTD Sep</td>
<td>704</td>
</tr>
<tr>
<td>2012 YTD Sep</td>
<td>894</td>
</tr>
</tbody>
</table>

**BMW+MINI**

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 YTD Sep</td>
<td>178</td>
</tr>
<tr>
<td>2012 YTD Sep</td>
<td>220</td>
</tr>
</tbody>
</table>

Source: sales data

BMW Group in China, Dr. Stark, Oct 19, 2012
CONTENTS.

– Market review
– The BMW business model
– Outlook
BMW IN CHINA.
OUR GROWTH PATH.

BMW China milestones

- 2003: Start of JV Production
- 2005: Opening E-office, Establishment National Sales Company
- 2006: Opening International Purchasing Office, Opening BMW Training Center
- 2009: Plant Phase II signing
- 2010: Business commencement Auto Finance, Groundbreaking Plant Phase II
- 2012: Announcement of new engine plant to be built in the next few years, New engine assembly

Main Locations:
- Beijing: NSC / Reg. Office
- Shenyang: BMW Brilliance Automotive
- Chengdu: Reg. Office
- Guangzhou: Reg. Office
- Shanghai: Reg. Office
- Taiwan: Importer: Pan German Motors
- Hong Kong: Importer: BMW Concessionaires (HK) Limited

BMW Group in China, Dr. Stark, Oct 19, 2012
MULTIPLE ENTITIES, ONE FACE TO THE CUSTOMER.

Customer / Point of Sales/ Market

Dealers

BMW Brilliance Automotive Ltd.

BMW China Automotive Trading Ltd.

BMW Automotive Finance Ltd.
BMW PRODUCT LINEUP.
MOST BMW GROUP PRODUCTS ARE ALREADY OFFERED IN CHINA.
MINI PRODUCT LINEUP.
EXCITING MINI PRODUCTS IN CHINA.
LOCALIZED PRODUCT LINEUP.
SIGNIFICANT PRODUCT UPDATES.

THE 2013 5 SERIES LONG WHEELBASE

International Engine of the Year Awards 2012
Best 1.8-2.0L Engine
Launched on July 13th, 2012

Standard wheelbase - The genuine sports sedan

Sport Line

Extended wheelbase - The luxurious sports sedan

Luxury Line  Modern Line

- Space and Functionality.
- BMW EfficientDynamics.
- BMW ConnectedDrive.
- Driving Dynamics.
- Premium Features.
LOCALIZED PRODUCT LINEUP. SIGNIFICANT PRODUCT UPDATES.

– BMW is the pioneer of this segment: X1 launched at the end of 2009
– Sales of locally-produced model since March 3, 2012
– BMW is ready to launch the new X1 in late 2012

Media Feedback:

– BMW X1 is equipped with the new and advanced BMW technology such as Twinpower Turbo engine, 8-speed automatic gearbox, xDrive, etc.
PRODUCT UPDATED.
7 SERIES LCI.

- Elegant and sophisticated appearance
- Interior: sheer luxury and best-in-class noise insulation
- Pneumatic suspension with new chassis
- Even more efficient and powerful
- BMW ConnectedDrive
THE NEW IDRIVE WITH TOUCH PAD AND NEW CONNECTEDDRIVE FEATURES.

New iDrive with touch pad and next generation navigation system

New Navigation Professional with Real Time Traffic Info (RTTI) via integrated phone module

New Internet based functions

BMW Online  

Baidu Map search  

POI Send to car
UNDERSTANDING THE DIVERSE CUSTOMER BASE.

- In 2011, BMW’s conquest rate is the highest in the market
- The average age of BMW customers is 36 years
COMPETING WITH SUBSTANCE. PRESENTING THE BEST QUALITY TO CUSTOMERS.

“Customer journey” starting from handover

Intensive CRM training & coaching for “customer-facing staff”

Car usage training after purchase

Keep long-term relationship with customers by regular follow-up
BMW CHINA’S 5S CONCEPT WON POSITIVE FEEDBACK FROM THE MEDIA.

- Beijing Xingdebao, as the 1st brand new 5S dealership, opened in June and is the 1st LEED GOLD project in the worldwide BMW dealer network
- The concept of 5S is well-perceived by dealers and media, and additional 5S dealerships will be opened during 2012
CONSISTENT EXPERIENTIAL MARKETING ACTIVITIES STARTING 2005 AND CONTINUING INTO THE FUTURE. 40,000 DIRECT PARTICIPANTS IN 2011.
BMW WARM HEART FUND CONTINUES TO BUILD ON ITS SUCCESSES.

BMW China Corporate Social Contribution

Cultural Promotion:
- BMW China Culture Journey

Educational Support:
- BMW Children’s Traffic Safety Education, BMW JOY Home, BMW Light Up Hope Program

Environmental Protection:
- BMW Green Tree Program

Social Care:
- Emergency Relief

WHF social care: Yushu, Qinghai visit
BMW JOY Home Children Drawing
BMW LEADS AMS CHINA BEST CARS 2012 SURVEY.

- **Best Cars Brand:** BMW is NO.1 in 4 main categories out of 13:
  - Advanced Technology
  - Environmental Friendly Cars
  - Good Looks/ Styling
  - Overall, I Like This Brand

- **Best Cars 2012:** 5 series and Clubman are category winners
  
  **Best Domestic Upper Mid-sized Car**
  
  **Best Sub-compact Car**

- **5 Series**
- **Mini Clubman**
FOCUS ON QUALITY AND A HEALTHY BUSINESS MODEL IN THE CHINESE MARKET.

Continuously outperforming the Premium segment in terms of volume while maintaining price leadership against our competitors
CONTENTS.

– Market review
– The BMW business model
– Outlook
BUOYANT OUTLOOK ON CHINA DESPITE SHORT-TERM CONSOLIDATION.

China is **accelerating the transformation of the pattern of economic development** and heading to make economic development more **sustainable and efficient**

### China GDP growth

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>+9.2%</td>
</tr>
<tr>
<td>2012 H1</td>
<td>+7.8%</td>
</tr>
<tr>
<td>2012 FC</td>
<td>-7.5~8.0%</td>
</tr>
</tbody>
</table>

### Risks to China’s growth

- Global economy is not picking up and export growth might remain weak
- Domestic demand rising slower than expected
- Real estate market cooldown
- Increase in trade disputes

---

1 forecast from UBS, Morgan Stanley, CICC and HSBC

Source: states statistic bureau, IMF, World Bank, Economist
CONTINUED MOMENTUM FOR THE PREMIUM SEGMENT.

**Premium segment development**

- **Source:** sales data, Global Insight

**Premium segment: Global Insight forecast**

- **CAGR:** +19%

**Premium segment ((units))**

- 2011: 70,000
- 2012: 93,000

**Premium segment ('000 units)**

- 2011: 933
- 2015E: 1,981

**Graph notes:**

- **Legend:**
  - **Premium segment**

**Graph labels:**

- **Y-axis:** (units)
- **X-axis:** Months from Jan to Sep (2011-2012)

**Source:** BMW Group in China, Dr. Stark, Oct 19, 2012

**Source:** sales data, Global Insight
THE NEW TIEXI PLANT AND ENGINE PLANT – EXPANDED CAPACITY UTILIZING WORLD-CLASS TECHNOLOGY.

New Tiexi Manufacturing Plant

- “Cleanest” production within BMW Group (Benchmark comparison 2011)
- Till the end of 2013 the capacity in Tiexi will increase to 200,000 vehicles per year

New Engine Plant

- The second engine plant to raise production capacity to 400,000 units/year
- The first phase starts construction in 2013, with production to start in 2015
BMW IS WELL-POSITIONED TO MEET FUTURE REGULATIONS THROUGH ADVANCED FUEL-SAVING TECHNOLOGIES.

With BMW EfficientDynamics, Active Hybrid and BMW i, we are in a good position to meet future emissions and fuel consumption regulations in China.
FUTURE MOBILITY ENGINEERED TODAY. PERSISTENT PURSUIT OF SUSTAINABLE DRIVING.

1st Premium brand to launch E-Vehicle in China

Pioneering sustainable dealerships – 5S concept

Active relationship with Chinese Government

Proactive national marketing communication

360°
BMW i Launch Preparation

Pioneering sustainable dealerships – 5S concept
BMW CONTINUES TO INVEST IN MULTIPLE DRIVERS FOR BALANCED PROFIT GROWTH.

- Aftersales
- Used Car Business
- Financial Services

BMW sees long-term growth opportunities and will continue to invest
THE PROVEN “BMW MODEL” WILL ENSURE OUR CONTINUING BRIGHT FUTURE.