CONTENTS.

– Market Development and BMW Group China Status
– BMW Group “DNA for Success”
– Outlook
CHINA ECONOMIC GROWTH IS IN PROCESS OF AN ENGINEERED SOFT LANDING.

China GDP growth (2010 ~ 2014Q1)

Source: National Bureau of Statistics of China
THE URBANIZATION PROCESS WILL CREATE AN EVEN BIGGER CUSTOMER BASE FOR BOTH PASSENGER VEHICLE MARKET AND PREMIUM SEGMENT.

310 million people urbanized

310 million people will be added to China’s urban population by the year 2030, almost the same as population of the United States today.

Urbanization is:
- Human-centered urbanization
- Environment friendly urbanization
- Strong engine for sustainable and healthy economic growth

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

Passenger vehicle market development

('000 units)

2008: 5,382
2009: 8,284
2010: 10,859
2011: 12,127
2012: 13,677
2013: 16,301

2008-2012 CAGR: +26%

+19%

2014 YTD May: 6,370
2014 YTD May: 7,306

Premium segment development

('000 units)

2008: 277
2009: 375
2010: 644
2011: 874
2012: 1,108
2013: 1,326

2008-2012 CAGR: +41%

+20%

2013 YTD May: 489
2014 YTD May: 630

+29%

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

Source: sales data
BMW GROUP IN CHINA –
FOUR LEGAL ENTITIES, ONE FACE TO THE CUSTOMER.

Customer / Point of Sales/ Market

Dealers

BMW China Automotive Trading Ltd.
National sales company

BMW Brilliance Automotive
Joint Venture

BMW Automotive Finance (China)
Financial Services

BMW China Services Ltd.
R&D and Purchasing
CHINA OUTPERFORMS AS THE NO.1 MARKET FOR BMW WORLDWIDE.

Global Sales Volume FY 2013

- Units ('000):
  - 1,562
  - 1,575
  - 1,964

BMW Region Sales YTD May 2014

- Units ('000):
  - China (No. 1): 173,400
  - United States (No. 2): 127,200
  - Germany (No. 3): 94,400

Largest market for:
- China: 7 Series, 5 Series Sedan, 5 Series GT, X6, X3, X1
BMW AND MINI HAVE SHOWN STRONG GROWTH IN CHINA IN 2014 YTD.

2014 BMW and MINI sales monthly development

CAGR: +48%

CAGR: +65%

Source: sales data

BMW Group in China, July 9, 2014
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OUR DNA FOR SUCCESS: PRODUCT, BRAND, CUSTOMER, DEALERS, RESPONSIBILITY AND PEOPLE.
YOUNGER GENERATION CONSUMER AND INCREASING UPGRADE/ADDITIONAL PURCHASE DEMAND OFFER NEW GROWTH OPPORTUNITY.

Average age of premium new car buyers

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>37.1</td>
</tr>
<tr>
<td>2011</td>
<td>36.6</td>
</tr>
<tr>
<td>2012</td>
<td>36.6</td>
</tr>
<tr>
<td>2013</td>
<td>36.3</td>
</tr>
</tbody>
</table>

First time vs. Non-first time premium car buyer

<table>
<thead>
<tr>
<th>Year</th>
<th>First time buyer</th>
<th>Non-first time buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>2005</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>2006</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>2007</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>2008</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>2009</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>2010</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>2011</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>2012</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td>2013</td>
<td>76%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: BMW internal.
SUV AND MORE INDIVIDUALIZED CONCEPTS WITH STRONG DEMAND. PREFERENCE FOR LARGER VEHICLE.

**Premium concept development in 2013**

- **HATCH**: 1%
- **Others**: 6%
- **SUV/SAV**: 16%
- **SEDAN**: 77%

**Premium segment development in 2013**

- **World w/o China**
  - Full size
  - Large
  - Medium
  - Small

- **Mainland China**
  - VS

Source: BMW internal.
BROADEST RANGE AND OPTIMAL PORTFOLIO MIX TO ADDRESS DIVERSIFIED NEEDS OF CHINESE CUSTOMER.

<table>
<thead>
<tr>
<th>Local production</th>
<th>Sales contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014 YTD MAY</td>
</tr>
<tr>
<td></td>
<td>59%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Imported (BMW &amp; MINI)</th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>41%</td>
</tr>
</tbody>
</table>
OVER 10 NEW MODELS, CAPTURING NEW CUSTOMER GROUPS WITH 2 SERIES ACTIVE TOURER AND X4.
FOUNDER OF SAV PRODUCTS. ALL-NEW X5 SUCCESSFUL LAUNCH WITH PROFITABLE VOLUME GROWTH.

2014 X5 sales target
Units

2013
2014 Target

25,755 *

Profitable growth!

*Remark: Accounts for 7% of BMW China sales 2013.
FUTURE PROVE 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
PRE-CONDITION OF BMW i DEALER- “5S” ➔ THE 5TH “S” - SUSTAINABILITY.

BMW i Network
- Committed Investor
- Good Business Performance
- Excellent Facility
- Strong Willingness

5S Network
- Economic
- Environment
- Social

BMW Group in China, July 9, 2014
MINI FAMILY: BIGGER, STRONGER. WHOLE NEW GENERATION MINI STARTS.

MINI Hatch

New 5 door Hatch MINI.
STRONG PERFORMANCE OF BMW MOTORRAD IN A VERY PROMISING MOTORCYCLE MARKET ENVIRONMENT.

2013  2014  till 2020

4 models  5 models  Approx. 20 add. models

Motorcycle imports in China (>500 c.c.)

2013 YTD Apr  2014 YTD Apr

770  2,090 +171%

BMW Motorrad sales development

2013*  2014 Target

300  Above ave.
STRONG EXTENSION OF RETAIL/SERVICE NETWORK TO BE CLOSE TO CUSTOMERS.

- **Highest variety of sales / service formats** among all premium OEM in China
- **BMW outlets** 100% coverage in tier 1-3 cities and the **most dense network** in tier 4-5 cities
- 50-60 additional outlets to be added in 2014

**Number of Partners in Operation**

- **BMW Other Outlets**
- **BMW 4S/5S**
- **MINI Outlets**

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BMW 4S/5S</td>
<td>8</td>
<td>13</td>
<td>12</td>
<td>21</td>
<td>23</td>
<td>39</td>
<td>113</td>
<td>154</td>
<td>210</td>
<td>260</td>
<td>311</td>
</tr>
<tr>
<td>BMW Other Outlets</td>
<td>31</td>
<td>42</td>
<td>56</td>
<td>69</td>
<td>88</td>
<td>113</td>
<td>58</td>
<td>80</td>
<td>69</td>
<td>100</td>
<td>109</td>
</tr>
<tr>
<td>MINI Outlets</td>
<td>14</td>
<td>22</td>
<td>26</td>
<td>29</td>
<td>33</td>
<td>40</td>
<td>51</td>
<td>62</td>
<td>77</td>
<td>77</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: BMW internal.
NEW REGIONAL SETUP WILL IMPROVE DEALER MANAGEMENT AND SUPPORT OUR FUTURE GROWTH.

West Region
Retail contribution*: 20%

North Region
Retail contribution*: 20%

East Region
Retail contribution*: 22%

Southeast Region
Retail contribution*: 17%

South Region
Retail contribution*: 21%

*Remark: RT contribution is retail contribution as of May 31st, 2014.

Source: BMW internal.
FUTURE RETAIL FORMATS TO REACT WITH CHANGING CUSTOMER REQUIREMENTS.

BMW Brand Experience Center
Opened Apr 15th, 2013

MINI Brand Experience Center
Opened Sep 25th, 2013

3 awards in 2013
WARM HEART FUND 5-YEAR ANNIVERSARY: GROWTH INTO A COMPREHENSIVE CSR PLATFORM.

-2008-
Establishment of WHF

-2009~2010-
Extension of activities

-2011~2013-
Comprehensive CSR Platform
MOST ATTRACTIVE EMPLOYER IN THE AUTOMOTIVE INDUSTRY IN CHINA.

• BMW China ranked No.3 in China Best Employer Award 2013.
• No.1 in automotive industry.
• No.1 in all foreign companies in China.

• BMW China ranked No.1 in automotive industry in China’s TOP100 Ideal Employer.
HIGH INVESTMENT IN TRAINING AND QUALIFICATION TO SCALE OPERATIONS.

BMW dealer staff training days 2013

- In 2013, the training days of China accounts for almost half of global total.
- Systematic dealer staff training is implemented to improve dealer performance.
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MOST PROBABLE SCENARIO IS AN ENGINEERED SOFT LANDING.

**Short-term: 2014**  
Real GDP growth (%)  

<table>
<thead>
<tr>
<th>Quarter</th>
<th>13 Q1</th>
<th>13 Q2</th>
<th>13 Q3</th>
<th>13 Q4</th>
<th>14 Q1</th>
<th>14 Q2F</th>
<th>14 Q3F</th>
<th>14 Q4F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>7.7</td>
<td>7.5</td>
<td>7.8</td>
<td>7.7</td>
<td>7.4</td>
<td>7.4</td>
<td>7.3</td>
<td>7.3</td>
</tr>
</tbody>
</table>

- Government targets 7.5% growth of GDP in 2014  
- Government maintains prudent monetary policy and proactive financial policy  
- Reforms need breakthroughs  
- Anti-corruption / frugality are further implemented by leadership  

**Outlook: 2015 – 2018**  
Real GDP growth (%)  

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>9.3</td>
<td>7.7</td>
<td>7.7</td>
<td>7.4</td>
<td>7.3</td>
<td>7.3</td>
<td>7.2</td>
<td>7.0</td>
</tr>
</tbody>
</table>

- Moderate economic growth to rebalance economy from investment and external demand to domestic demand  
- Reform financial system, income distribution, etc. to support consumption boom  
- Government accepts slower growth in the future  

Source: ¹Consensus forecast Apr 2014.
PREMIUM SEGMENT WILL OUTGROW PASSENGER VEHICLE MARKET WITH SUSTAINABLE GROWTH.

MARKET OUTLOOK

CAGR 2013-2020: **Premium 8.7% vs. Passenger vehicle 6.0%**

Source: IHS
STILL LOW PENETRATION RATE IN CHINA COMPARED TO MATURE MARKETS.

Premium segment share of total market 2013.

Source: IHS
MORE REGULATED MARKET LAID THE FOUNDATION OF HEALTHY LONG TERM GROWTH.

Latest regulatory development

- **China R&D capacity improvement**
  - Local R&D and JV own brand requirement

- **Energy efficiency and NEV aspiration**
  - Corporate average fuel consumption

- **Traffic control & environment protection**
  - Traffic regulation in additional cities

- **Consumer behavior guidance**
  - Possible new consumption tax and luxury car tax

- **Market liberalization**
  - Possible removal of JV stake ratio limitation

- **Zinoro**
- **BMW i**
- **EfficientDynamics**
- **Diversified portfolio, more smaller cars**
- **Extension of JV contract with Brilliance**

BMW Group in China, July 9, 2014
WITH CURRENT ACTIVITIES WE ARE SETTING THE GROUND FOR OUR FUTURE.

5 years ago | Now | Future
--- | --- | ---
2 derivatives | 4 derivatives | 6 derivatives
Processes were designed when we were small. | As we grow, scale and complexity grows. | We optimize our processes to support future growth.

BMW Group in China, July 9, 2014
CONTINUATION OF EXPANDING PROFIT DRIVERS!
AFTERSALES, USED CARS, FINANCIAL SERVICES, FLEET SALES.

Aftersales

Used Cars

Financial Services

Fleet Sales
THESE KEY FACTORS WILL BRING SUCCESS IN 2014 AND THE FUTURE.

- Expand product portfolio to better address Chinese consumer demand
- Build up capacity and locally produce more models
- Further strengthen brand premium and attractiveness
- Achieve the highest customer satisfaction
- Strong expansion of network and scale-up of quality
- Commitment to society and environment
- Continuously invest in people
- Expand profit drivers: Aftersales, Used Cars, Fin. Services, Fleet Sales
THE PROVEN “BMW MODEL” WILL ENSURE OUR CONTINUING BRIGHT FUTURE