Stephan Schaller, President BMW Motorrad
March 19, 2015

ANALYST AND INVESTOR CONFERENCE 2015
BMW MOTORRAD
THE MOTORCYCLE MARKET >500 CCM HAS BEEN CUT IN HALF DURING THE LAST SEVEN YEARS.

OUR MARKET SHARE HAS DOUBLED IN THE SAME PERIOD.
MARKET SHARE VS. MARKET DEVELOPMENT
INITIAL SIGNS OF A MARKET RECOVERY (G7 MARKETS)

MR&SC Market
>500cc
in thsd. units

<table>
<thead>
<tr>
<th>Year</th>
<th>MC&amp;SC &gt; 500cc</th>
<th>MA% MR &amp; SC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1,169</td>
<td>7.2%</td>
</tr>
<tr>
<td>2002</td>
<td>1,199</td>
<td>7.7%</td>
</tr>
<tr>
<td>2003</td>
<td>1,226</td>
<td>7.6%</td>
</tr>
<tr>
<td>2004</td>
<td>1,305</td>
<td>7.1%</td>
</tr>
<tr>
<td>2005</td>
<td>1,372</td>
<td>6.7%</td>
</tr>
<tr>
<td>2006</td>
<td>1,501</td>
<td>6.8%</td>
</tr>
<tr>
<td>2007</td>
<td>1,508</td>
<td>7.2%</td>
</tr>
<tr>
<td>2008</td>
<td>1,417</td>
<td>8.8%</td>
</tr>
<tr>
<td>2009</td>
<td>991</td>
<td>11.1%</td>
</tr>
<tr>
<td>2010</td>
<td>881</td>
<td>12.2%</td>
</tr>
<tr>
<td>2011</td>
<td>858</td>
<td>12.4%</td>
</tr>
<tr>
<td>2012</td>
<td>855</td>
<td>13.9%</td>
</tr>
<tr>
<td>2013</td>
<td>829</td>
<td>14.1%</td>
</tr>
<tr>
<td>2014*</td>
<td>850</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

*2014 global market size number is still preliminary.
BMW MOTORRAD
THE ULTIMATE RIDING MACHINE – SINCE 1923

2014: 123,495 units + 7.2% previous year
2014 – PRODUCT HIGHLIGHTS
5 PRODUCT LAUNCHES 2014

R nineT
S 1000 R
C evolution
R 1200 RT
R 1200 GS Adventure
WE ARE MARKET LEADER IN 26 COUNTRIES NOW UP FROM 16 IN 2013
SUCCESSFUL FINANCIAL YEAR FOR BMW MOTORRAD WITH STRONG INCREASE IN EARNINGS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (units)</td>
<td>123,495</td>
<td>115,215</td>
<td>+ 7.2</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,679</td>
<td>1,504</td>
<td>+ 11.6</td>
</tr>
<tr>
<td>Earnings before interests and taxes (EBIT)</td>
<td>112</td>
<td>79</td>
<td>+ 41.8</td>
</tr>
<tr>
<td>EBIT margin (in %)</td>
<td>6.7</td>
<td>5.3</td>
<td>-</td>
</tr>
<tr>
<td>Earnings before taxes (EBT)</td>
<td>107</td>
<td>76</td>
<td>+ 40.8</td>
</tr>
</tbody>
</table>
2015 – PRODUCT HIGHLIGHTS
5 LAUNCHES IN 2015

- BMW R 1200 RS
- BMW S 1000 XR
- BMW R 1200 R
- BMW F 800 R
- BMW S 1000 RR
- BMW S 1000 XR
BMW MOTORRAD
AMBITIOUS TARGETS TILL 2020

2014: 123,495 units
BMWMOTORRAD
ACTIVELY SHAPE THE FUTURE – OPERATIONAL EXCELLENCE, ENABLER

stable, profitable growth

Brand values and premium positioning

Brand Management

Value creation strategy

Core products

Customer acquisition

Operational Excellence, Enabler
BMW MOTORRAD – WE ARE COMMITTED !!!
EMPLOYEE DEVELOPMENT 2014
ALL EMPLOYEES ARE TRAINED IN STRATEGY

- More than 1,400 employees were trained in two academies (additionally more than 100 manager in the role of a trainer)
- Very positive response from our employees
- Feedback after the event: 90% of the participants evaluate their new knowledge about the strategy as (very) good
QUALITY TRAINING FOR CUSTOMER ORIENTATION
TRAINING FOR 1500 EMPLOYEES TILL THE END OF 2015

Start:
Berlin: July - Dec. 2015
BMW MOTORRAD
ACTIVELY SHAPE THE FUTURE – CORE PRODUCTS

stable, profitable growth

Brand values and premium positioning

Brand Management

Value creation strategy

Core products

Customer acquisition

Operational Excellence, Enabler
OUR STARTING POINTS CONTINUE TO STRENGTHEN THE CORE SEGMENTS

ENDURO

TOUR

SPORT

ROADSTER

URBAN MOBILITY
BMW MOTORRAD
ACTIVELY SHAPE THE FUTURE – CUSTOMER ACQUISITION

stable, profitable growth

Brand values and premium positioning

Brand Management

Value creation strategy

Core products

Customer acquisition

Operational Excellence, Enabler
OUR STARTING POINTS
EXPANSION OF MARKET POTENTIAL

Total market > 500 cc in 2014:
Ca. 850,000 units

Expansion of market potential to 2-3 mn
units
through entry into new ccm segments

Market volume
(Powered Two Wheelers)

??? mn*
*incl. Electro und Pedelecs
BMW MOTORRAD
ACTIVELY SHAPE THE FUTURE - SEGMENTS

stable, profitable growth

Brand value and premium positioning

Brand Management

Value creation strategy

Core products

Operational Excellence, Enabler

<500cc  New Heritage  Urban Mobility  E-Mobility
ENTRY IN SEGMENT UNDER 500 CCM
PREMIUM PRODUCT INNOVATIONS

Cooperation

TVS

BMW

Der neue
Paparazzo

India
OUR STARTING POINTS
SEGMENT NEW HERITAGE AND LIFESTYLE
SEGMENT ‘URBAN MOBILITY’
EXPANSION OF THE SCOOTER SEGMENT IN LOWER DISPLACEMENT

Space required to transport 60 people

| car | bicycle/bike | bus |

BMW C 600 Sport / C 650 GT
SEGMENT ‘URBAN MOBILITY’
FUTURE SUSTAINABILITY THROUGH E-MOBILITY

1. Step C-Evolution

48 HP, 72 Nm, 100 km reach, completely charged in max. 4 h or 2:15 h (80%)
BMW MOTORRAD
ACTIVELY SHAPE THE FUTURE – VALUE CREATION STRATEGY

Stable, profitable growth

Brand values and premium positioning

Brand Management

Value creation strategy

Core products

Customer acquisition

Operational Excellence, Enabler
BMW MOTORRAD PRODUCTION 10 YEARS AGO
FOCUS ON GERMANY/EUROPE

Germany/Plant Berlin

Germany/Headquarter Munich
BMW MOTORRAD PRODUCTION TODAY
A WORLDWIDE PRODUCTION NETWORK

Germany/Plant Berlin

Germany/Headquarter Munich

Brasil/Manaus, Assembly Partner

India/Bangalore, OEM Partner

China/Chongqing, OEM Partner

Thailand/Rayong, Assembly BMW
BMW MOTORRAD
ACTIVELY SHAPE THE FUTURE – BRAND MANAGEMENT

Stable, profitable growth

Brand values and premium positioning

Brand Management

Value creation strategy

Core products

Customer acquisition

Operational Excellence, Enabler
BRAND LEADERSHIP
THE EVOLUTION OF THE BRAND BMW MOTORRAD

Starting as a conventional Brand…

…becoming a dynamic and emotional brand…

…right up to a lifestyle and experience brand.

BRAND PERCEPTION:
RIDERS’ EQUIPMENT BECOMES A LIFESTYLE ISSUE
BRAND PERCEPTION AT THE POINT OF SALE
“MAKE LIFE A RIDE”

BMW Motorrad Brand Concept Store Donford, Cape Town
BMW MOTORRAD
EXPANSION OF DEALER NETWORK

Target 2020

2013: 1.050
2014: 1.121
Target 2020
2015 – MORE TO COME
PURE AND CRAFTED FESTIVAL
MAKE LIFE A RIDE. NEW BRAND POSITIONING CAMPAIGN
THANK YOU AND DON’T FORGET TO ...

MAKE LIFE A RIDE.