

Capital Markets Day China.



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BMW Group

Rolls-Royce
Motor Cars Limited



Challenging China.

BMW Group's China strategy focuses on dynamic and profitable growth.



**Attractive growth prospects:
rising per capita income and growing upper
middle class**

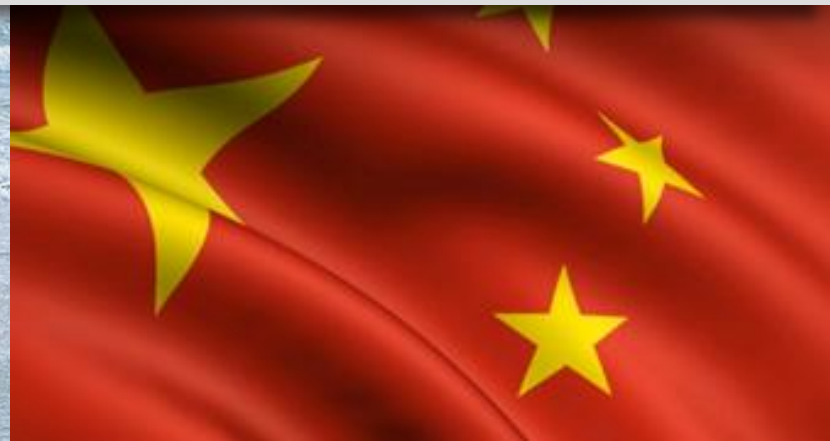


**China's premium segment has highest
CAGR worldwide of 4.5% (2009-2022)**



宝马

BMW = Bǎo Mǎ "precious horse"



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Agenda.

- 1. Current situation of BMW Group**
2. China as growth market
3. Next steps and strategic planning



BMW Group earnings in first half of 2010.

Sales up to/incl. August 2010.



BMW Group as the world's leading premium car manufacturer:
919,258 units sold (+12.5% yoy) 1-8 2010

Significant improvement in profitability thanks to Strategy Number ONE:

- EBIT margin in Automobiles Segment: 6.6% in HY1 2010
- RoE in Financial Services Segment: 18%

Forecast for 2010:

- Sales volume of > 1.4 million vehicles, >+10% yoy
- EBIT margin in Automobiles segment: > 5%
- RoE in Financial Services segment: >18%
- Substantial improvement in results compared to previous year

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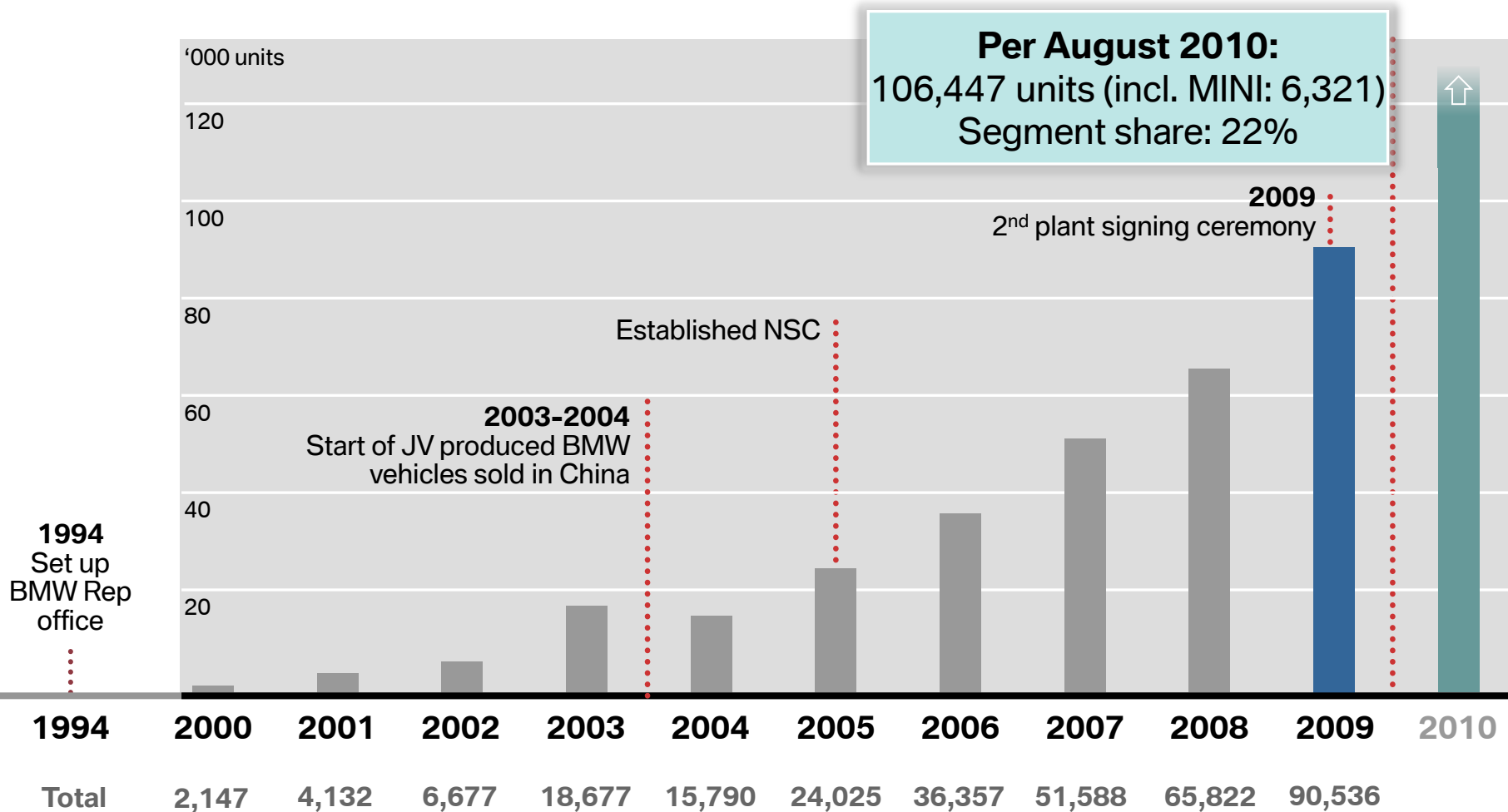
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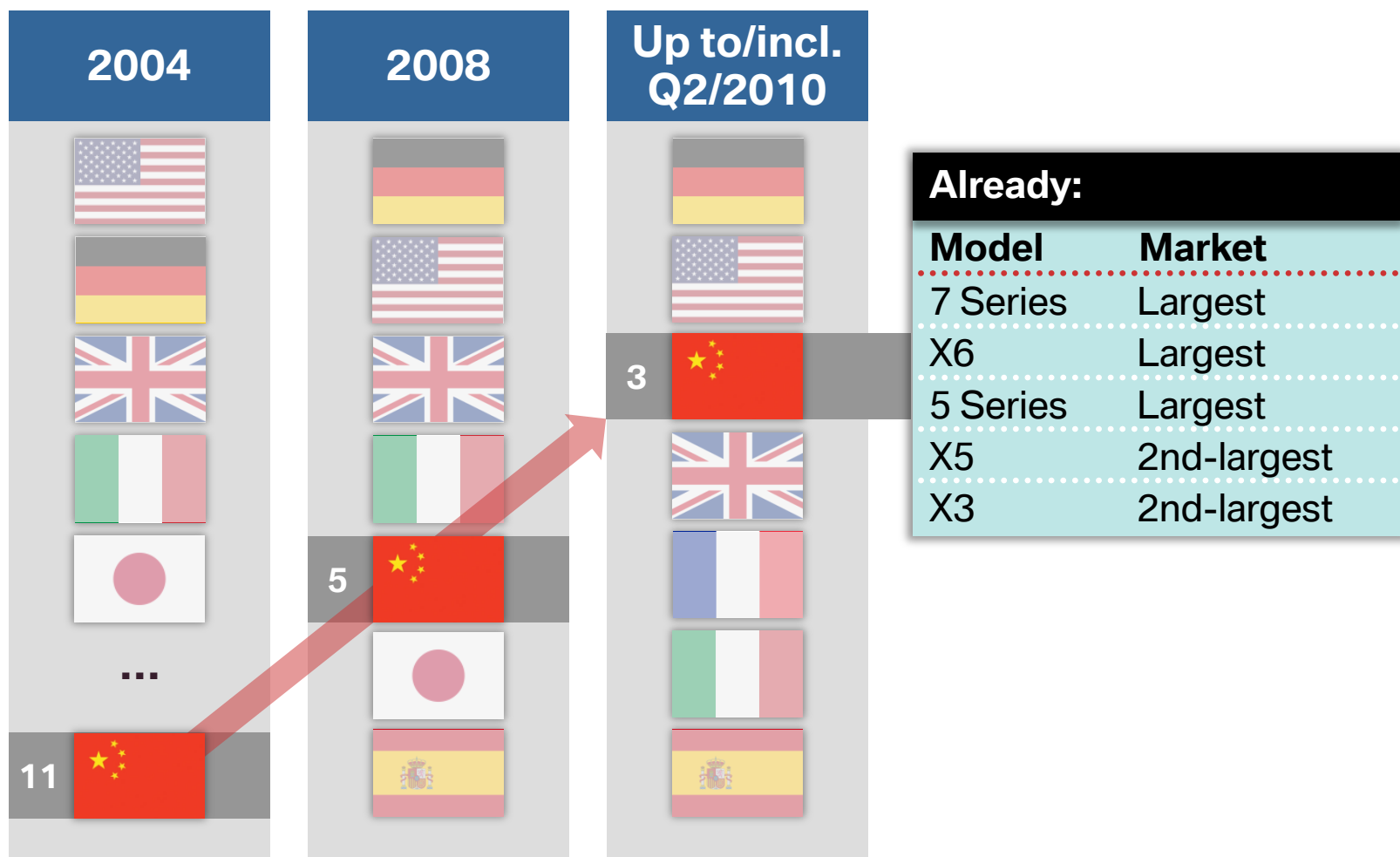
Production follows the market.

Historical sales trends for BMW and MINI.



China – BMW Group's third-largest market. Further growth opportunities.

Chinese sales of BMW Group automobiles in BMW Group retail ranking



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Long-term strategy for China. Growth along the value chain.

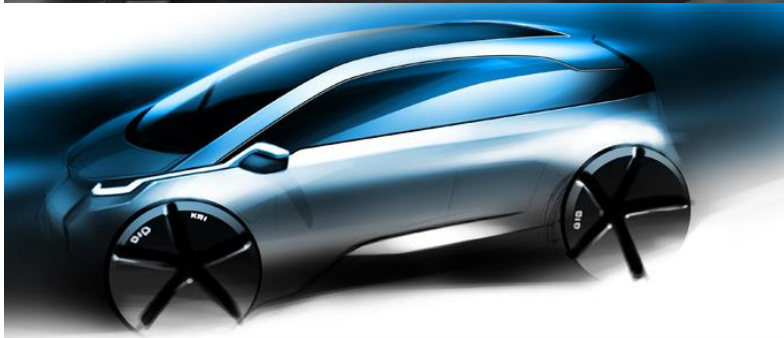


Investments in all areas to build up Chinese market

Strategic concept already applied in the US – successful build-up of the market

EfficientDynamics technology and e-mobility in China.

Compliance with future fuel economy regulations (2012-15).



E-mobility roadmap for China

- 2011:** MINI E and BMW Active E come to China.
- 2014 onwards:** Megacity Vehicle will be introduced to the public.

Local and global sourcing in China.

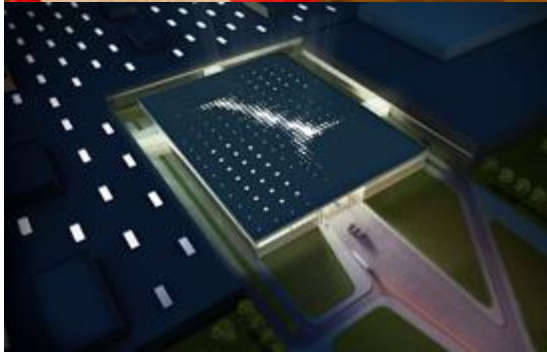
Qualify future Global sourcing suppliers through local content.



Further localisation of components for BMW vehicles produced in China.

- Actual supplier network of 100 suppliers to be enlarged significantly by 2012.
- Achieve constant level of quality.

New plant in Tiexi based on BMW plant in Leipzig. Sustainable production for long-term growth.



Developing BMW Financial Services China.

Further growth in financing, leasing and insurance business.

Majority of vehicles are still bought without financing or leasing.

- License II approval received from the CBRC
- BMW Finance Automotive China (JV of BMW AG and BBA) will start independent operations by end of 2010.
- 2011: Investments in fleet offering
- 2012: Start of leasing operations



BMW之悦。未来科技，今日实现。

BMW集团（中国）有限公司，作为宝马集团在中国的唯一授权经销商，负责在中国大陆地区推广和销售宝马汽车。宝马集团（中国）有限公司，作为宝马集团在中国的唯一授权经销商，负责在中国大陆地区推广和销售宝马汽车。宝马集团（中国）有限公司，作为宝马集团在中国的唯一授权经销商，负责在中国大陆地区推广和销售宝马汽车。



Strong Expansion of BMW Financial Services China

BMW Group in China.

Summary.

Long-term growth potential for premium brands

Further expansion of BMW China in order to participate in market growth:

Build-up of R&D Department

Expansion of local and global sourcing

Construction of new plant in Shenyang-Tiexi with a capacity of >100,000 u/a.

Start of independent BMW Financial Services operations in China by end of 2010



Preparations for a quickly developing Chinese market



Existing Growth potential to become largest market worldwide for BMW Group

Thank you for your attention.



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