

BMW RETAIL NETWORK IN CHINA.

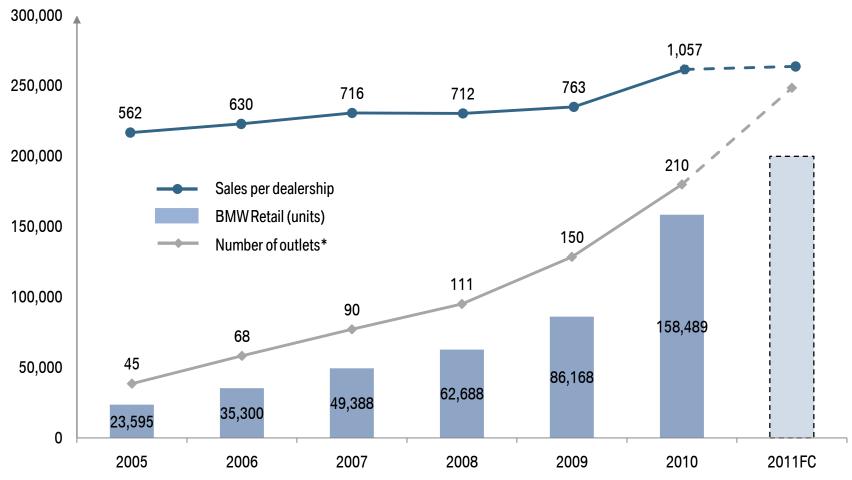
DR. DANIEL KIRCHERT SENIOR VICE PRESIDENT, SALES & MARKETING BMW BRILLIANCE AUTOMOTIVE

BMW GROUP





BMW DEALER NETWORK OVERVIEW. TO CAPTURE THE BIG MARKET OPPORTUNITY, BMW OUTLETS HAVE BEEN DEVELOPING WITH FAST SPEED.



^{*} Outlets refer to 4S, Showroom, Service Center, Used Car Center, Service Only Outlet, etc.

BMW DEALER NETWORK OVERVIEW.
210 BMW DEALER OUTLETS WERE IN OPERATION BY
THE END OF 2010.



BMW DEALER NETWORK OVERVIEW. HAVING HUGE POTENTIAL FOR PLUS SEGMENT, THE 4& 5TH TIER CITIES BRING BIG OPPORTUNITIES TO BMW.

Plus Segment Development

707 417

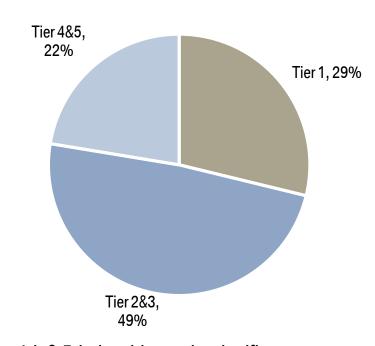
Plus Segment (Incl. MINI) will keep strong growth

2010

Source: Sales figures

2011FC

2010 Plus Segment Distribution



— 4th & 5th tier cities make significant contribution to the total market

Source: BMW internal analysis

2009

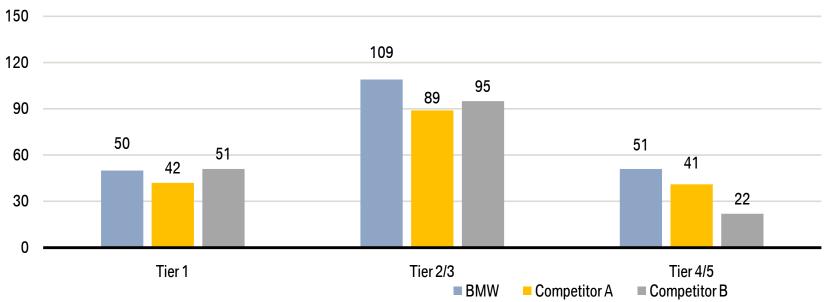
NETWORK DEVELOPMENT STRATEGY.

To enable fast network development in all tier cities, BMW designs principles for each city tier based on the economic level and characteristics.

City Tier Network Development Principles Tier 1 4S, Showroom, Service Center, Used Car Center, etc. Beijing Shanghai (5 cities) Wenzhou Chongqing Tier 2 Follower to Tier 1. Qinqdao (18 cities) 4S, Showroom, Service Center, Used Car Center, etc. Harbin Urumgi Tier 3 4S & limited number of Showrooms (26 cities) Service Center and Used Car Center start to be built from 2013 or 2014 onwards Jilin Tier 4 Fully covered by 2015 Guiyang (75 cities) 4S & small amount of Service Only Outlet Zhangjiakou Hai'ning Ganzhou Tier 5 Service Only Outlet (344 cities) 4S and upgrade of SOOs into 4S from 2012 onwards

NETWORK DEVELOPMENT STRATEGY. BMW HAS ACHIEVED STRONG NETWORK COVERAGE IN ALL TIER CITIES.

Outlet Status BMW vs. Competitors (by Dec 31st, 2010)



- Dealer network has been developing at a fast pace with more outlets built up.
- City coverage in tier 3, 4 & 5 has increased significantly and penetration into lower tier cities will be further strengthened.

DEALERSHIP INVESTOR OVERVIEW.

To ensure strong partnership with investors, following principles are applied for partner selection:

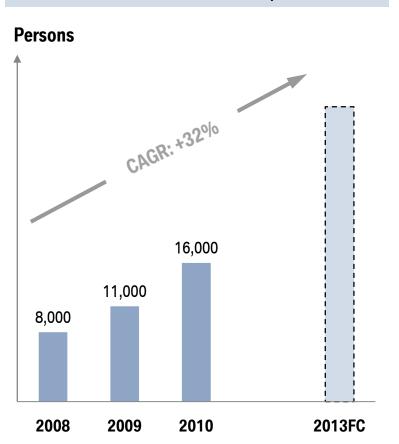
- Objective and transparent selection criteria
 - Strong financial capability
 - Profound auto experience
 - Availability of land in good location
 - Professional management team
 - Strong local influence
- Performance-oriented, with much emphasis on customer orientation.
- Diverse mix of partners.
- Leverage strong partner groups to enhance the competence of the whole network.



EMPOWER DEALER EMPLOYEES. BMW MADE HUGE INVESTMENT IN HUMAN RESOURCES TO STRONGLY SUPPORT THE FAST NETWORK EXPANSION.



BMW Training Facilities Status





MINI NETWORK DEVELOPMENT. MINI HAS STARTED TO BUILD UP INDEPENDENT RETAIL NETWORK.









The 1st 4S dealership was opened in Shanghai in October 2010

- Covering an area of 10,000 m² with 1,000 m² showroom and 1,900 m² workshop
- 9 New Car and 3 Used Car display in showroom
- 22 work bays

USED CAR STRATEGY. BMW IS READY TO SEIZE THE GROWTH OPPORTUNITIES IN THE CHINESE USED CAR MARKET.







- The first independent BMW Used Car Center (UCC) was opened in Shenzhen in March 2011. BMW is also the first one in Plus Segment to implement UCC in China
- More Used Car Centres will be established to drive BMW dealer network to exploit the premium used car potential

AFTERSALES STRATEGY. EFFICIENCY, TRANSPARENCY AND CARE ARE THREE KEY PILLARS FOR CUSTOMER SATISFACTION.

Customer

Customer Service Experience Maintaining Joy

Process

Efficiency



- Fast Lane Service
- Body & Paint Quick Repair
- Appointment Booking
- Parts Availability & Supply
- Service Network Coverage
- 1-hour oil service*

Transparency



- Service & Repair Package
- Condition Base Service
- Workshop Visibility
- Aftersales Service Day
- E-Workshop*

Care



- Roadside Assistance
- Customer Care Hotline
- Mobile Service
- Accident Hotline*

People

Quality in Service: People

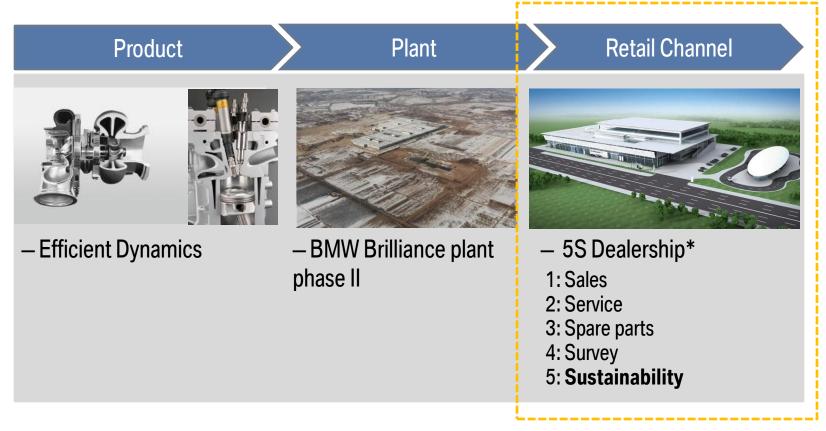
^{*} New Service Process in 2011

AFTERSALES STRATEGY. AFTERSALES JOY CAMPAIGN WAS KICKED OFF EARLY 2011.



BMW售后服务。 悦常在,驾无忧。 BMW AFTERSALES. MAINTAINING JOY.

SUSTAINABILITY. 5S DEALERSHIP CONCEPT IS THE RETAIL CHANNEL STRATEGY TOWARDS SUSTAINABILITY.



^{*} The first 5S dealership will start operation in 2011.

BEIJING MARKET STATUS. THE NEW POLICY NOT ONLY POSES CHALLENGES BUT ALSO BRINGS OPPORTUNITIES.

New Registration Policy in Beijing

Total PC Market and Plus Segment 2011YTD

Ratio of Plus Segment

➤ Beijing new registration policy poses challenges to the passenger vehicle sales

> New car licenses: 20,000 units/month

➤ But the new policy also brings opportunities to the Plus Segment since customers now tend to go for premium cars and the ratio of Plus Segment in the total passenger vehicle market is increasing

Implication for BMW

- > The outlook for Plus Segment is still quite positive
- ➤ Trade-in program has been established to maximize sales opportunities in Beijing.
- ➤ Other 1st tier cities might also start limitation, but probably with a different approach than Beijing

BEIJING MARKET STATUS. TRADE-IN WILL BECOME AN IMPORTANT CHANNEL FOR BEIJING MARKET CONQUEST.



BMW之化。一步焕新, 尊享无忧。

一步烧新。每享无忧、针对北京地区病车挺写申银政策,BMW以城华关怀之心,为市尚和拜驾驶后跪的您,推出BMW北京夏袋活动,对二于小客车不是温牌和车型,从为北京牌职,并于2011年6月30日前参加国债。50千年受从二步丰评估。车辆这户转路,到更换换车后标,交付新车和力理将车上将车一战出出身。更有全年新车保险及多重利逐相待。让梦想之驾一多田位。 数据效电BMW 中国客户奖誉中心粉结400-800-6666

BMW北京置换活动。

THANKS FOR YOUR ATTENTION.