

May 17th, 2011

BMW RETAIL NETWORK IN CHINA.

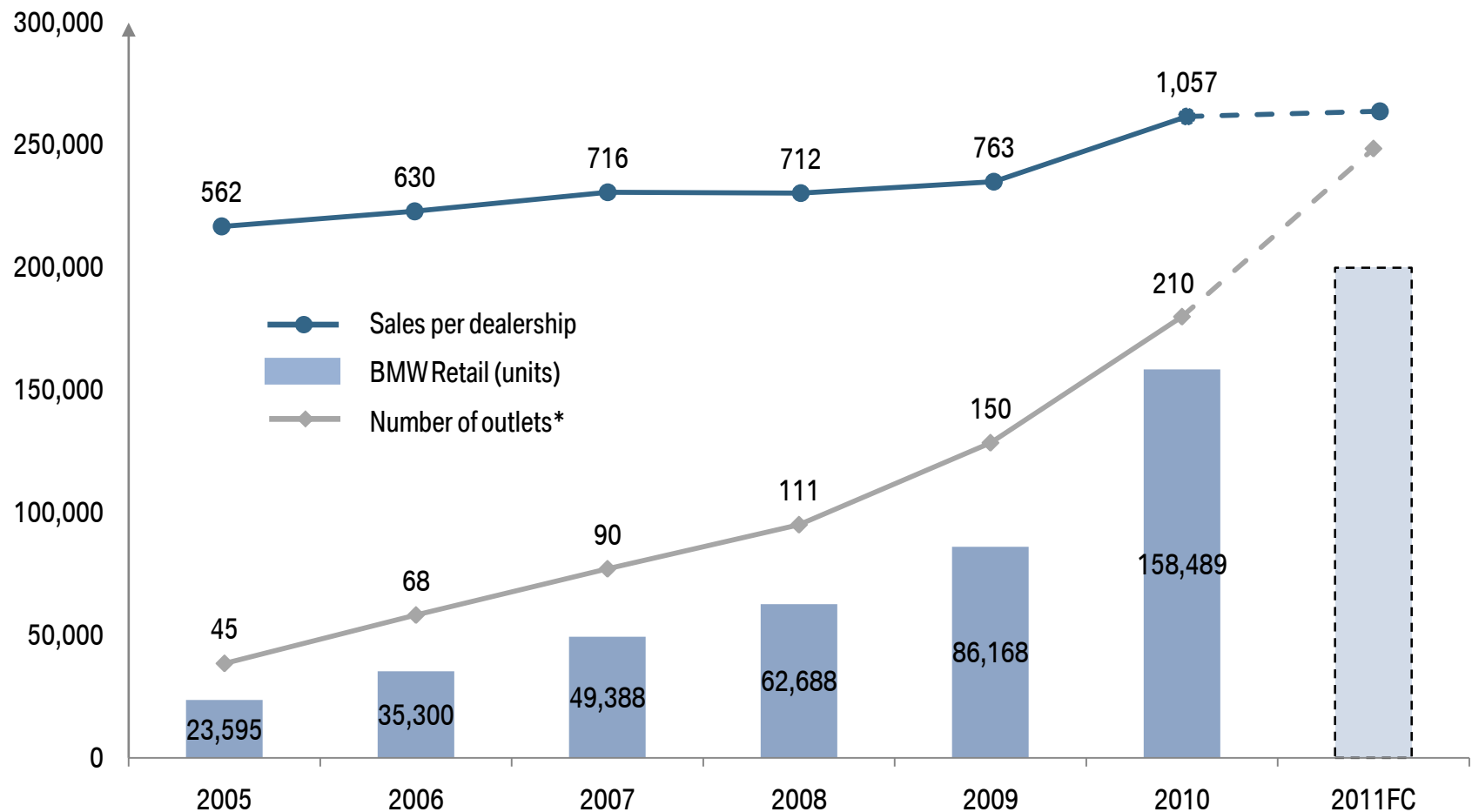
DR. DANIEL KIRCHERT
SENIOR VICE PRESIDENT, SALES & MARKETING
BMW BRILLIANCE AUTOMOTIVE

BMW
GROUP



BMW DEALER NETWORK OVERVIEW.

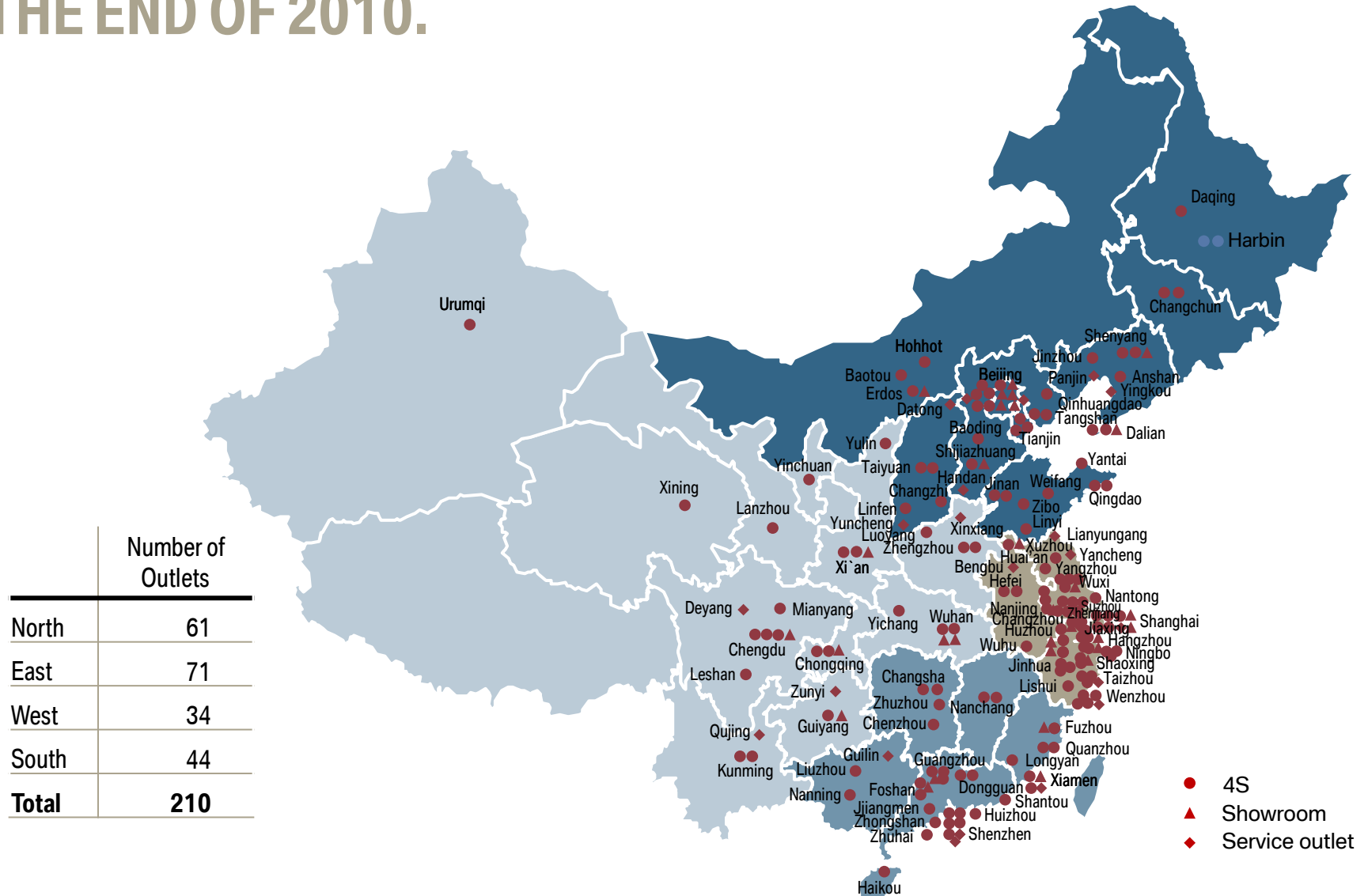
TO CAPTURE THE BIG MARKET OPPORTUNITY, BMW OUTLETS HAVE BEEN DEVELOPING WITH FAST SPEED.



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

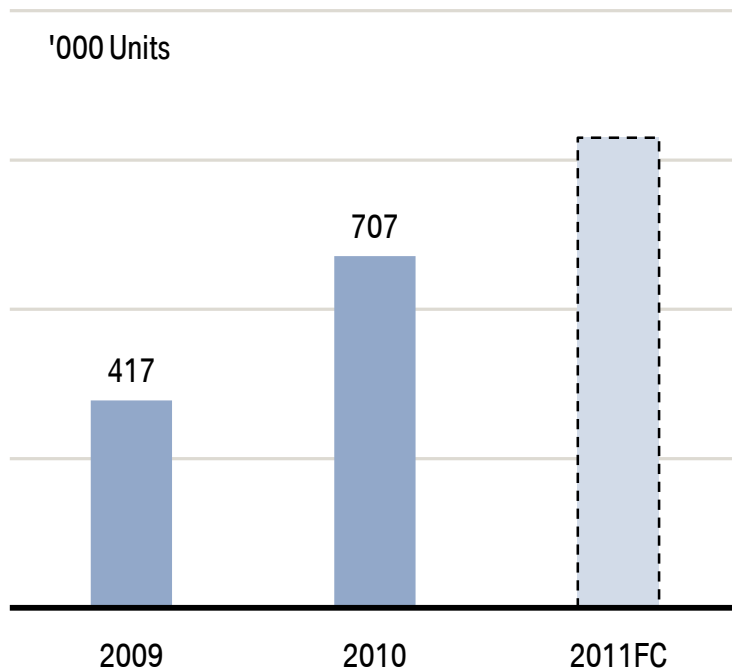
BMW DEALER NETWORK OVERVIEW.

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.

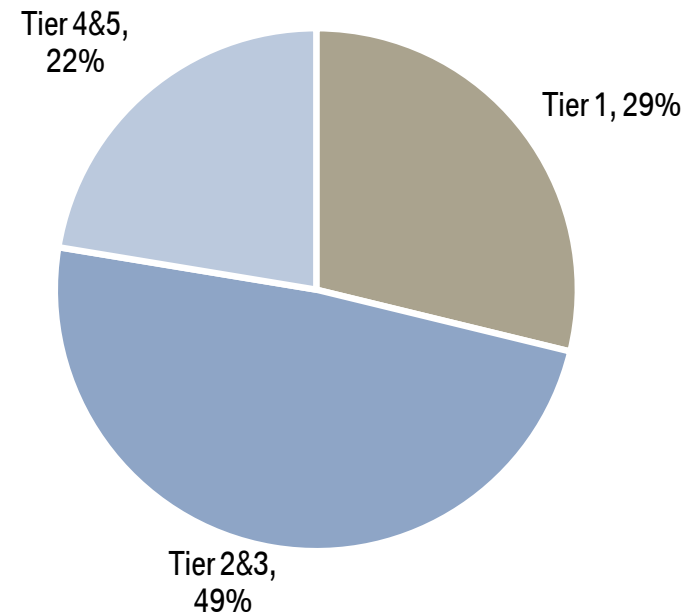
Plus Segment Development



– Plus Segment (Incl. MINI) will keep strong growth

Source: Sales figures

2010 Plus Segment Distribution









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

Source: BMW internal analysis

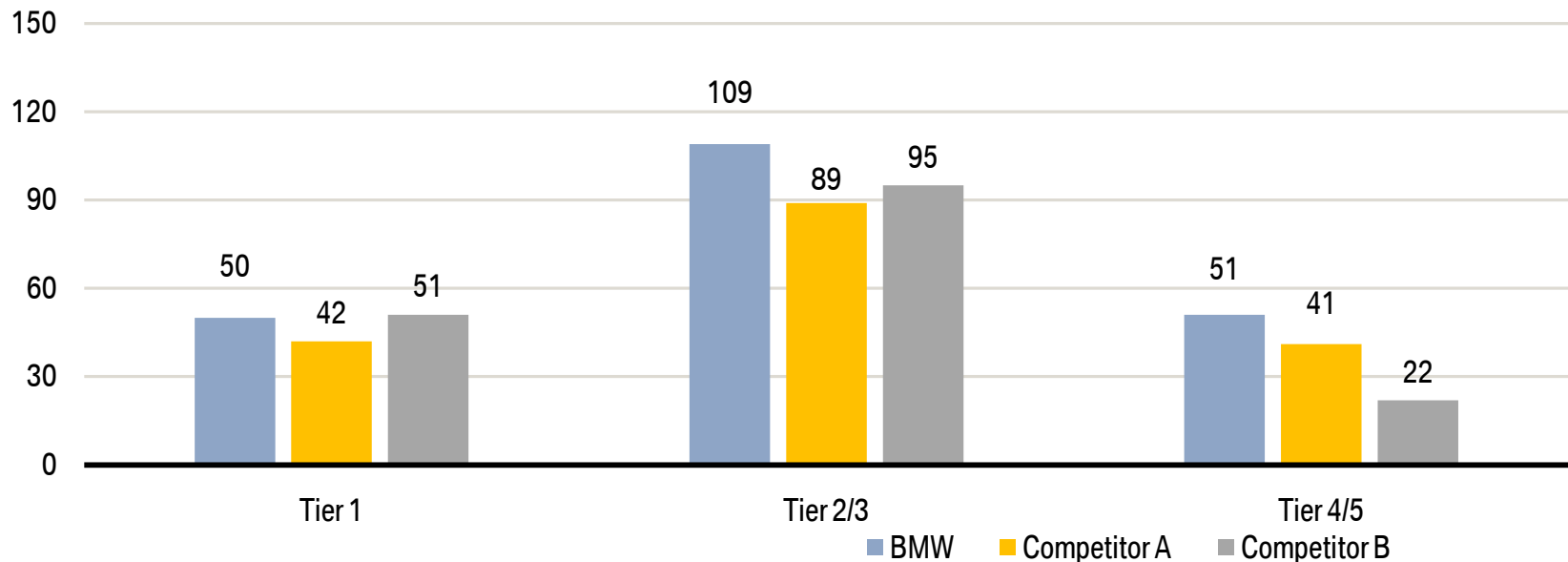
NETWORK DEVELOPMENT STRATEGY.

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 (5 cities)	 Beijing  Shanghai	<ul style="list-style-type: none"> • 4S, Showroom, Service Center, Used Car Center, etc. 	
Tier 2 (18 cities)	 Wenzhou  Chongqing  Qingdao	<ul style="list-style-type: none"> • Follower to Tier 1. • 4S, Showroom, Service Center, Used Car Center, etc. 	
Tier 3 (26 cities)	 Urumqi  Harbin  Xiamen	<ul style="list-style-type: none"> • 4S & limited number of Showrooms • Service Center and Used Car Center start to be built from 2013 or 2014 onwards 	
Tier 4 (75 cities)	 Guiyang  Jilin  Yangzhou	<ul style="list-style-type: none"> • Fully covered by 2015 • 4S & small amount of Service Only Outlet 	
Tier 5 (344 cities)	 Zhangjiakou  Hai'ning  Ganzhou	<ul style="list-style-type: none"> • Service Only Outlet • 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.

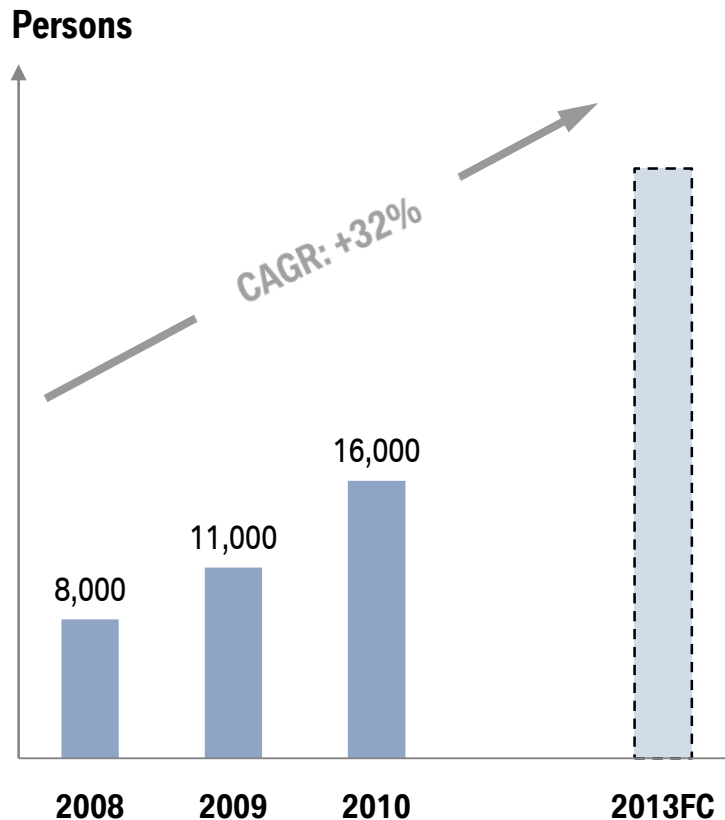
To ensure strong partnership with investors, following principles are applied for partner selection:

- 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 Dealer Staff Development



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.



* New Service Process in 2011

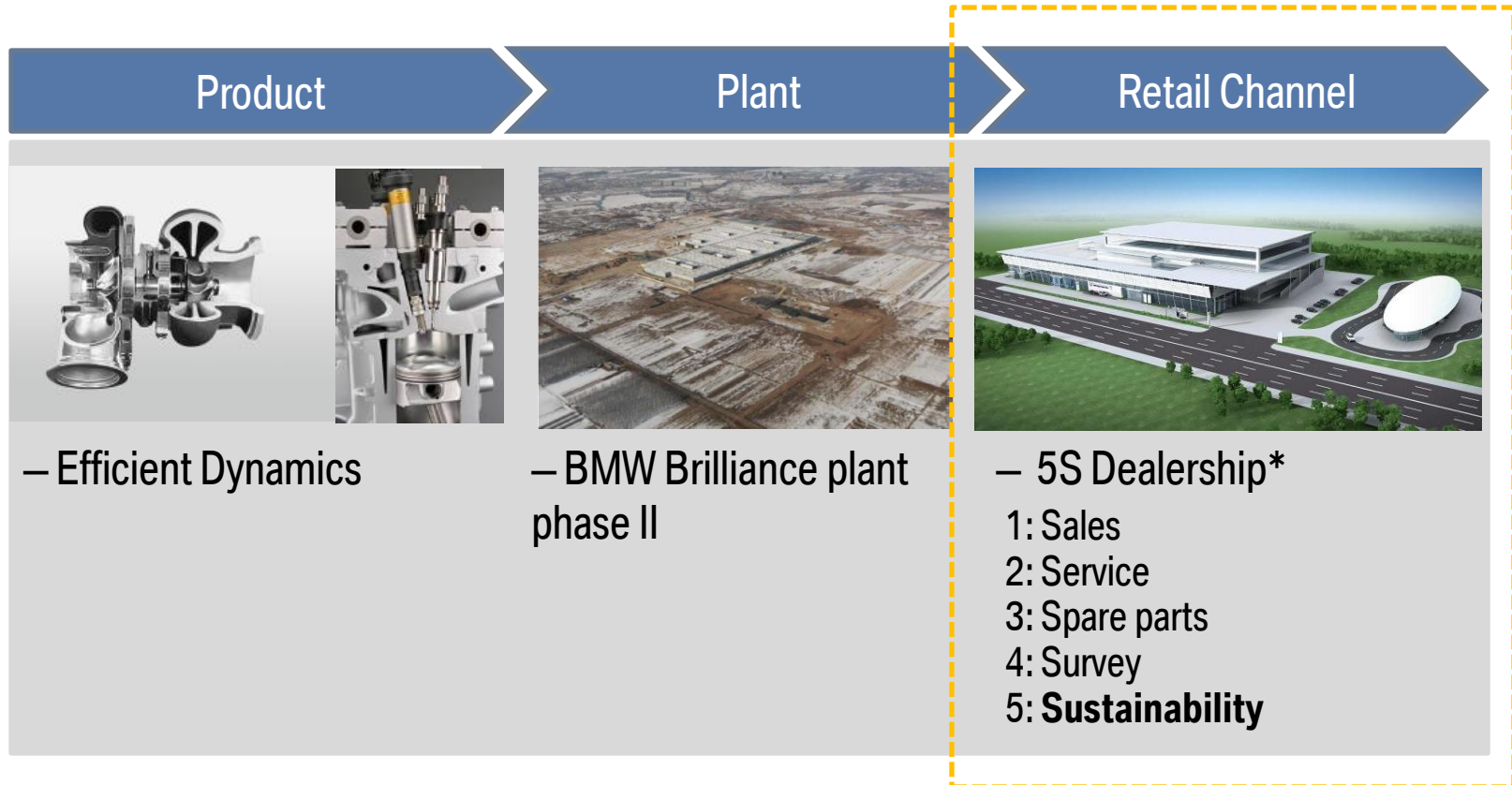
AFTERSALES STRATEGY. AFTERSALES JOY CAMPAIGN WAS KICKED OFF EARLY 2011.



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



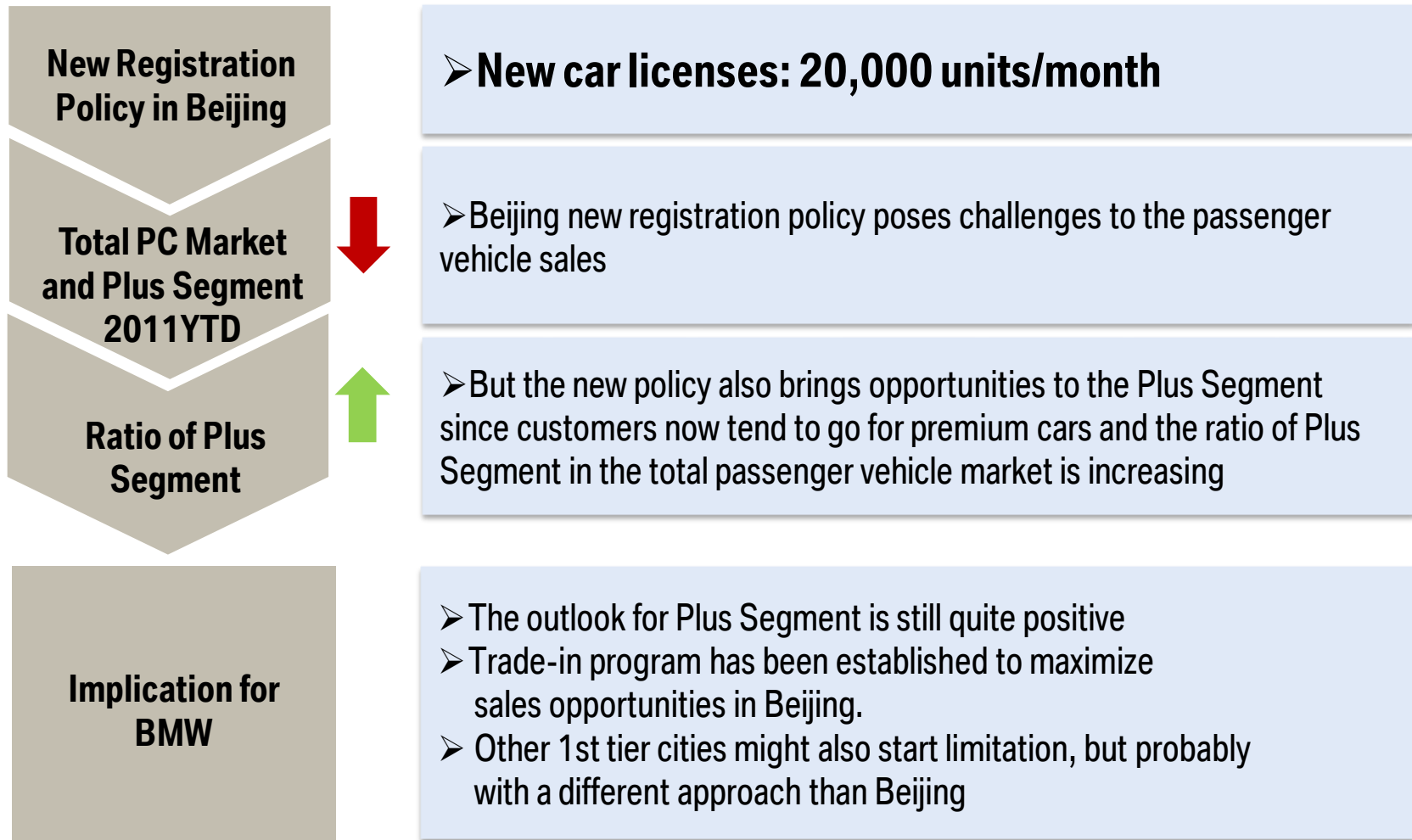
SUSTAINABILITY. 5S DEALERSHIP CONCEPT IS THE RETAIL CHANNEL STRATEGY TOWARDS SUSTAINABILITY.



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

BEIJING MARKET STATUS.

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



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



BMW之悦。一步焕新，尊享无忧。

一步焕新，尊享无忧。针对北京地区购车摇号申请政策，BMW以诚挚关怀之心，为进而纯粹驾驶乐趣的您，推出BMW北京置换活动。对二手车不限品牌和车型，凡为北京牌照，并于2011年6月30日前参加置换，均可享受从二手车评估、车辆过户转籍，到更换新车后标、交付新车和办理新车上牌等一站式服务，更有全年新车保险及多重礼遇相待，让梦想之驾一步即达。

敬请致电BMW 中国客户关爱中心热线400-800-6666

BMW北京置换活动。

THANKS FOR YOUR ATTENTION.