CHINA IS A SUCCESS STORY FOR THE BMW GROUP DOUBLE-DIGIT GROWTH BY YEAR-END 2012.
CHINA’S ECONOMIC DEVELOPMENT. THE 12TH FIVE-YEAR PLAN (2011–2015) AIMS AT A MORE MODERATE GROWTH PATH.

Economic growth from export/investment driven to consumption driven

Income redistribution and improving people’s living standards

Urbanization and regional development

Energy saving and environmental protection

(Ø GDP growth = 10.4%)

(Ø GDP growth (Target) = 7%)
CONTENT.

1 Status BMW Group
2 Status BMW Group in China
3 Outlook
4 Summary
CONTENT.

1. Status BMW Group
2. Status BMW Group in China
3. Outlook
4. Summary
ON TRACK TO MEET OUR GUIDANCE: SALES VOLUME ABOVE PREVIOUS YEAR.

BMW Group
Sales development (units)

September 2012

1.335 million
+8.3%

Sales by continent

America
+6.3% YTD

Europe
+0.8% YTD

Asia
+27.2% YTD
MARKET CONDITIONS WILL BE MORE DIFFICULT IN 2013.

- European markets will worsen in 2013
- Additional costs for future investments
- Staying the strategic course
- Start of electromobility with the BMW i3
CONTENT.

1. Status BMW Group
2. Status BMW Group in China
3. Outlook
4. Summary
GROWING SIGNIFICANCE OF CHINA.

China has great potential for the future as well.

China‘s significance for the BMW Group continues to grow.
GLOBAL INSIGHT DATA: CHINESE PREMIUM SEGMENT SHOWS SOLID GROWTH, IN MEDIUM-TERM AT A LOWER PACE. OUR OWN GROWTH EXPECTATIONS ARE LOWER.

Premium Segment Development China
in units of a thousand

Source: Global Insight
CHINA HAS BECOME A MAJOR ENGINE FOR THE GROWTH OF GLOBAL PREMIUM SEGMENT.

China’s share of global premium segment

- 2007: 4%
- 2009: 8%
- 2011: >15%
- 2012: 18%

Source: Global Insight Data
INCOME DISTRIBUTION: FURTHER GROWTH OF PREMIUM-RELEVANT UPPER AND UPPER MIDDLE CLASS.

Income class definition by annual household income
(inflation and purchasing power parity adjusted, base year 2005)

- **Upper Class (>100k USD)**
- **Upper Middle Class (60-100k USD)**
- **Middle Class (40-60k USD)**
- **Lower Middle Class (20-40k USD)**

Source: IHS Global Capital Markets Day China 2012, Dr. Friedrich Eichiner
GROWING HNWI NUMBER IN MAINLAND CHINA – CUSTOMERS HAVE A CLEAR PREFERENCE FOR LUXURY GOODS.

Total Number of High Net Worth Individuals (HNWI) with net worth of US$ 1 Million or more in 2011 (unit: Thousands)

1. USA: 3,068
2. Japan: 1,822
3. Germany: 951
4. China: 562

Source: 2012 Global Wealth Report, by Capgemini and RBC Wealth Management
MAINLAND CHINA: URBANIZATION IN FAST MOTION.

Level of urbanization already at 50%.

Urbanization is driven by medium sized cities.

Source: UN 2011
BMW BRILLIANCE AUTOMOTIVE –
A JOINT SUCCESS STORY.
CHINA’S DEALER NETWORK – BY END OF SEPTEMBER
332 BMW OUTLETS AND 76 MINI OUTLETS. ROLLS-ROYCE HAS 13 DEALERS IN EAST AND CENTRAL CHINA.

*4S dealership refers to:
Sale, Spare parts, Service & Survey
BMW X1 AND 3 SERIES LONG WHEEL BASE FROM LOCAL PRODUCTION, AS WELL AS BMW 7 SERIES SUPPORT GROWTH. BMW 5 SERIES LWB CONTINUES SUCCESS.
FURTHER EXPANSION OF PRODUCTION CAPACITY. LOCAL PRODUCTION OF ABOUT 150,000 UNITS BY END OF 2012.
BMW FINANCIAL SERVICES CHINA – PROFITABLE GROWTH WITH PARTNERS.

- Business volume of 10 billion RMB (~1.2 billion Euros)
- Penetration rate in August 2012 was ~12%
- Contracts are partly concluded with cooperation partners
- Growth by expansion of portfolio
CONTENT.

1 Status BMW Group
2 Status BMW Group in China
3 Outlook
4 Summary
THE BMW GROUP IS ON GROWTH TRACK IN CHINA.

- Double-digit Sales Growth in the coming years
- Growing local production
- Further growth in our market presence, across all tier cities
CHINA WILL REMAIN OUR GROWTH DRIVER IN ASIA. OUR TARGET IS A BALANCED GLOBAL MARKET APPROACH.
CAPITAL MARKETS DAY CHINA 2012

DR. FRIEDRICH EICHNER
MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG, FINANCE