BMW Group.
Investor & Analyst Meeting.

Josef Kerscher, President BMW Manufacturing Co.
BMW Group.

Historical Key Dates and Facts.

- Plant Spartanburg announced on June 22, 1992
- Officially opened in 1994 with 700 jobs
- Major plant expansion in 1998 for new X5 model
- Major construction of one line assembly in January 2006
- $750 million plant expansion announced March 2008
- Cumulative investment will approximate $4.2 billion by 2012
BMW Group.

Plant Spartanburg Vehicles.

- Sole global producer of six vehicles:
  - X6 Sports Activity Coupe
  - X5 Sports Activity Vehicle
  - Z4 Roadster & M Roadster
  - Z4 Coupe & M Coupe
Plant Spartanburg Data.

- Approx. 1,100 acres
- 2.4 million square foot facility (223 thousand square meters); expansion to add 1.5 million square feet (139 thousand square meters) over the next 3-years
- Plant capacity 160,000 units per year
- Flexible one line system
- Units built to customer order
- 5,400 jobs
BMW Group.

Production Volume.

Plant Spartanburg Production volume

<table>
<thead>
<tr>
<th>Year</th>
<th>X5</th>
<th>Z4, Coupe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>75,000</td>
<td>10,000</td>
</tr>
<tr>
<td>2004</td>
<td>70,000</td>
<td>15,000</td>
</tr>
<tr>
<td>2005</td>
<td>75,000</td>
<td>20,000</td>
</tr>
<tr>
<td>2006</td>
<td>80,000</td>
<td>25,000</td>
</tr>
<tr>
<td>2007</td>
<td>85,000</td>
<td>30,000</td>
</tr>
<tr>
<td>2008</td>
<td>90,000</td>
<td>35,000</td>
</tr>
</tbody>
</table>
# BMW Group

2008 Weekly Work Schedule.

<table>
<thead>
<tr>
<th>Shift</th>
<th>S</th>
<th>M</th>
<th>T</th>
<th>W</th>
<th>TH</th>
<th>F</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>“A”</td>
<td>Off</td>
<td>Work</td>
<td>Work</td>
<td>Work</td>
<td>Work</td>
<td>Work</td>
<td>Off</td>
</tr>
<tr>
<td>“B”</td>
<td>Work</td>
<td>Work</td>
<td>Work</td>
<td>Work</td>
<td>Work</td>
<td>Work</td>
<td>Off</td>
</tr>
</tbody>
</table>

- 110 Production Hours Per week: 50 A-shift; 60 B-shift
- 120 Production Hours with Saturday OT: 60 A-shift; 60 B-shift
- 320 units per shift

**FLEXIBILITY**
BMW Group.

Technology Overview.

**Body Shop:**
- Welding operations are more than 95% automated
- X5 and X6 bodies produced with the same equipment
- Stamped parts and add-on parts are supplied locally,
- X5 body-steel, aluminum, plastic

**Paint Shop:**
- Using water-based primer and base coat since 1994
- Uses landfill gas to heat paint ovens
- New Paint Shop will have BMW’s latest paint technology

**Assembly:**
- More than 3,000 employees
- All models produced on an one-line system; all units produced to customer order
- Takt time – 99 seconds
BMW Group.
Supplier Information.

Of 194 North American Suppliers, 52 are located in South Carolina.

Current NAFTA parts volume is approximately 10% of the purchase volume of the BMW Group.
BMW Group.

Long Term Plant Spartanburg Targets.

- Capacity increase to 240,000 units annually
- Increase efficiency by 7% per year
- Customer quality orientation
- Environmental sustainability
New Models to come.

- Diesel X5 Sports Activity Vehicle for U.S. Market
- X6 Hybrid Sports Activity Coupe
- X3 Sports Activity Vehicle will move to Spartanburg from Austria
BMW Group.

Basic Plant Layout - New Paint Shop, New Assembly/Logistics North
Legend:
- Logistics Center
- Trim Line
- Underbody
- Engine/Power train/Marriage
- Trim 2 Line Underbody
- Fluid Fill Lines
- Finish Lines/Rework
- Support/Offices
- Door Sub-Assembly
Spartanburg Plant Associates.

- Motivation
- Qualification
- Safety