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.

1990 – 2010
(Ø GDP growth = 10.4%)

2010 – 2015
(Ø GDP growth (Target) = 7%)

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
CONTENT.

1 Status BMW Group
2 Status BMW Group in China
3 Outlook
4 Summary
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Capital Markets Day China 2012, Dr. Friedrich Eichiner
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.

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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%
- **FC 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
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. 3,068
2. 1,822
3. 951
4. 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.

Urban agglomerations by size

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.

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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.
Beijing, October 19, 2012

CAPITAL MARKETS DAY CHINA 2012

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