BMW BRILLIANCE AUTOMOTIVE: SUSTAINABLE FUTURE GROWTH WITH STABLE PROFITABILITY.
SHENYANG, JULY 2014.

OLAF KASTNER, PRESIDENT AND CEO.
DR. ANTON HEISS, SVP TECHNOLOGY AND MANUFACTURING.
BMW BRAND EXPERIENCED FAST SALES GROWTH AND GREAT SUCCESS IN CHINA IN RECENT YEARS.

New car sales
000 units

<table>
<thead>
<tr>
<th>Year</th>
<th>BMW</th>
<th>MINI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>24</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>2008</td>
<td>66</td>
<td>0</td>
<td>66</td>
</tr>
<tr>
<td>2011</td>
<td>232</td>
<td>0</td>
<td>232</td>
</tr>
<tr>
<td>2012</td>
<td>326</td>
<td>28</td>
<td>354</td>
</tr>
<tr>
<td>2013</td>
<td>391</td>
<td>28</td>
<td>419</td>
</tr>
</tbody>
</table>

Source: BMW internal
OVER TEN YEARS OF MARKET EXPERIENCE.
BMW GROUP IN CHINA.

BMW Brilliance Automotive 2003
BMW China Trading 2005
BMW Automotive Finance (China) 2010
BMW China Services Ltd. 2011
BMW GROUP AND BRILLIANCE AUTO GROUP.

Brilliance Auto Group

Brilliance Auto Group was approved by the government of Liaoning province in 2002. This young growing automobile manufacturer has became a large scale enterprise of RMB 30 billion assets and 35,000 employees, which produce complete vehicles, automotive parts, core automotive parts R&D, design, sales and finance management.

BMW Group

Three brands, one vision. Thanks to our uncompromising focus on premium, BMW Group automobiles and motorcycles inspire more people around the world today than ever before.
PARTNERSHIP AND BALANCE.
THE ORGANIZATIONAL STRUCTURE OF BBA.

BMW Group: 50%

Brilliance China: 50%

BMW Brilliance Automotive
Board of Directors

President and CEO
Olaf Kastner
康思远

SVP Finance
Xiaoyang Lei
雷小阳

SVP Sales and Marketing
Peter van Binsbergen
万博瑞

SVP Technology and Manufacturing
Dr. Anton Heiss
海森博士

SVP acting HR
Olaf Kastner
康思远
LOOKING BACK AT THE SUCCESSFUL DECADE.

- **2003**
  - Start production of 3 Series & 5 Series

- **05/2003**
  - Signing of JV Contract

- **09/2005**
  - Launch of New 3 Series

- **11/2006**
  - Launch of 5 Series Li

- **04/2008**
  - 5th anniversary & 100,000th Car

- **11/2008**
  - 2nd plant signing ceremony

- **08/2010**
  - All New 5 Series Launch

- **11/2009**
  - 5 Series 1st Export Car

- **03/2012**
  - BMW X1 Launch

- **05/2012**
  - Tiexi Plant Grand Opening

- **06/2012**
  - New Engine Plant Project Signing

- **11/2012**
  - R&D Center Ground Breaking

- **11/2011**
  - 5 Series 1st Export Car

- **07/2012**
  - New 3 Series launch

- **01/2013**
  - All-new BMW 3 Series Standard Wheelbase Roll-off

- **04/2013**
  - An all-new Brand of BBA, ZINORO Launch

- **09/2013**
  - BBA 10th Anniversary

- **11/2013**
  - ZINORO 1E Launch
BMW BRILLIANCE AUTOMOTIVE AT A GLANCE.
INTERNAL SUCCESS FACTORS.

PEOPLE
Number of Associates: 13,000 (up to +10,000 in the last 4 years)

PRODUCTS
Retail Sales in 2013: 198,600
(over +150,000 units in the last 4 years)

PRODUCTION
Tiexi + Dadong + Powertrain + NEP
BBA IS AN ATTRACTIVE EMPLOYER WITH DEVELOPMENT OPPORTUNITIES WITHIN BMW CHINA.

PURSUE YOUR PASSION, DRIVE YOUR CAREER.
QUALIFIED PERSONNEL AND SUSTAINABLE MOTIVATION FOR ASSOCIATES BUILD THE BASIS.

Leadership as main success factor for all HR Challenges.

Employer Branding and Attractiveness.

Creative HR Marketing and Recruiting Strategy.

Systematic Retention Management.

Qualification, Training and Young People Development.

Competitiveness and Sustainability

Open-minded workforce with Diversity, Localization and Globalisation.
CREATING OUR CULTURE.
BBA’S 5 LEADERSHIP ELEMENTS.

Trust. Inspire. Open. Care. Go Beyond
JOURNEY TO EXCELLENCE TARGETS BETTER IMPROVE PROCESSES AND ENABLE PEOPLE TO BUILD THE FOUNDATION TO ENABLE FUTURE GROWTH.

More efficient & effective processes

- Enhanced productivity
- Shorter throughput time
- Higher first time right ratio
- Better outcome

More enabled & satisfied employees

- Enhanced team capabilities
- Motivated employees
# CSR ACTIVITIES IN CHINA.

## BMW CHINA Corporate Citizenship

### 资源创新 / Resources
Contribute to the sustainable development of China by promoting innovations for resource efficiency and sustainable resource use with social benefits via using company core competences.
- Yushu ecological environment protection
- 5S dealership

### 文化交流 & 社会融合 / Intercultural Innovation & Social Inclusion
Promote cross-culture understanding and social inclusion.
- BMW China Culture Journey
- BMW Joy Home
- BMW Joy Future
- Yushu Care Initiative

### 教育 / Education
Provide engaging road safety and general safety education
- BMW Children’s Traffic Safety Education
- BMW Brilliance Quality Education Open Course

---

**BMW Warm Heart Fund**
BMW China Corporate Citizenship Platforms
- With Fund support, project initiation and process partners engagement
BMW BRILLIANCE AUTOMOTIVE LTD.
OVERVIEW PRODUCTS.

BMW 3 Series

BMW 5 Series

BMW X1

N20 Engine
HUGE SUCCESS OF 5 SERIES LI SEDAN LONG WHEELBASE.
SUCCESSFUL 3 SERIES SINCE LAUNCH.
BBA LOCAL BRAND ZINORO. COMMITMENT TO THE CHINESE MARKET.

Symbolize commitment, cooperation and trust, within the future key market growth segment – the NEV

The 1st product, 1E, debuted on 2013/11/20 before Guangzhou Auto Show, with the first Chinese premium BEV locally produced in China.

Rental as business model for the first product generation - with short- & long-term rental options
BBA R&D CENTER.
MARKET SPECIFIC DEVELOPMENT ESTABLISHED.
BBA PRODUCTION CAPABILITIES. VEHICLE CUSTOMIZATION TO SUPPORT CUSTOMER SATISFACTION.
**BMW BRILLIANCE AUTOMOTIVE LTD. OVERVIEW SHENYANG PRODUCTION LOCATIONS.**

<table>
<thead>
<tr>
<th>Plant 19.87 Powertrain</th>
<th>Plant 19.89 NEP</th>
<th>Plant 19.10 Dadong</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area</strong>: 90,000 m²</td>
<td><strong>Area</strong>: 900,000 m²</td>
<td><strong>Area</strong>: 270,600 m²</td>
</tr>
<tr>
<td><strong>Workforce</strong>: ~ 1,100</td>
<td><strong>Workforce</strong>: ~ 6,000</td>
<td><strong>Workforce</strong>: ~ 6,000</td>
</tr>
<tr>
<td><strong>SOP</strong>: December 2011</td>
<td><strong>SOP</strong>: 2016</td>
<td><strong>SOP</strong>: May 2004</td>
</tr>
</tbody>
</table>

- **Plant 19.88 Tiexi**
  - **Area**: 2,070,000 m²
  - **Workforce**: ~ 4,500
  - **SOP**: December 2011
BMW BRILLIANCE AUTOMOTIVE A FULLY INTEGRATED PARTNER WITHIN BMW GROUP PRODUCTION NETWORK.

Production Plants

- Spartanburg
  - X3, X5, X6
- Oxford
  - MINI
- Swindon
  - Components
- Goodwood
  - Rolls-Royce

Assembly Plants

- Moscow
- Kaliningrad
- Steyr
  - Engines
- Graz
  - MINI Countryman, MINI Paceman
- Kairo
- Chennai
- Rayong
- Indonesia
  - Jakarta
- China
  - Shenyang
    - Tiexi
      - X1, 3 Series,
      - 3 Series LWB
    - Dadong
      - 5 Series LWB
- Malaysia
  - Kulim

Joint Ventures

- Moses Lake
  - Components
- Manaus
  - BMW Motorräder

Contract Production

- Hams Hall
  - Engines
- Oxford
  - MINI
- Swindon
  - Components
- Goodwood
  - Rolls-Royce

- Steyr
  - Engines
- Graz
  - MINI Countryman, MINI Paceman
- Kaliningrad
- Moscow
- Moscow
- Kaliningrad
- Steyr
  - Engines
- Graz
  - MINI Countryman, MINI Paceman
- Kairo
- Chennai
- Rayong
- Jakarta
- China
  - Shenyang
    - Tiexi
      - X1, 3 Series,
      - 3 Series LWB
    - Dadong
      - 5 Series LWB
- Malaysia
  - Kulim
OVERVIEW PLANT DADONG. BBA FIRST PLANT IN SHENYANG.
PLANT DADONG TECHNOLOGY. BODY SHOP.
PLANT DADONG TECHNOLOGY.
PAINTSHOP.
PLANT DADONG TECHNOLOGY. ASSEMBLY.
BBA PLANT TIEXI. OPENING IN 2012.
PLANT TIEXI TECHNOLOGY. PRESS SHOP.
PLANT TIEXI TECHNOLOGY.
BODY SHOP.
PLANT TIEXI TECHNOLOGY. PAINT SHOP.
PLANT TIE XI TECHNOLOGY. ASSEMBLY.
BBA PLANT POWERTRAIN. OPENING IN 2012.
BBA PLANT “NEP” – NEW ENGINE PLANT. START OF PRODUCTION IN 2016.
WITH CURRENT ACTIVITIES WE ARE SETTING THE GROUND FOR OUR FUTURE.

5 years ago

2 derivatives

Processes were designed when we were small.

Now

4 derivatives

As we grow, scale and complexity grows.

Future

6 derivatives

We optimize our processes to support future growth.

2013

3 Series

3 Series LWB

X1

2014

3 Series

3 Series LWB

X1

5 years ago

Now

Future

Processes were designed when we were small.

As we grow, scale and complexity grows.

We optimize our processes to support future growth.

Derivatives:

- 3 Series
- 3 Series LWB
- X1
- 5 Series LWB
- 5 Series PHEV
- 1E
STABLE GOOD QUALITY RESULTS AND HIGH DIRECT RUNNER DUE TO HIGHLY MOTIVATED WORKFORCE, LOWER COMPLEXITY AND PRODUCTION NETWORK.

- Young, open, flexible
- High motivation to learn and grow
- Benefits of NWS, PDCA, JDPower quickly understood.
- Cultural discipline = Potential for Standard Work
- VPS & CIP = Mindset

- Plants with only 1 or 4 Models
- Low option flexibility
- Automation level partly lower
- Model launches after launch in AG Plant

- BMW Production Standards implemented
- AG Expat team for growth and competence build up
- BMW processes NWS, PDCA, JDPower, etc.
- Further Network Integration with Resident Teams (W2 & W10)
THE APPROACH CONFIRMED BY J.D. POWER.

BMW 5 Series Li
Ranked No. 1
J.D. Power IQS 2010

BMW 3 Series
Ranked No. 1
J.D. Power IQS 2011

BMW X1 Series
Ranked No. 1
J.D. Power IQS 2013