JOY CREATES NEW ERA.

JOCHEN GOLLER
PRESIDENT & CEO, BMW GROUP REGION CHINA.
ECONOMIC VOLATILITY IS THE NEW NORMAL.
NEW TECHNOLOGIES ARE EMERGING WITH HIGH SPEED.

- Autonomous Drive
- Artificial Intelligence
- Big Data
- Face Recognition
- Virtual Reality
- Block Chain
CHINA: COMPREHENSIVE STRATEGY DECIDED DURING 19TH CPC NATIONAL CONGRESS.
AIM FOR BUILDING DIGITAL CHINA.
In 2018, BMW Group posted global record sales for 8th year in a row, especially with strong growth in China.

<table>
<thead>
<tr>
<th>Worldwide [units (YoY)]</th>
<th>Mainland China [units (YoY)]</th>
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<tbody>
<tr>
<td>BMW Group</td>
<td>2,490,664 (+1.1%)</td>
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<tr>
<td>BMW Group electrified</td>
<td>142,617 (+38.4%)</td>
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<tr>
<td>BMW Group</td>
<td>640,803 (+7.7%)</td>
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<tr>
<td>BMW Group electrified</td>
<td>23,384 (+454%)</td>
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2019 YTD MAY, BMW / MINI NEW CAR SALES CONTINUES TO EXCEL IN CHINA.

- **Total PV Market**: -11.4% (8,492,717 units)
- **Premium Segment**: +5.5% (1,083,509 units)
- **BMW**: +15.9% (276,460 units)
- **MINI**: +15.9% (12,046 units)
BMW IS STRONGEST AUTOMOTIVE PREMIUM BRAND IN CHINA, AND ALSO A HIGHLY ATTRACTIVE EMPLOYER.

#1 in Premium Segment
BRI 2018

Brand of the Year
Best Cars 2018

#1 in Brand Strength
BMW Group Brand Monitor Report 2017

#1 Auto Brand
2018 ZAKER Brand Influence List

Most Attractive Employer Brand
IN AUTO INDUSTRY Universum 2018

CHINA BEST EMPLOYER #2
IN ALL INDUSTRIES ZHAOPIN 2018
HOUSEHOLD INCOME WILL CONTINUE TO GROW IN THE NEXT 10 YEARS.

Per capita disposable income of urban residents grew rapidly after the reform and opening-up.

Source: Forecast by SIC (State information center)
PREMIUM SEGMENT THEREFORE WITH POSITIVE OUTLOOK.

**Premium penetration rate** in total PV market

- 2010: 5.5%
- 2011: 6.8%
- 2012: 8.3%
- 2013: 8.0%
- 2014: 8.6%
- 2015: 8.4%
- 2016: 8.3%
- 2017: 9.4%
- 2018: 11.0%

**Premium segment** rapidly grew since 2010

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<tbody>
<tr>
<td></td>
<td>644</td>
<td>873</td>
<td>1,108</td>
<td>1,326</td>
<td>1,619</td>
<td>1,730</td>
<td>1,992</td>
<td>2,324</td>
<td>2,556</td>
</tr>
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</table>

**DEMAND:** Increased Buying power
- Income increase
- Consumption upgrade
- Urbanization acceleration

**SUPPLY:** Rich product portfolio
- More New models
- More location production
- More NEVs
OUR 2+4 STRATEGIC APPROACH.

Autonomous | Connected | Electrified | Shared
WE ARE EXPANDING OUR FOOTPRINT IN CHINA.

- 2 VEHICLE PLANTS, 1 ENGINE PLANT, + 2 NEW PLANTS.
- HIGH VOLTAGE BATTERY ASSEMBLY.
- 3 DEVELOPMENT SITES.
- 300+ 1ST TIER SUPPLIERS.
- 5 REGIONAL OFFICES & 600+ SALES OUTLETS.
2 NEW LEGAL ENTITIES TO FURTHER STRENGTHEN A.C.E.S. IN CHINA.
STEPPING UP CHINA SPECIFIC A.C.E.S. IMPLEMENTATION.

**Autonomous**

- First international OEM to receive AD test license in China (2018/05)
- BMW joining Baidu Apollo (2018/06)

**Connected**

- MoU signed with Tencent
- 1.5 million BMW Connected App users in China (YTD 2018/12)
- First premium OEM to integrate intelligent Tmall Genie (2019/01)

**Electrified**

- #1 NEV premium brand in 2018
- Long Term Contract signed with CATL (2018/07)
- BMW Vision iNEXT World Flight station Beijing (2018/09)

**Shared**

- Launch Car Sharing with EV Card (2018/01)
- First international OEM to receive Online Taxi License in China (2018/11)
D-ACES

Design

3Vs

VISUAL SPORTINESS

VISUAL LUXURY

VISUAL TECHNOLOGY
CONTINUING THE STRONG MODEL OFFENSIVE.

2018
- Year of X
- X2
- X3
- X5
- X7

2019
- The 7
- The 8
- Year of Luxury

2020+
- iX3
- Year of Sportiness
- The 3
- X3M
- X4M

NEV Upgrade
- BMW i3
- BMW i8 Roadster
- X1 PHEV LCI
- X5 PHEV

i NEXT
近者悦 远者来
- 孔子《论语·子路第十三》 -

“MAKE THOSE AROUND YOU HAPPY, AND THOSE FAR AWAY WILL COME.”
- Confucius in the book “Lun Yu” -
PREMIUM CUSTOMER EXPERIENCE AT THE PHYSICAL TOUCHPOINT.

BMW NETWORK TRANSFORMATION
LINGYUE DIGITAL COMPANY HAS BEEN SETUP TO DELIVER SEAMLESS DIGITAL SOLUTIONS / SERVICES IN AN AGILE WAY.
DELIGHTING OUR CUSTOMERS WITH BMW ECOSYSTEM PRODUCTS & SERVICES ACROSS ALL TOUCHPOINTS.

myBMW

MY CAR
MY JOURNEY
MY LIFE

24/7
ONE ID

TOUCHPOINTS
JOY CREATES NEW ERA!