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.

Politics
- China Dream
- People Focused
- Combat Corruption

Economy
- Innovation-driven Dev.
- Made in China 2025 Initiative
- Regional Integration

Digitalization
- Big Data Strategy
- Internet Thinking
- Internet Power Strategy

Environment
- “Beautiful Country” Initiative
- Ecological Reform
- Green Development

Diplomacy & Trade
- The Belt and Road Initiative
- Spirit of the Silk Road
- "Shared Future" Community

Source: http://www.gov.cn/zhuanti/19thcpc/baogao.htm
AIM FOR BUILDING DIGITAL CHINA.

- 5G Communication
- IoT
- Artificial Intelligence
- Smart City
- Cyber Security Law
- Social Credit System
- Digital Silk Road
In 2018, BMW Group posted global record sales for 8th year in a row, especially with strong growth in China.

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

Total PV Market  -11.4%  8,492,717

Premium Segment

BMW  +15.9%  276,460

MINI  +15.9%  12,046

[YoY]
BMW IS STRONGEST AUTOMOTIVE PREMIUM BRAND IN CHINA, AND ALSO A HIGHLY ATTRACTIVE EMPLOYER.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Premium penetration rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5.5%</td>
</tr>
<tr>
<td>2011</td>
<td>6.8%</td>
</tr>
<tr>
<td>2012</td>
<td>8.3%</td>
</tr>
<tr>
<td>2013</td>
<td>8.0%</td>
</tr>
<tr>
<td>2014</td>
<td>8.6%</td>
</tr>
<tr>
<td>2015</td>
<td>8.4%</td>
</tr>
<tr>
<td>2016</td>
<td>8.3%</td>
</tr>
<tr>
<td>2017</td>
<td>9.4%</td>
</tr>
<tr>
<td>2018</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

**Premium segment** rapidly grew since 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Premium sales (Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>644</td>
</tr>
<tr>
<td>2011</td>
<td>873</td>
</tr>
<tr>
<td>2012</td>
<td>1,108</td>
</tr>
<tr>
<td>2013</td>
<td>1,326</td>
</tr>
<tr>
<td>2014</td>
<td>1,619</td>
</tr>
<tr>
<td>2015</td>
<td>1,730</td>
</tr>
<tr>
<td>2016</td>
<td>1,992</td>
</tr>
<tr>
<td>2017</td>
<td>2,324</td>
</tr>
<tr>
<td>2018</td>
<td>2,556</td>
</tr>
</tbody>
</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.

- **BMW Brilliance Automotive Ltd. (BBA)**: 2003
- **BMW China Automotive Trading Ltd.**: 2005
- **BMW Automotive Finance (China)**: 2010
- **BMW China Services Ltd.**: 2011
- **Herald Int. Financial Leasing Co., ltd.**: 2016
- **BMW Mobility Services Ltd.**: 2018
- **Ling Yue Digital Inform. Techn. Co. Ltd.**: 2019
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**
- 1.5 million BMW Connected App users in China (YTD 2018/12)
- First premium OEM to integrate intelligent Tmall Genie (2019/01)
- MoU signed with Tencent

**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.
DELIETING OUR CUSTOMERS
WITH BMW ECOSYSTEM PRODUCTS & SERVICES ACROSS ALL TOUCHPOINTS.
JOY CREATES NEW ERA!