BMW GROUP IN CHINA

MR. KARSTEN ENGEL
PRESIDENT & CEO BMW GROUP REGION CHINA

JULY 09, 2014

BMW GROUP

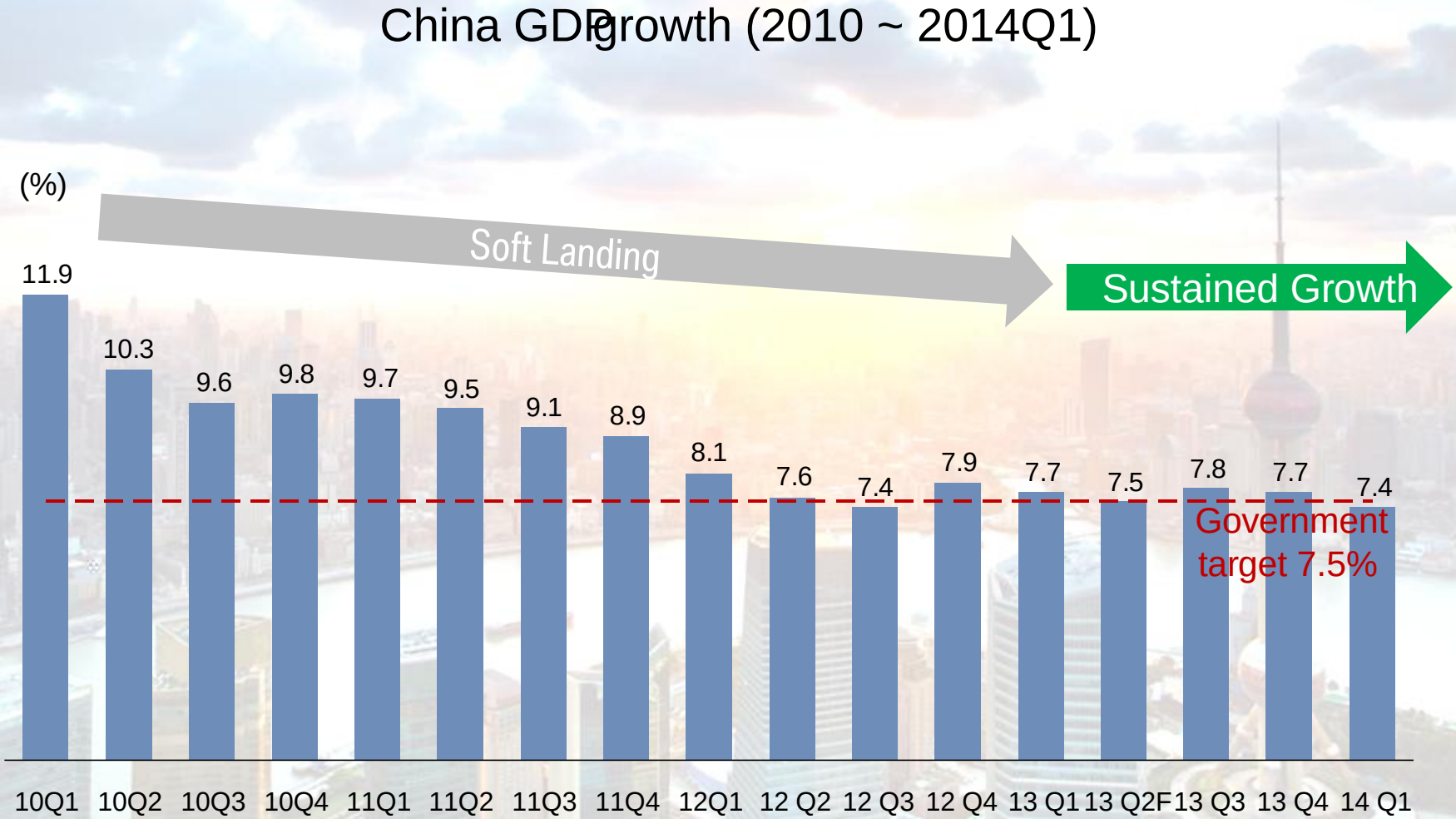
CONTENTS.

Market Development and BMW Group China Status

BM ro “ or S cce ”

Outlook

CHINA ECONOMIC GROWTH IS IN PROCESS OF AN ENGINEERED SOFT LANDING.

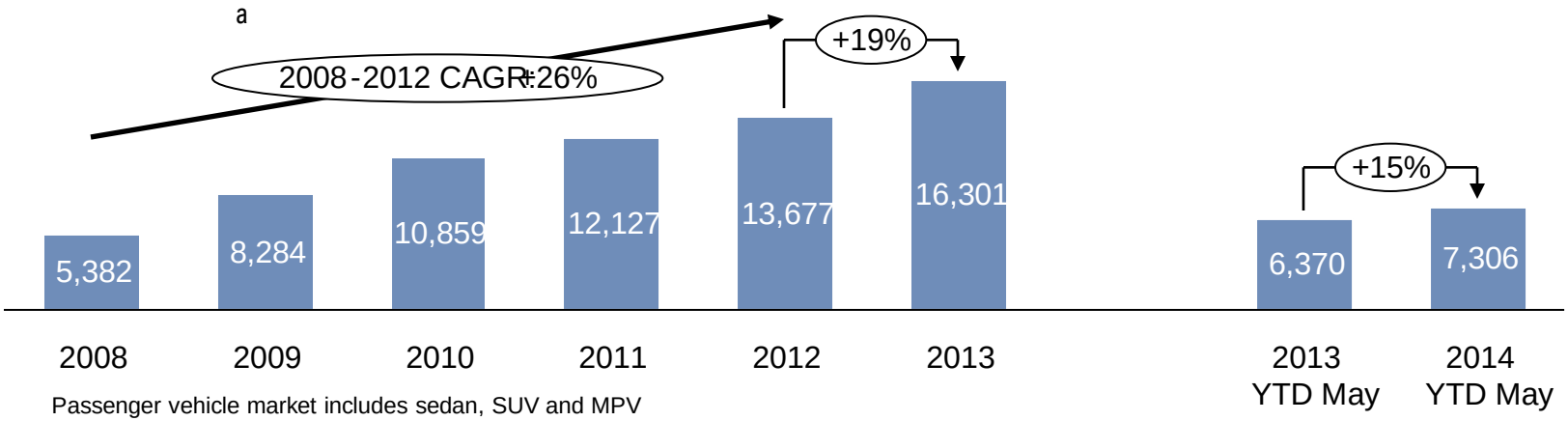


Source National Bureau of Statistics of China

THE URBANIZATION PROCESS WILL CREATE AN E
BIGGER CUSTOMER BASE FOR BOTH PASSENGER
VEHICLE MARKET AND PREMIUM SEGMENT.

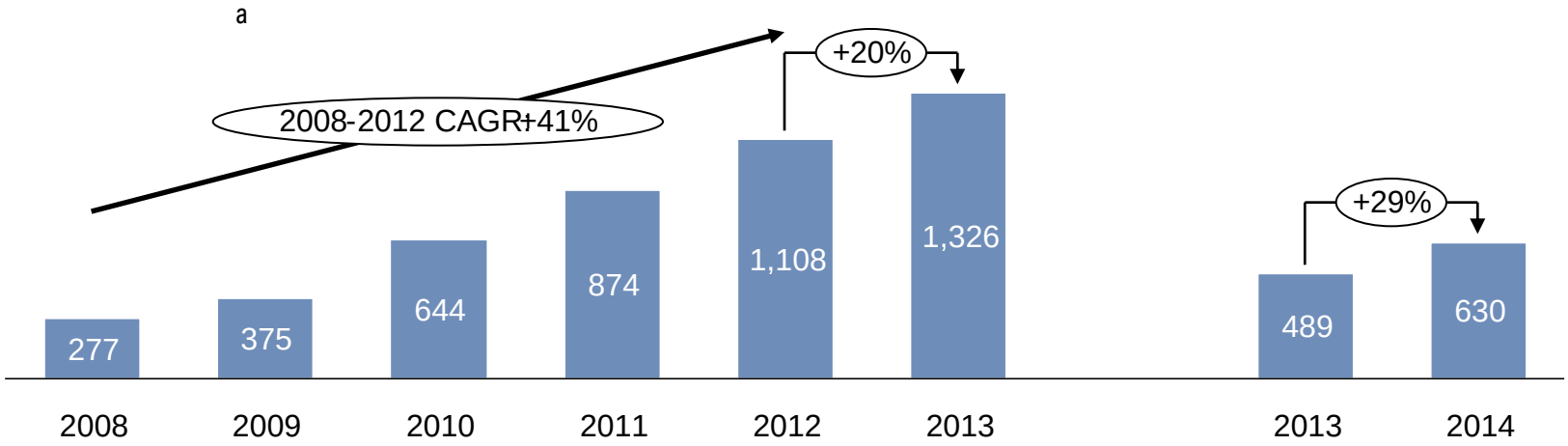
BOTH PASSENGER VEHICLE MARKET AND PREMIU SEGMENT MAINTAIN HEALTHY GROWTH MOMEN IN TU 2014 YTD.

Passenger vehicle market development



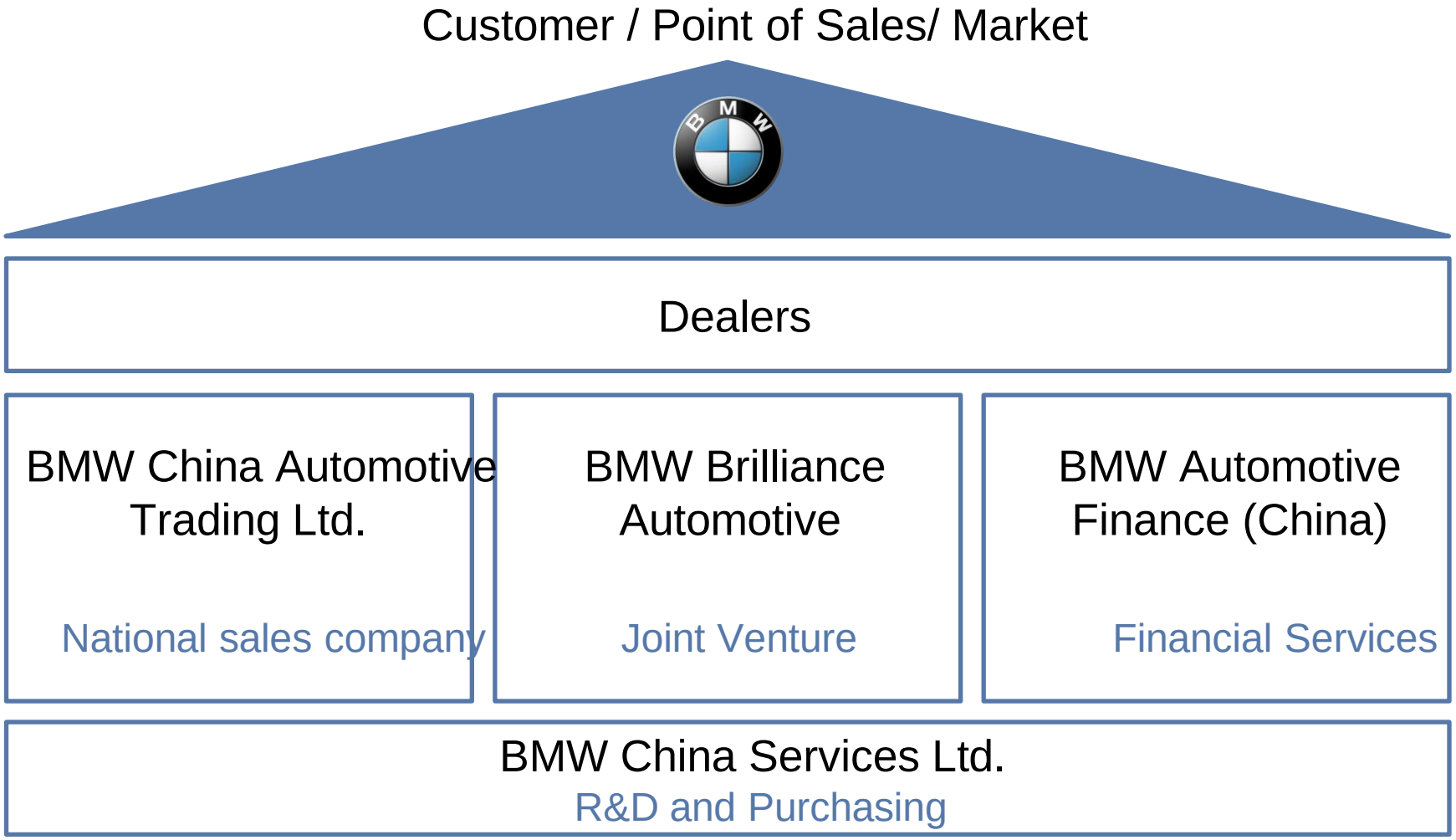
Passenger vehicle market includes sedan, SUV and MPV

Premium segment development



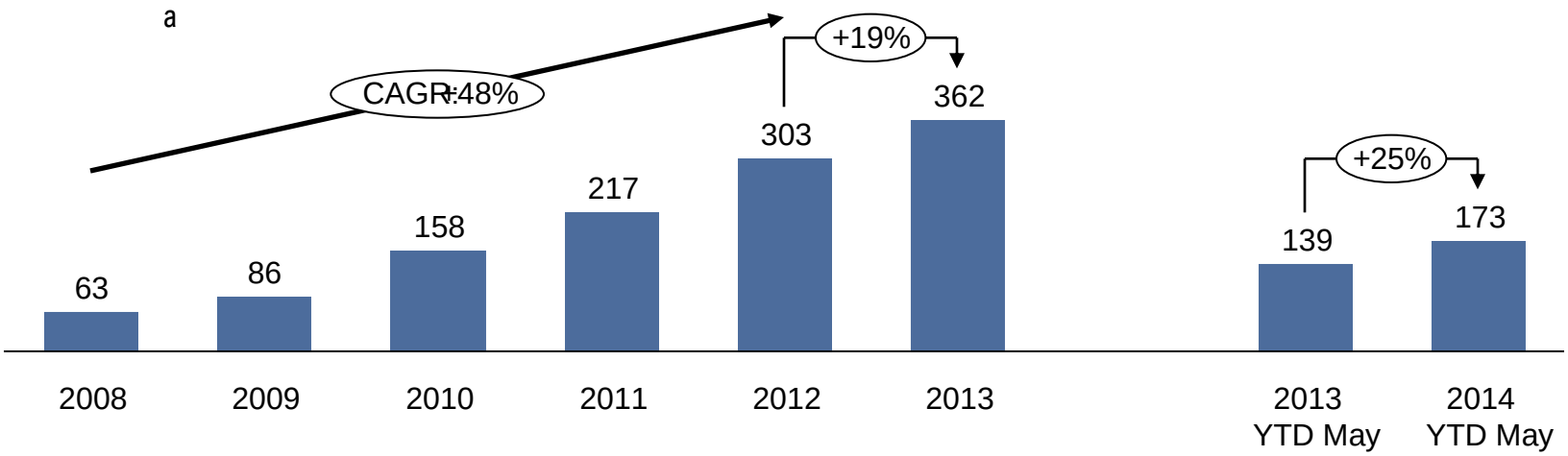
Premium segment incl. BMW, MINI, Audi, MB, Lexus, Cadillac, Range Rover, Porsche, Jaguar, Maserati and Infiniti

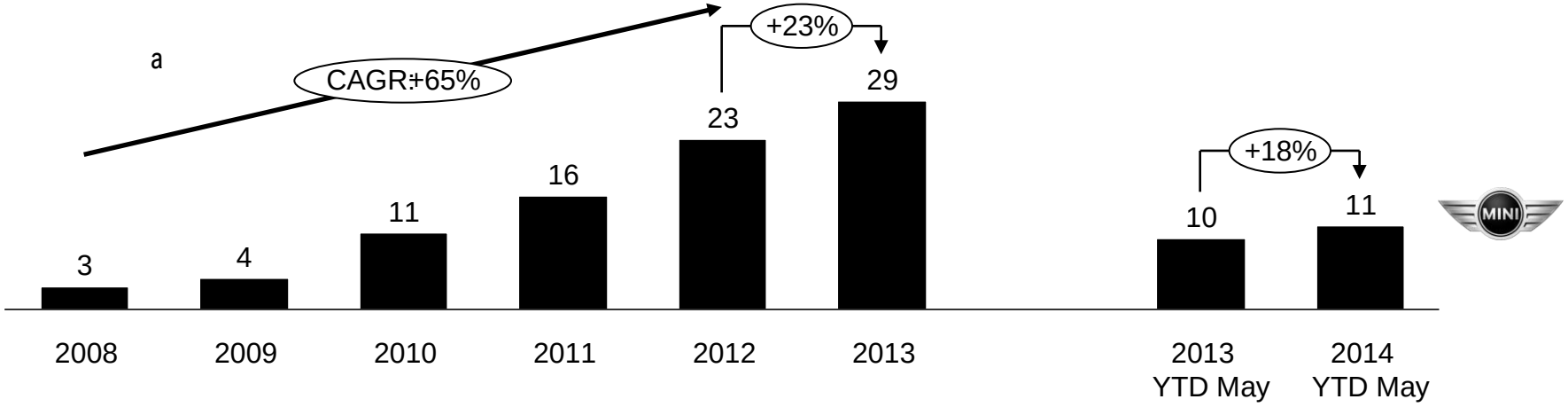
BMW GROUP IN CHINA
FOUR LEGAL ENTITIES, ONE FACE TO THE CUSTOMER



BMW AND MINI HAVE SHOWN STRONG GROWTH IN CHINA IN 2014 YTD.

2014 BMW and MINI sales monthly development





CONTENTS.

Market Development and BMW Group China Status

BM ro “ or S cce ”

Outlook

OUR DNA FOR SUCCESS: PRODUCT, BRAND, CUSTOMER, DEALERS, RESPONSIBILITY AND PEO

Product

Brand

People

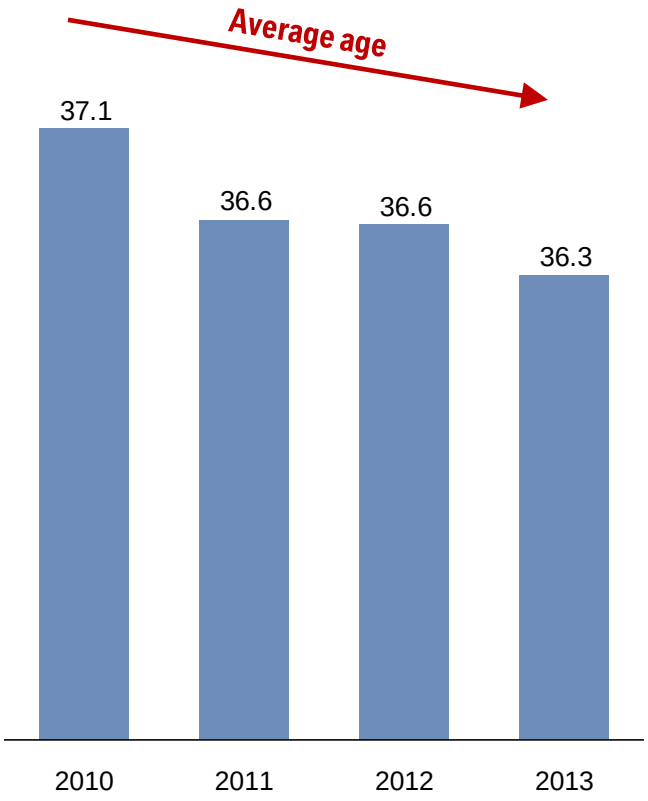
Customer

Social responsibility

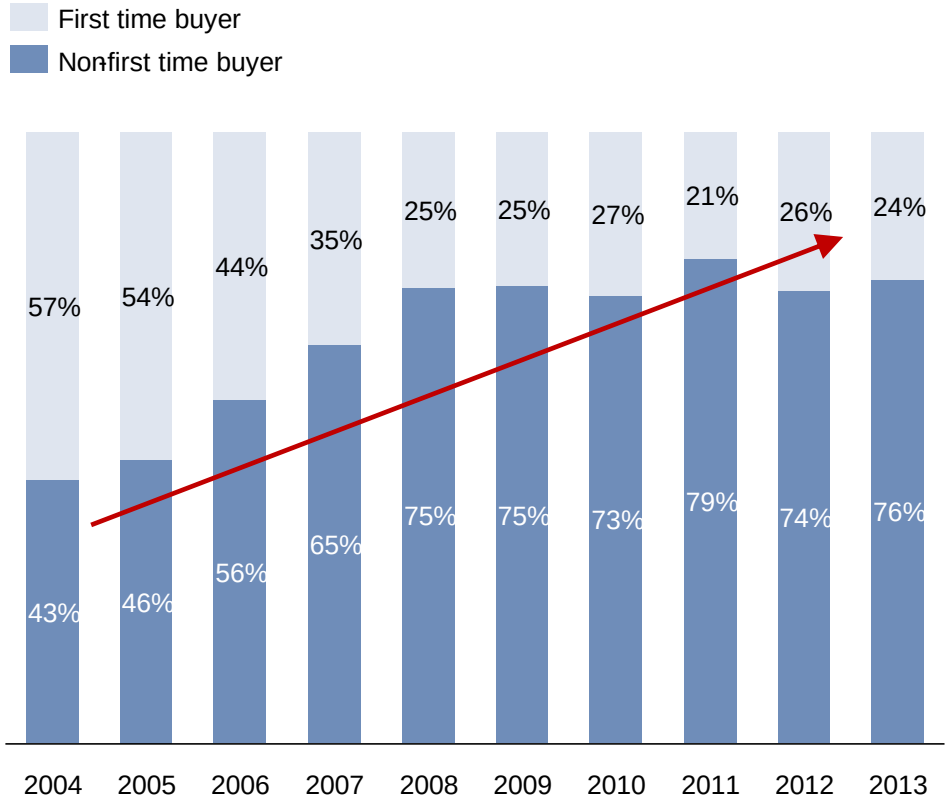
Dealers

YOUNGER GENERATION CONSUMER INCREASING UPGRADE/ADDITIONAL PURCHASE DEMAND OFFE NEW GROWTH OPPORTUNITY.

Average age of premium new car buyers

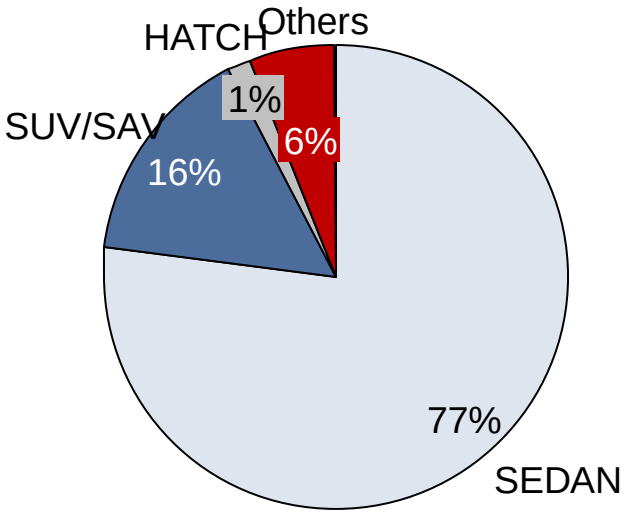


First time vs. Non-first time premium car buyer

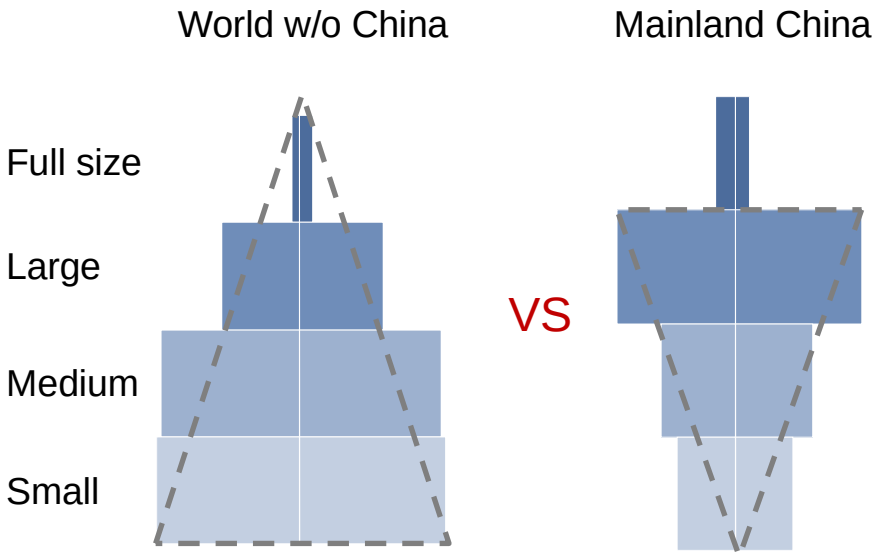


SUV AND MORE INDIVIDUALIZED CONCEPTS WITH STRONG DEMAND. PREFERENCE FOR LARGER VEHICLE.

Premium concept development in 2013



Premium segment development in 2013



BROADEST RANGE AND OPTIMAL PORTFOLIO MIX ADDRESS DIVERSIFIED NEEDS OF CHINESE CUSTOMER.

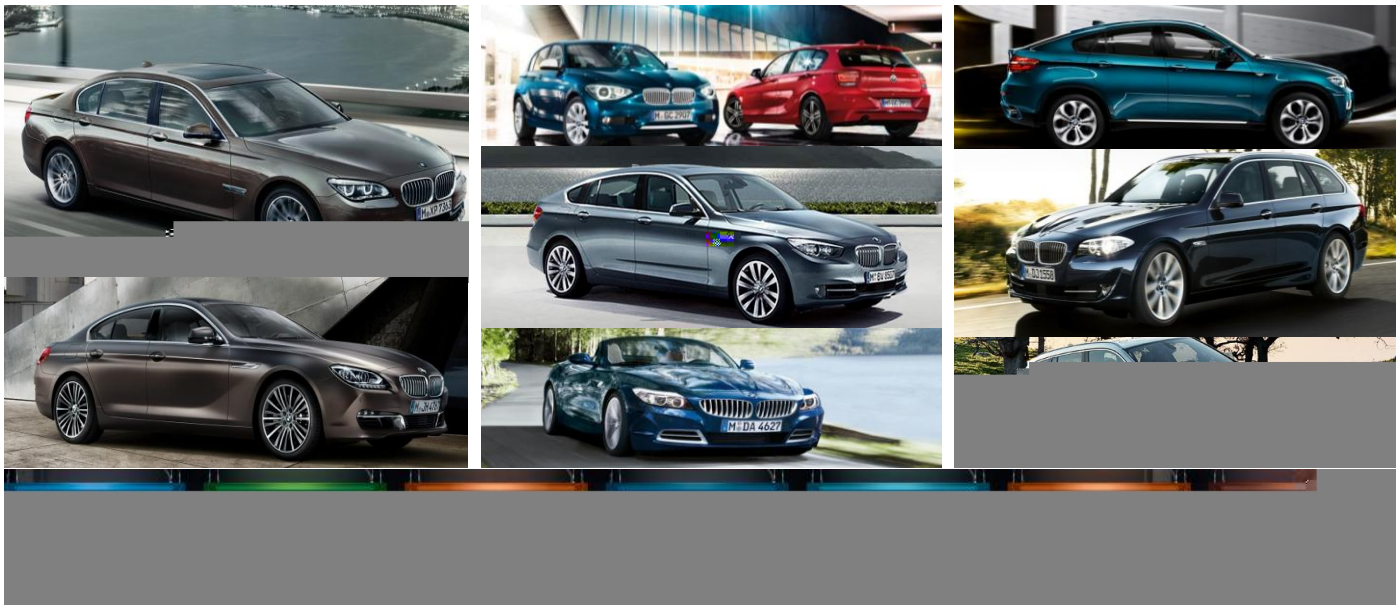
Localproduction

Sales contribution

2014 YTD MAY

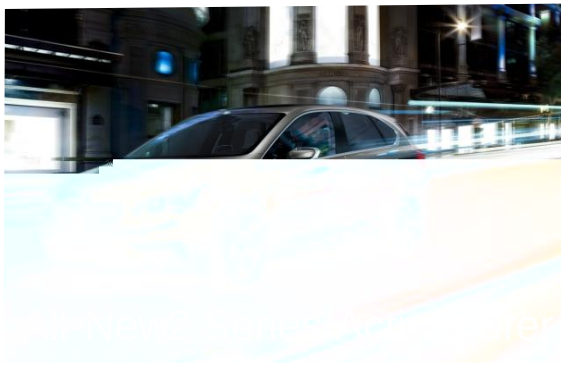
59%

Imported (BMW & MINI)

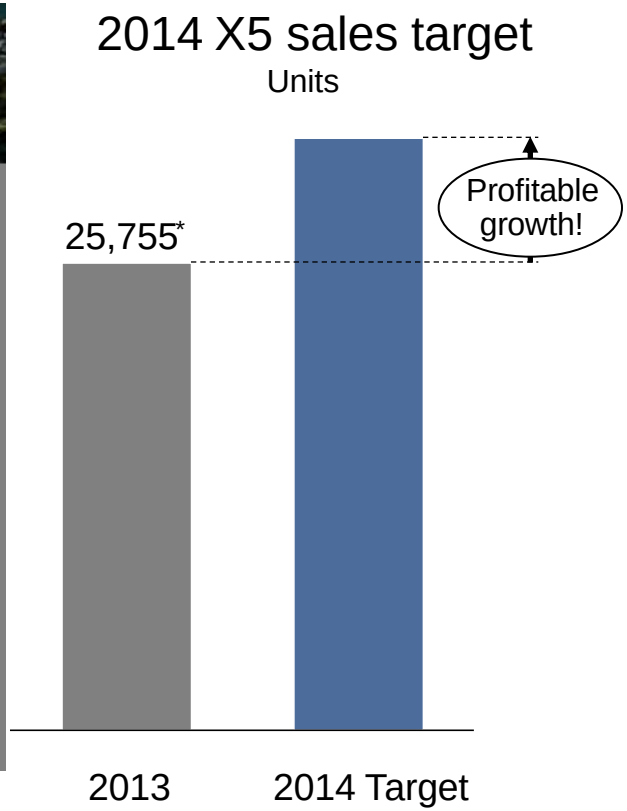


41%

OVER 10 NEW MODELS, CAPTURING NEW CUSTOM GROUPS WITH 2 SERIES ACTIVE TOURER AND X4.



FOUNDER OF SAV PRODUCTS. NEW X5 SUCCESSFUL LAUNCH WITH PROFITABLE VOLUME GROWTH.



*Remark: Accounts for 7% of BMW China sales 2013.

FUTURE PROVEN WITH BMW i, JV NEV PRODUCTS AND ZINORO, SETTING BENCHMARK IN THE INDUSTRY.

BMW is ready to embrace the growth

BMW i

Imported PHEV

Locally produced NEV

ZINORO

Ground being laid for NEV market development

Improving Charging Infrastructure	Unified Charging Standards	Strong Gov. Support

BMW DEALER NETWORK KEEPS HEALTHY EXPANS
WITH 428 BMW DEALER OUTLETS IN OPERATION BY EN
OF MAY 2014.

Haikou

Zhuhai

S/5S

Changchun

Urumqi

Hohhot

Jinzhou

Erdos

Qinhuangdao

Dalian

Yulin

Shijiazhuang

Foshan

Taiyuan

Weifang

Qingdao

Zibo

Linyi

Luoyang

Guangyuan

Wuxi

Xiamen

Nanjing

Yichang

Hangzhou

Taizhou

Leshan

Zhuzhou

Qujing

Zengcheng

West

Shantou

Jiangmen

Chongqing

Yuncheng

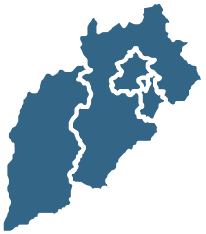
May.

Xuzhou

Jiamusi

Nanchang

Changsha



FIT THE NETWORK FORMAT TO THE NEED AND LOCATION.

Necessity to diversify retail formats

- Enhancement of **Brand Accessibility**
- Approach and development of **new customer** groups
- **Optimization** of retail channel network
- Increase of network **coverage**
- Development of more **flexible and scalable** types
- Meet **customer** a a a
- Improvement of dealer **profitability and stability**

"Brand Enhancement and Profit Stabilization"

2003-2006

4S/5S

Showroom

2007-2009

Service Center

Fast Lane Rural

2010

Fast Lane City

2011

Used Car Center

M Showroom

2012

BMW Premium Selection Showroom