

BMW GROUP

INVESTOR FACTBOOK



December 2018

**BMW
GROUP**



Rolls-Royce
Motor Cars Limited

CONTENT.

1	STRATEGY NUMBER ONE NEXT	8	FINANCIAL SERVICES
2	E-MOBILITY	9	MARKETS
3	AUTONOMOUS DRIVING	10	SUSTAINABILITY
4	MOBILITY SERVICES	11	BMW SHARES
5	GROUP FINANCIALS	12	DEBT & RATINGS
6	AUTOMOTIVE	13	CONTACT & CALENDAR
7	MOTORCYCLES		

STRATEGY NUMBER ONE NEXT.

We are Number ONE.

We inspire people on the move: We shape tomorrow's individual premium mobility.

VISION

COMPETITIVE
ADVANTAGE

STRATEGIC
APPROACH

CORPORATE
CULTURE



CULTURE

**We create the future:
We combine operational excellence and
fresh thinking.**

RESPONSIBILITY

APPRECIATION

TRANSPARENCY

TRUST

OPENNESS



ACES ARE A CORE ELEMENT OF STRATEGY NUMBER ONE > NEXT.

A AUTONOMOUS

CONNECTED **C**



Clear Customer Focus.

E ELECTRIFIED

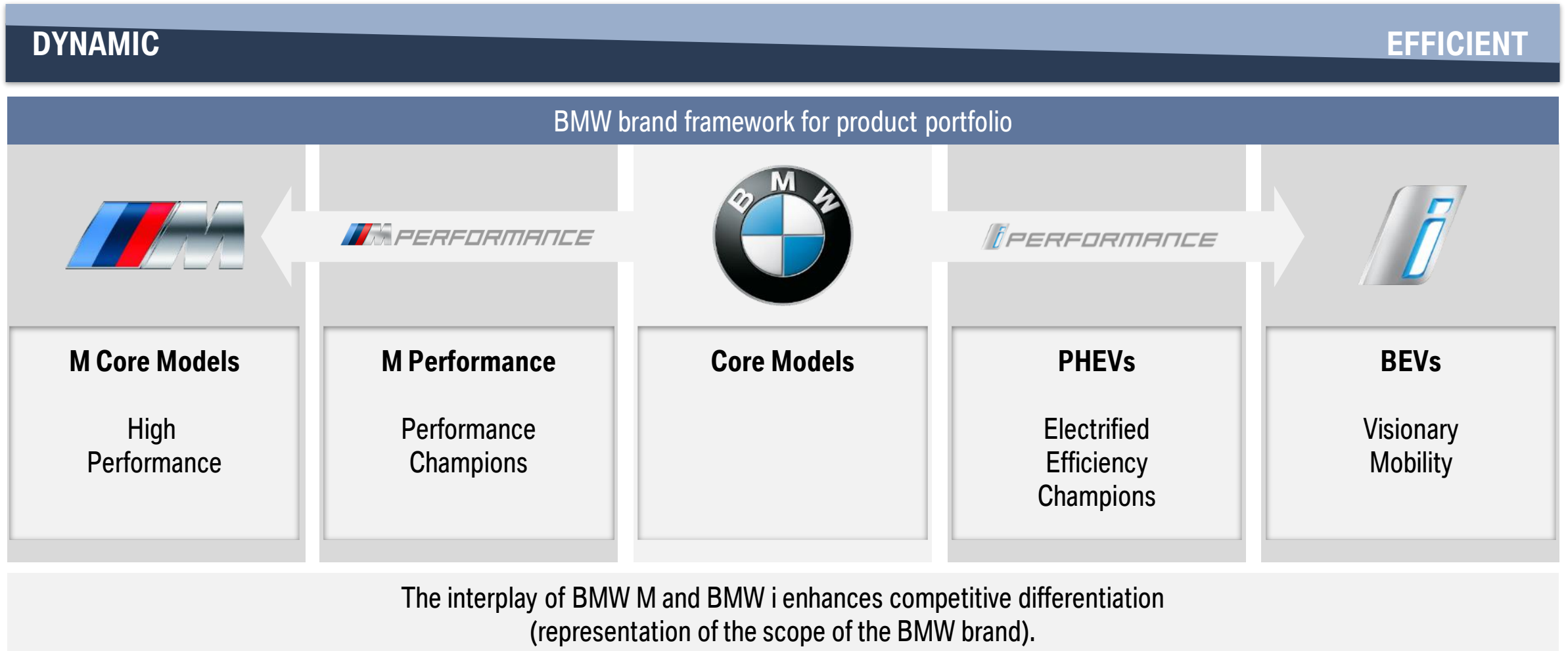
SHARED / SERVICES **S**



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BMW iPERFORMANCE AND BMW i – BALANCING THE PRODUCT PORTFOLIO.



INTELLIGENT DRIVE TRAIN MIX TO MEET CUSTOMER EXPECTATIONS AND REGULATORY REQUIREMENTS.

BEV* / Plug-in Hybrid



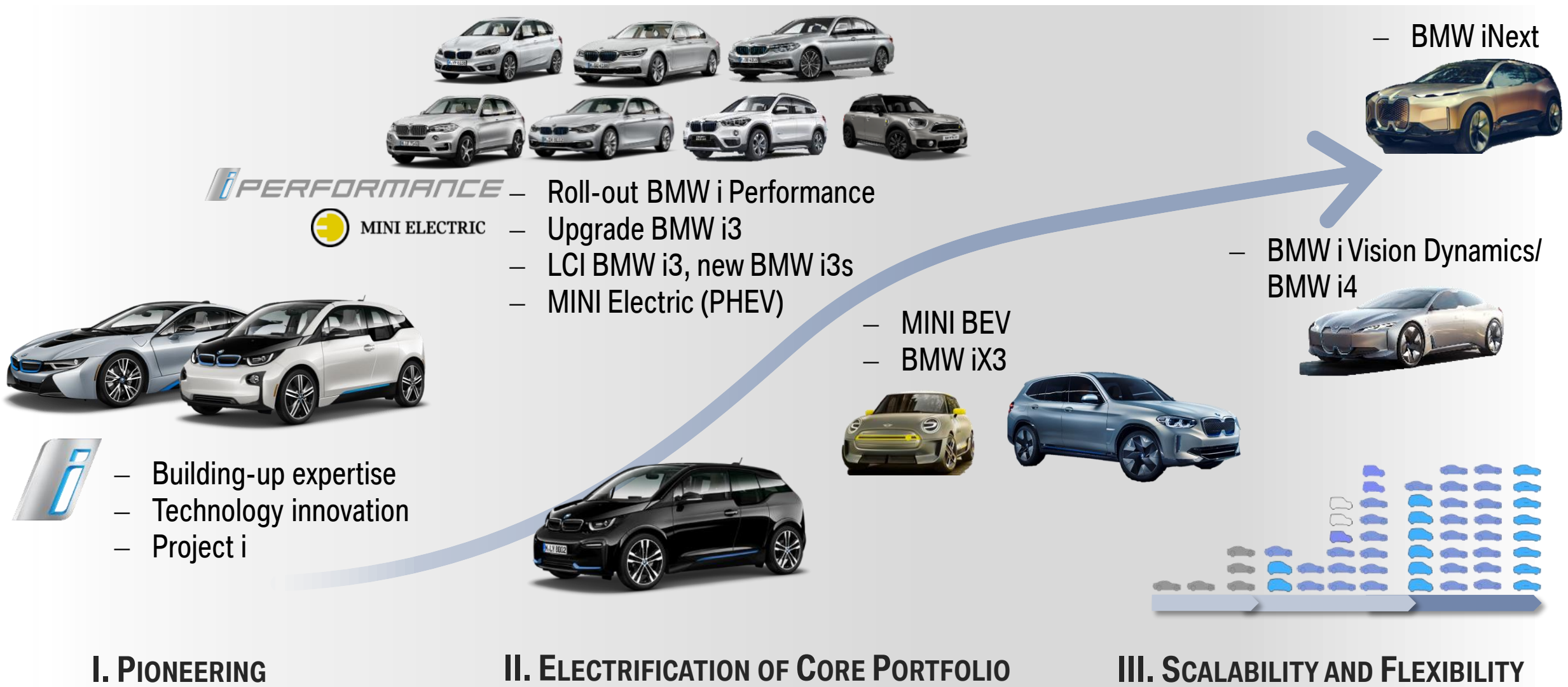
Fuel cell



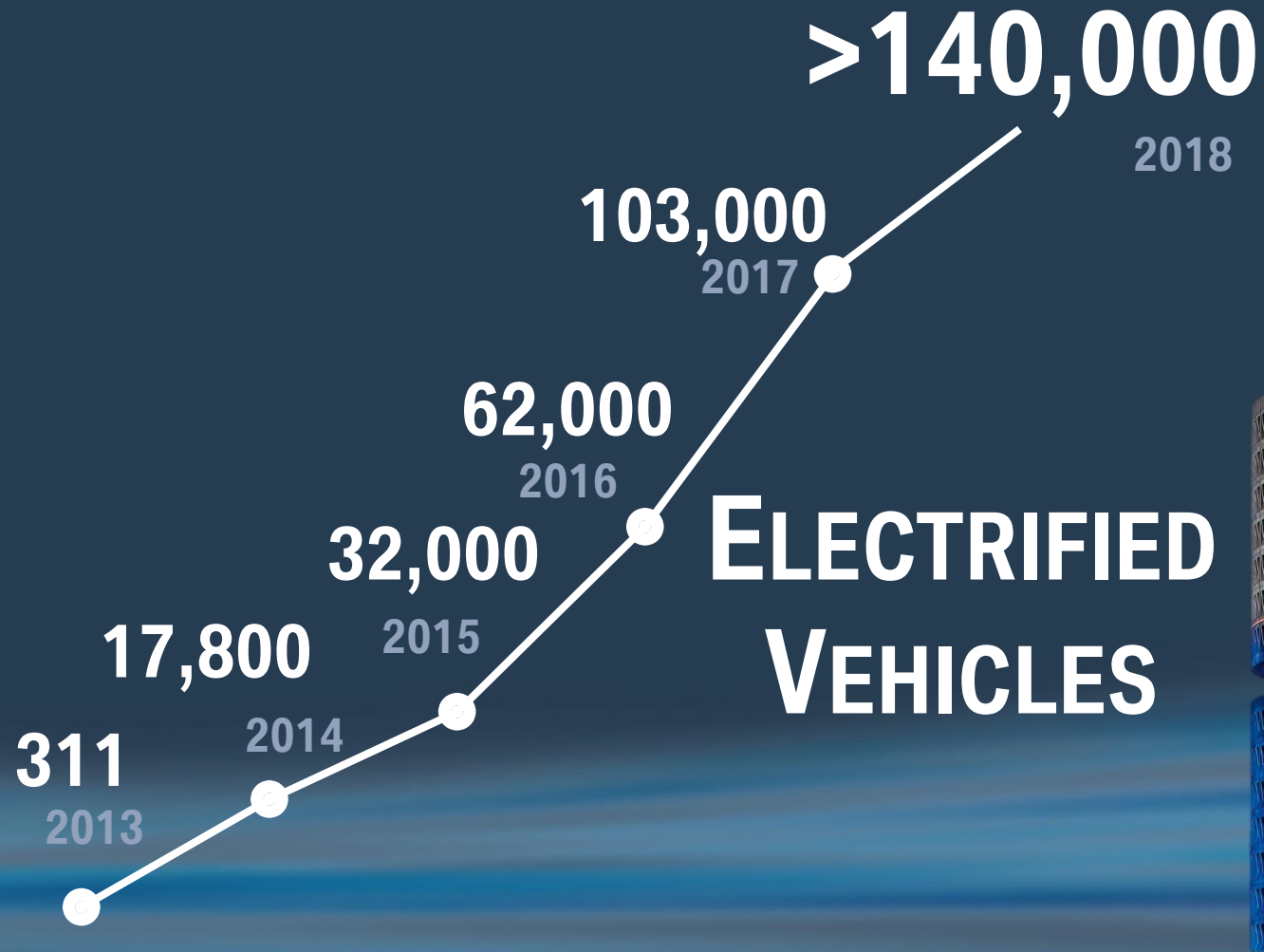
Combustion engine



BMW GROUP'S ELECTRIFICATION PATHWAY.



OUR FUTURE IS ELECTRIC. AMBITIOUS TARGETS FOR SALES OF ELECTRIFIED VEHICLES.



500,000

BY THE END OF 2019
ON THE ROAD

YTD-11/2018
125,365 ELECTRIFIED
VEHICLES SOLD



KEY FACTS ABOUT BMW GROUP'S ACHIEVEMENTS AND GOALS IN E-MOBILITY.

ca. **200.000**

Electrified BMW vehicles were on the roads by the end of 2017

#1

BMW Group BEV + PHEV combined registrations in 2017 show BMW's excellent market position Globally:
Globally: Position #1 in the Premium market
Europe: Position #1 in the total market
Germany: Position #1 in the total market

15-25%

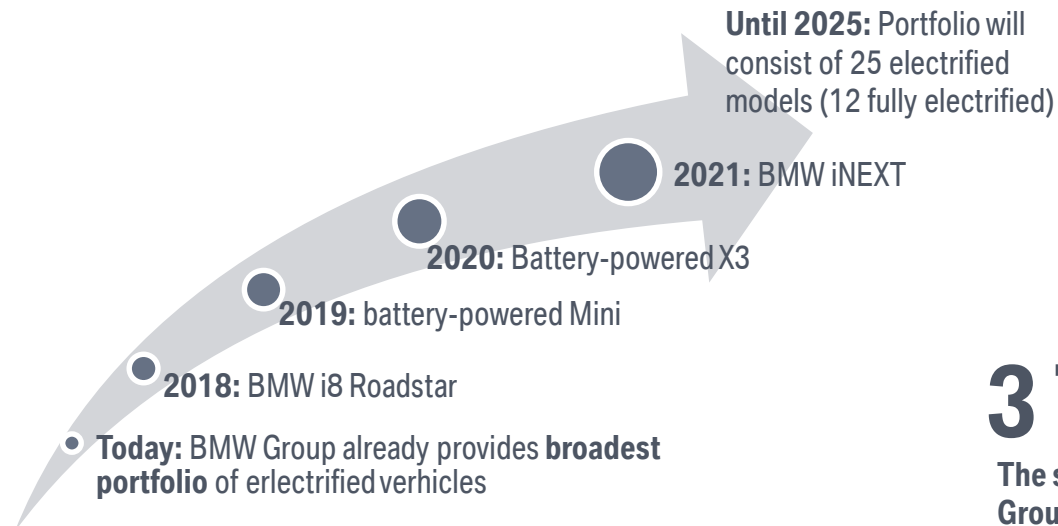
In 2025 we expect 15 - 25 % of BMW Group annual global sales to be BEV / PHEV. (based on 2016 sales, 20 % would equal ~ 500,000 vehicles a year).

ca. **130.000**

ChargeNOW stations worldwide

#1

BMW i is the best selling PHEV brand worldwide in 2017.



> 140.000

In 2018 we expect to sell 140.000 BMW Group BEV+PHEV vehicles, after 100.000 in 2017.

3 Times

The share of electrified vehicles in BMW Group sales globally and in Europe is almost 3 times higher than the average of all car brands.

OUR CLEAR ROADMAP: 25 ELECTRIFIED MODELS BY 2025, INCLUDING 12 FULLY ELECTRIC CARS.

Fully electric



BMW i3
60 Ah / 22 kWh



BMW i3
94 Ah / 33 kWh



BMW i3s
94 Ah / 33 kWh



BMW i3/i3s
120Ah / 42 kWh



MINI BEV**



BMW iX3**



BMW i Vision Dynamics/
BMW i4



BMW iNEXT

2013 — 2014 — 2015 — 2016 — 2017 — 2018 — 2019 — 2020 — 2021 — 2022 — 2023 — 2024 — 2025



BMW i8



BMW 530Le China*



BMW 225xe
iPerformance



BMW X1 xDrive25Le
iPerformance (China)



BMW i8 Roadster



BMW X5
xDrive40e
iPerformance



BMW 330e
iPerformance



BMW 530e
iPerformance



BMW 530Le
iPerformance (China)



BMW X5xDrive 45e



BMW 740e
iPerformance



MINI Cooper S E
Countryman ALL4



BMW 330e



Plug-in hybrid

Schematic illustration of future launch dates
* Not in series production any more
** MINI Battery Electric Vehicle & BMW iX3 are Concept Cars

BMW i8 ROADSTER. BMW i8 COUPÉ.



MINI ELECTRIC CONCEPT. MINI COUNTRYMAN PLUG-IN HYBRID.



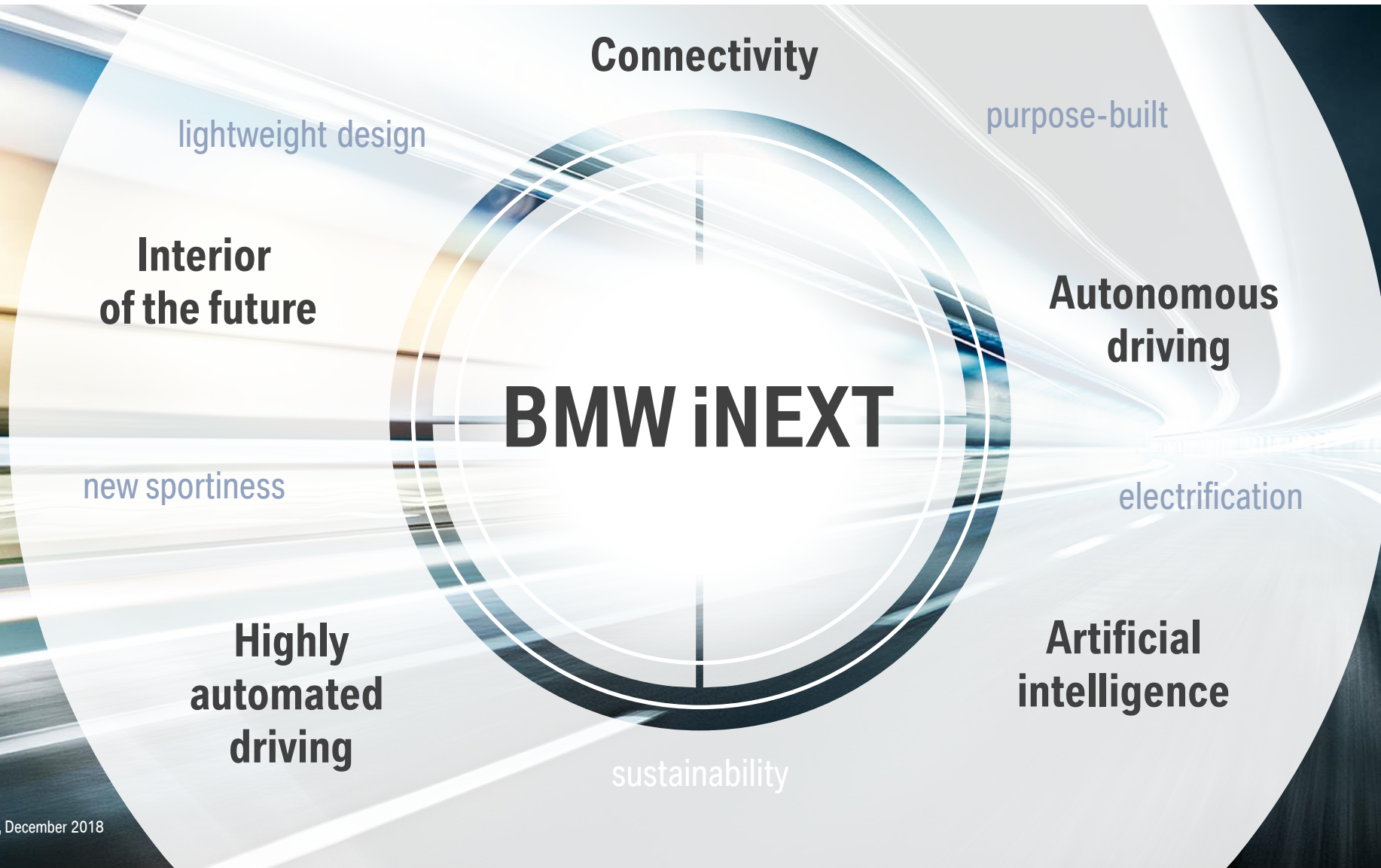
THE BMW i VISION DYNAMICS WILL BE BUILT AS i4 IN MUNICH. A NEW FORM OF ELECTRIFYING DRIVING PLEASURE.



THE BMW CONCEPT iX3. ELECTRIC MOBILITY ARRIVES AT THE CORE OF BMW.



BMW iNEXT AS SPEARHEAD OF INNOVATION.



THE BMW VISION iNEXT. FUTURE FOCUSED. iNEXT— THE BUILDING BLOCKS FOR THE FUTURE.



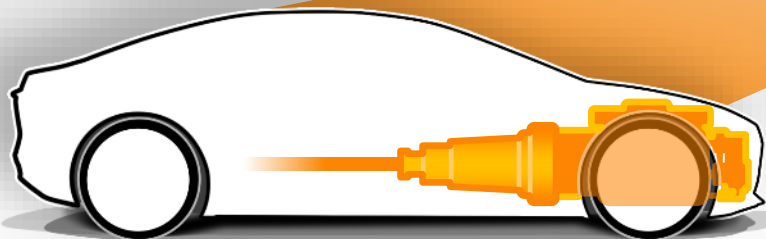
BMW i. FROM “BORN ELECTRIC” TO “ONE PLATFORM SERVES ALL”. FLEXIBLE VEHICLE ARCHITECTURE TO ENSURE QUICK RESPONSE TO DEMAND.

2013

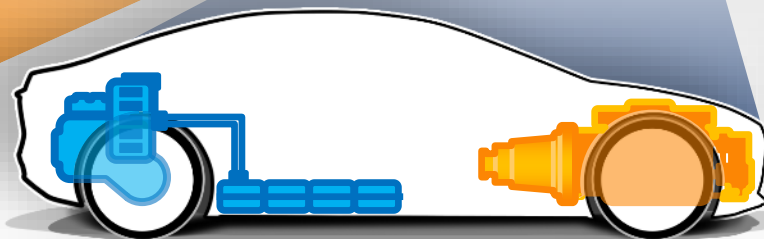
“Born electric”



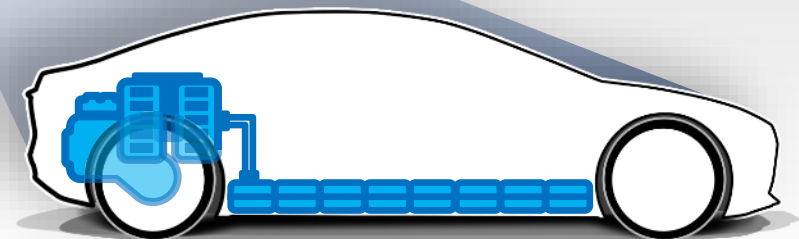
FROM
2021 ON



➤ Combustion engine



➤ Plug-In-Hybrid



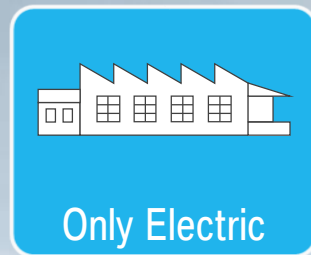
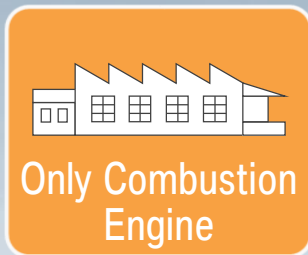
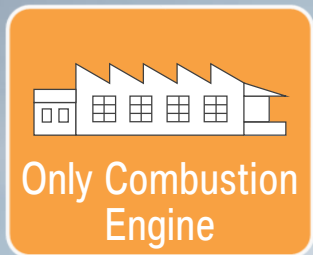
➤ Pure electric



THIS ALLOWS US TO SET UP OUR PLANTS FLEXIBLY AND TO AVOID A SEPARATION BETWEEN COMBUSTION AND ELECTRIC POWERTRAINS.

Before:

Dedicated plants per powertrain type



Flexibility and utilization

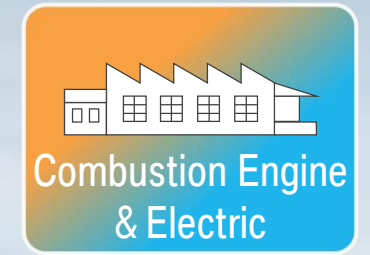
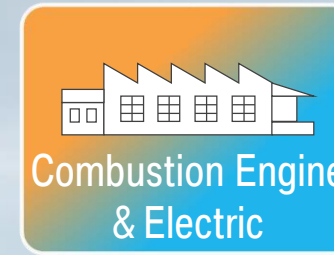
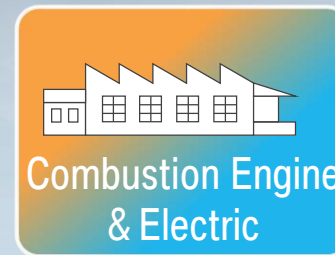


- High investment costs
- Strong dependence on the market development
- Division into "old world" and "new world"



In the future / Onwards:

Enablement of the plants for all types of powertrains



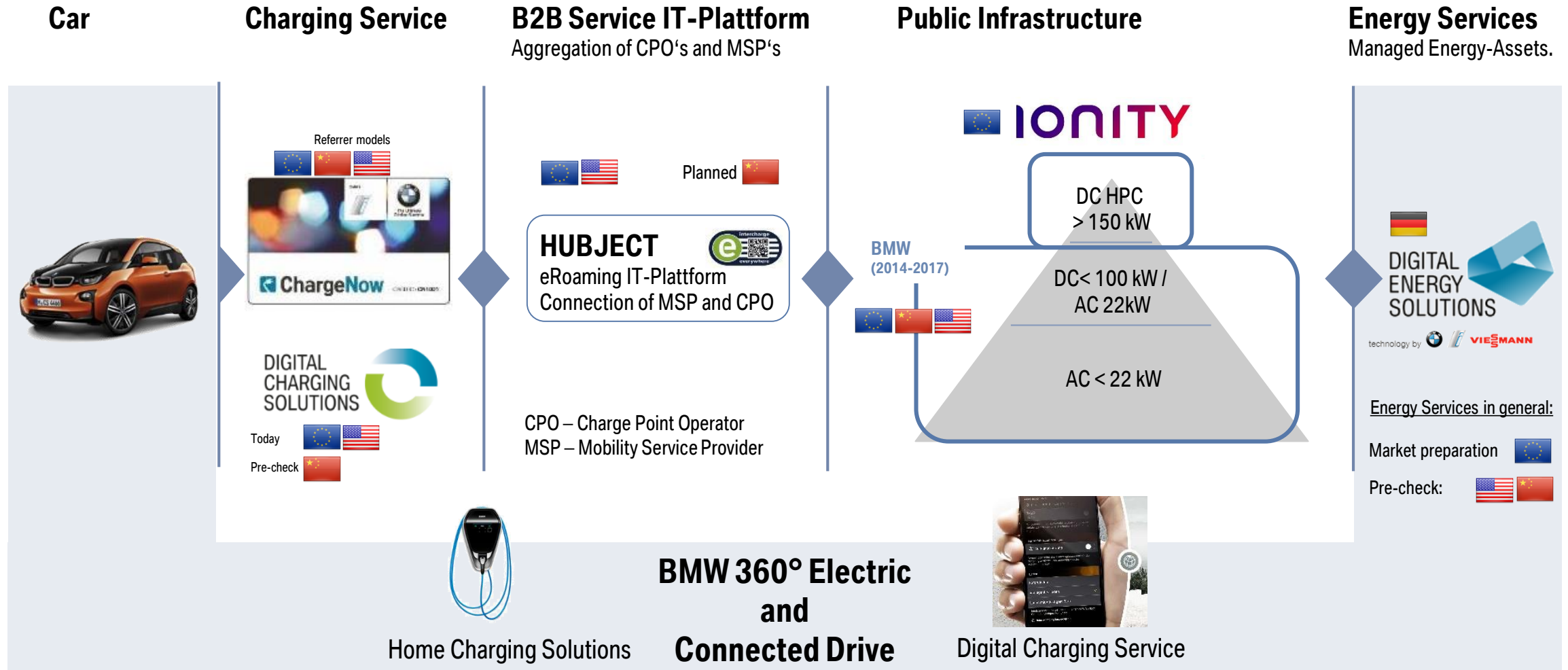
Flexibility and utilization



- Flowing technological transition possible
- Exchange Flexibility is guaranteed
- Sustainable future-oriented jobs



BMW IS INVOLVED IN THE ENTIRE VALUE CHAIN CHARGING.



WHAT WILL DRIVE THE ACCEPTANCE AND THE PROFITABILITY OF E-MOBILITY GOING FORWARD...

+ ACCEPTANCE OF EVs

Regulation favors E-Mobility with purchasing or tax incentives or non cash benefits like parking, commuter lanes,..

Optimization of the Charging Infrastructure

ChargeNow IONITY
Smart and Efficient, Increase of charging points



Cost Reduction due to technological advancement, supplier consolidation and manufacturing efficiency



Driving Range Extension with new storage topologies and motor configurations. An improved drive range would lead to higher usability and easier adoption.



Time Outlook

+ PROFITABILITY OF EVs

Utilization of the pricing potential of BEV/PHEVs



MINI ELECTRIC

iPERFORMANCE

Increase in volume/sales due to BMW i /iPerformance Rollout with 25 electrified models by 2025

Improvement in Production Efficiency due to flexible architecture and less complexity



Decrease in Battery Costs due to new innovations and scalability



Material Costs Reduction due to higher supply and higher volume

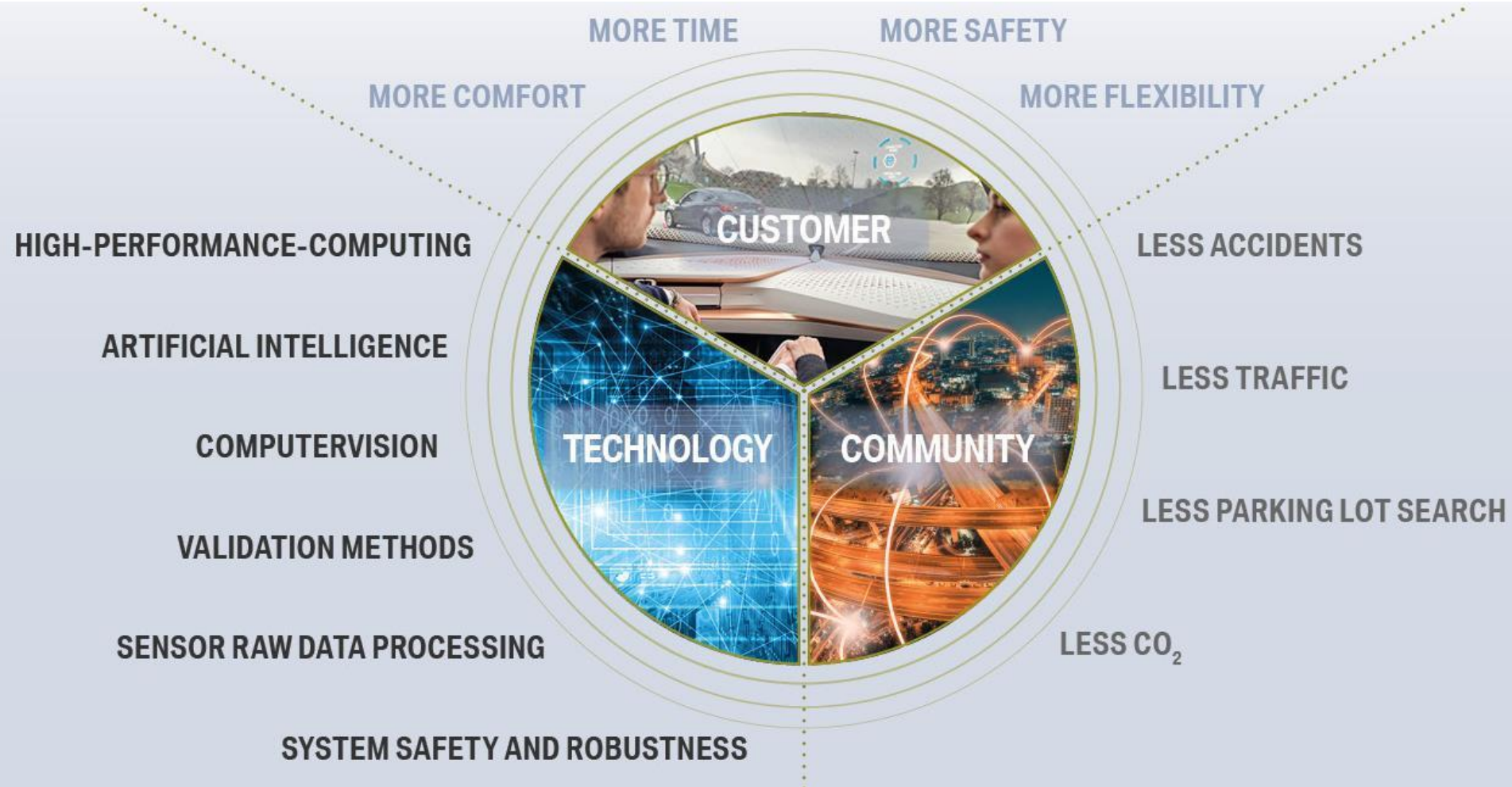
Time Outlook



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AUTOMATED DRIVING. CHANGING FRAMEWORK LEADS TO NEW DEFINITION OF FUTURE MOBILITY.



DRIVING EXPERIENCE REDEFINED. CUSTOMER BENEFIT AS THE FOCAL POINT.

Delegation

Ability

Safety



Driver unchallenged

“FLOW”

Driver overchallenged

--- Need for automation of driving tasks



THE NEW BMW 5 SERIES DRIVER ASSISTANCE SYSTEMS PROVIDE COMFORT AND SAFETY AT THE HIGHEST LEVEL.

Top View Remote
Lane keeping assistant with active side collision protection
 Active cruise control with Stop&Go function
 Rear collision prevention
Crossroad Assist

Crossing traffic warning rear / front
 Night Vision

Lateral parking aid

Distance information
 Lane departure warning

3D View
 Top View
 Parking assistant

Steering and lane control assistant

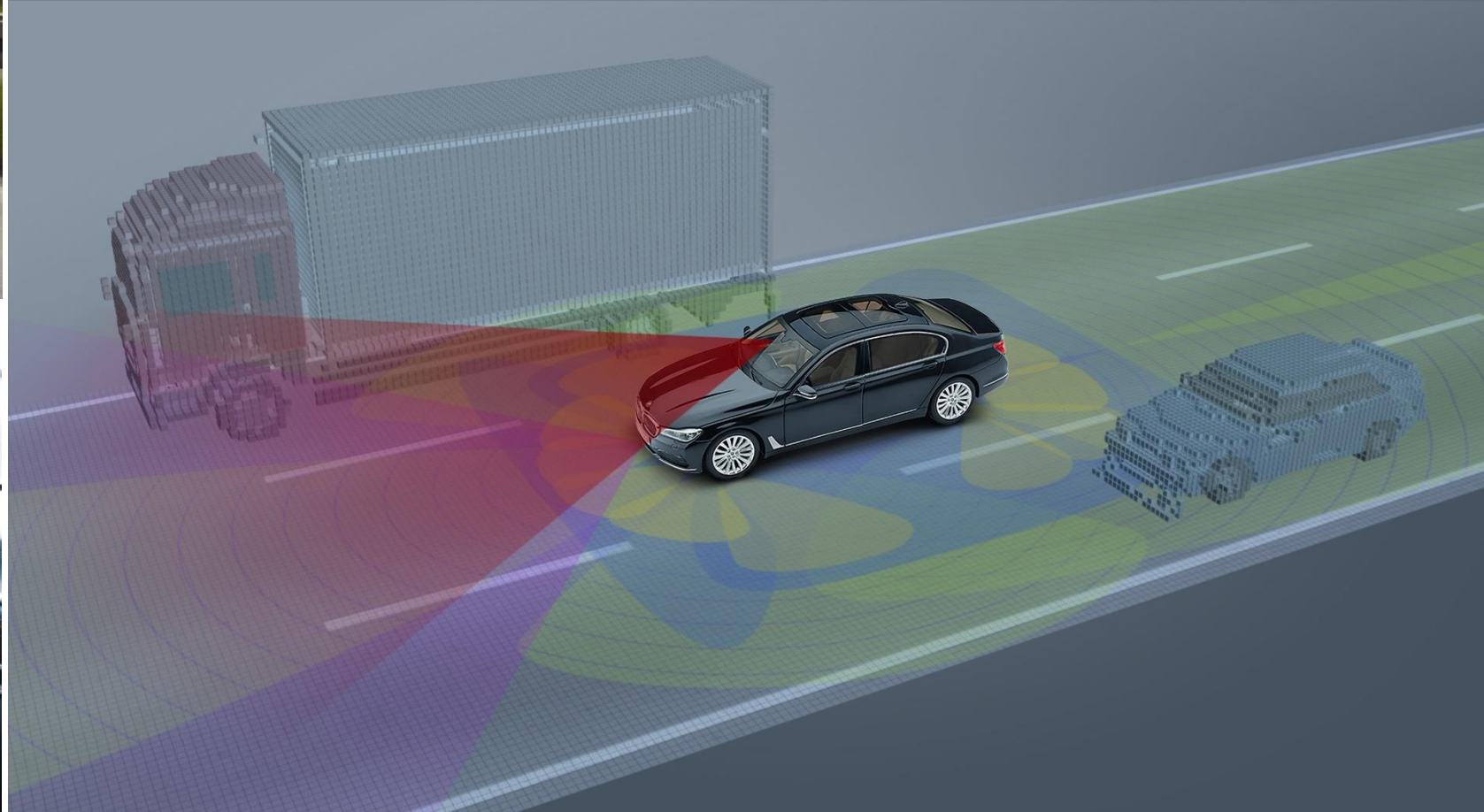
Active Park Distance Control
 BMW Selective Beam
Remote Control Parking

Speed limit and No Pass information
 Panorama View
 Speed Limit Device

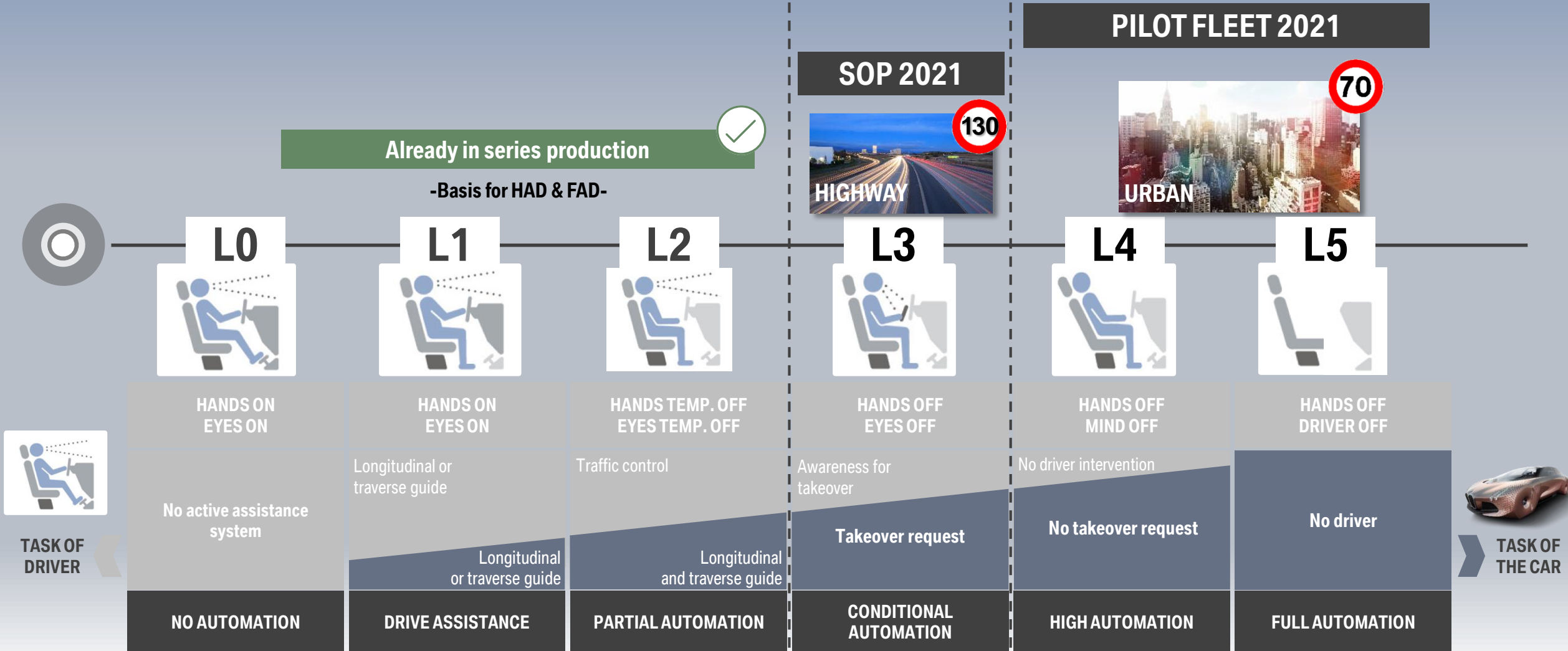
Wrong Way Assist
 Lane change warning
Speed Limit Assist
 Approach control warning with braking function



AUTOMATED DRIVING AT THE BMW GROUP



THE DEVELOPMENT OF TODAY'S ASSISTED FUNCTIONS TO FULL AUTOMATION EQUALS A TECHNOLOGICAL QUANTUM LEAP.



Levels according to SAE (Society of Automotive Engineers) J3016



AUTONOMOUS DRIVING. BMW GROUP'S TRANSFORMATION INTO A TECH COMPANY.

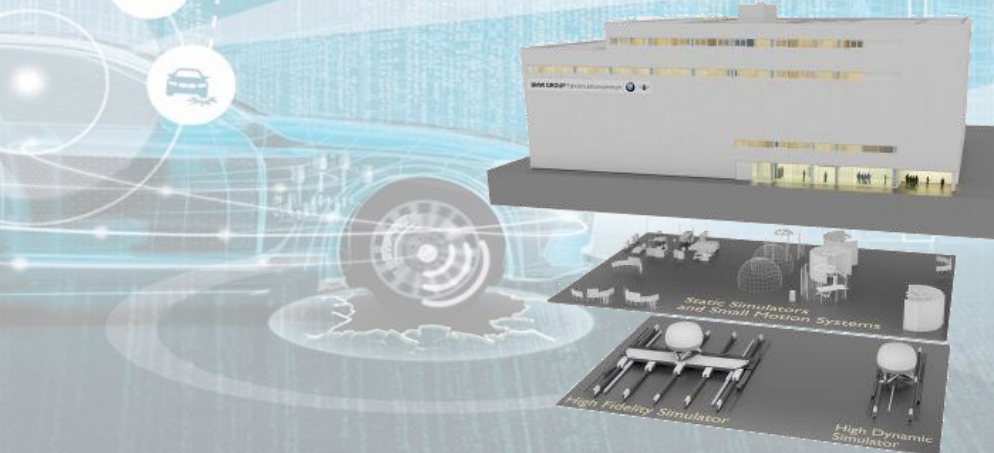
NEW AUTONOMOUS DRIVING CAMPUS

- Next steps towards fully-automated driving, from software development to road testing.
- Agile teams, short distances and short decision-making processes.
- Room for 1,800 employees.



NEW DRIVING SIMULATION CENTER

- World's most advanced facility of its kind for the simulation of real-world driving situations.
- Construction completion in 2020.



ARCHITECTURE FOR AUTOMATED DRIVING. END-TO-END WITH ALL KEY-TECHNOLOGIES.



* CD: ConnectedDrive (Entertainment/Infotainment)
 FAS: HD Map and other features for automated driving
 MS: Mobility Services (DriveNow, ReachNow,...)

AUTONOMOUS DRIVING REQUIRES TO COOPERATE WITH LEADING COMPANIES WITHIN THE TECH INDUSTRY.

COOPERATION



- Sensors: camera, radar, LIDAR
- Object fusion
- Road model
- Driving strategy/planning

AUTONOMOUS DRIVING



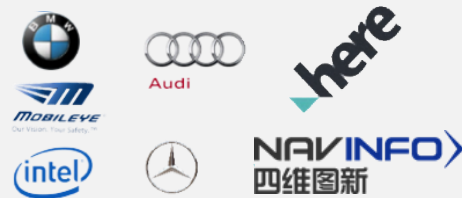
OEMs

HD-MAP



- Centimeter precision
- Real-time capable
- Highly available and reliable

OEM COOPERATION



INFRASTRUCTURE 5G

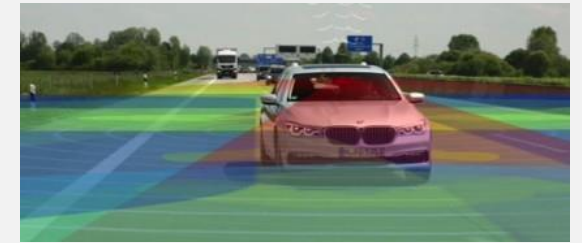


- Ultra low latency
- Ultra high reliability
- Ultra high data rates

5G AUTOMOTIVE ASSOCIATION



TEST FIELDS



- Worldwide regulation
- Unified homologation
- Safe and secure development

AUTHORITIES AND ASSOCIATIONS



ROADMAP TO AUTONOMOUS DRIVING.



2  **PAD**

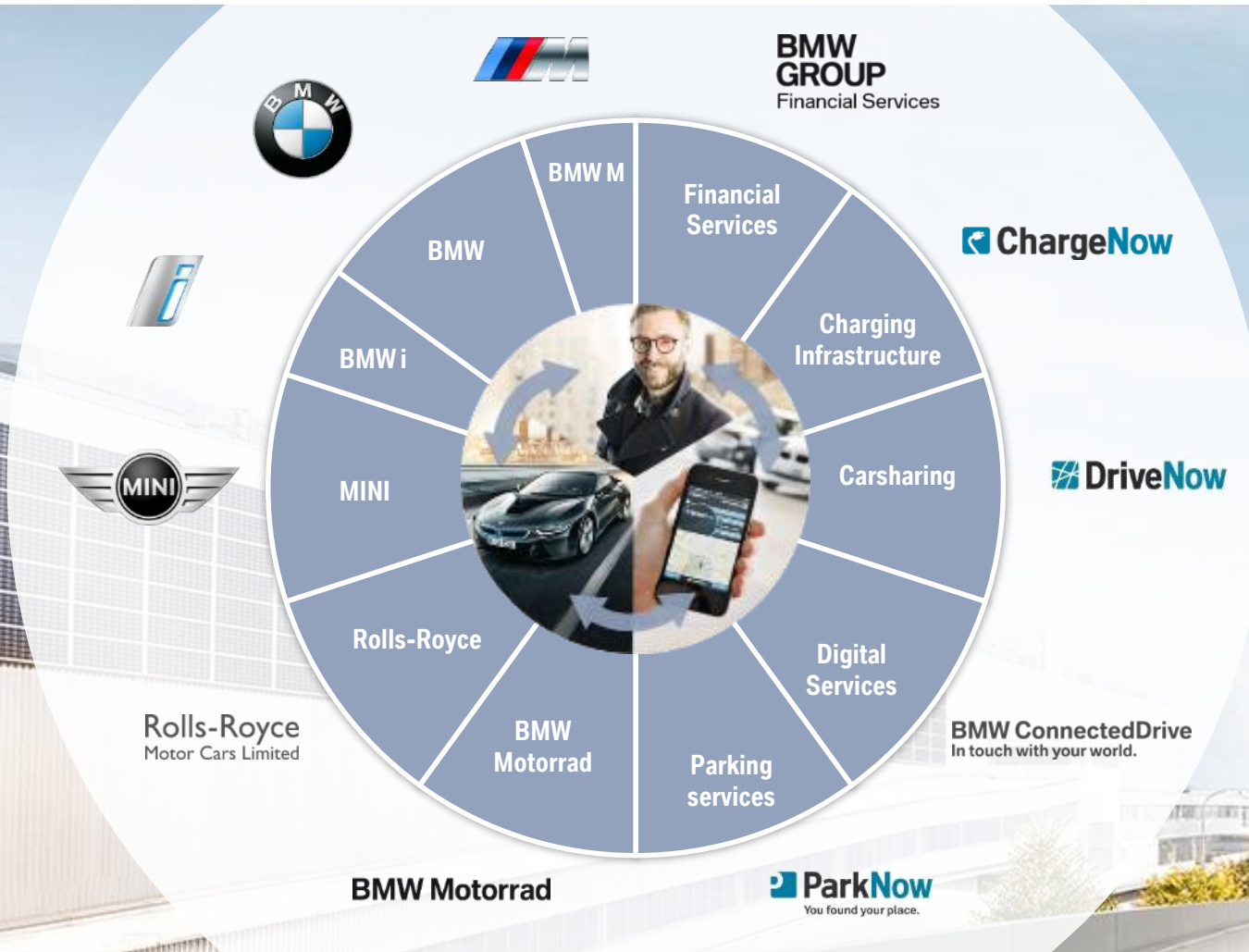
3  **HAD**

4  **FAD pilot project**

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WE CREATE THE INDIVIDUAL PREMIUM MOBILITY PORTFOLIO OF THE FUTURE FOR OUR CUSTOMERS .



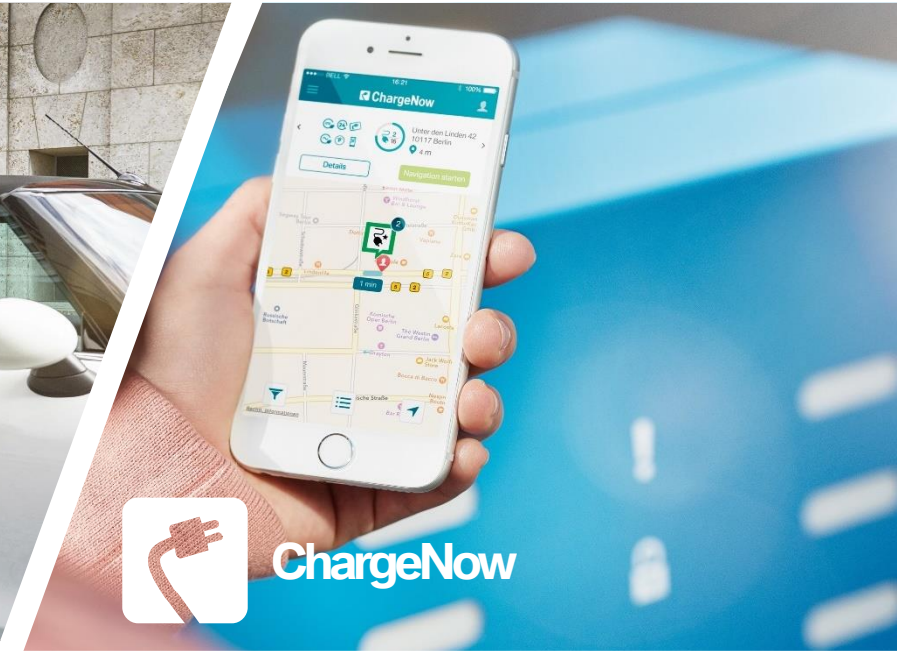
LEVERAGING POTENTIAL OF DIGITALIZATION AND CONNECTIVITY.



MOBILITY SERVICES.

- Options for strategic development.
- 100 million active customers by 2025.
- A complete, all-inclusive ecosystem for our customers.
- Agreement with Daimler AG to form Mobility Services Joint Venture.*

*Subject to approval by relevant authorities.



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BMW GROUP FINANCIAL YEAR 2017.

KEY FINANCIALS UNDERLINE BMW GROUP'S STRONG OPERATING PERFORMANCE.

BMW Group	FY-2017 adjusted*	FY-2017 reported	FY-2016 reported	Change in %
Earnings before tax – Group (in m€)	10,675	10,655	9,665	+10.2
EBT margin (in %) – Group	10.9	10.8	10.3	+0.5 pp
Payout Ratio (in %) – Group	30.2	30.2	33.3	-3.1 pp
Automotive Segment				
Automotive sales (units)	2,463,526	2,463,526	2,367,603	+4.1
Earnings before interest and tax (EBIT) (in m€)	7,888	7,863	7,695	+2.2
EBIT margin (in %)	9.2	8.9	8.9	-
Net financial assets (m€)*	19,787	19,787	19,520	+1.4
Motorcycles Segment				
Sales (units)	164,153	164,153	145,032	+13.2
Earnings before interest and tax (EBIT) (in m€)	207	207	187	+10.7
EBIT margin (in %)	9.1	9.1	9.0	+0.1 pp
Financial Services				
Earnings before tax (EBT) (in m€)	2,207	2,207	2,166	+1.9
Return on Equity (in %)	18.1	18.1	21.2	-3.1 pp
Penetration rate (in %)**	46.8	46.8	49.6	-2.8 pp
Credit loss ratio (in %)**	0.34	0.34	0.32	+0.02 pp



BMW GROUP Q3-2018. HIGH VOLATILITY AND COMPETITIVE MARKETS AS WELL AS INVESTMENTS IN FUTURE IMPACTED Q3-2018 RESULT.

BMW Group	Q3-2018	Q3-2017*	Change in %
Earnings before tax – Group (in m€)	1,845	2,503	-26.3
EBT margin (in %) – Group	7.5	10.6	-3.1 pp
Automotive Segment			
Automotive sales (units)	592,303	590,415	+0.3
Earnings before interest and tax (EBIT) (in m€)	930	1,758	-47.1
EBIT margin (in %)	4.4	8.6	-4.2 pp
Motorcycles Segment			
Sales (units)	39,818	39,429	+1.0
Earnings before interest and tax (EBIT) (in m€)	33	53	-37.7
EBIT margin (in %)	6.9	10.4	-3.5 pp
Financial Services			
Earnings before tax (EBT) (in m€)	548	609	-10.0
Penetration rate (in %)**	49.4	46.7	+2.7 pp
Credit loss ratio (in %)**	0.24	0.30	-0.06 pp



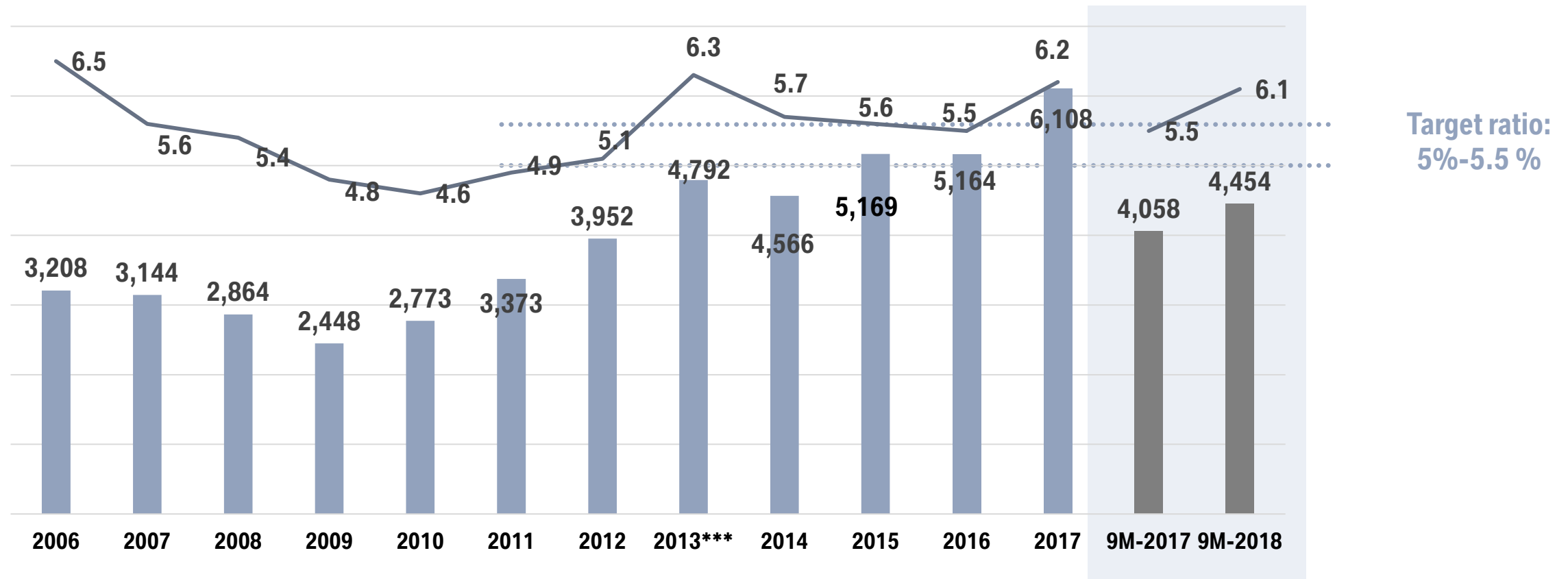
BMW GROUP 9M-2018. DESPITE DIFFICULT MARKET ENVIRONMENT AND HIGH INVESTMENTS IN THE FUTURE THE BMW GROUP MAINTAINED ITS COURSE.

BMW Group	9M-2018	9M-2017*	Change in %
Earnings before tax – Group (in m€)	7,883	8,741	-9.8
EBT margin (in %) – Group	10.9	11.9	-1.0 pp
Automotive Segment			
Automotive sales (units)	1,834,810	1,811,234	+1.3
Earnings before interest and tax (EBIT) (in m€)	4,730	5,879	-19.5
EBIT margin (in %)	7.6	9.4	-1.8 pp
Motorcycles Segment			
Sales (units)	126,793	127,818	-0.8
Earnings before interest and tax (EBIT) (in m€)	208	282	-26.2
EBIT margin (in %)	12.5	15.4	-2.9 pp
Financial Services			
Earnings before tax (EBT) (in m€)	1,714	1,793	-4.4
Penetration rate (in %)	49.4	46.7	+2.7 pp
Credit loss ratio (in %)	0.24	0.30	-0.06 pp



THE BMW GROUP IS COMMITTED TO PLAYING A KEY ROLE IN TOMORROW'S MOBILITY AND IS INVESTING SUBSTANTIAL AMOUNTS IN NEW TECHNOLOGIES.

R&D Expenditure* [in m€, HGB] **R&D Ratio**** [in %, HGB]



HGB: German Commercial Code

* R&D Expenditure: Research and development expenses plus capitalized research and development cost minus amortization of capitalized development costs.

** R&D Ratio: R&D expenditure divided by Group revenues.

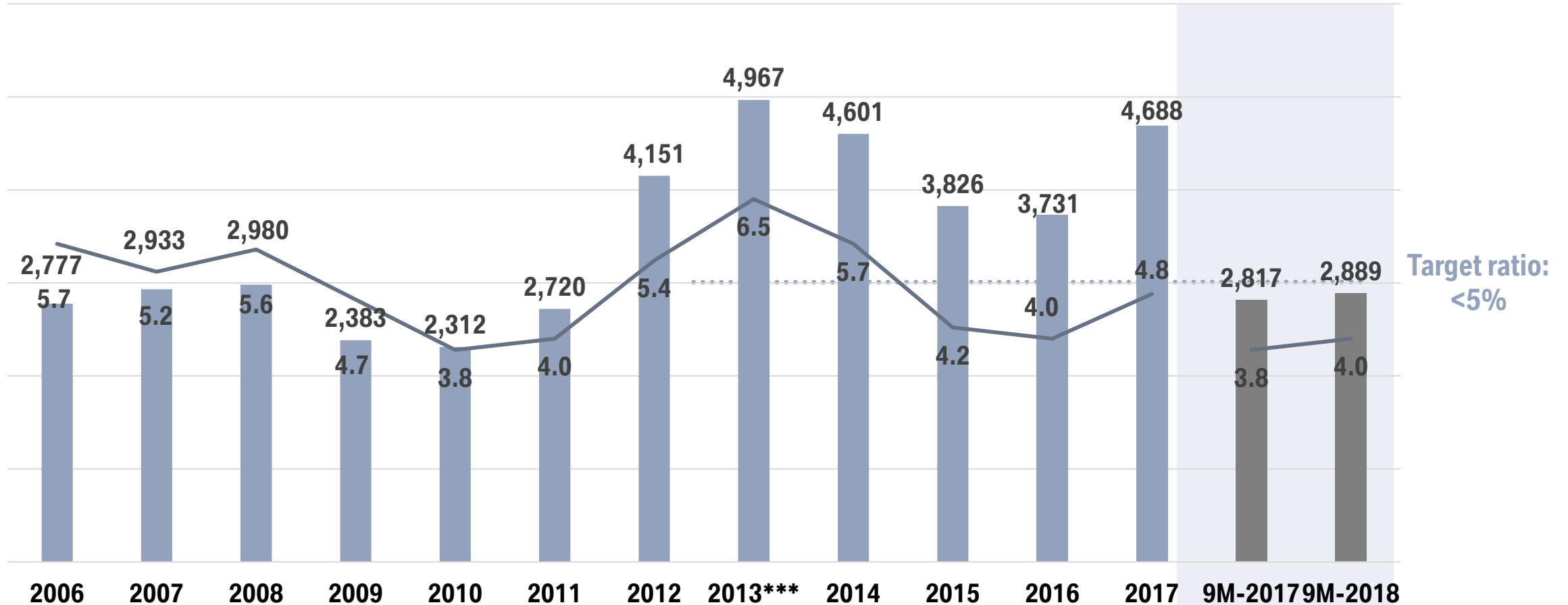
*** 2013 figures have been adjusted in accordance with IAS 8.



TIGHT MANAGEMENT OF CAPITAL EXPENDITURE TO ACHIEVE TARGET RATIO.

BMW Group Capital Expenditure*
[in m€]

Capex Ratio**
[in %]



* Capital Expenditure: additions to property, plant and equipment and other intangible assets (definition has been changed in 2016).

** Capital expenditure ratio: Capital expenditure divided by Group revenues.

*** 2013 figures have been adjusted in accordance with IAS 8.



OUTLOOK FOR 2018.



BMW GROUP

Moderate decrease of pre-tax earnings compared to the previous year*



AUTOMOTIVE

Deliveries slightly higher than the previous year
Revenues slightly lower than the previous year
EBIT margin at least 7%



MOTORCYCLES

Slight increase in deliveries compared to the previous year
EBIT margin in target corridor of 8-10%



FINANCIAL SERVICES

Return on equity of at least 14%, slight decrease



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BMW, ROLLS ROYCE, MINI – STRONG PREMIUM BRANDS AS THE BASIS FOR BMW GROUP'S SUCCESS.

The pinnacle of
automobile luxury

Rolls-Royce
Motor Cars Limited

Sheer driving
pleasure



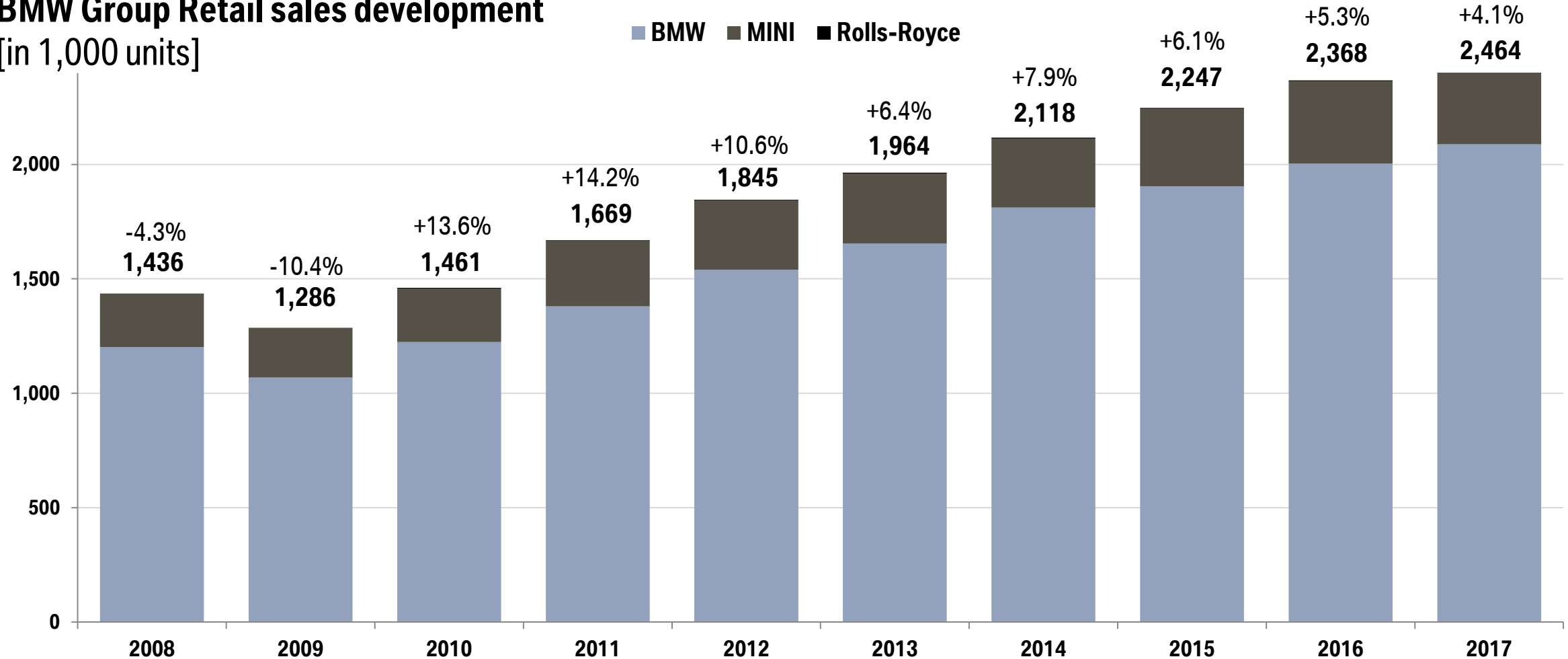
The world's most exciting
premium small car brand





BMW GROUP RETAIL SALES INCREASED ON AVERAGE BY 6.2% SINCE 2008.

BMW Group Retail sales development [in 1,000 units]

■ BMW ■ MINI ■ Rolls-Royce



BMW GROUP SALES CONTINUE TO GROW THROUGH NOVEMBER 2018.

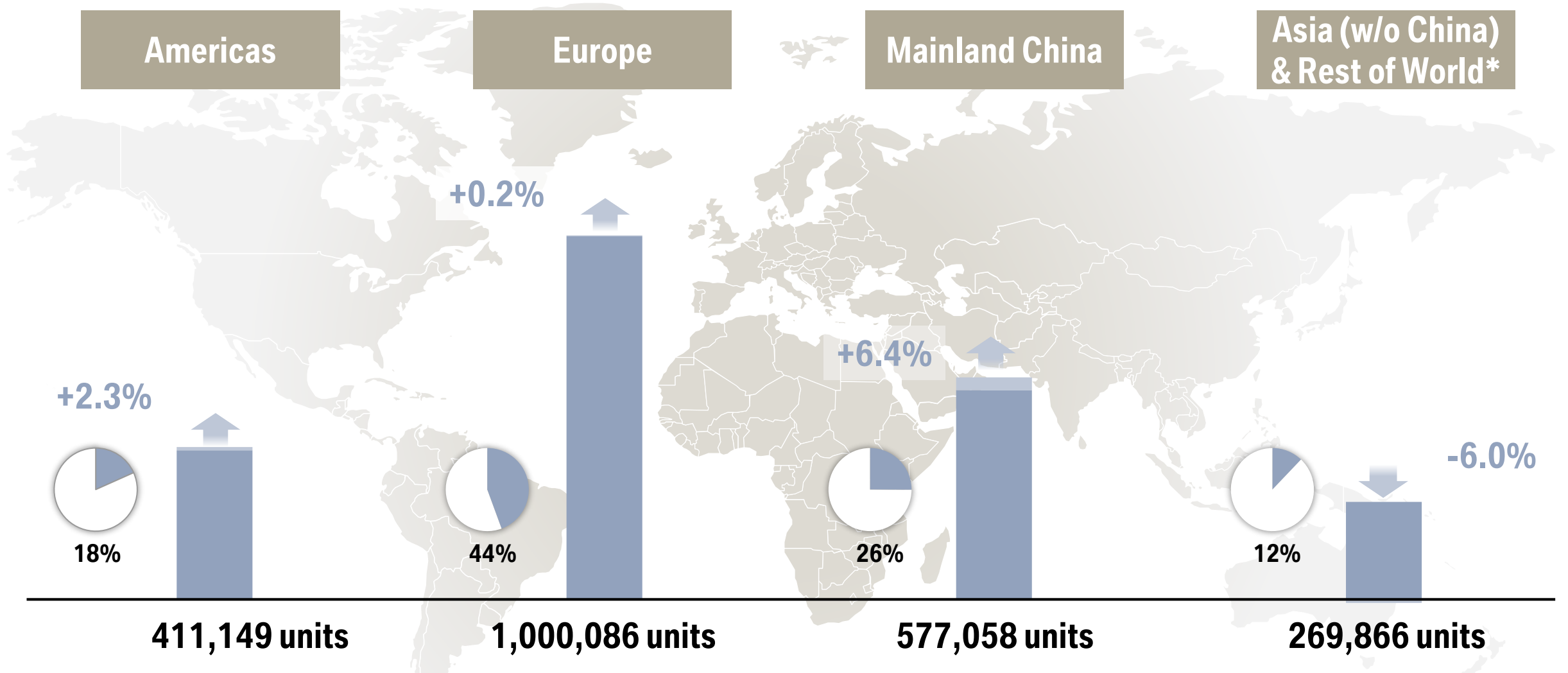
BMW GROUP	2,258,159	+1.3%
	1,926,631	+1.8%
	328,099	-1.8%
Rolls-Royce Motor Cars Limited	3,429	+17.2%
BMW Motorrad	152,181	-0.1%

DELIVERIES TO CUSTOMERS BY SERIES OR BRAND YTD 11/2018.

Deliveries of automobiles	YTD-2018	YTD-2017	Change in %
1 Series	184,634	182,442	1.2
2 Series	139,849	164,304	-14.9
3 Series	337,195	372,672	-9.5
4 Series	101,882	120,442	-15.4
5 Series	348,191	311,885	11.6
6 Series	24,296	9,208	.
7 Series	50,857	58,300	-12.8
X1	261,051	260,068	0.4
X2	59,005	64	.
X3	175,600	134,510	30.5
X4	40,570	47,959	-15.4
X5	138,535	162,846	-14.9
X6	32,268	36,341	-11.2
BMW i	32,633	29,926	9.0
BMW Total	1,926,631	1,892,367	1.8
MINI Total	328,099	334,205	-1.8
Rolls Royce Total	3,429	2,927	17.2
BMW Group Total	2,258,159	2,229,499	1.3



BMW GROUP AUTOMOTIVE: BALANCED SALES DISTRIBUTION AND SLIGHT YTD-11/2018 GROWTH OF +1.3% TO A NEW RECORD OF 2,258,159 VEHICLES.



BMW GROUP AUTOMOTIVE MAJOR MARKETS. DELIVERIES TO CUSTOMERS YTD-11/2018.

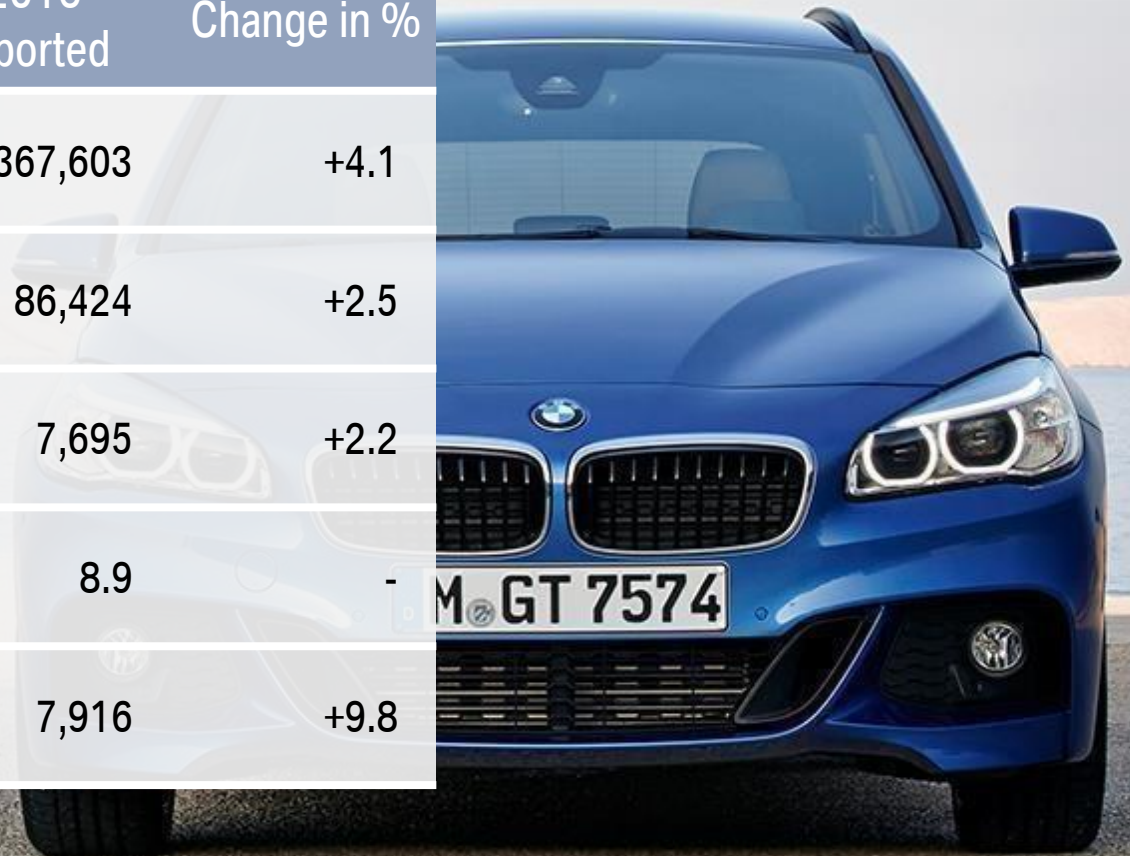
Deliveries of automobiles		YTD-11/2018	YTD-11/2017	Change in %
Europe		1,000,086	998,007	0.2
thereof	Germany	289,393	282,009	2.6
	Great Britain	216,129	220,128	-1.8
Americas		411,149	402,033	2.3
thereof	USA	317,544	313,926	1.2
Asia		790,112	769,643	2.7
thereof	China Mainland	577,058	542,362	6.4
	thereof BBA retail sales	414,475	350,356	18.3
Rest of the World*		56,812	59,816	-5.0
Total		2,258,159	2,229,499	1.3

*includes Rolls Royce sales figures



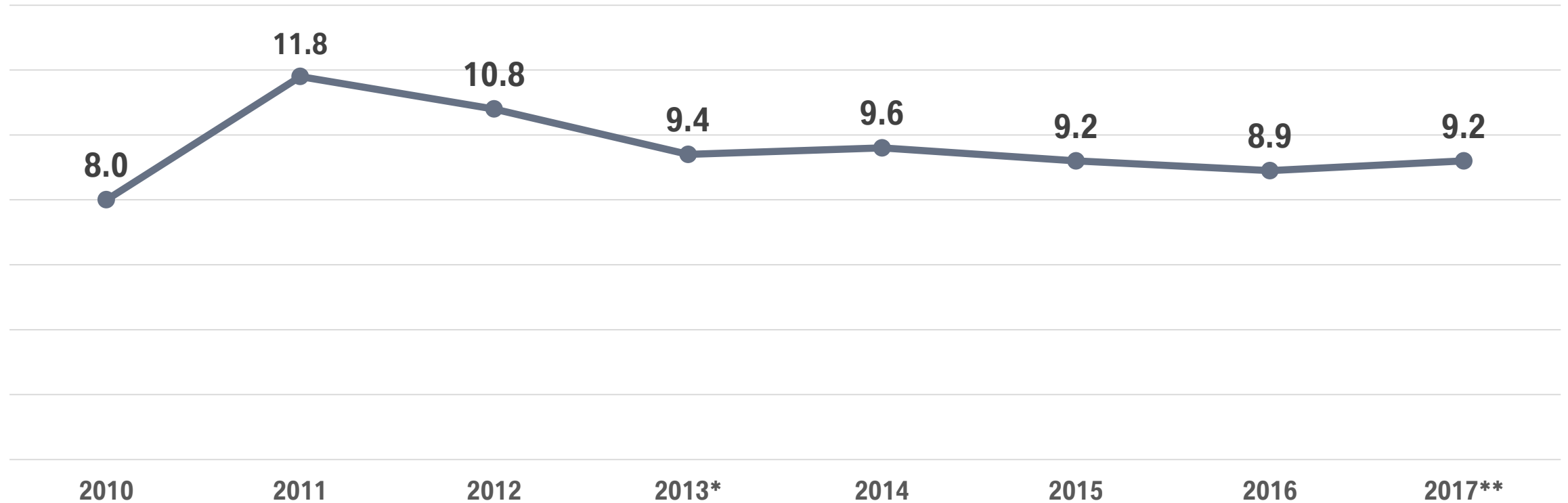
FY-2017 AUTOMOTIVE SEGMENT: EBIT MARGIN IN TARGET RANGE OF 8-10% AS FORECAST.

In m€	2017 adjusted*	2017 reported	2016 reported	Change in %
Automotive sales (units)	2,463,526	2,463,526	2,367,603	+4.1
Revenues (in m€)	85,742	88,581	86,424	+2.5
Earnings before interest and tax (EBIT) (in m€)	7,888	7,863	7,695	+2.2
EBIT margin (in %)	9.2	8.9	8.9	-
Earnings before tax (EBT) (in m€)	8,717	8,691	7,916	+9.8



AUTOMOTIVE SEGMENT EBIT MARGIN. CORE BUSINESS REMAINS ON TRACK FOR SUCCESS.

EBIT margin [in %]



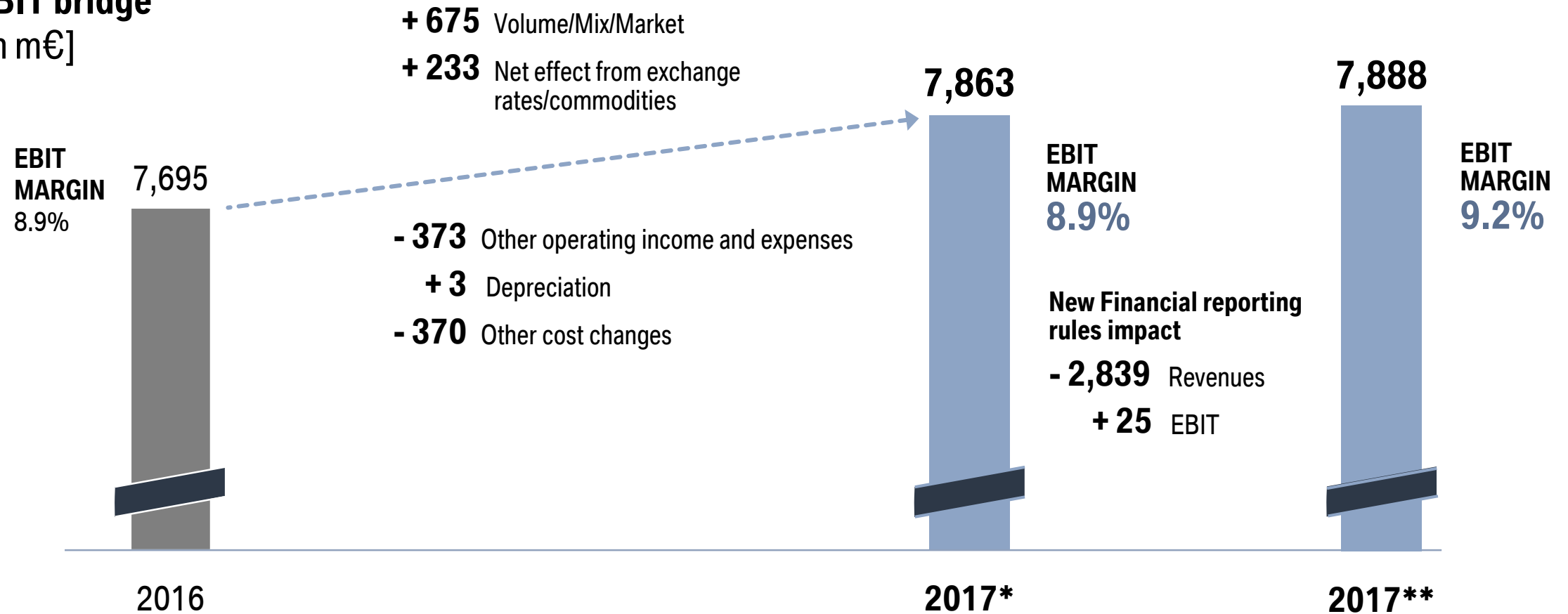
* 2013 figures have been adjusted in accordance with IAS 8

** adjusted value for 2017



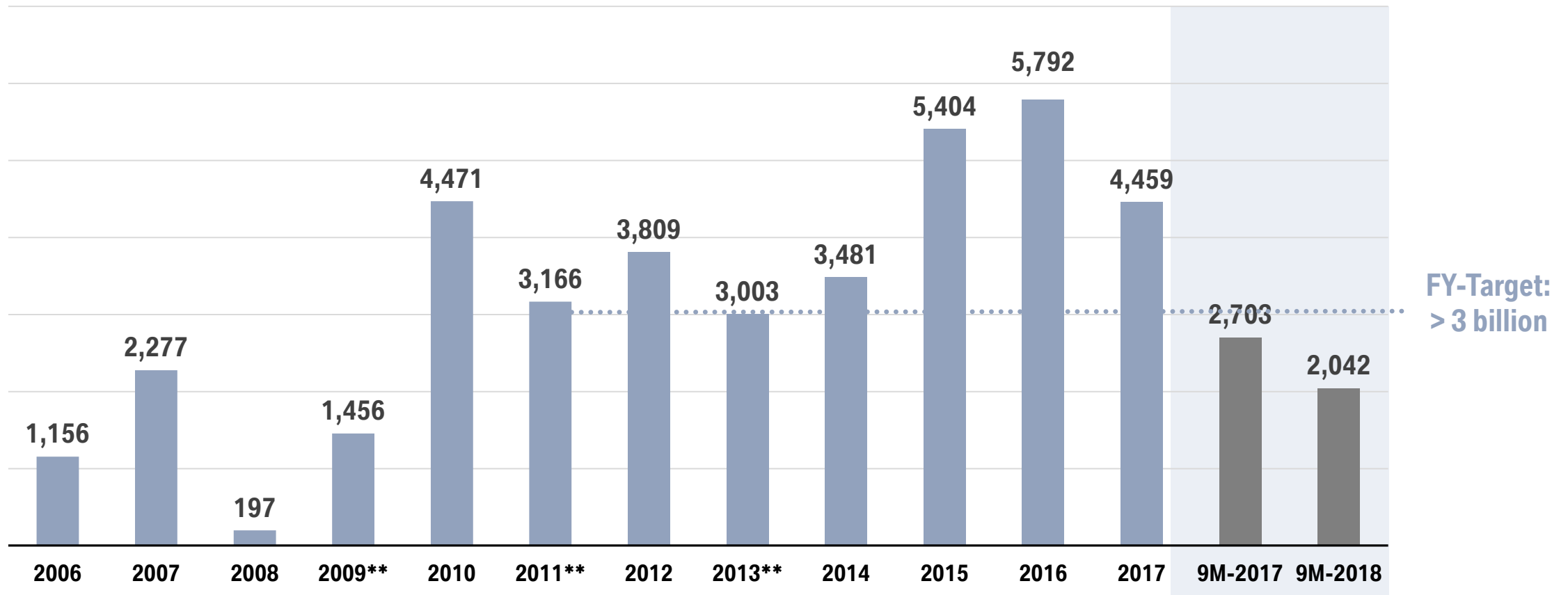
EBIT BRIDGE FY-2017 IN AUTOMOTIVE SEGMENT SHOWS POSITIVE EFFECTS FROM VOLUME AND MODEL MIX.

EBIT bridge [in m€]



FREE CASH FLOW IN AUTOMOTIVE SEGMENT REMAINS STRONG, DESPITE SIGNIFICANTLY HIGHER INVESTMENTS.

Free Cash Flow (Automotive)* [in m€]



A STRONG PRODUCT MOMENTUM AND THE MIX IMPROVEMENT WILL FOSTER GROWTH AND PROFITABILITY.



BMW i8 Roadster



BMW 8 Series



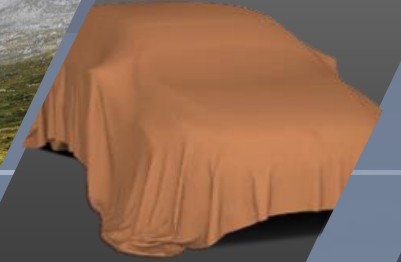
BMW Z4



Rolls Royce Cullinan



BMW 3 Series



...



MINI BEV*



BMW X2



BMW X5



BMW X6**



BMW X7



...



THE BMW Z4. FREEDOM ON FOUR WHEELS.



THE NEW BMW 3 SERIES SEDAN. SPORTY DRIVING PLEASURE, NEW DESIGN LANGUAGE, AND TRAILBLAZING DRIVER ASSISTANCE TECHNOLOGY.



THE BMW X7. FUSION OF DRIVING PLEASURE AND LUXURY.



BMW 8 SERIES COUPÉ & CONVERTIBLE. THE PINNACLE OF SPORTS PERFORMANCE AND EXCLUSIVITY.



BMW CONCEPT M8 GRAN COUPÉ. A NEW INTERPRETATION OF LUXURY FOR THE BMW BRAND.



MODEL OFFENSIVE. STRONG GROWTH IN THE X FAMILY.



BMW X2



BMW X3



BMW X4



BMW X5



BMW X6



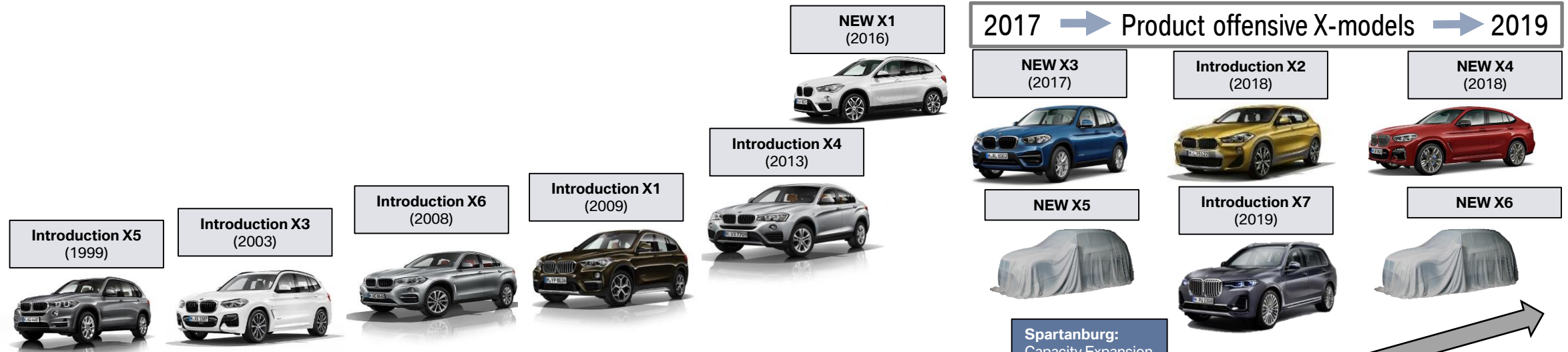
BMW X7

THE NEW ROLLS-ROYCE CULLINAN – EFFORTLESS EVERYWHERE. LUXURY, PERFORMANCE AND USABILITY NOT SEEN BEFORE IN THE SUV MARKET.

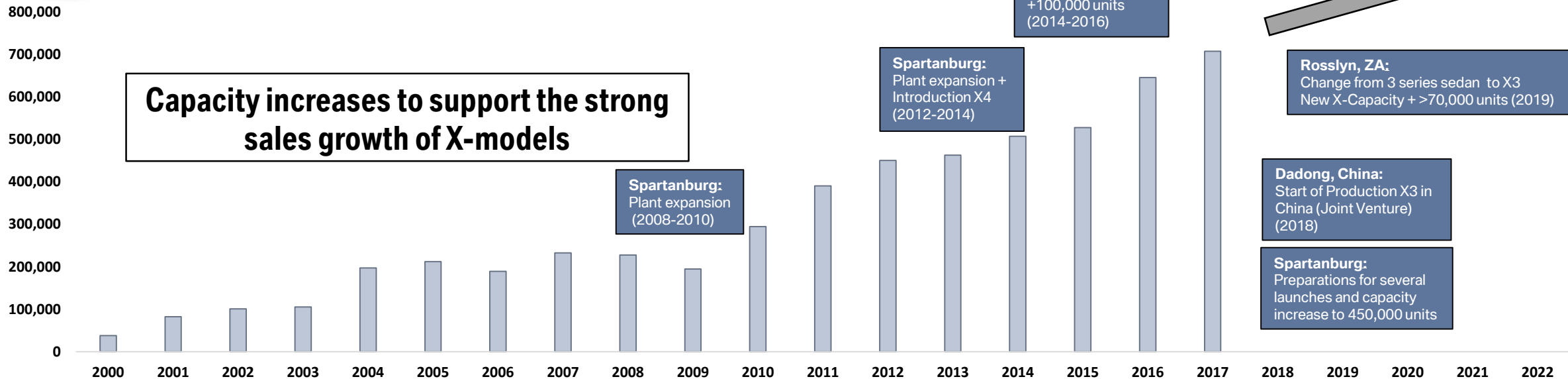


BMW GROUP MODEL OFFENSIVE – STRONG GROWTH FOR X-MODELS

PRODUCT EXPANSION



SALES EXPANSION



THE NEW BMW X2. EXCITING LOOKS, SPARKLING DYNAMICS.



THE NEW BMW X3. NEW LEVEL OF SPORTINESS, SHARPER DESIGN, SEMI-AUTOMATED DRIVING AND CUTTING-EDGE CONNECTIVITY.

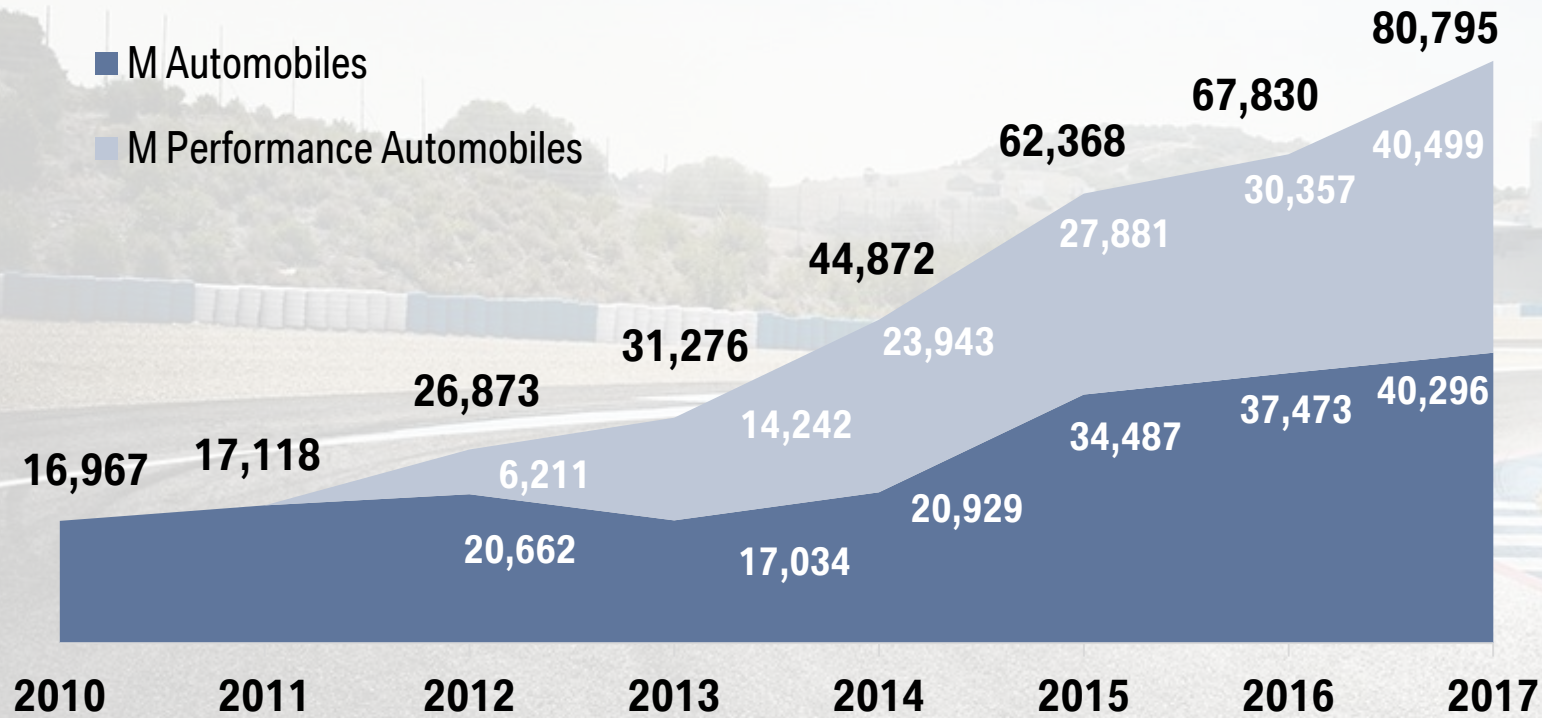


THE NEW ROLLS-ROYCE PHANTOM. PURSUIT OF PERFECTION, VISIONARY ENGINEERING & AESTHETIC ACUITY.



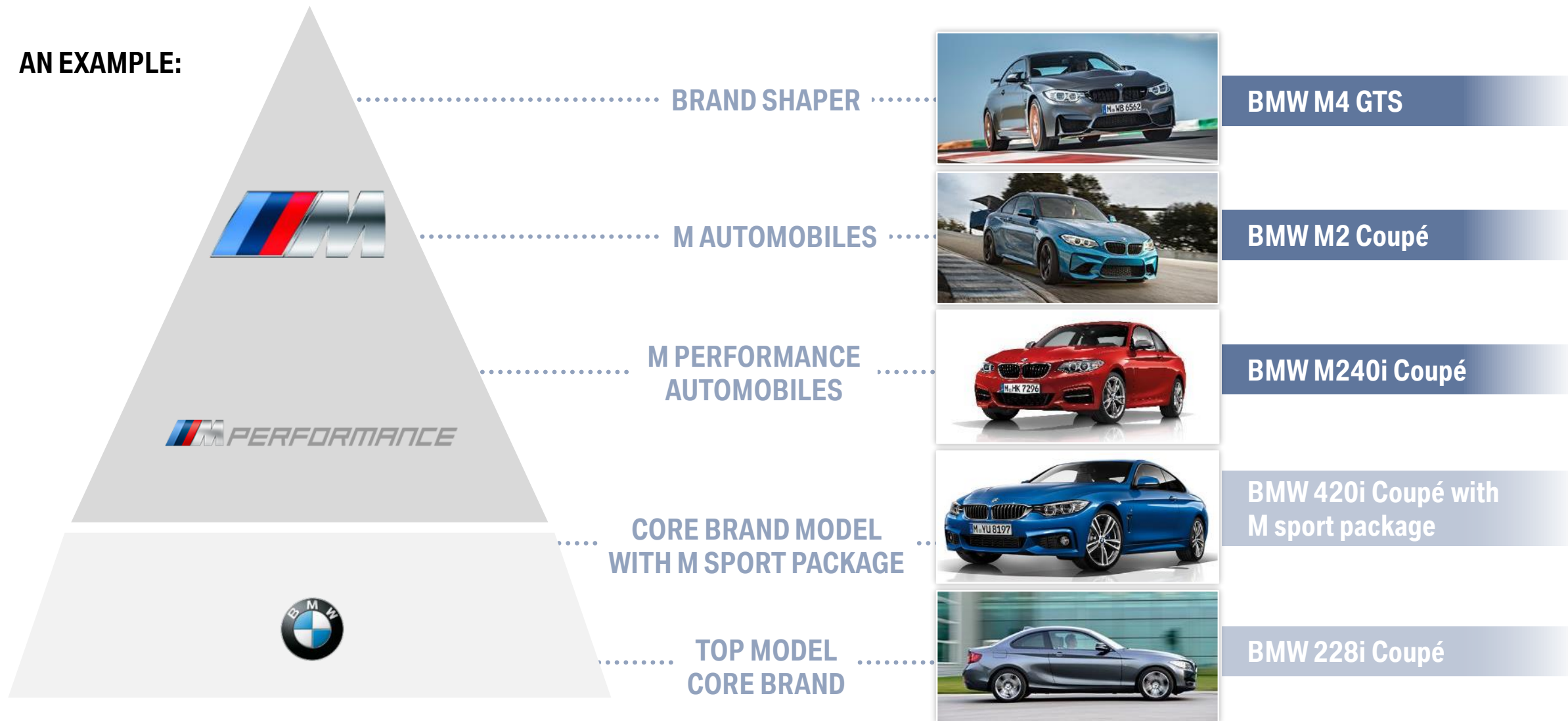
STRONG PERFORMANCE OF M PRODUCTS SERVES AS A STARTING POINT FOR FURTHER GROWTH.

Sales Volume BMW M and M Performance Automobiles



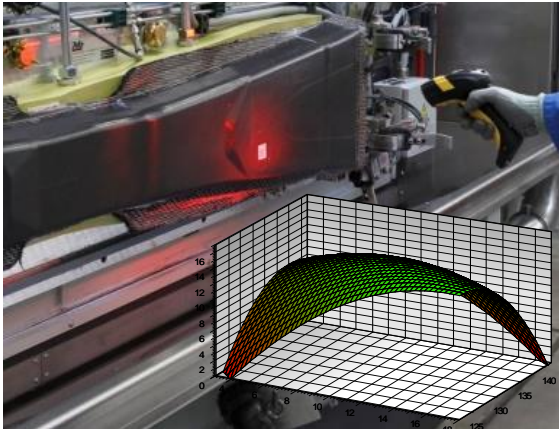
BMW M AUTOMOBILES ARE THE VERY SPORTY AND DYNAMIC END OF OUR MODEL RANGE.

AN EXAMPLE:



INTELLIGENT AND INNOVATIVE PRODUCTION. DIGITALIZATION CREATES NEW OPPORTUNITIES.

Data and Analytics



Internet-of-Things
Architecture

Data Management for Planning
and Control

Cyber Security

Smart Logistics

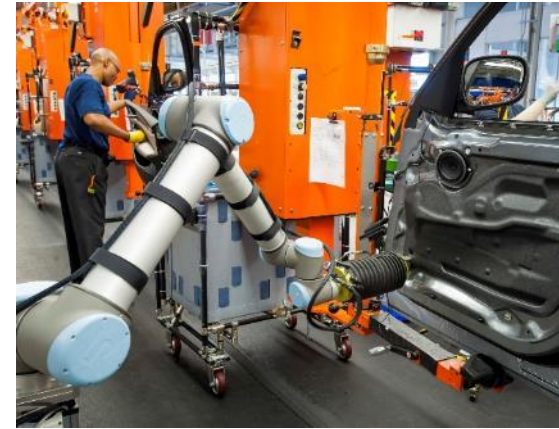


Autonomous Transport Systems

Global Supply Chain
Visibility and Control

Integrated Supplier Networks

Innovative Automation



Collaborative Robot Systems

Context-sensitive Worker
Support Systems

Reorganization of Work

Additive Manufacturing



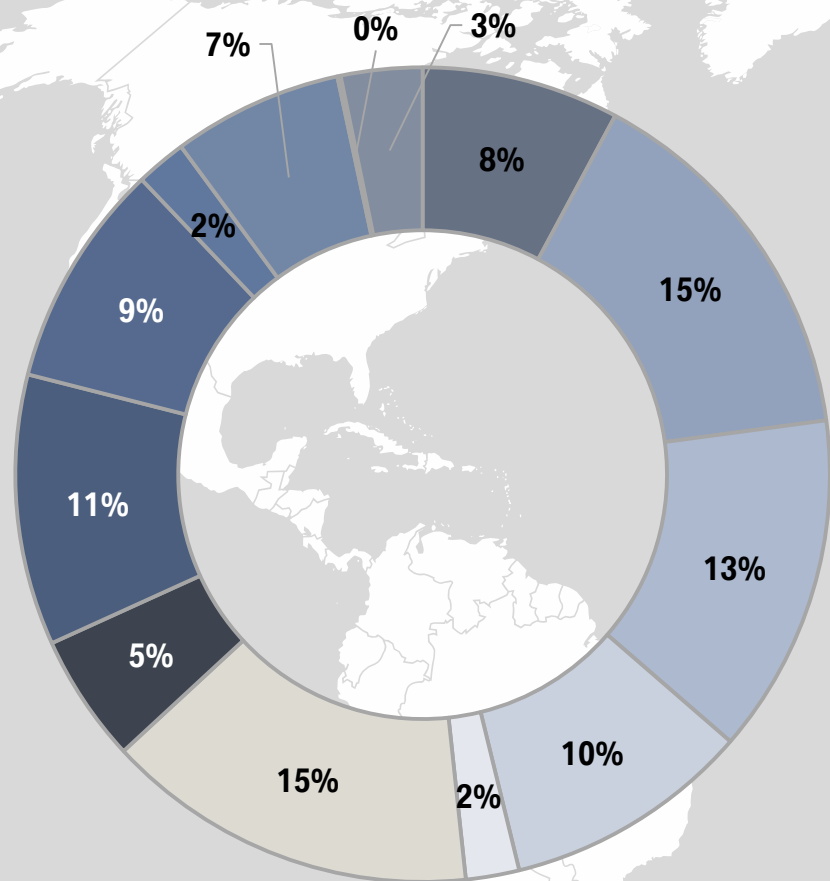
Laminate or Metal

Serial Production
and Rapid Prototyping

New Individualization



AUTOMOBILE PRODUCTION BY PLANT IN 2017.



■ Munich, Germany	BMW 3, 4 series	196,455
■ Dingolfing, Germany	BMW 3, 4, 5, 6, 7 series	376,580
■ Regensburg, Germany	BMW 1, 2, 3, 4 series, X1, X2	338,259
■ Leipzig, Germany	BMW 1, 2 series, i3, i8	246,043
■ Rossllyn, South Africa	BMW 3 series, X3***	53,105
■ Spartanburg, USA	BMW X3, X4, X5, X6	371,316
■ Dadong, China*	BMW 5 series	127,440
■ Tiexi, China*	BMW 1, 2, 3 series, X1	269,309
■ Oxford, UK	MINI Hatch, MINI Clubman	223,817
■ Graz, Austria (Magna Steyr)**	BMW 5series	50,272
■ Born, Netherlands (VDL Nedcar)**	MINI Hatch, Conv., Countryman; BMW X1	168,969
■ Goodwood, UK	Rolls-Royce	3,308
■ Assembly plants		80,868
Sum		2,505,741

* Joint venture BMW Brilliance Automotive Ltd., Shenyang

** Contract production

*** X3 production as of 04/2018



CONTENT.

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7	MOTORCYCLES		

BMW MOTORRAD. WIDER RANGE THAN EVER BEFORE.

ADVENTURE



TOUR



SPORT



ROADSTER



HERITAGE



URBAN
MOBILITY



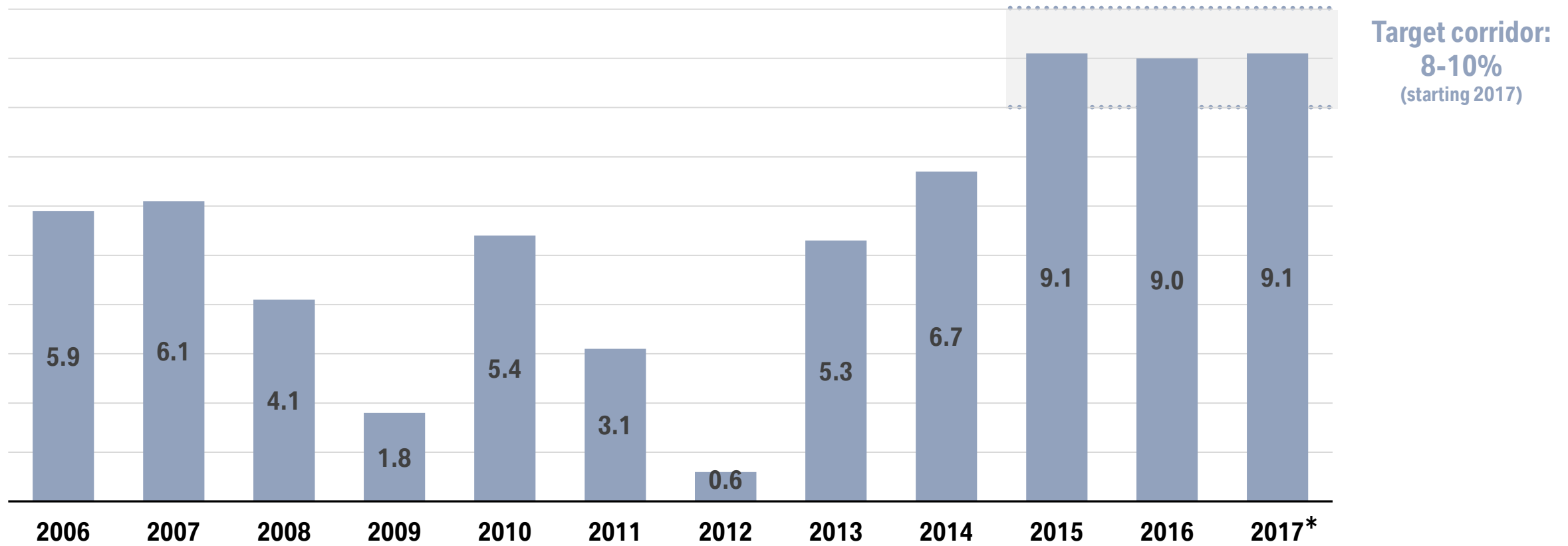
FY-2017 MOTORCYCLES SEGMENT. INCREASE IN DELIVERIES, SALES AND EARNINGS.

In m€	2017 adjusted*	2017 reported	2016 reported	Change in %
Sales (units)	164,153	164,153	145,032	+13.2
Revenues (in m€)	2,272	2,283	2,069	+10.3
Earnings before interest and tax (EBIT) (in m€)	207	207	187	+10.7
EBIT margin (in %)	9.1	9.1	9.0	+0.1 pp
Earnings before tax (EBT) (in m€)	205	205	185	+10.8



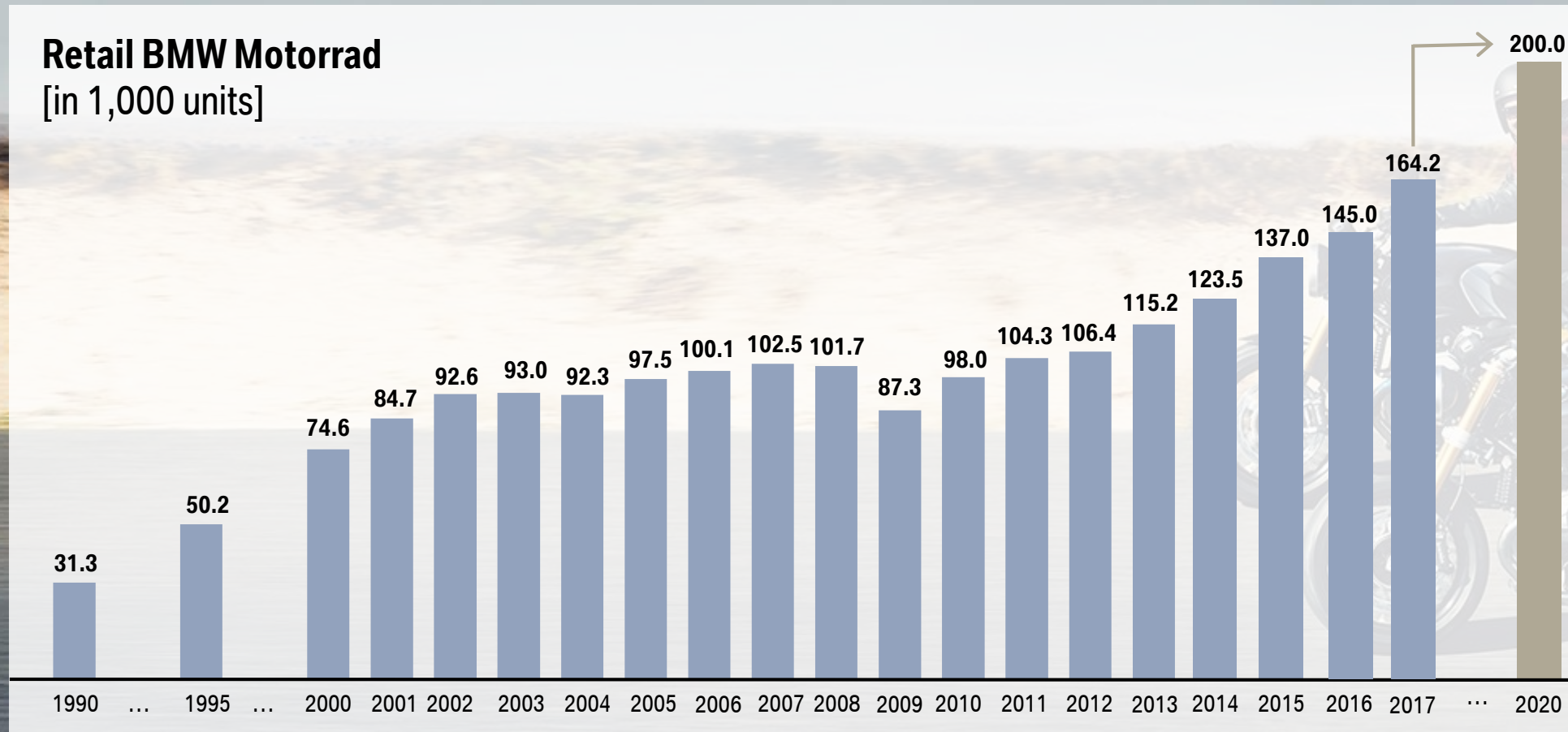
SUCCESSFUL FY 2017 FOR BMW MOTORRAD. EBIT MARGIN WITHIN TARGET CORRIDOR OF 8-10%.

EBIT margin development BMW Motorrad [in %]



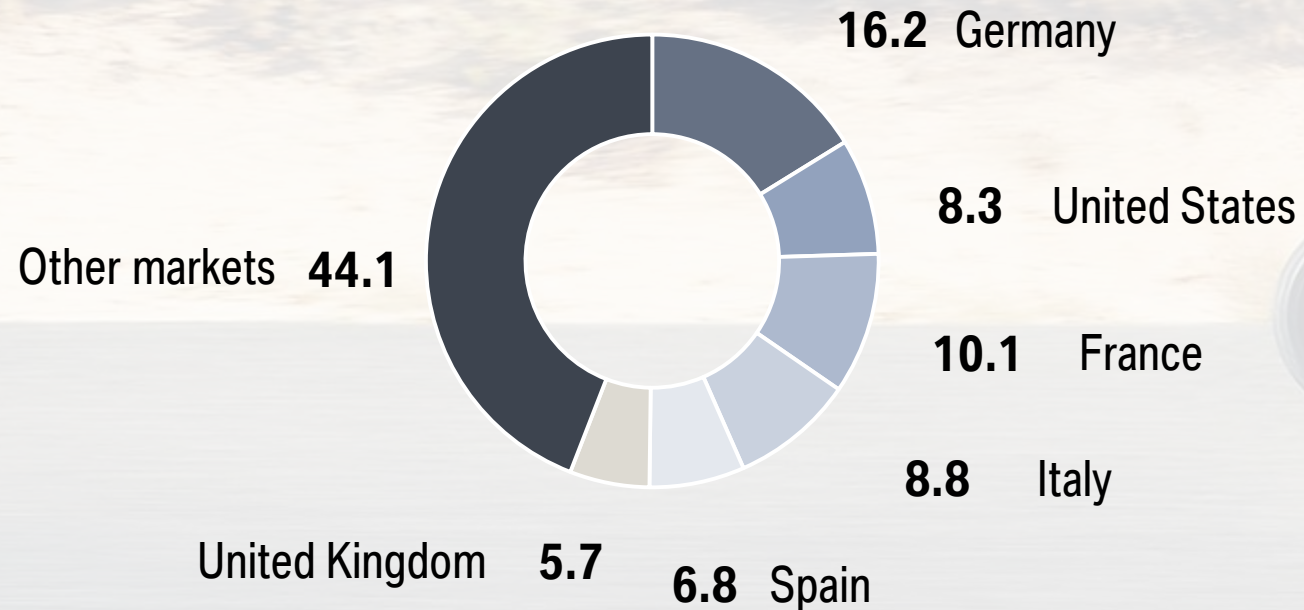
STRONG BMW MOTORRAD RETAIL SALES 1990 TO 2017 AND NEW SALES TARGET 2020.

Retail BMW Motorrad
[in 1,000 units]



MOST IMPORTANT MARKETS FOR BMW MOTORCYCLES IN 2017.

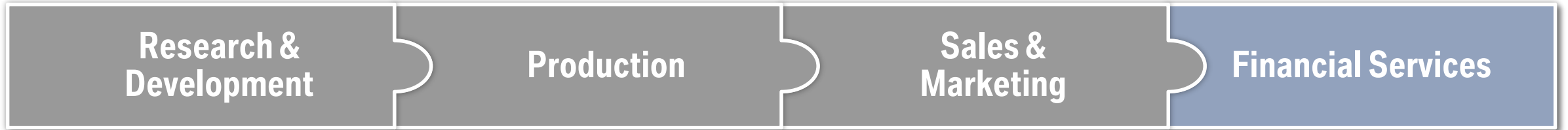
Retail BMW Motorrad by regions
[in %]



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TODAY SF FULFILLS ITS VALUE CONTRIBUTION ROLE WITHIN THE GROUP.



Support of Sales



Penetration Rate: 46.8% (31.12.2017)

- Financing Partners of BMW Group.
- Strengthen Automotive Brands of BMW Group.

Customer Interface



Customers: 4.9 Million (31.12.2017)

- Win new Customers for BMW Group.
- Service and Loyalize all Customers for BMW Group.

Profit Contribution



Return on Equity > 14% (Target)

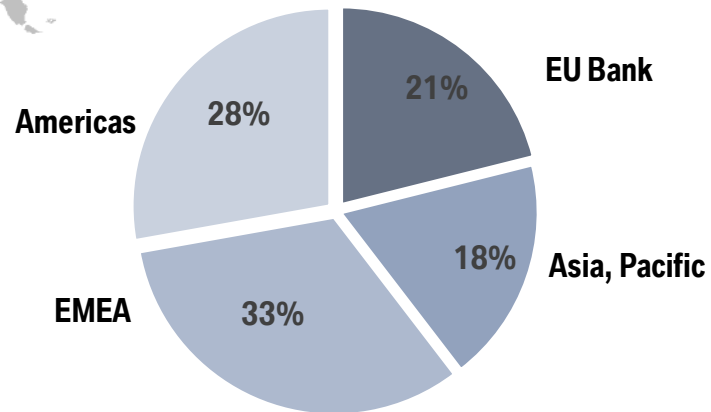
- Significant Profit Contribution to BMW Group.

BMW GROUP FINANCIAL SERVICES AT A GLANCE.

Global Presence as of 12/2017



~ 4.9 Million Serviced Retail Contracts



Business Lines as of 12/2017



Retail Finance

€ 88.8 bn



Dealer Finance

€ 19.2 bn



Fleet Business

€ 12.4 bn



ALPHERA
Financial Services

Multi Make Financing

€ 6.7 bn



Insurance

3.6 mn contracts



Banking

€ 10.4 bn



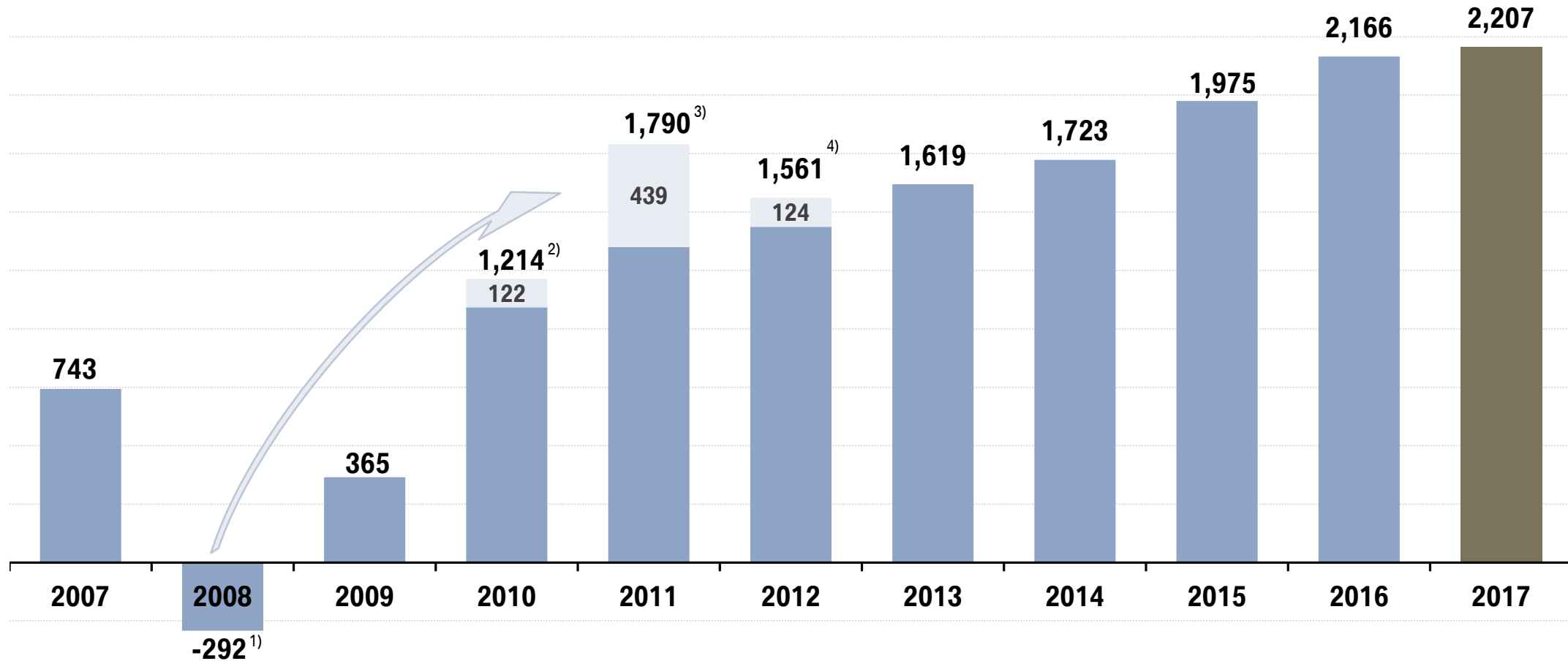
FY-2017 FINANCIAL SERVICES SEGMENT: SUCCESSFUL FINANCIAL YEAR 2017. ROE TARGET OF >18% ACHIEVED.

In m€	FY-2017	FY-2016	Change in %
New customer contracts (units)	1,828,604	1,811,157	+1.0
Revenues	27,567	25,681	+7.3
Earnings before tax (EBT) (in m€)	2,207	2,166	+1.9
Return on Equity (in %)	18.1	21.2	-3.1 pp
Penetration rate (in %)	46.8	49.6	-2.8 pp
Credit loss ratio (in %)	0.34	0.32	+0.02 pp



SIGNIFICANT CONTRIBUTION OF FINANCIAL SERVICES TO BMW GROUP PROFIT.

Earnings before Tax (EBT) Financial Services [in mn €]



1) FY-08 EBT includes a negative effect of EUR 1,057 million from additional credit and residual value risk provisions.

2) FY-10 EBT includes a positive effect of EUR 122 million from better than expected off-lease business.

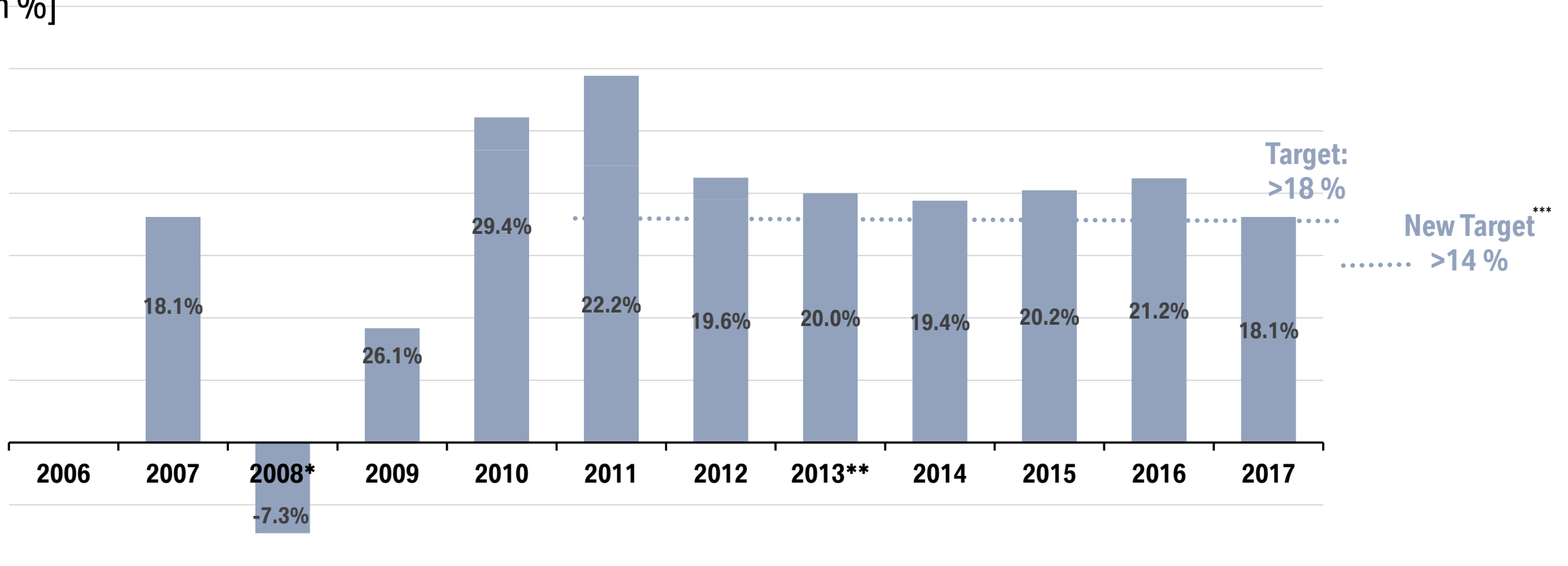
3) FY-11 EBT includes a positive effect of EUR 439 million from adjustment of residual value and credit risk provisions and a better than expected off-lease business.

4) FY-12 EBT includes a positive effect of EUR 124 million from better than expected off-lease business.



RETURN ON EQUITY (ROE) FINANCIAL SERVICES. NEW TARGET ROE OF >14% FROM 2018.

Return on equity (ROE) Financial Services [in %]



* FY-08 RoE includes a negative PBT effect of EUR 1,057 million from additional credit and residual value risk provisions (adjusted RoE: 19.2%) (AR-2008 pg. 14).

** 2013 figures have been adjusted in accordance with IAS 8.

No quarterly equity reporting on segment level in 2006.

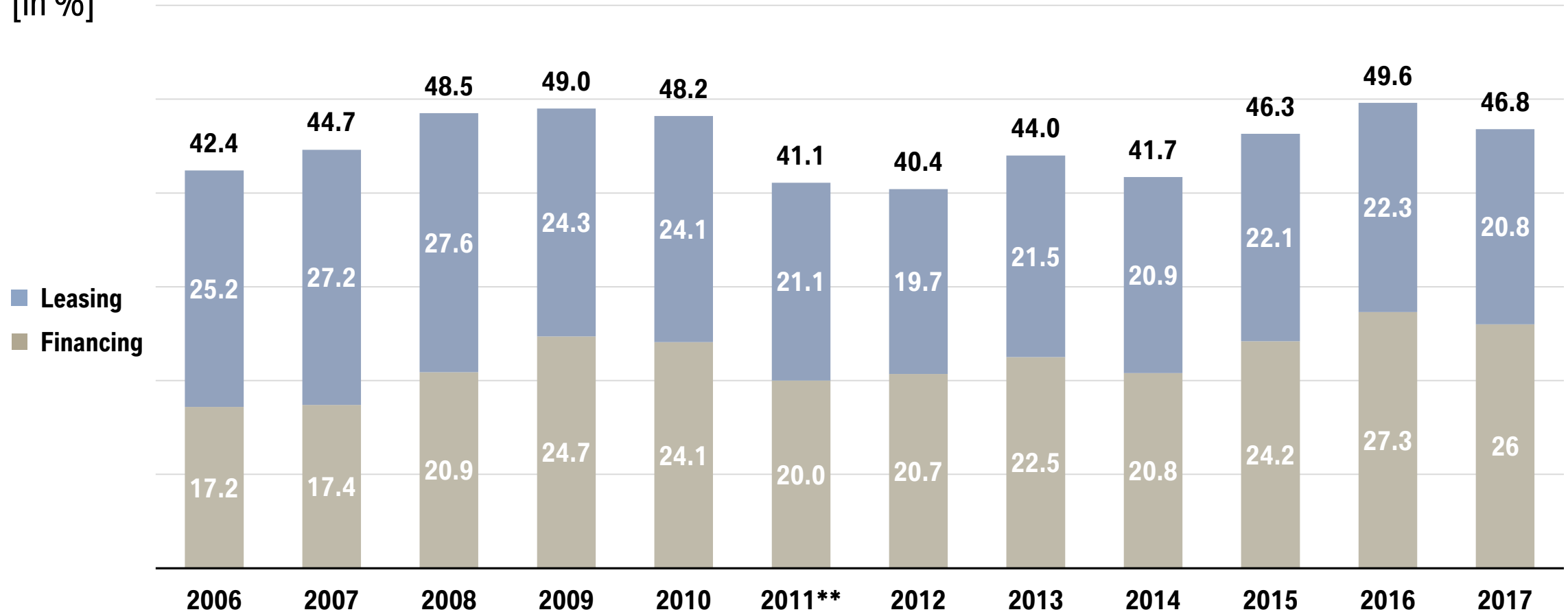
*** New ROE Target starting 2018



BMW GROUP FINANCIAL SERVICES PENETRATION RATE RETAIL BUSINESS.

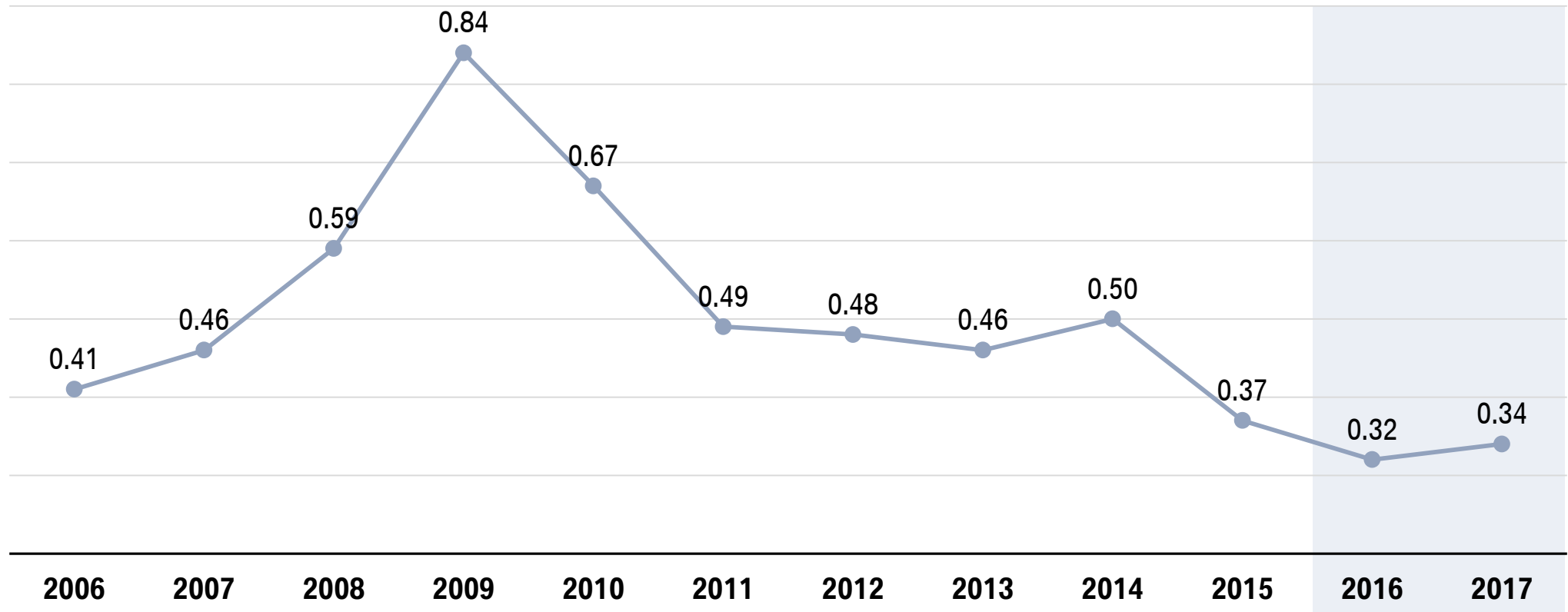
Penetration rate Retail business*

[in %]



BMW GROUP FINANCIAL SERVICES. SOLID DEVELOPMENT OF CREDIT LOSS RATIO.

Credit loss ratio* [in %]



ALPHABET PROVIDES INNOVATIVE AND HOLISTIC MOBILITY SERVICES FOR CORPORATE CUSTOMERS



- Alphabet country presence
- 4 business cooperation countries



Alphabet (incl. Business Lines)
in m€

4th largest European fleet management company.

Stable profit contribution, meeting SF profitability target requirements (ROE >18%).





Tailor-made, innovative Business Mobility Solutions including Corporate Car Sharing and Mobility Apps.

Serving 85.000 corporate customers in 17 European countries, Australia and China with a team of ~2,900 people.








Multi Make portfolio of 680,000 vehicles with a BMW share of 33%.

THE BUSINESS MOBILITY SOLUTIONS ARE A HOLISTIC APPROACH AND SERVE ALL CUSTOMER NEEDS





Funding Solutions

-  Operating Lease
-  Financial Lease
-  Sale and Leaseback
-  Motivational Leasing

Fleet Management Services

-  Maintenance and Repair
-  Tyre & Fuel Management
-  Customer & Online Service
-  Accident Management
-  Roadside Assistance
-  Rental Services
-  Safety/Eco Driver Training
-  Insurance
-  Fine & Tax Management
-  CO2 Compensation

Advanced Mobility Solutions

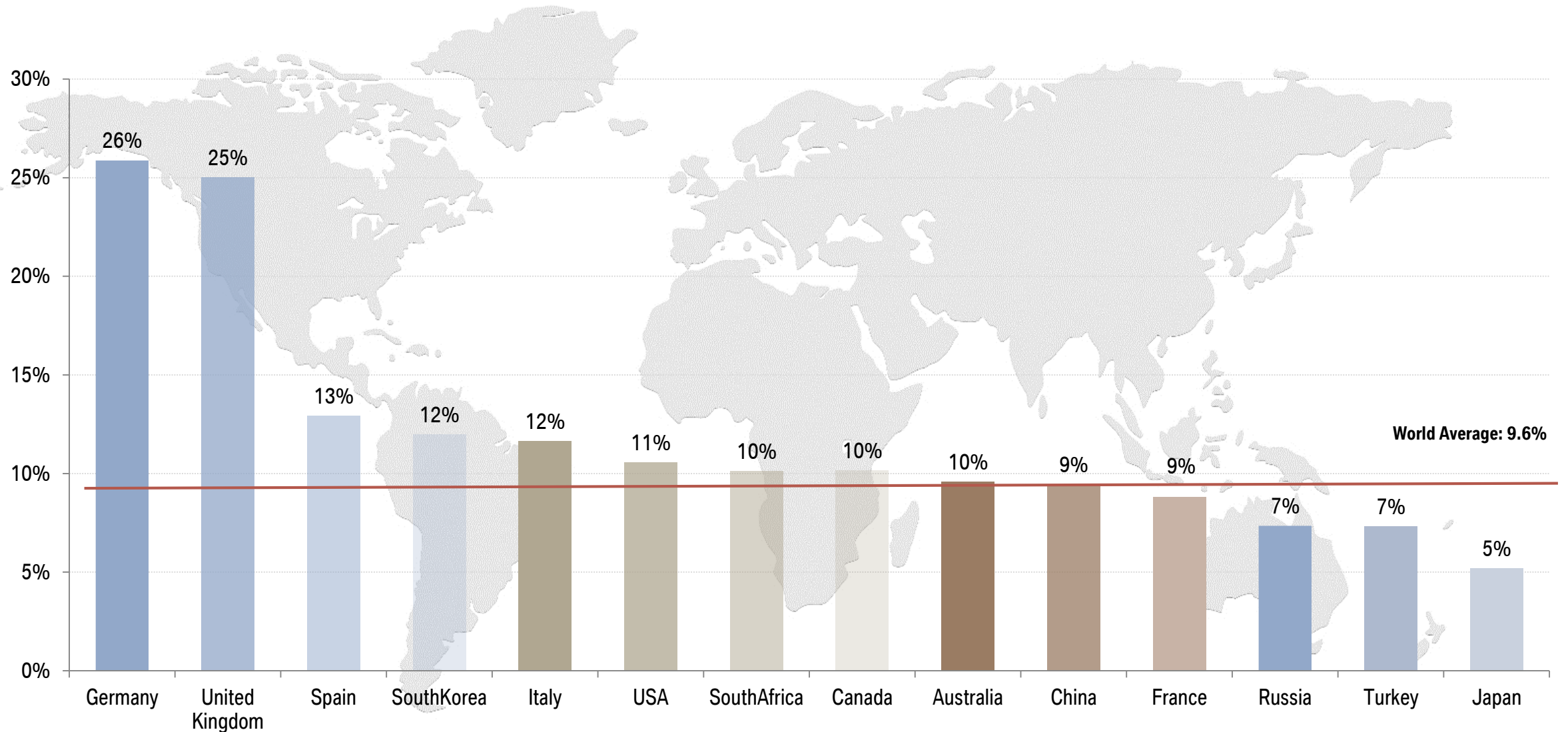
-  AlphaCity
-  AlphaElectric
-  AlphaGuide
-  AlphaFlex



CONTENT.

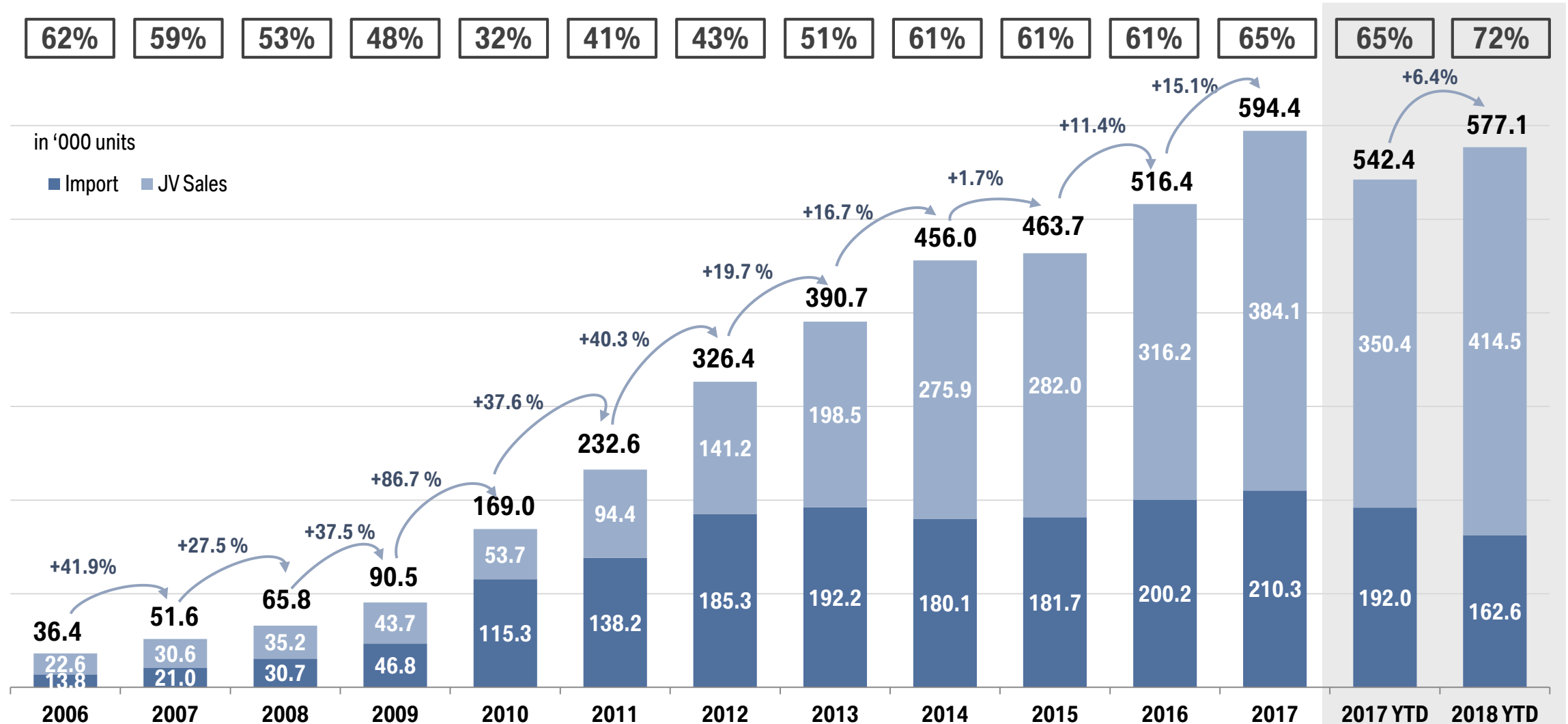
1	STRATEGY NUMBER ONE NEXT	8	FINANCIAL SERVICES
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7	MOTORCYCLES		

PREMIUM SEGMENT SHARE OF TOTAL MARKET 2018.



BMW AND MINI RETAIL SALES DEVELOPMENT IN MAINLAND CHINA YTD 11/2018.

Share of JV Sales (through BMW Brilliance Automotive)



GROWTH IN CHINA DESPITE MARKET NORMALIZATION. GROWTH OF DEALER NETWORK AND FURTHER LOCALIZATION.

BMW and MINI outlets in China (as of 31 December 2017)

Outlet	BMW	MINI
North	105	31
East	114	26
Southeast	95	19
West	142	31
South	142	28
Total	598	135

6 MODELS IN LOCAL PRODUCTION

5 SERIES



X1



3 SERIES



2 SERIES ACTIVE TOURER



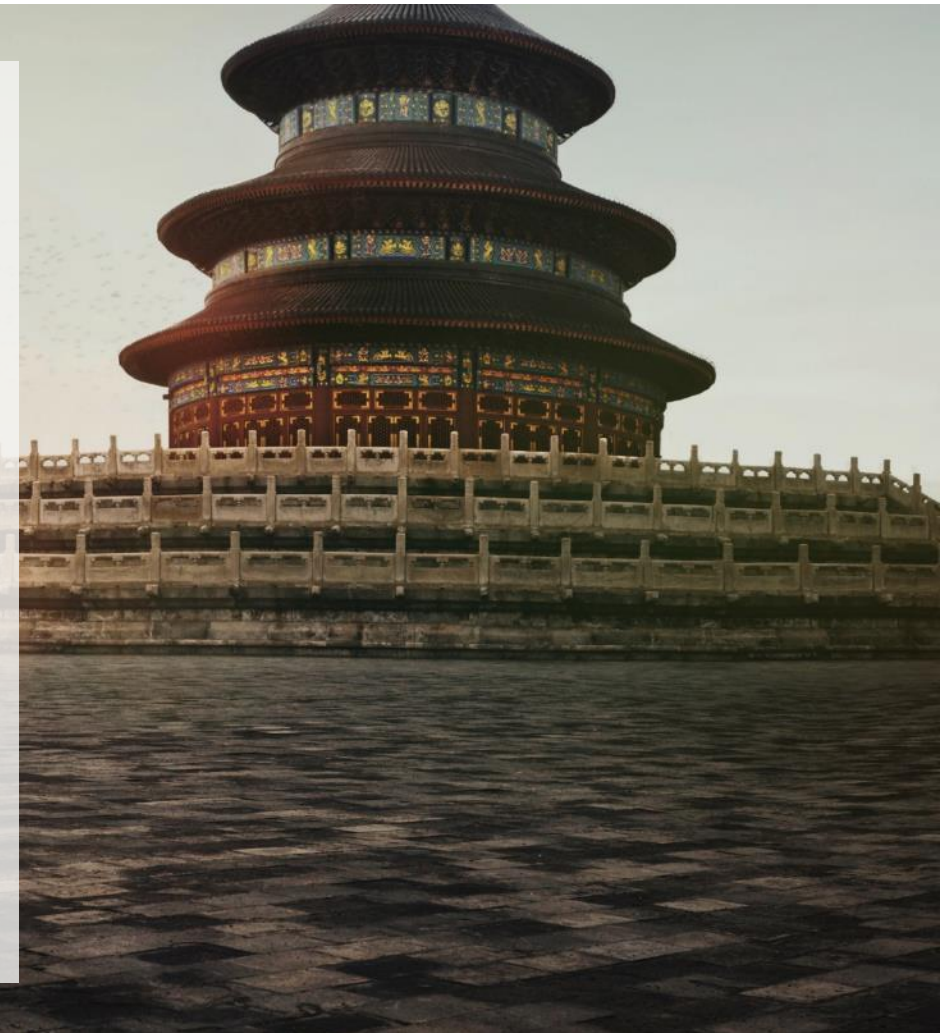
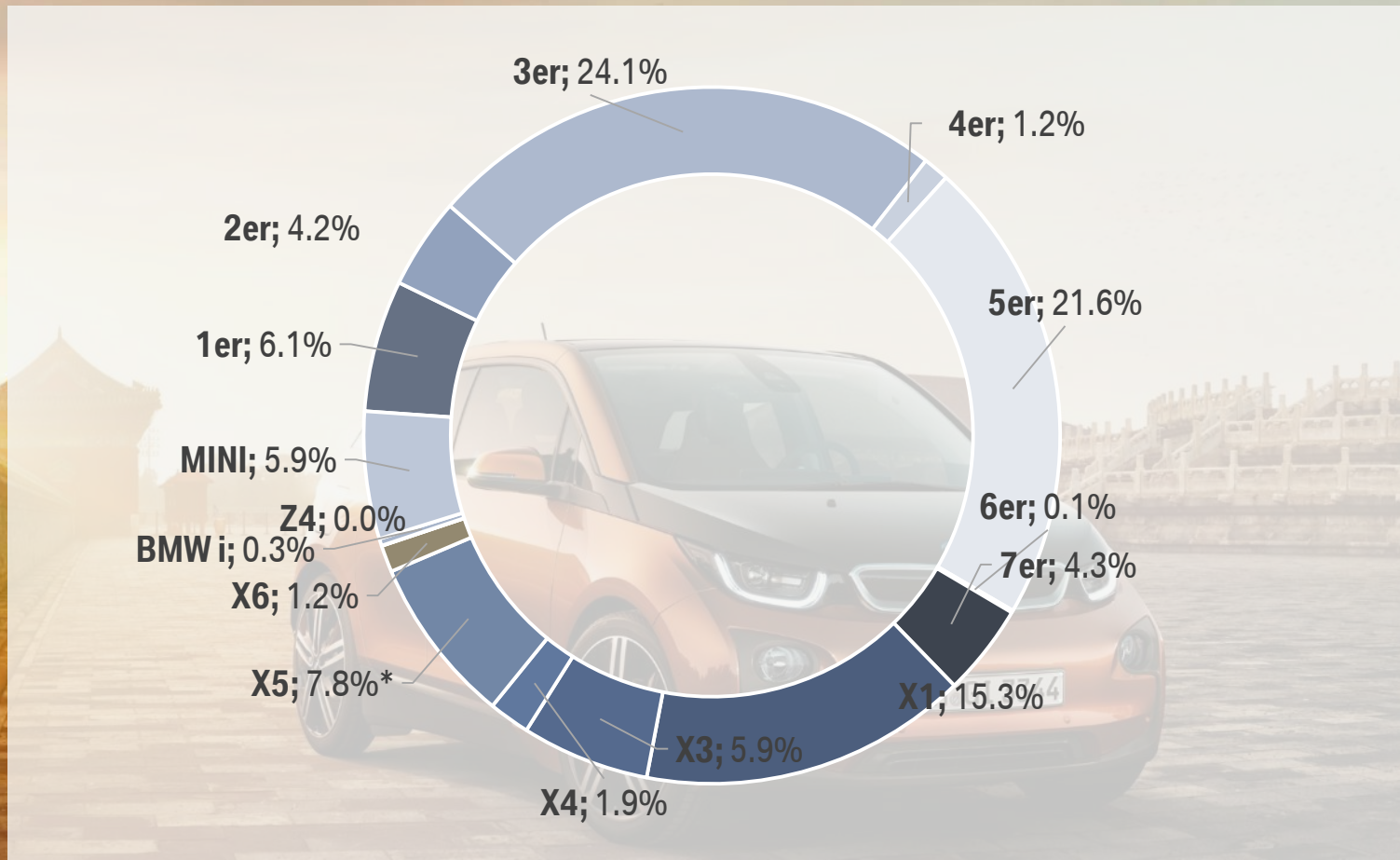
1 SERIES SEDAN



X3

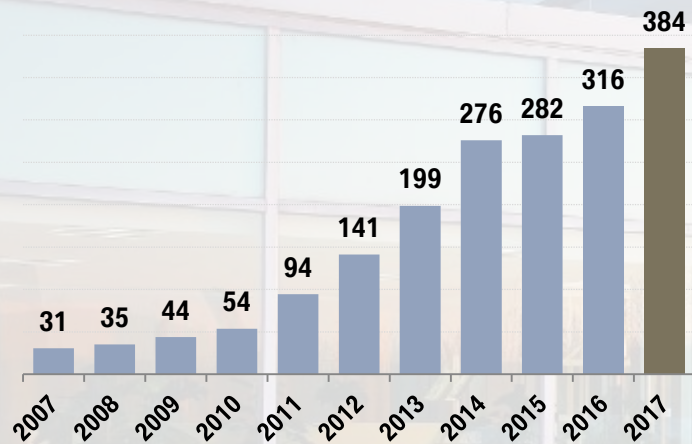


BMW AND MINI RETAIL MIX IN MAINLAND CHINA FY-2017.

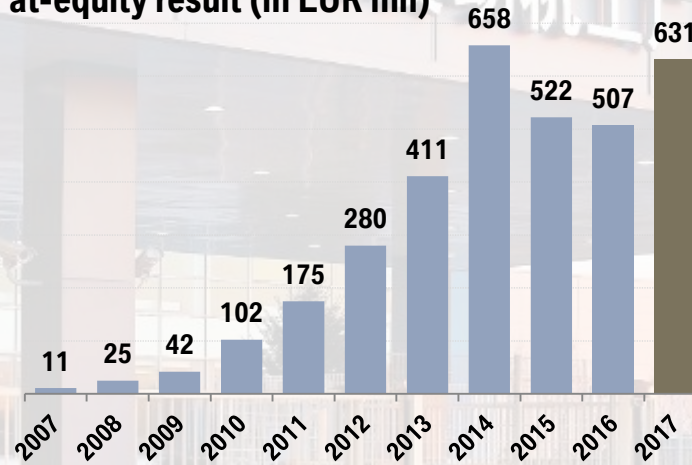


BMW BRILLIANCE AUTOMOTIVE – A SUCCESS STORY WITH GROWING REVENUE AND EARNINGS CONTRIBUTION.

BBA retail sales in 1,000 units



BBA's contribution to BMW Group's at-equity result (in EUR mn)



BMW Group revenues from goods and services sold to BBA (in EUR mn)



CONTENT.

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VISION 2020: THE BMW GROUP IS THE MOST SUCCESSFUL AND SUSTAINABLE PREMIUM PROVIDER OF INDIVIDUAL MOBILITY.

“ **The new era of mobility will be characterized by sustainability, connectivity and automated driving.** ”

HARALD KRÜGER, CEO BMW GROUP



SUSTAINABILITY IS FULLY INTEGRATED IN THE BMW GROUP AND LEADS TO TOP RATINGS.

1973

First environmental manager in the automotive industry.

2000

Executive Board resolution “Sustainability is a guiding principle of the BMW Group’s corporate strategy.”

2009

Establishment of Sustainability Circle and Board.
Corporate sustainability is declared as corporate target.

TOP RATINGS

- **Dow Jones Sustainability Indices:** BMW Group has been a Sustainability Leader in the Automotive Industry for over 15 years.



- **Carbon Disclosure Project:** Industry leader 2011, 2012, 2013, 2014, 2015, 2016, 2017.



- **FTSE4Good:** Listed in the FTSE4Good Index.

FTSE4Good

- **Oekom:** Corporate Responsibility Rating oekom, Status: Prime.



- **Sustainalytics:** Ranked No. 1 in the “DAX 30 Sustainalytics” (no update since 2011).



THE BMW GROUP IS THE MOST SUCCESSFUL AND SUSTAINABLE PREMIUM PROVIDER OF INDIVIDUAL MOBILITY.



**DEVELOPMENT OF
PRODUCTS AND SERVICES
FOR SUSTAINABLE
INDIVIDUAL MOBILITY**



**EFFICIENT USE OF
RESOURCES ALONG THE
ENTIRE VALUE CHAIN**



**RESPONSIBILITY
TOWARDS EMPLOYEES
AND SOCIETY**



SUSTAINABLE SUPPLY CHAIN MANAGEMENT. DUE DILIGENCE MEASURES ALONG THE PROCUREMENT PROCESS.

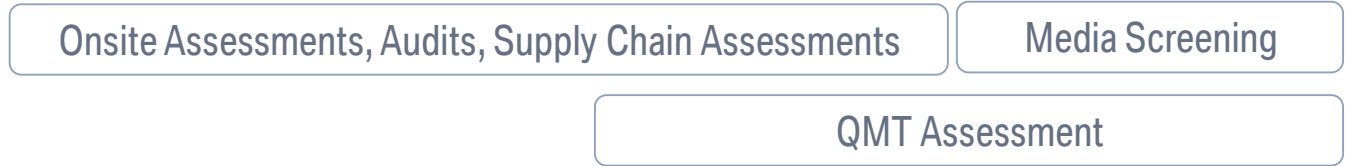
DUE DILIGENCE MEASURES



1) IDENTIFY, ANALYSE AND PRIORITIZE RISKS



2) REGULAR ASSESSMENTS OF SUPPLIERS



3) MEASURES TO PREVENT SUSTAINABILITY VIOLATIONS (CORRECTIVE ACTION PLANS)



SUSTAINABILITY IS INTEGRATED THROUGHOUT THE ENTIRE VALUE CHAIN.

Research & Development



Supply Chain



Production



Logistics & Transportation



Sales & Utilization



Disposal & Recycling



25%

reduction of CO₂ emissions of new 7 series over entire life cycle

69%

of production-relevant purchasing volume in CDP Supply Chain Program

5,616

supplier locations assessed on an industry-specific sustainability questionnaire

155 mn. €

savings based on resource efficiency since 2006

63%

share of renewable energy purchased from third parties

60%

of new vehicles leaving plants via railway

e-lorries

deployment of first all-electric lorries in the transport of goods near the plants

41%

(124 g/km) reduction of CO₂-emissions in European new car fleet since 1995

853,000

DriveNow and ReachNow customers worldwide

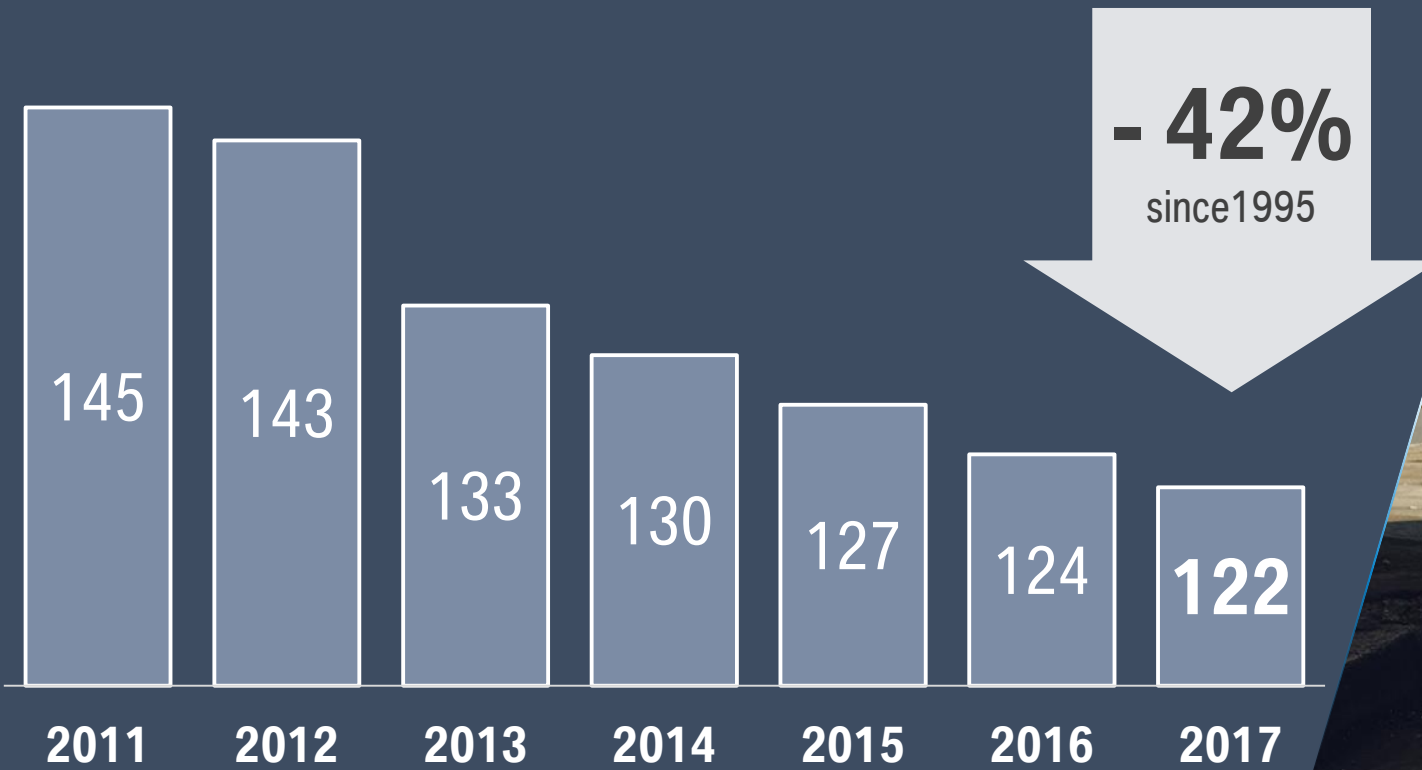
95%

of end-of-life vehicle recycled / disposed



CONSISTENT REDUCTION OF OUR CO₂ FLEET EMISSIONS TO MEET STRICT REGULATIONS.

FLEET EMISSIONS EU-28 IN G CO₂/KM



CONTENT.

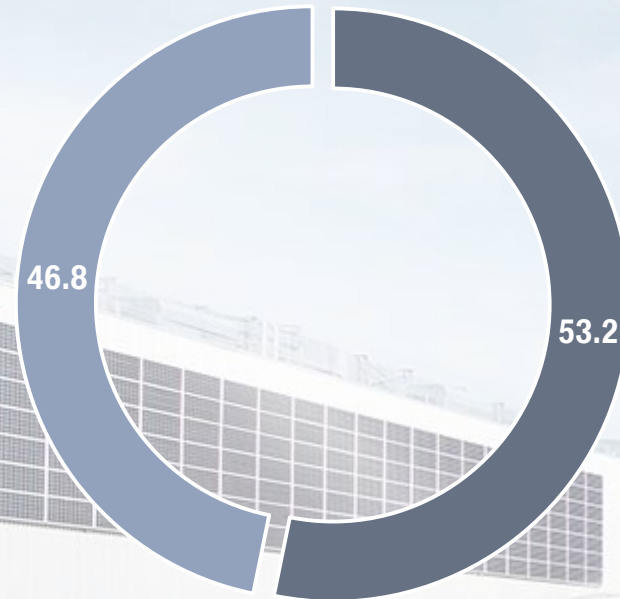
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BMW AG SHAREHOLDER STRUCTURE SUPPORTIVE FOR LONG-TERM ORIENTATION OF THE COMPANY.

Ownership of BMW AG's ordinary shares (in %)

■ Free Float

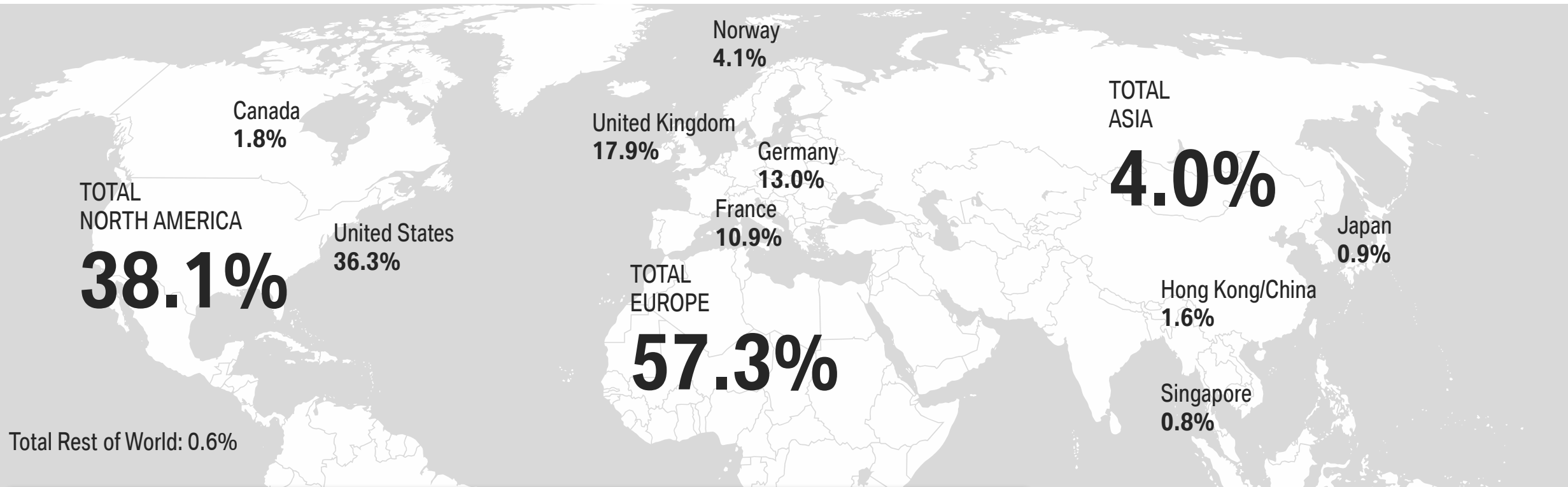
■ Strategic shareholders*



* Strategic shareholders as of 16 February 2018: AQTON SE, Bad Homburg v.d. Höhe (9.0%) and AQTON GmbH & Co. KG für Automobilwerte, Bad Homburg v.d. Höhe (16.6%) held by Stefan Quandt, Susanne Klatten Beteiligungs GmbH, Bad Homburg v.d. Höhe (20.7%), Susanne Klatten (0.2%), Stefan Quandt (0.2%)



DIVERSIFIED SHAREHOLDER STRUCTURE: GEOGRAPHICAL DISTRIBUTION OF INSTITUTIONAL EQUITY INVESTORS.



- The TOP 30 aggregated institutional shareholders represent 200m BMW shares.
- This is a share of 30.4% out of 656m outstanding shares.
- Majority of investors is long-term oriented.



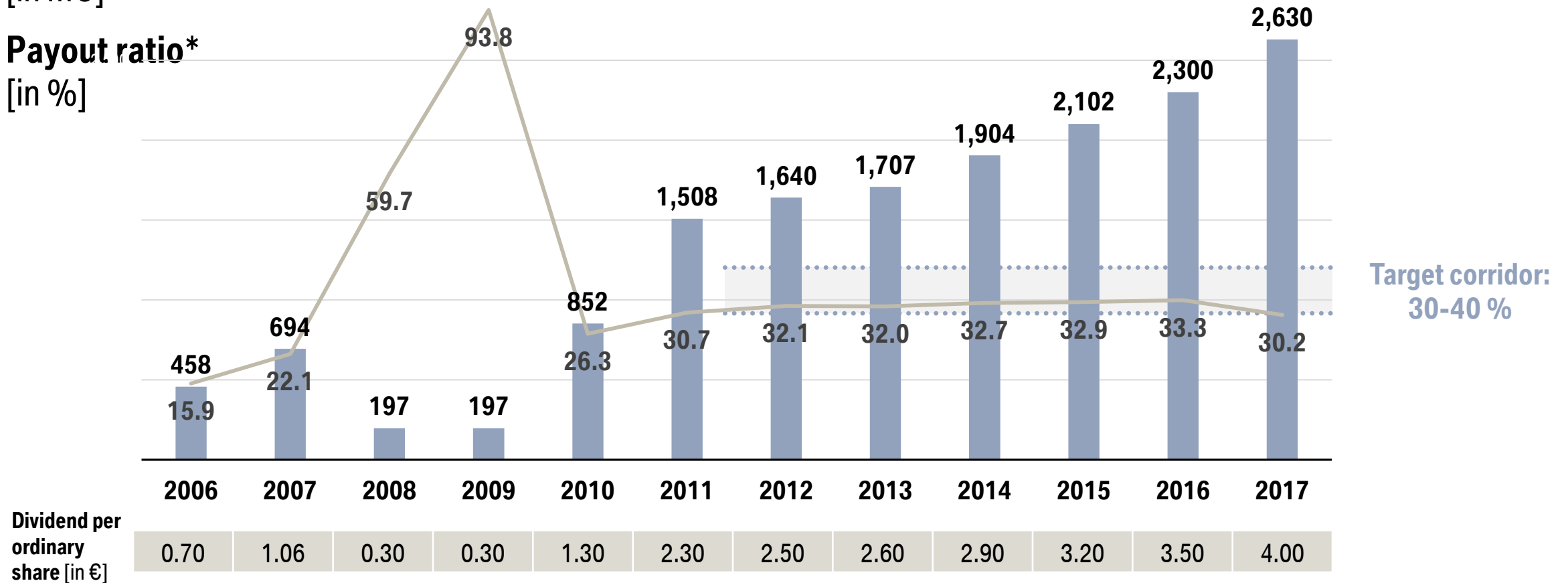
DIVIDEND DEVELOPMENT & PAYOUT RATIO. STRATEGIC TARGET PAYOUT RATIO: 30-40%.

Total Dividend payout to BMW AG shareholders

[in m€]

Payout ratio*

[in %]



CONTENT.

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BMW GROUP'S FINANCE STRATEGY COVERS THE ENTIRE AUTOMOTIVE VALUE CHAIN.

BMW GROUP CORPORATE FINANCE STRATEGY REFLECTS THE INDUSTRIAL NATURE OF THE BUSINESS AND IS FOCUSED ON THE ENTIRE AUTOMOTIVE VALUE CHAIN.

Automotive value chain



Research & Development



Production



Sales & Marketing



Financial Services



BROAD INVESTOR BASE.

Canada
CAD ABS
CAD Bonds
Project Financing
EDC

USA
USD Commercial Paper
USD Bonds (144A)
USD US PP
USD ABS
BCD/ICD

Mexico
Project Financing
Plant funding

Brazil
BRL ABS
Project Financing
Plant funding

Europe
EUR Commercial Paper
French Commercial Paper
EMTN Private Placements
EUR Bonds
GBP Bonds
CHF Bonds
ECB
Deposits
EUR ABS
GBP ABS
CHF ABS

Project Financing
EIB Plant funding
KFW Tools

India
INR Bonds
INR Promissory Notes

South Africa
ZAR ABS
ZAR Bonds

China
RMB ABS
China Financial Bonds
Project Financing
JV Brilliance

Australia
AUD (AMTN) Bonds
AUD ABS

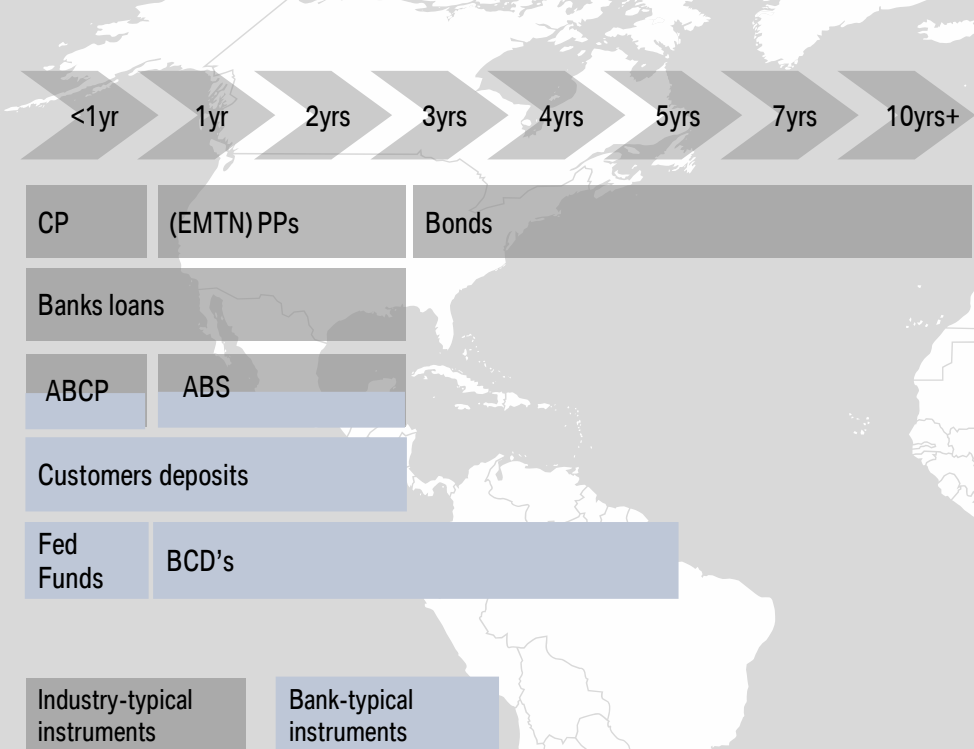
South Korea
KRW Bonds
USD/KRW ABS

Japan
JPY SSD
JPY ABS

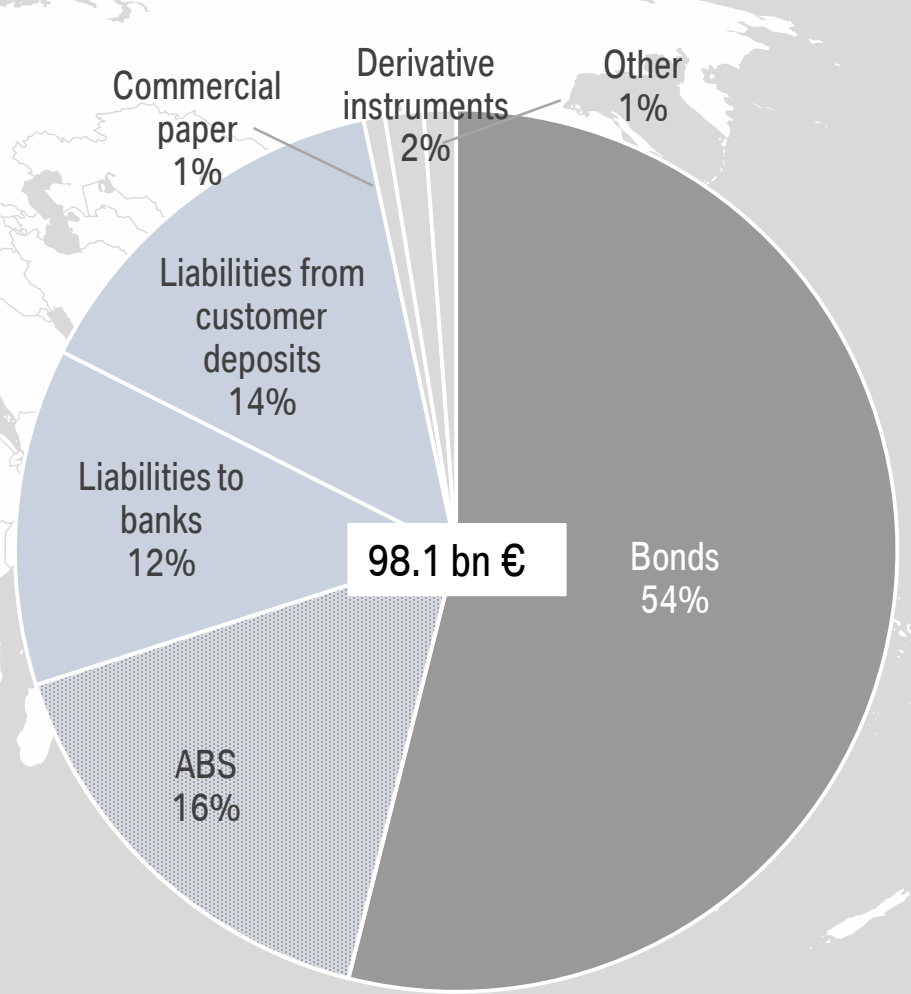


DIVERSIFIED FUNDING MIX WITH A COMBINATION OF INDUSTRY AND BANK TYPICAL FINANCING INSTRUMENTS.

Funding Instruments



Financial Debt as of 30.09.2018

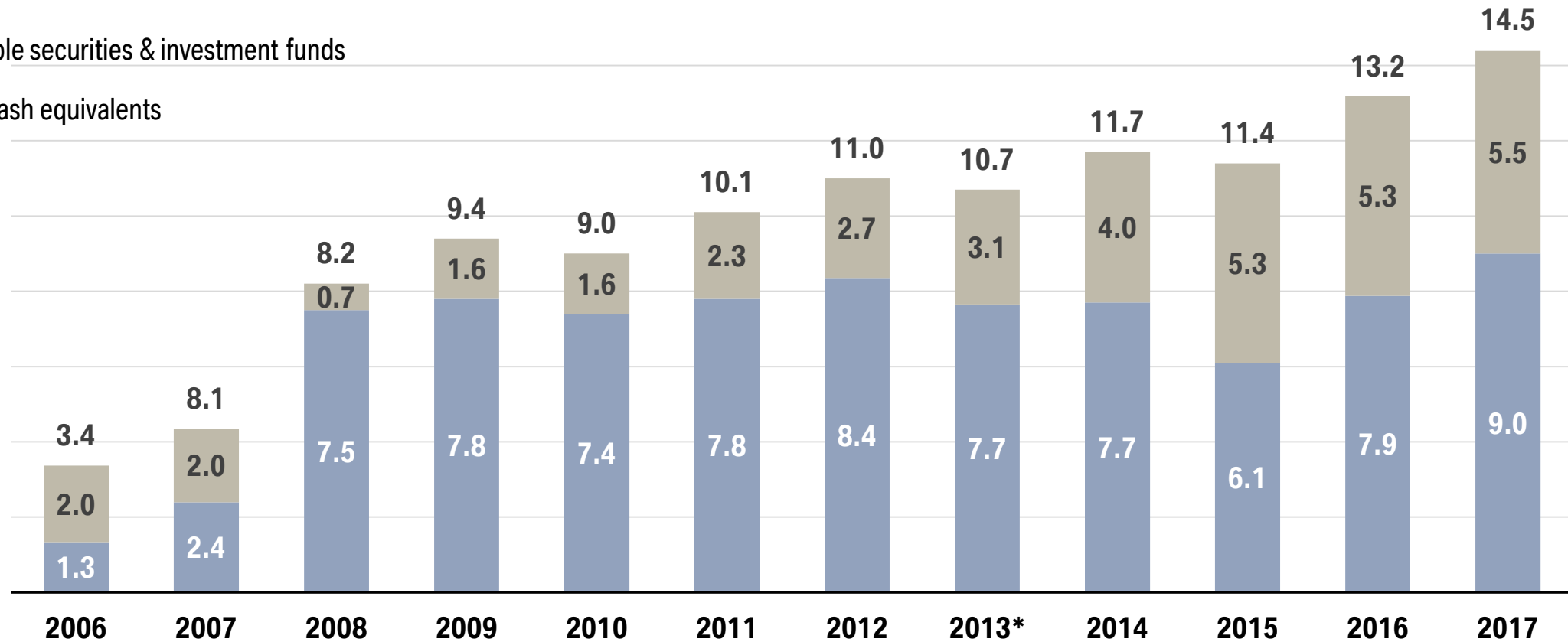


BMW Group continues to target a well diversified debt structure

BMW GROUP CONTINUES TO MAINTAIN A SOLID LIQUIDITY POSITION.

Group Liquidity [in bn€]

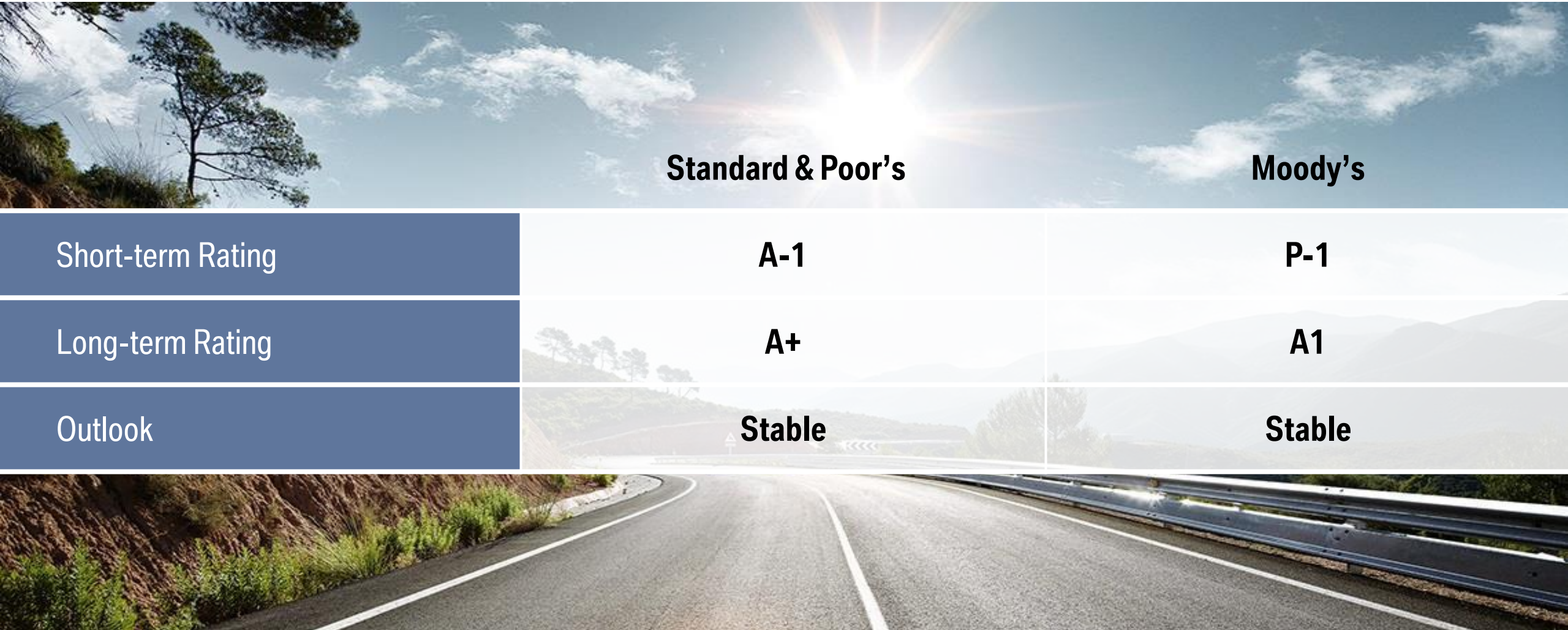
- Marketable securities & investment funds
- Cash & cash equivalents



DEVELOPMENT OF 5-YEAR CDS.



BMW GROUP WITH BEST RATING AMONG EUROPEAN AUTOMOTIVE MANUFACTURERS AND BEST RATING FOR PREMIUM MANUFACTURERS GLOBALLY.



	Standard & Poor's	Moody's
Short-term Rating	A-1	P-1
Long-term Rating	A+	A1
Outlook	Stable	Stable

CONTENT.

1	STRATEGY NUMBER ONE NEXT	8	FINANCIAL SERVICES
2	E-MOBILITY	9	MARKETS
3	AUTONOMOUS DRIVING	10	SUSTAINABILITY
4	MOBILITY SERVICES	11	BMW SHARES
5	GROUP FINANCIALS	12	DEBT & RATINGS
6	AUTOMOTIVE	13	CONTACT & CALENDAR
7	MOTORCYCLES		

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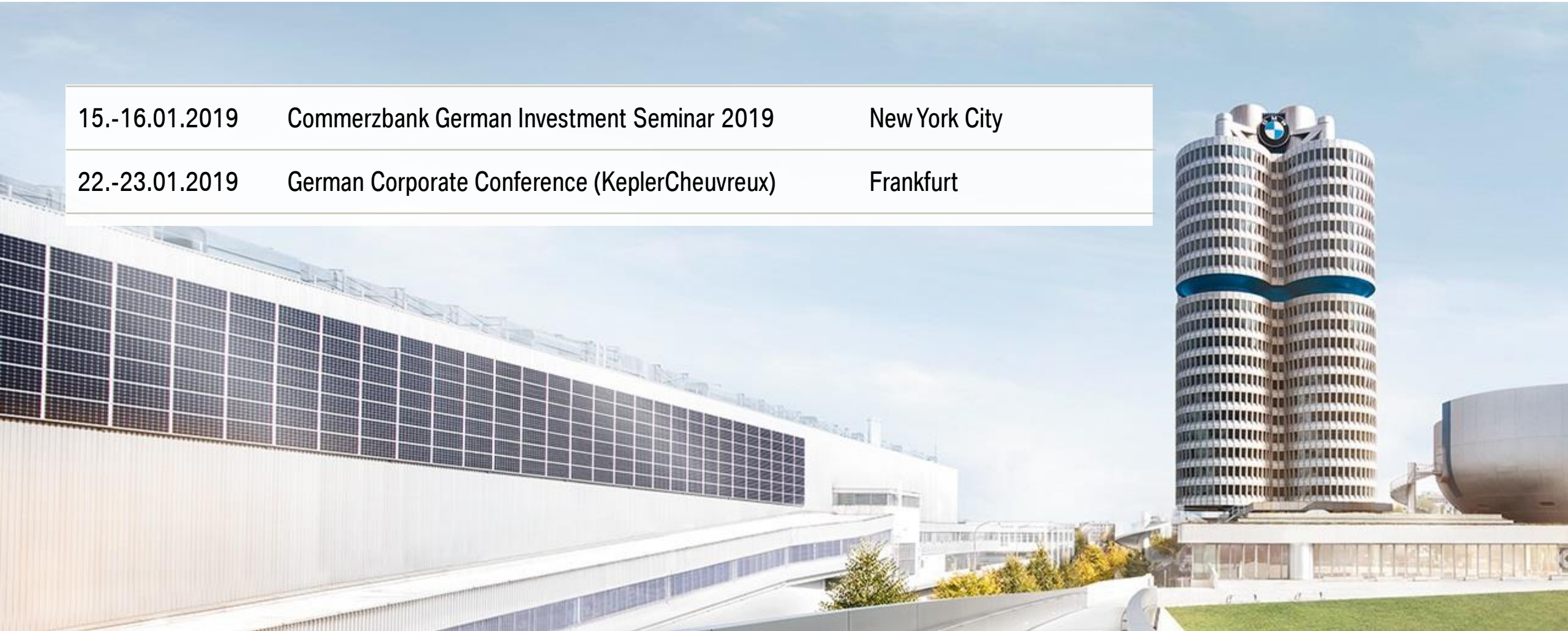
BMW GROUP INVESTOR RELATIONS. FINANCIAL CALENDAR 2018 & 2019.

20.03.2019	Annual Accounts Press Conference
21.03.2019	Analyst and Investor Conference
07.05.2019	Quarterly Report to 31 March 2019
16.05.2019	Annual General Meeting 2019
01.08.2019	Quarterly Report to 30 June 2019



BMW GROUP INVESTOR RELATIONS. ON THE ROAD Q1-2019.

15.-16.01.2019	Commerzbank German Investment Seminar 2019	New York City
22.-23.01.2019	German Corporate Conference (KeplerCheuvreux)	Frankfurt



DISCLAIMER.

This document contains forward-looking statements that reflect BMW Group's current views about future events. The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "can," "could," "plan," "project," "should" and similar expressions are used to identify forward-looking statements.

These statements are subject to many risks and uncertainties or may be affected by factors outside BMW Group's control, including adverse developments in global economic conditions resulting in a decline in demand in BMW Group's key markets, including China, North America and Europe; a deterioration in credit and financial markets; a shift in consumer preferences affecting demand for BMW Group's products; changes in the prices of fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; the effective implementation of BMW Group's strategic goals and targets; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; and other risks and uncertainties, including those described under the heading "Report on Risks and Opportunities" in BMW Group's most recent Annual Report.

If any of these risks and uncertainties materializes or if the assumptions underlying any of BMW Group's forward-looking statements prove to be incorrect, actual results may be materially different from those BMW Group expresses or implies by such statements. BMW Group does not intend or assume any obligation to update these forward-looking statements.

