

ANALYST AND INVESTOR CONFERENCE.



**BMW
GROUP**



Rolls-Royce
Motor Cars Limited

AGENDA.

OPENING STATEMENT

FINANCIAL YEAR 2017

Outlook 2018

PROGRESS

Strategy NUMBER ONE > NEXT



HARALD KRÜGER

CHAIRMAN OF THE BOARD OF MANAGEMENT
OF BMW AG



Financial Year 2017: We achieved all of our targets.

Financial Year 2018: We are striving for new all-time-highs.



PHASE II





Clear Customer Focus.

Lead the Technological Change.
Campus for Autonomous Driving.





2.5 billion euros in vocational and professional training since 2009.

EU fleet average CO₂ emissions down to 122 g/km.



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DR NICOLAS PETER

MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG
FINANCE

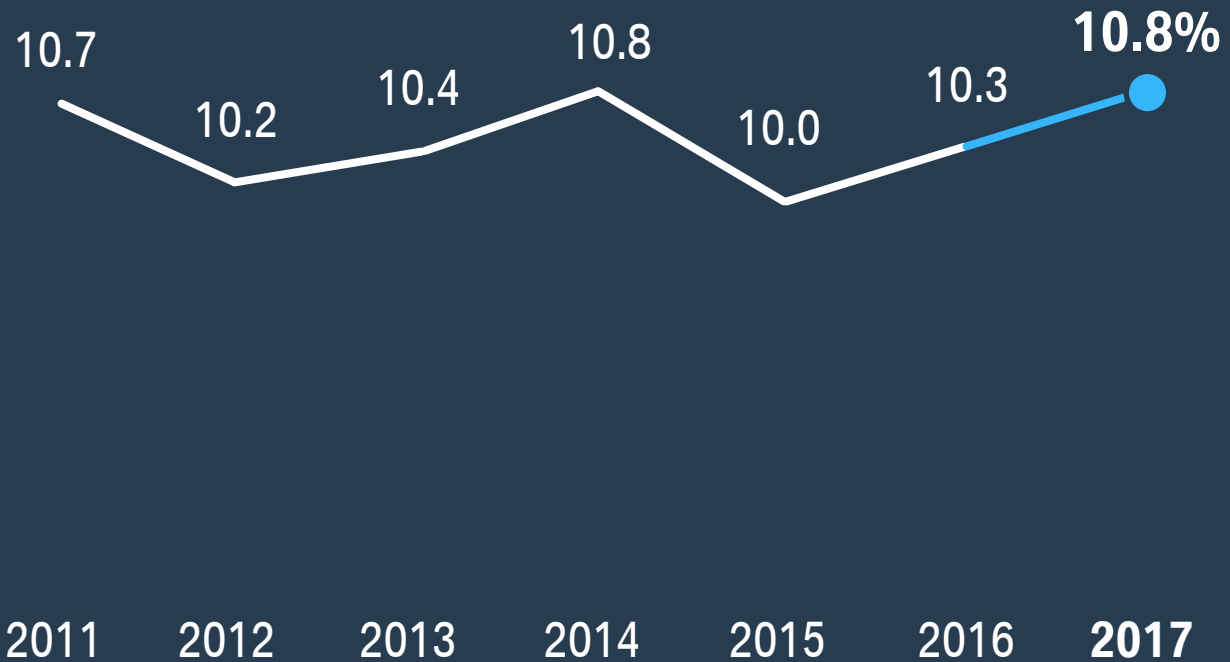


**CONSISTENT HIGH PERFORMANCE CONTINUES.
THE BMW GROUP ACHIEVED A NEW RECORD YEAR IN 2017.**



GROUP EBT MARGIN OVER 10% FOR SEVENTH CONSECUTIVE YEAR.

EBT margin
[in %]



KEY FINANCIALS UNDERLINE BMW GROUP'S STRONG OPERATING PERFORMANCE.

in m€	2017	2016	Change [%]
Automobile deliveries [units]	2,463,526	2,367,603	+ 4.1
Revenues Group	98,678	94,163	+ 4.8
Earnings before tax Group	10,655	9,665	+ 10.2
EBT margin [in %] – Group	10.8	10.3	–
Net profit Group	8,706	6,910	+ 26.0



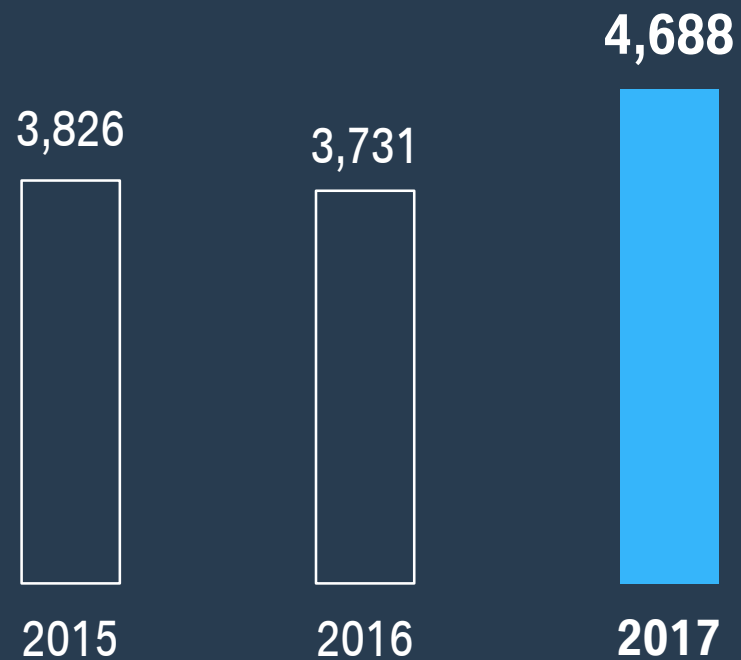
STRONG FOURTH QUARTER DESPITE HIGH UPFRONT INVESTMENTS.

in m€	2017	2016	Change [%]
Automobile deliveries [units]	652,292	620,965	+ 5.0
Revenues Group	26,007	24,934	+ 4.3
Earnings before tax Group	2,173	1,924	+ 12.9
EBT margin [in %] – Group	8.4	7.7	–
Net profit Group	2,554	1,499	+ 70.4
EBIT margin Automotive segment [in %]	8.4	8.3	–



MOVING FORWARD: GROUP CAPITAL EXPENDITURE UP BY ALMOST ONE BILLION EUROS.

Capital expenditure*
[in m€]



* Excluding capitalised development costs



WORLDWIDE INVESTMENT IN EXPANSION OF PRODUCTION AND DEVELOPMENT NETWORK.



FIZ FUTURE



CAMPUS
AUTONOMOUS DRIVING

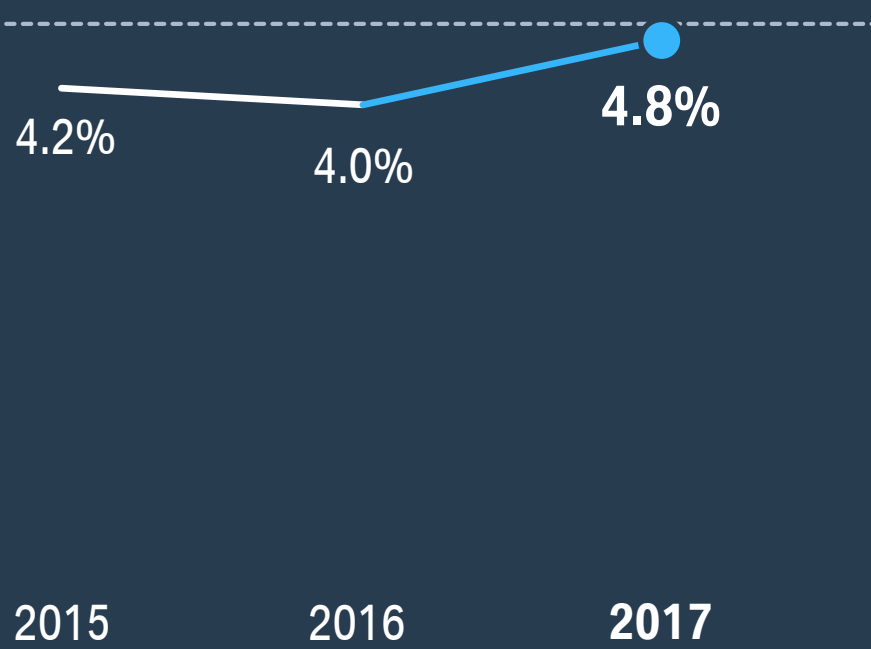


BATTERY CELL
COMPETENCE CENTRE

CAPEX RATIO RISES TO 4.8%, AS PLANNED.

Capex ratio
BMW Group*

Target: <5%



* Excluding capitalised development costs

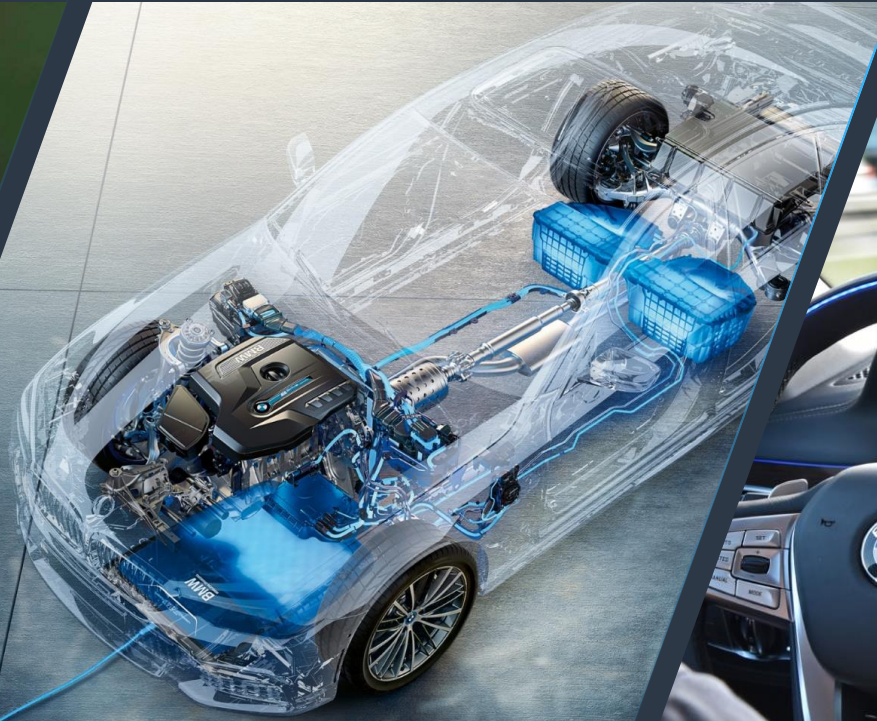


R&D EXPENDITURE ALMOST ONE BILLION EUROS HIGHER IN 2017.

CONNECTED
DRIVE



E-MOBILITY

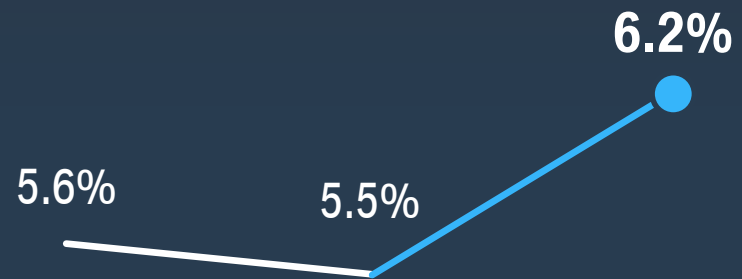


AUTONOMOUS
DRIVING

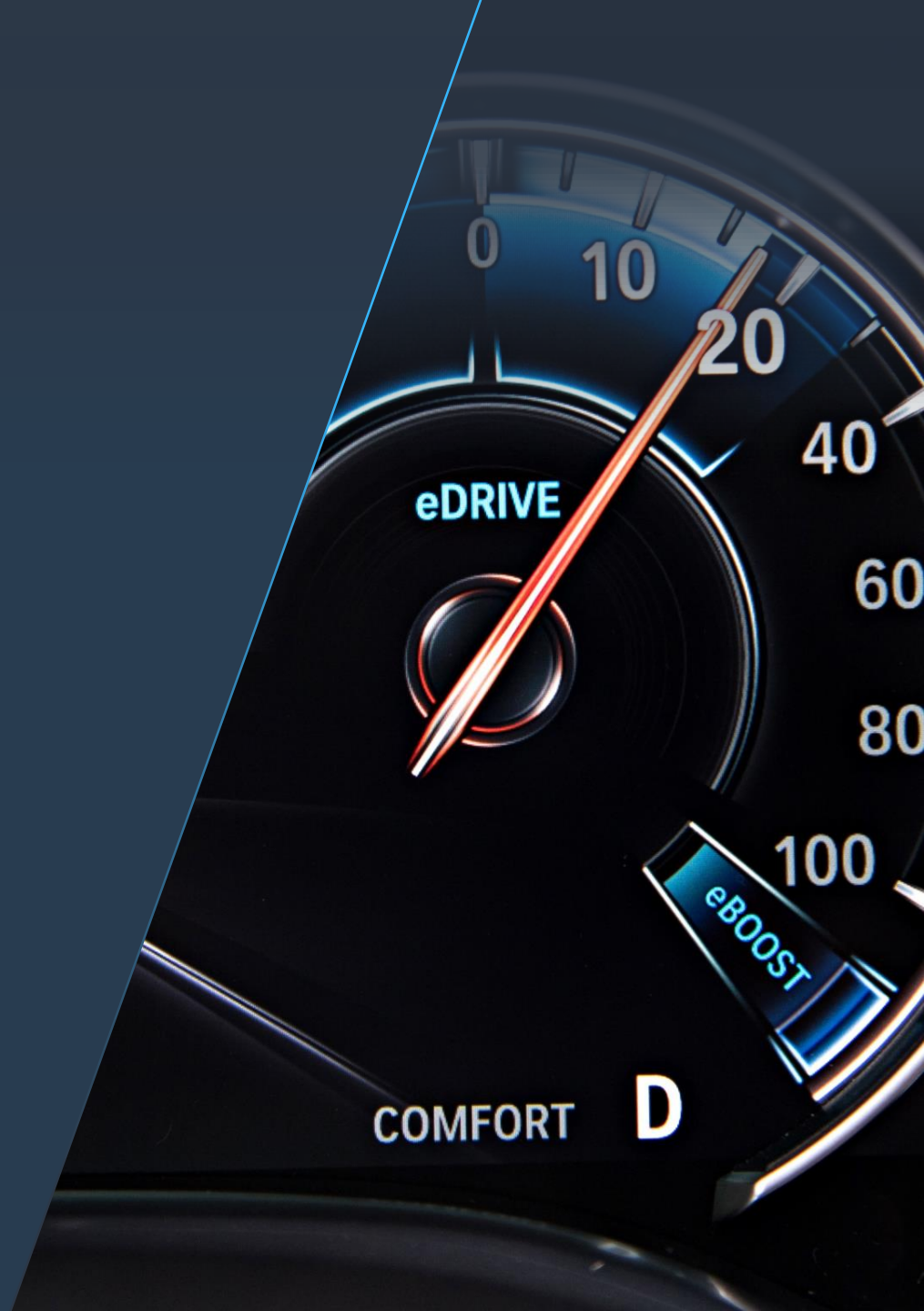
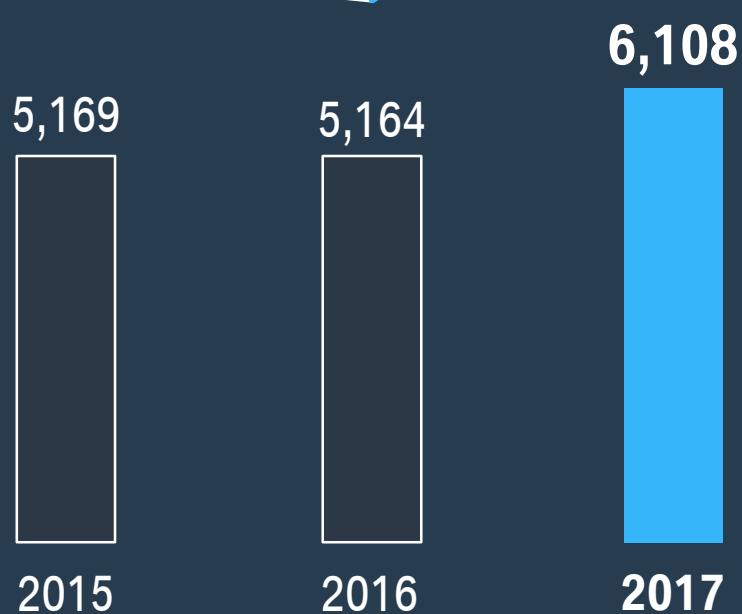


R&D RATIO 2017 INCREASES TO 6.2%, AS EXPECTED.

R&D ratio (HGB)
BMW Group

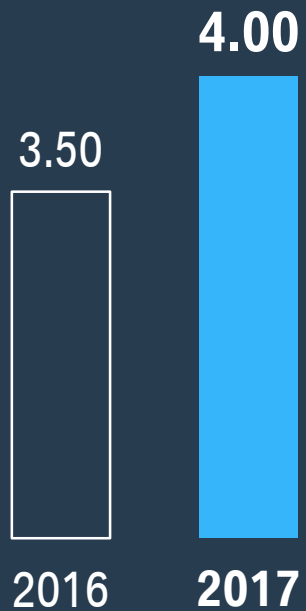


R&D expenditure (HGB)
[in m€]

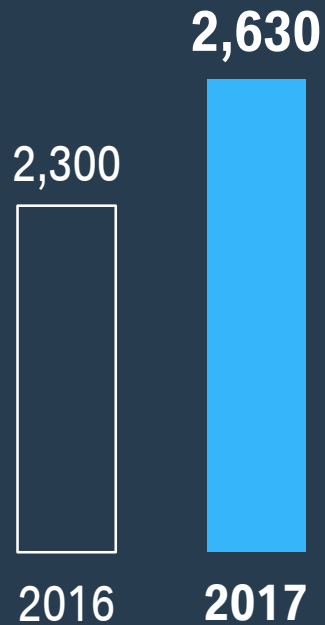


PROPOSED DIVIDEND INCREASE TO 4.00 EUROS. PAY-OUT RATIO OF 30.2%.

Dividend per common share
[in €]



Total dividend pay-out
[in m€]



AUTOMOTIVE SEGMENT EBIT MARGIN AT 8.9%. CORE BUSINESS REMAINS ON TRACK FOR SUCCESS.

in m€	2017	2016	Change [%]
Deliveries [units]	2,463,526	2,367,603	+ 4.1
Revenues	88,581	86,424	+ 2.5
Earnings before interest and tax [EBIT]	7,863	7,695	+ 2.2
EBIT margin [in %]	8.9	8.9	—
Earnings before tax [EBT]	8,691	7,916	+ 9.8



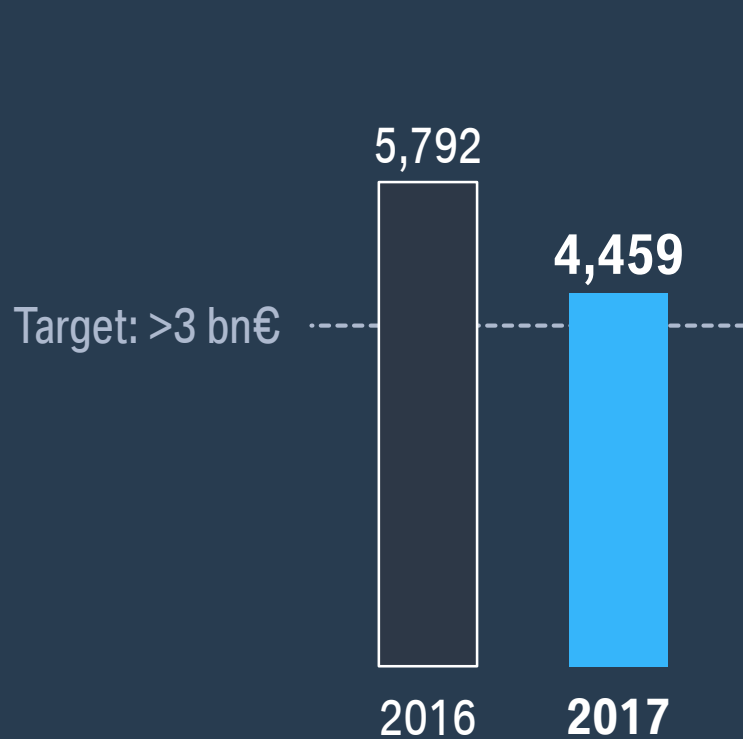
EBIT BRIDGE IN AUTOMOTIVE SEGMENT SHOWS POSITIVE EFFECTS FROM VOLUME AND MODEL MIX.

EBIT bridge
[in m€]

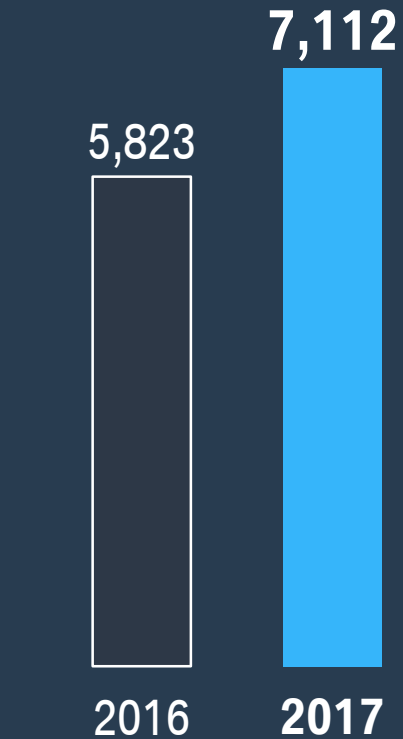


FREE CASH FLOW IN AUTOMOTIVE SEGMENT REMAINS STRONG, DESPITE SIGNIFICANTLY HIGHER INVESTMENTS.

Free cash flow
[in m€]



Total capital expenditure*
[in m€]

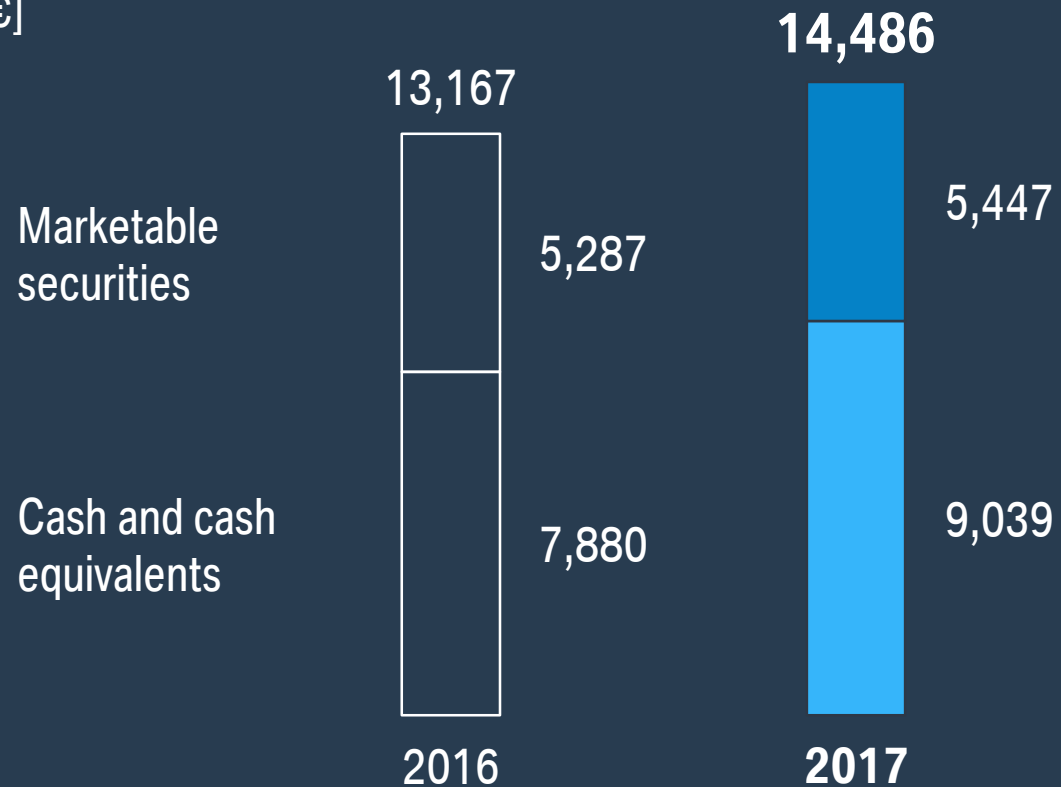


* Incl. capitalised development costs



HIGH GROUP LIQUIDITY ENABLES US TO CHART OUR OWN COURSE.

Liquidity
[in m€]



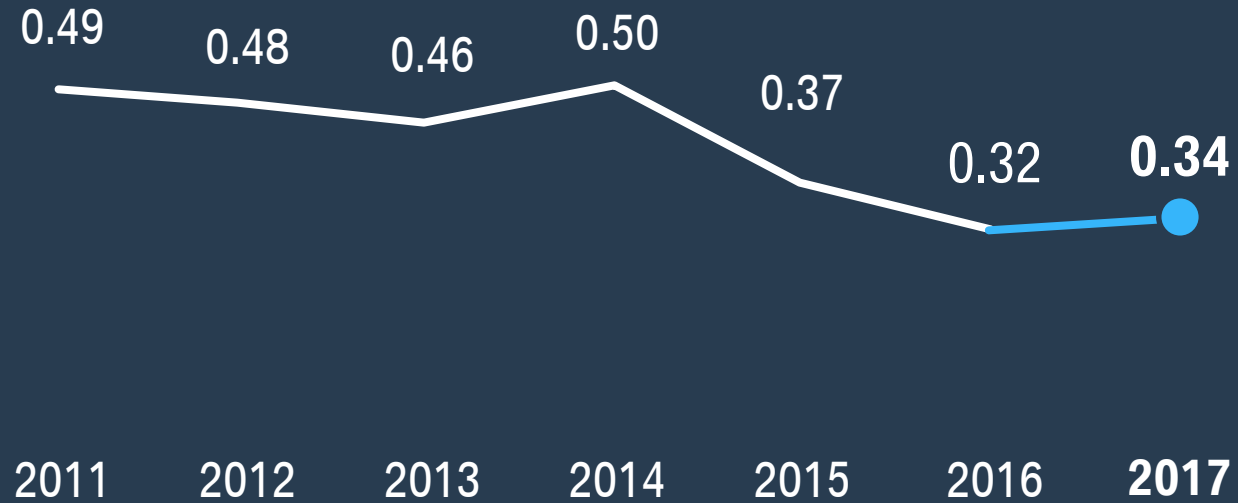
FINANCIAL SERVICES SEGMENT PERFORMED WELL IN 2017 DESPITE TOUGH COMPETITION.

in m€	2017	2016	Change [%]
Contracts with new customer [units]	1,828,604	1,811,157	+ 1.0
Total volume of new customer contracts	55,049	55,327	- 0.5
Earnings before tax [EBT]	2,207	2,166	+ 1.9
Return on equity [in %]	18.1	21.2	—
Penetration rate [in %]	46.8	49.6	—



RISK SITUATION FOR ENTIRE PORTFOLIO REMAINS STABLE.

Credit loss ratio per year
[in %]



NEW ALL-TIME HIGHS IN **MOTORCYCLES SEGMENT**, THANKS TO STRONG MODEL OFFENSIVE.

in m€	2017	2016	Change [%]
Deliveries [units]	164,153	145,032	+ 13.2
Revenues	2,283	2,069	+ 10.3
Earnings before interest and tax [EBIT]	207	187	+ 10.7
EBIT margin [in %]	9.1	9.0	–
Earnings before tax [EBT]	205	185	+ 10.8



SLOWER GROWTH IN NEW LEASING BUSINESS HAS POSITIVE IMPACT ON ELIMINATIONS.

in m€	2017	2016	Change [%]
Automotive	8,691	7,916	+ 9.8
Motorcycles	205	185	+ 10.8
Financial Services	2,207	2,166	+ 1.9
Other Entities	80	170	- 52.9
Eliminations	- 528	- 772	+ 31.6
BMW Group	10,655	9,665	+ 10.2

OUTLOOK FOR 2018: POSITIVE BUSINESS DEVELOPMENT EXPECTED TO CONTINUE IN ALL SEGMENTS.



BMW GROUP

Pre-tax earnings at least at previous year's level



AUTOMOTIVE

Slight increase in deliveries and revenues compared to the previous year

EBIT margin in target corridor of 8-10%



MOTORCYCLES

Solid 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

THE BMW GROUP HAS THE RIGHT FOUNDATION. WE CONTINUE TO FOLLOW OUR OWN PATH.

- EBIT margin within target range for past eight years.
- Clear strategic focus.
- Highest level of investment in company history.



AGENDA.

OPENING STATEMENT

FINANCIAL YEAR 2017
Outlook 2018

PROGRESS

Strategy NUMBER ONE > NEXT



STRATEGY
NUMBER ONE  **NEXT**



BMW GROUP: 30 PRODUCTION SITES IN 14 COUNTRIES.

- Automobile Production Plants
- △ Assembly Plants
- Engines / Components
- BMW Group
- Joint Venture
- Partner Plants / Contract Manufacturing



USA.

- Spartanburg is our biggest plant.
- 70,000 direct / indirect jobs.
- >70% of vehicles produced are exported.
- Leading automotive exporter by value.
- Second largest purchasing market worldwide.



>350,000
vehicles sold in 2017

slight growth
expected in 2018

CHINA.

- Largest single market.
- Two car production plants and one engine plant.
- Joint Venture with Brilliance: new BMW X3, starting in mid-2018.
- Planned Joint Venture with Great Wall Motor: pure electric MINI vehicles.



>595,000
vehicles sold in 2017

solid growth
expected in 2018

EUROPE.

- 2012 to 2016:
6 billion euros invested
in German locations.
- UK will remain an important
production location.



>1.1 million

vehicles sold in 2017

slight increase
expected in 2018

BMW CONCEPT
M8 GRAN COUPÉ.



BMW CONCEPT 8 SERIES.



BMW CONCEPT
X7 iPERFORMANCE.



ROLLS-ROYCE PHANTOM.
ROLLS-ROYCE CULLINAN.



**MODEL OFFENSIVE.
STRONG GROWTH IN THE X FAMILY.**



BMW X2



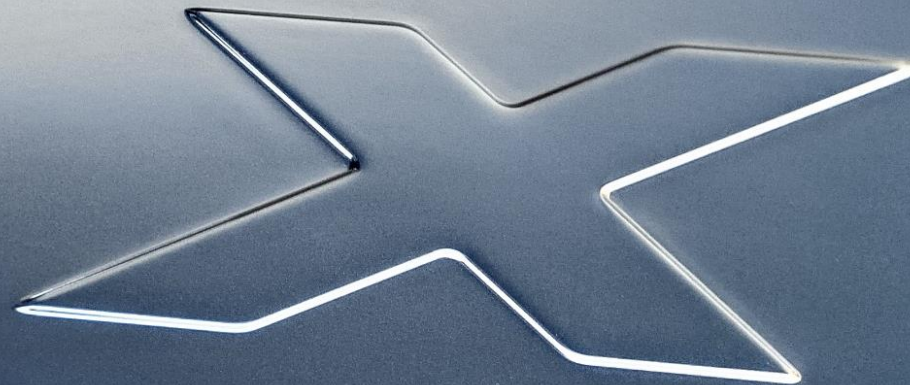
BMW X3



BMW X4



BMW Concept X7 iPerformance

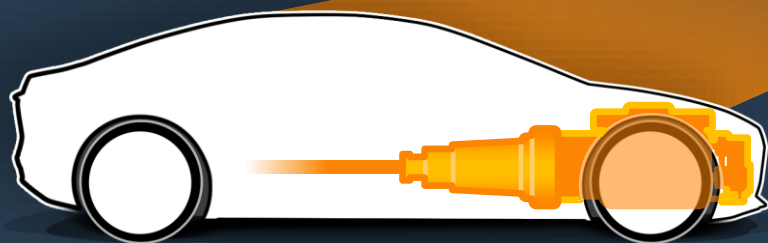


COMMON ARCHITECTURE FOR ANY TYPE OF DRIVETRAIN.

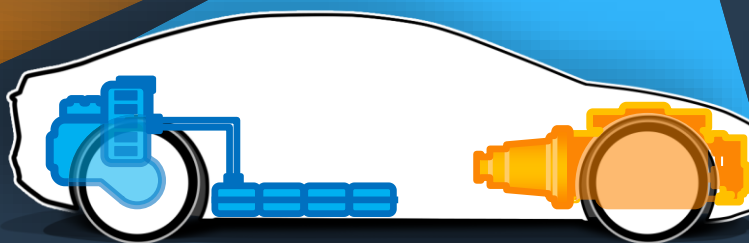
2013



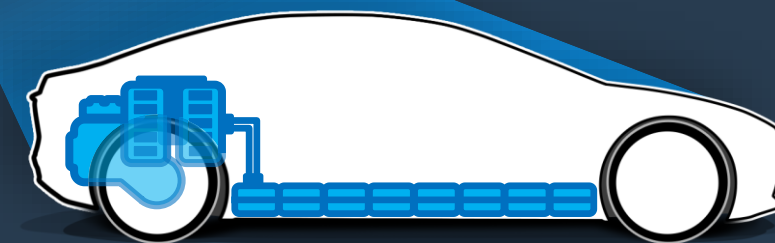
2020
ONWARDS



Combustion engine



Plug-in hybrid



Pure electric

MINI ELECTRIC CONCEPT.
MINI COUNTRYMAN PLUG-IN HYBRID.



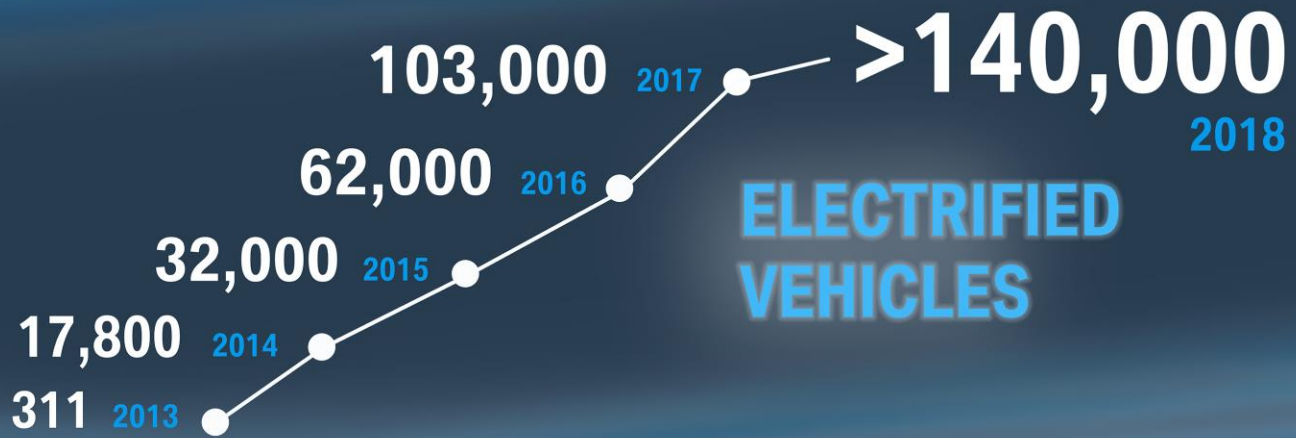
BMW i8 ROADSTER.
BMW i8 COUPÉ.



BMW iNEXT.

- Far more than just a car.
- A future-proof, scalable modular system.
- Enabler of all our brands and our company.
- Combines Autonomous Driving, Connectivity, Electrification and Services.





500,000
BY THE END OF 2019
ON THE ROAD

MODERN BMW DIESEL TECHNOLOGY.

- Independent tests: Our diesels are among the best in the world.
- Diesel is important for meeting EU CO₂ targets.
- There are more intelligent solutions than bans.
- Return of our BMW diesels in case of bans in Germany – a promise to our leasing customers.



AUTONOMOUS DRIVING. OUR GOAL: AN INTELLIGENT, SAFE VEHICLE.



MOBILITY SERVICES.

- Options for strategic development.
- 100 million active customers by 2025.
- A complete, all-inclusive ecosystem for our customers.



DriveNow



ChargeNow



ParkNow



ReachNow



CONCLUSION.

- We intend to make 2018 our ninth record year.
- Phase II: We are pushing forward at top speed.
- Our future will be electric and fully connected.
- The customer is at the heart of everything we do.



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.

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