

BMW GROUP

INVESTOR FACTBOOK



April 2017

BMW
GROUP

THE NEXT
100 YEARS 



Rolls-Royce
Motor Cars Limited

CONTENT.

1

STRATEGY NUMBER ONE NEXT

2

E-MOBILITY

3

AUTONOMOUS DRIVING

4

MOBILITY SERVICES

5

GROUP FINANCIALS

6

AUTOMOTIVE

7

MOTORCYCLES

8

FINANCIAL SERVICES

9

MARKETS

10

SUSTAINABILITY

11

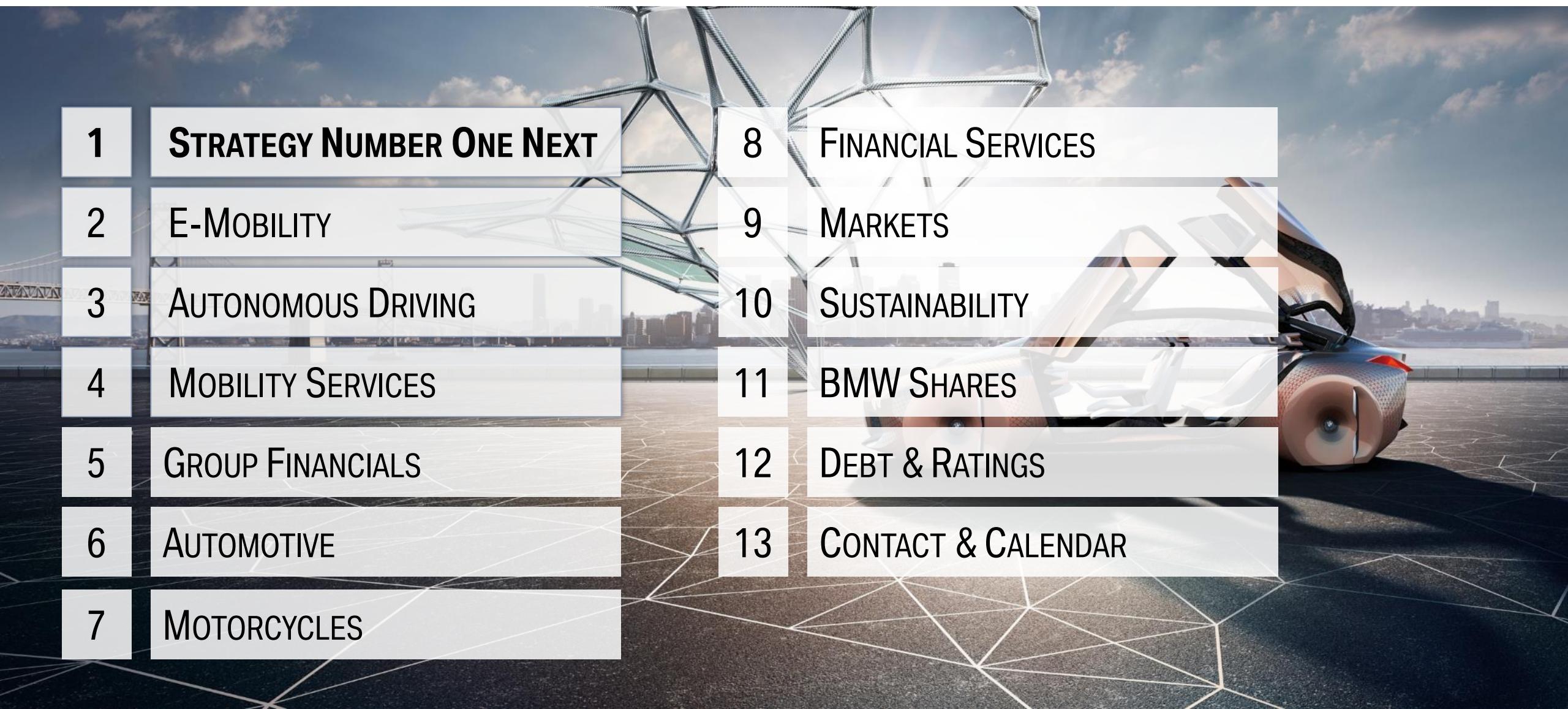
BMW SHARES

12

DEBT & RATINGS

13

CONTACT & CALENDAR



FORWARD-LOOKING STRATEGIES LEADING TO A SUCCESSFUL CORPORATE DEVELOPMENT SINCE 2001.

STRATEGY
NUMBER ONE  NEXT 2016

2001/
2003



Rolls-Royce
Motor Cars Limited

Premium brand strategy

Strategy Number ONE



2007



SUCCESSFUL STRATEGY IMPLEMENTATION SINCE 2007: STRATEGIC MILESTONES.



ADAPTING OUR STRATEGY TO A CHANGING ENVIRONMENT. ADDRESSING NEW TRENDS.



STRATEGY NUMBER ONE



NEXT

VISION

COMPETITIVE
ADVANTAGE

STRATEGIC
APPROACH

CORPORATE
CULTURE



STRATEGY NUMBER ONE



NEXT

VISION

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

COMPETITIVE ADVANTAGE

We unite excitement, responsibility and
success: We have the most emotional
products and attractive
services.

STRATEGIC APPROACH

We are leading the BMW Group into a new era:
We leverage innovative technologies, digitalization
and sustainability to deliver unique customer experiences.

- > Brands & Design
- > Products
- > Technologies
- > Customer Experience & Services
- > Digitalization
- > Profitability

CORPORATE CULTURE

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



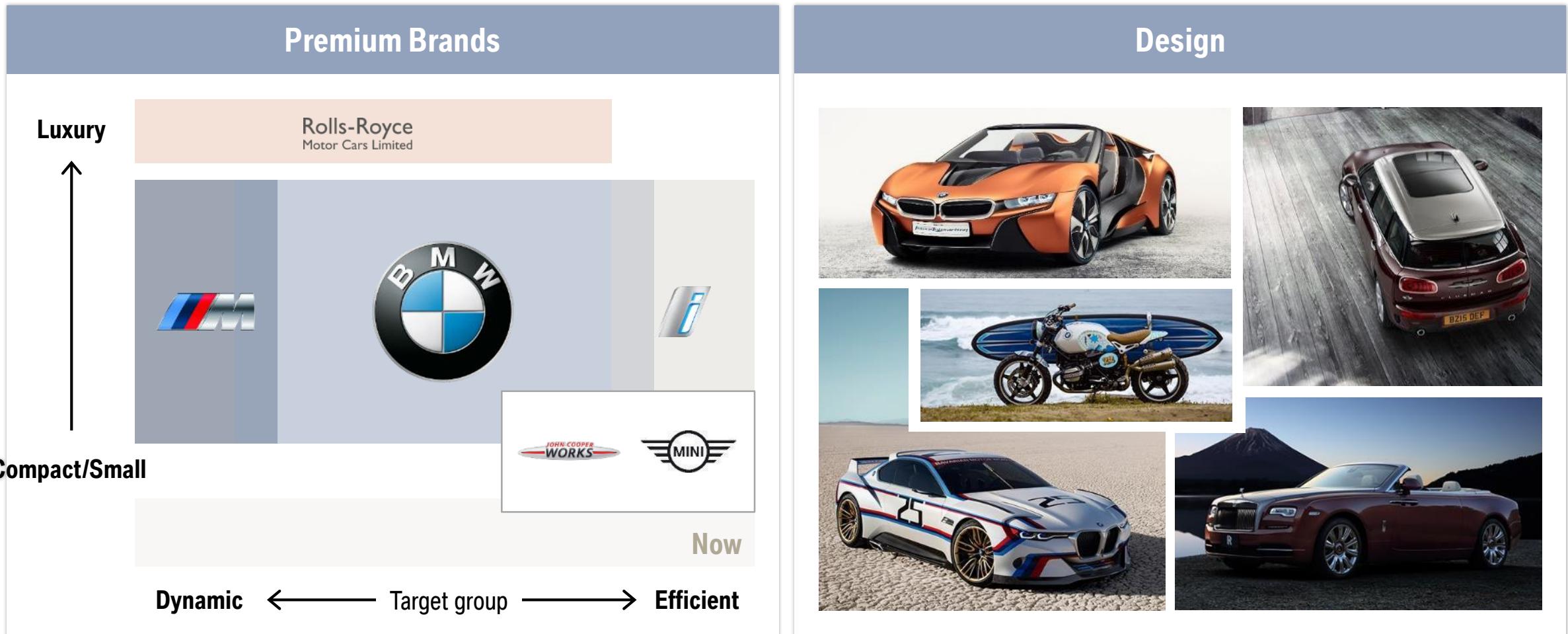
STRATEGY NUMBER ONE NEXT.

We are Number ONE.

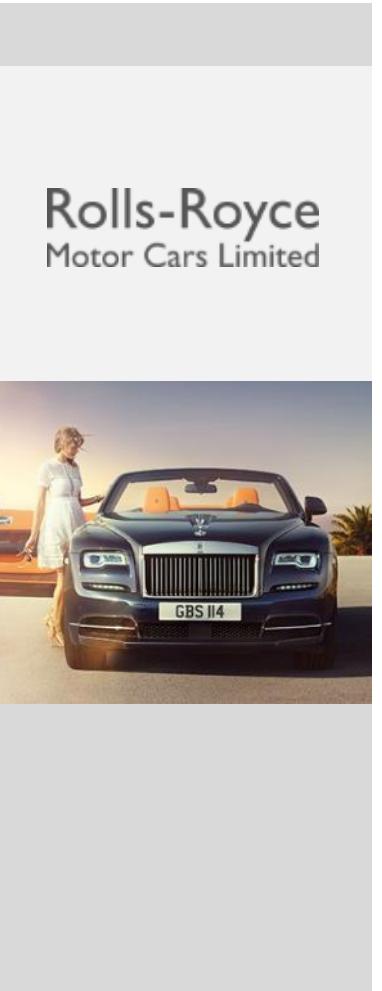
We inspire people on the move: We shape tomorrow's individual premium mobility.



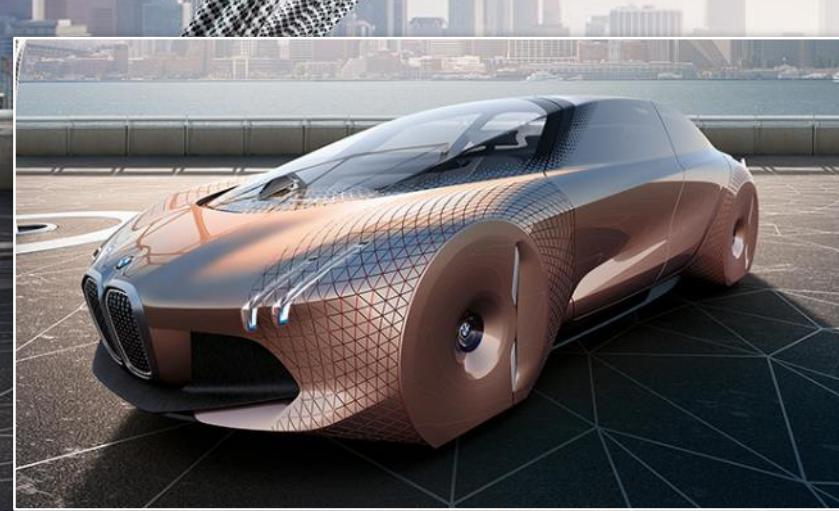
LEADERSHIP DRIVEN BY ASPIRATIONAL BRAND PORTFOLIO AND HIGHLY EMOTIONAL PRODUCTS.



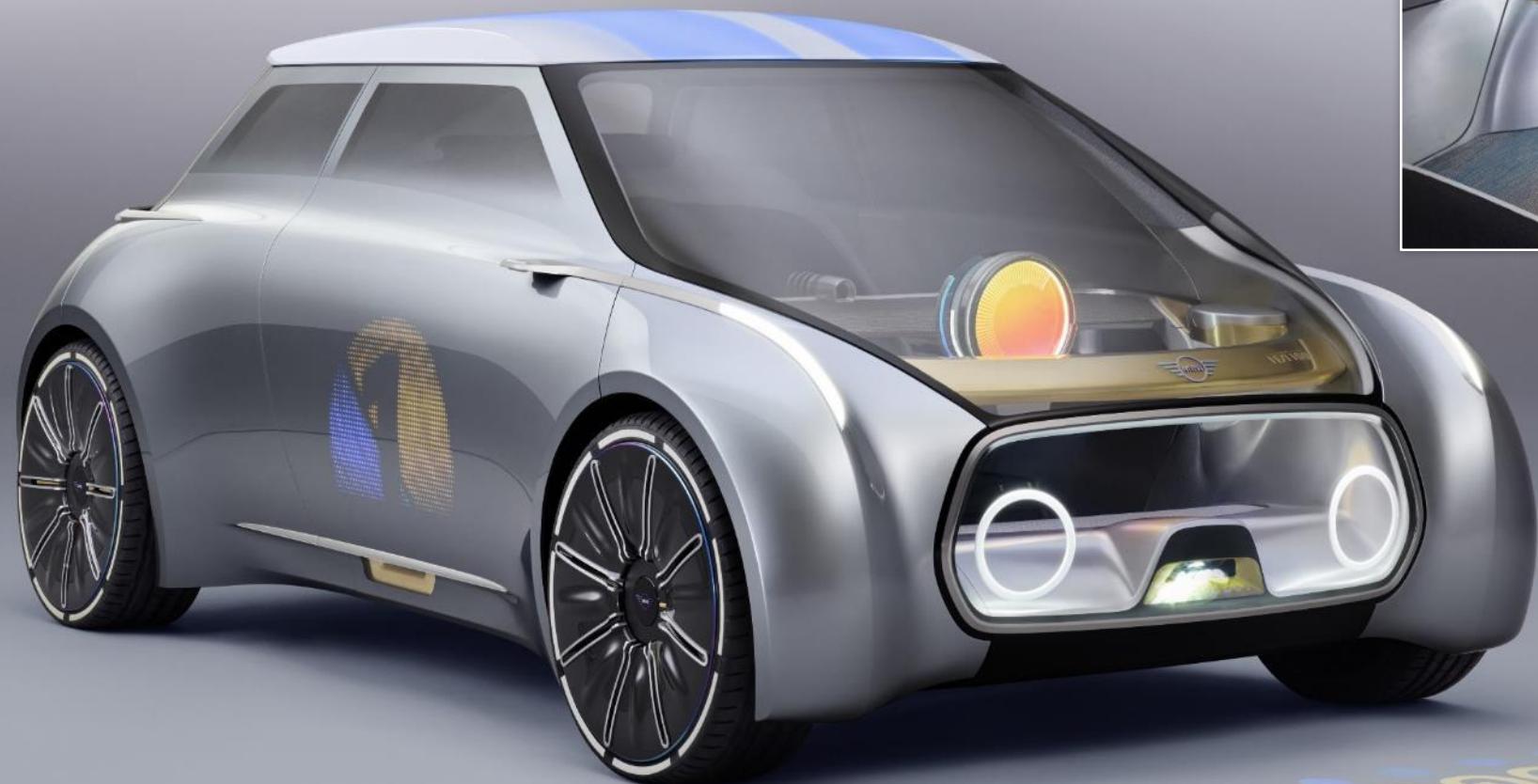
ATTRACTIVE PREMIUM BRANDS PROVIDE THE BASIS FOR A FURTHER EXPANSION OF THE PRODUCT PORTFOLIO.



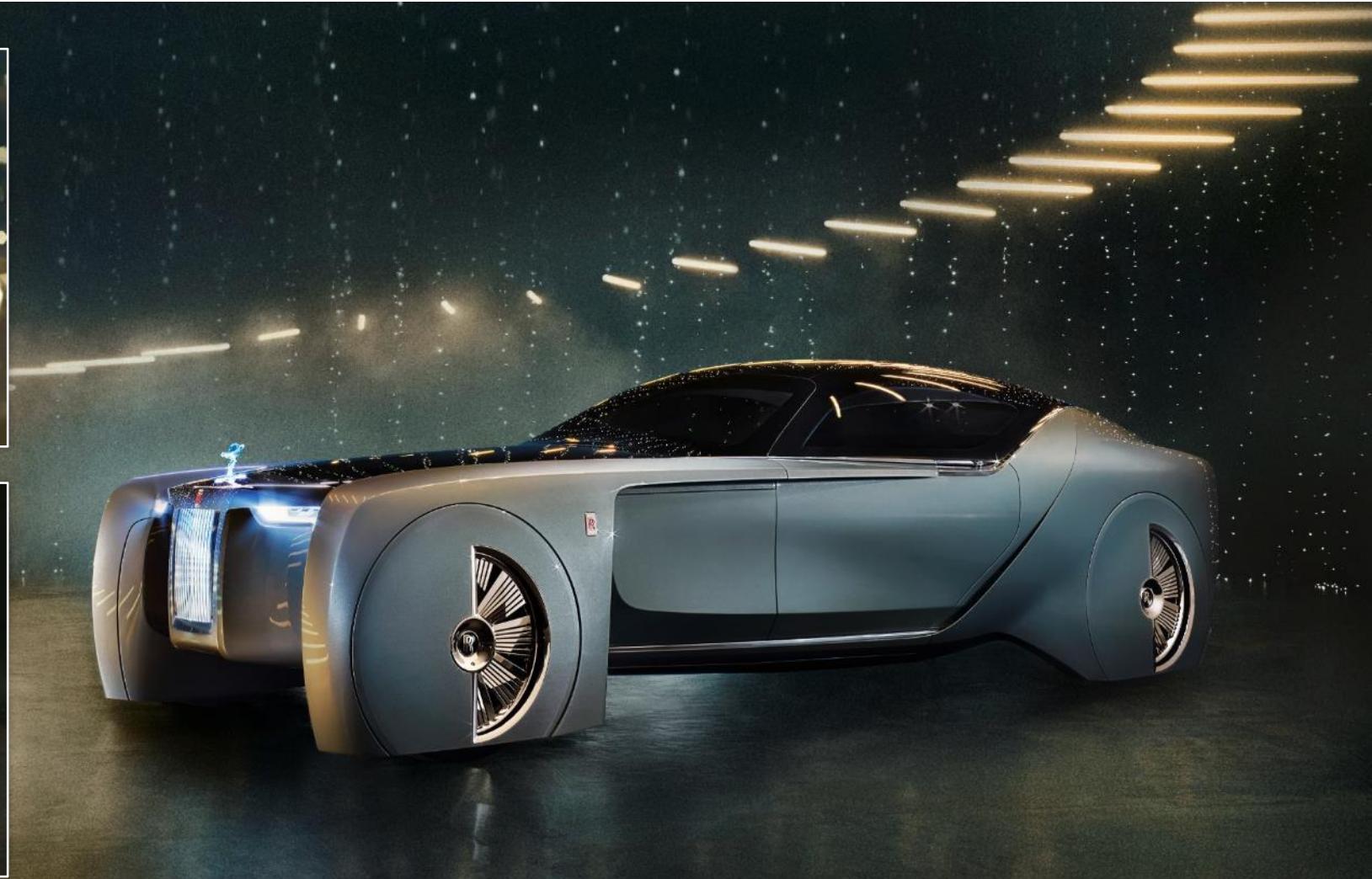
BMW VISION NEXT 100. A GLIMPSE INTO THE FUTURE OF MOBILITY.



MINI VISION NEXT 100. EVERY MINI IS MY MINI.



ROLLS-ROYCE VISION NEXT 100. THE FUTURE OF LUXURY.



BMW MOTORRAD VISION NEXT 100. THE ULTIMATE RIDING EXPERIENCE OF THE FUTURE.



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
E
ELECTRIFIED

CUSTOMER FOCUS

C
CONNECTED
S
SHARED / SERVICES



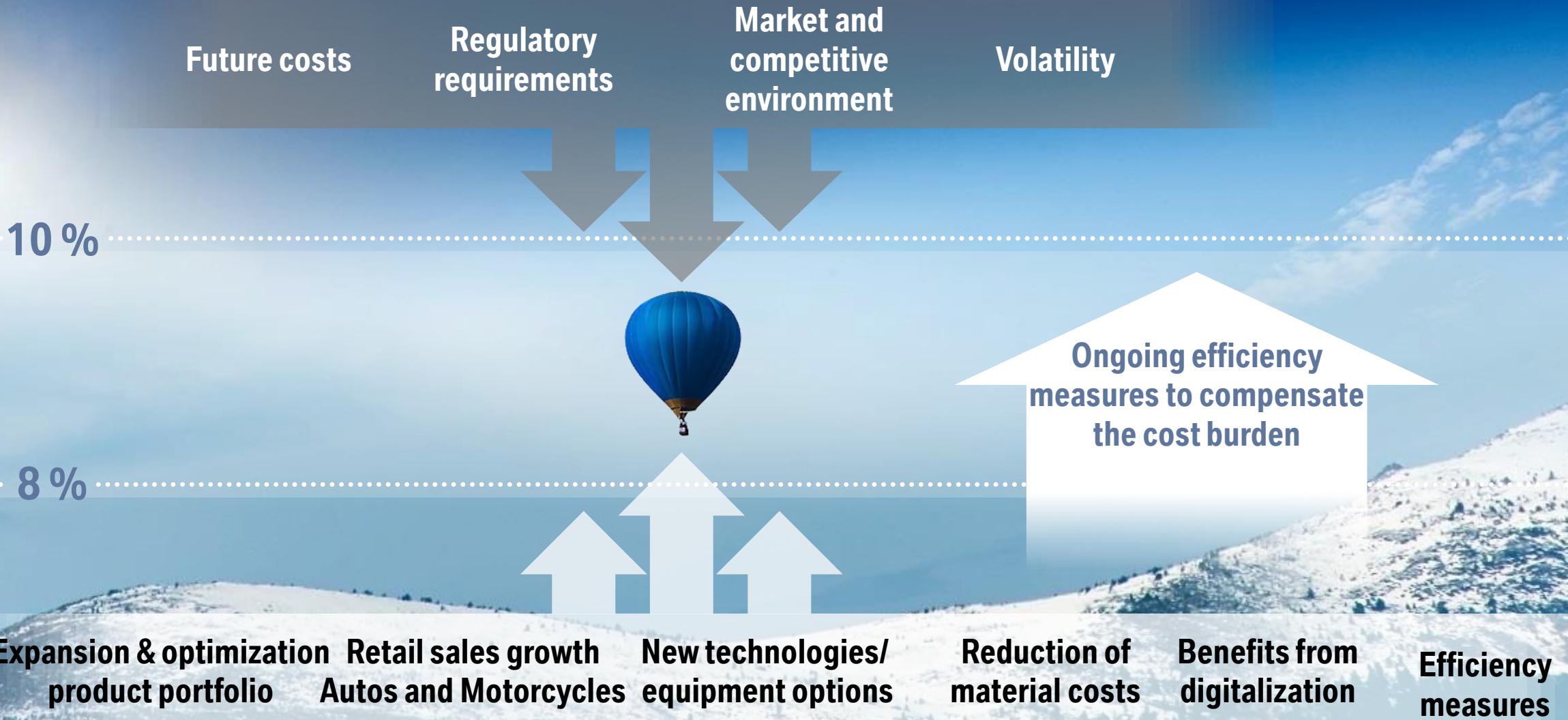
FINANCIAL TARGETS 2020: SUSTAINABLE GROWTH AND SOLID PROFITABILITY DESPITE CHALLENGES.

BMW Group	2016	2020
EBT margin (from 2017)	10.3%	>10%
Investment ratio*	4.0%	<5.0%
Research and development ratio	5.5%	5.0 - 5.5%
Payout ratio	33.3%	30 - 40%
Automotive Segment		
EBIT margin	8.9%	8 - 10%
Free Cashflow	5.8 bn €	>3 bn €
Motorcycles Segment		
Sales volume	145,032 units	> 200,000 units
EBIT margin (from 2017)	9.0%	8 - 10%
Financial Services Segment		
Return on Equity	21.2%	>18%

* Investments in property, plant and equipment and other intangible assets (without capitalized development costs).



MAINTAINING THE AUTOMOTIVE EBIT MARGIN IN THE CORRIDOR OF 8-10% DESPITE ONGOING CHALLENGES.



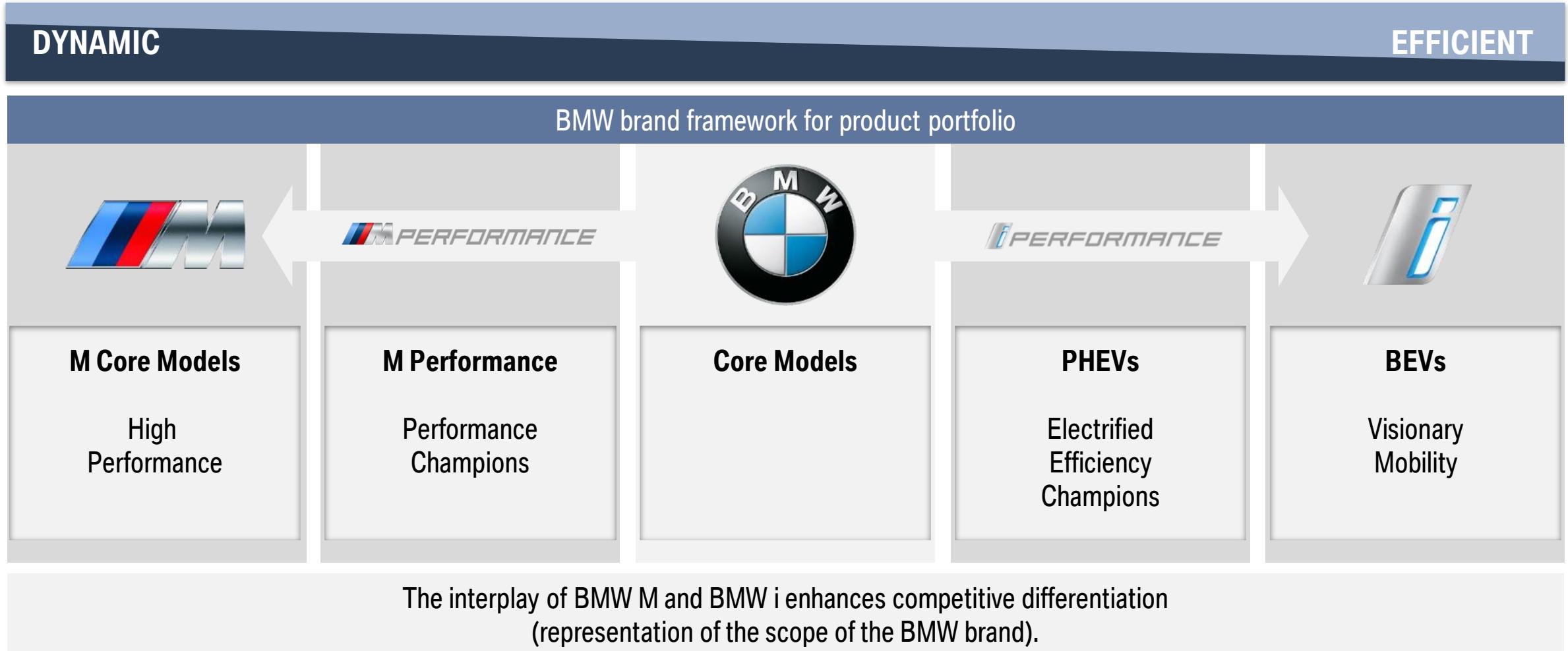
CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

BMW iPERFORMANCE AND BMW i – BALANCING THE PRODUCT PORTFOLIO.



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

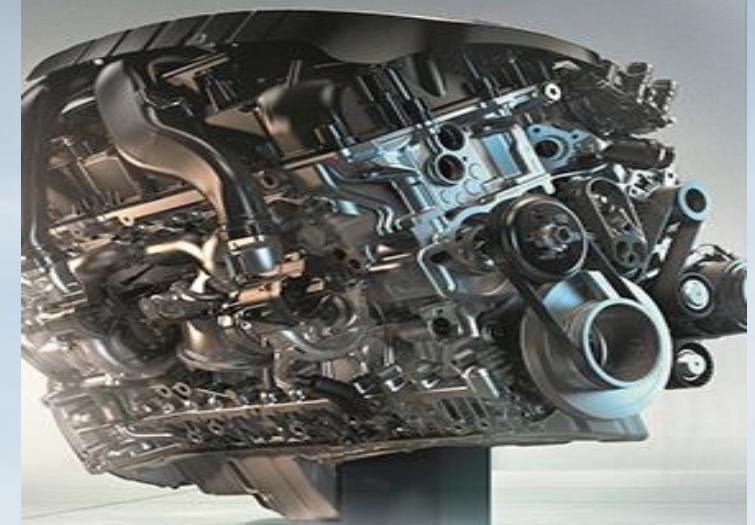
BEV / Plug-in Hybrid



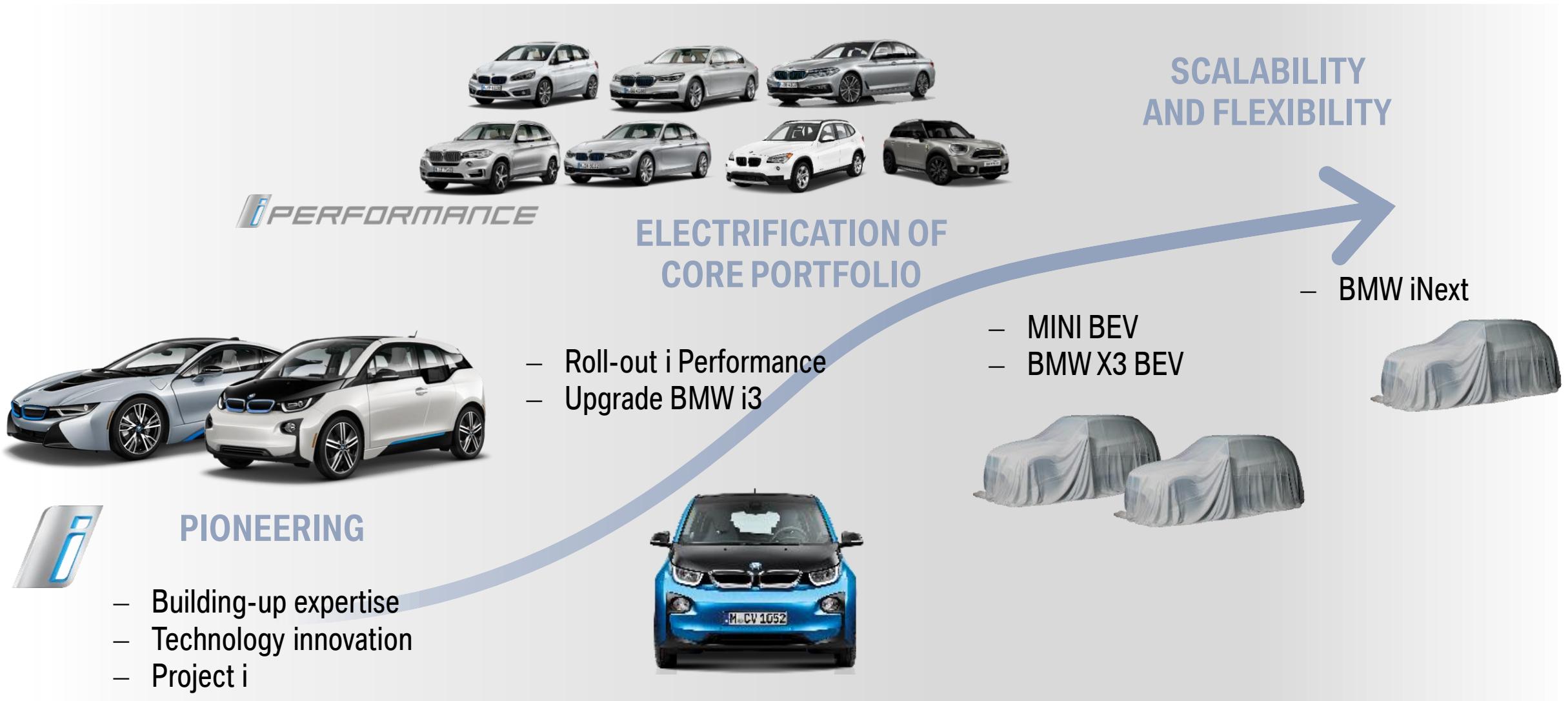
Fuel cell



Combustion engine



BMW GROUP'S ELECTRIFICATION PATHWAY.

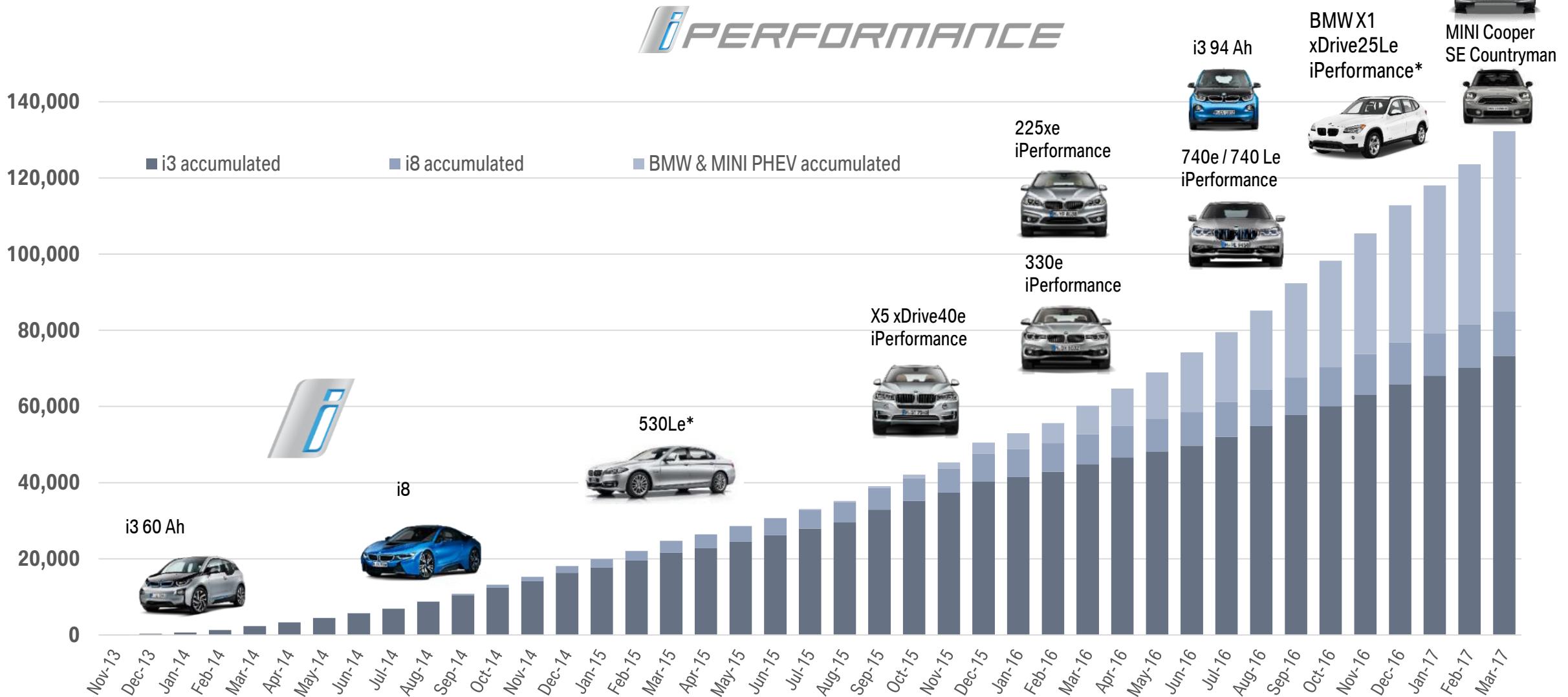


SIGNIFICANT NUMBER OF ELECTRIFIED MODELS ARE ALREADY ON THE STREET AND MORE TO COME.

BATTERY ELECTRIC VEHICLES	BMW i3 60 Ah	BMW i3 94 Ah						
	MINI BEV	BMW X3 BEV	BMW iNEXT					
2013	2014	2015	2016	2017	2018	2019	2020	2021
BMW i8	BMW 530Le*	BMW 225xe iPerformance	BMW X1 xDrive25Le iPerformance*	BMW i8 Roadster				
BMW X5 xDrive40e iPerformance	BMW 330e iPerformance	BMW 530e iPerformance	BMW 740e iPerformance	MINI Cooper S E Countryman ALL4				



MORE THAN 130,000 ELECTRIFIED BMW VEHICLES SOLD BY YTD MARCH 2017.

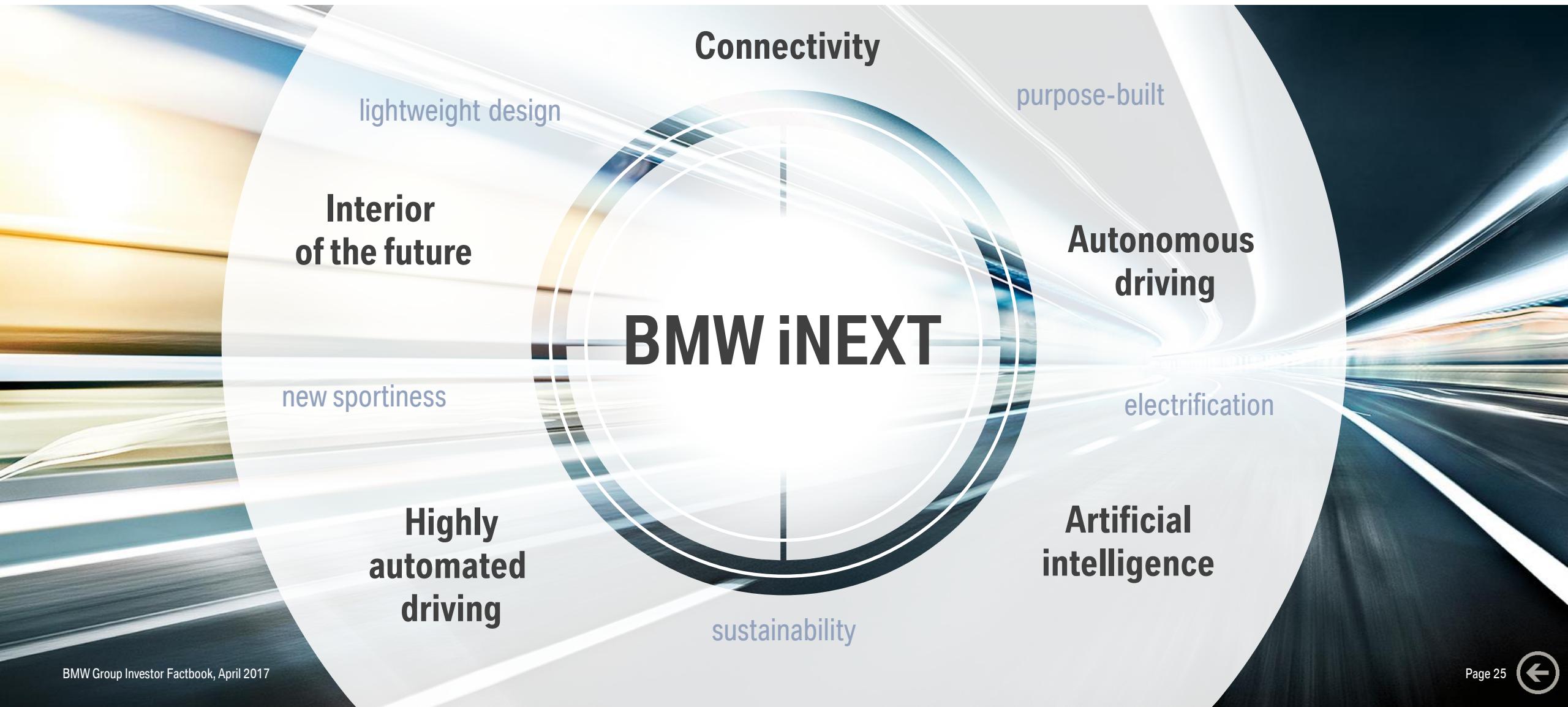


*Only available in China

Figures represent cumulative sales of Battery Electric Vehicles (BEV) and Plug-in Hybrid Vehicles (PHEV)

iPerformance = Plug-in Hybrid Vehicles (PHEV)

BMW iNEXT AS SPEARHEAD OF INNOVATION.



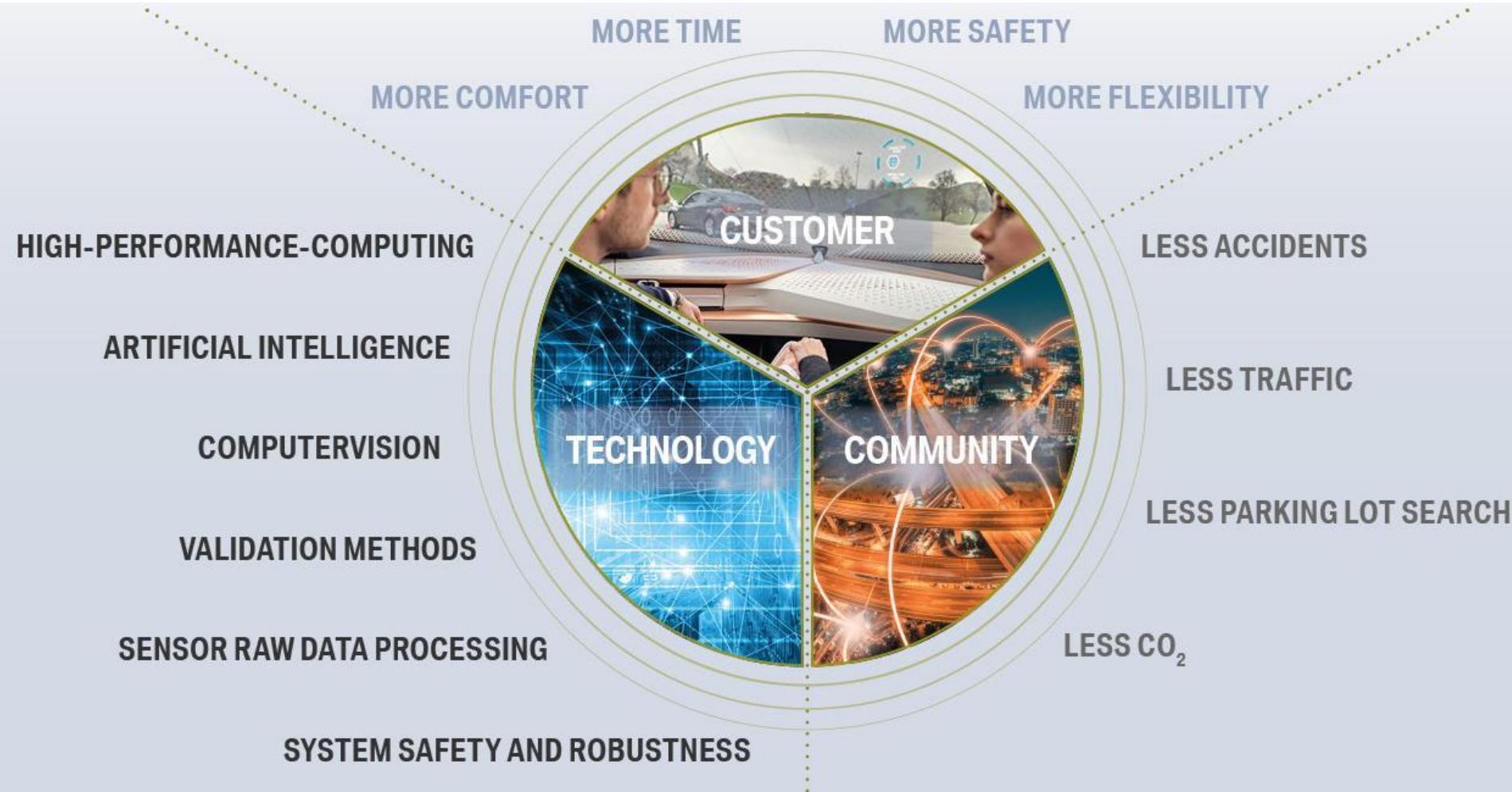
CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

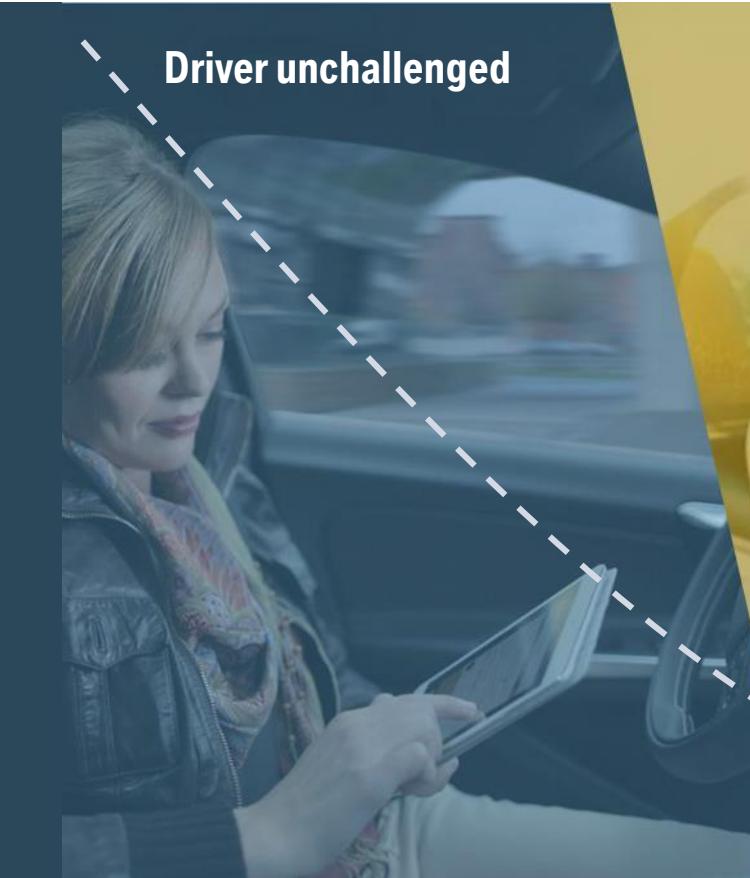
AUTOMATED DRIVING. CHANGING FRAMEWORK LEADS TO NEW DEFINITION OF FUTURE MOBILITY.



DRIVING EXPERIENCE REDEFINED. CUSTOMER BENEFIT AS THE FOCAL POINT.

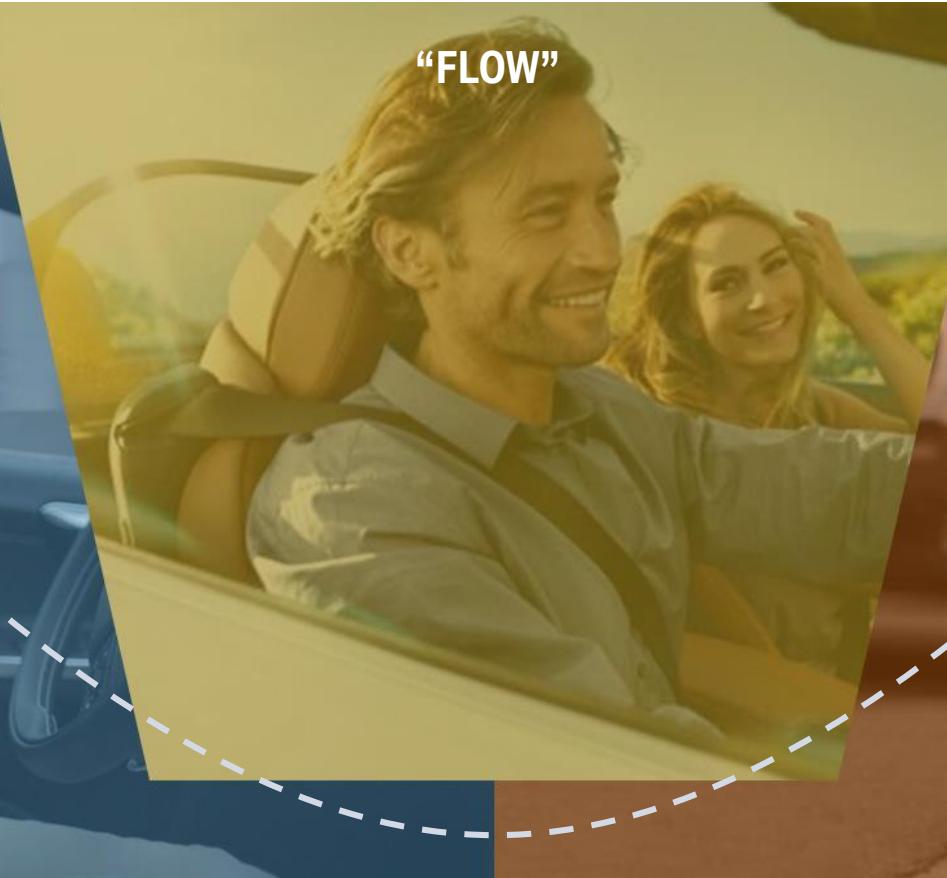
Delegation

Driver unchallenged



Ability

“FLOW”



Safety

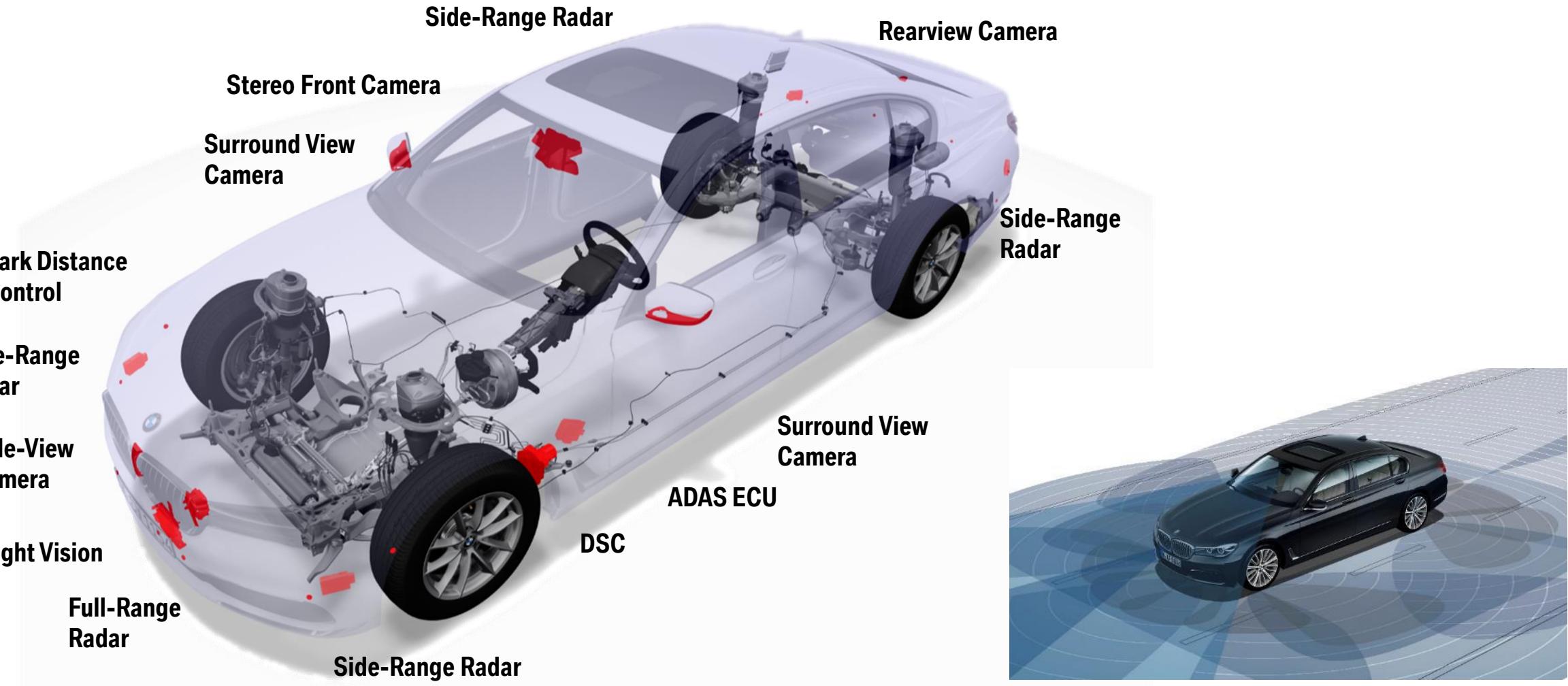
Driver overchallenged



— — — Need for automation of driving tasks



THE NEW BMW 7 SERIES ALREADY OFFERS A COMPREHENSIVE RANGE OF DRIVING ASSISTANCE: SCANNING THE SURROUNDINGS.



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

Top View Remote

Crossing traffic
warning rear / front

Night Vision

Lateral parking aid

Distance information

Lane keeping assistant with active side collision protection

Active cruise control with Stop&Go function

Rear collision prevention

**Crossroad
Assist**

3D View

Top View

Parking assistant

Active Park Distance Control

BMW Selective Beam

Remote Control Parking

Steering and lane control assistant

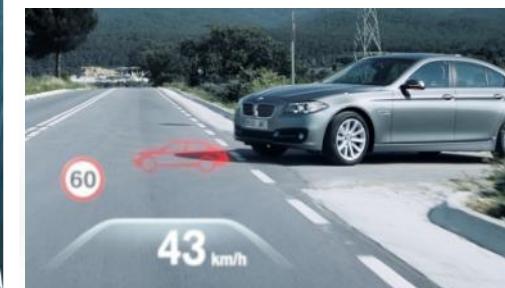
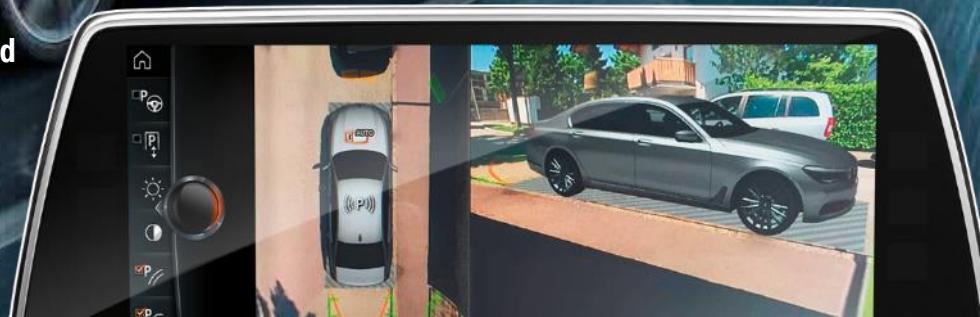
Speed limit and
No Pass
information

Approach control warning with braking function

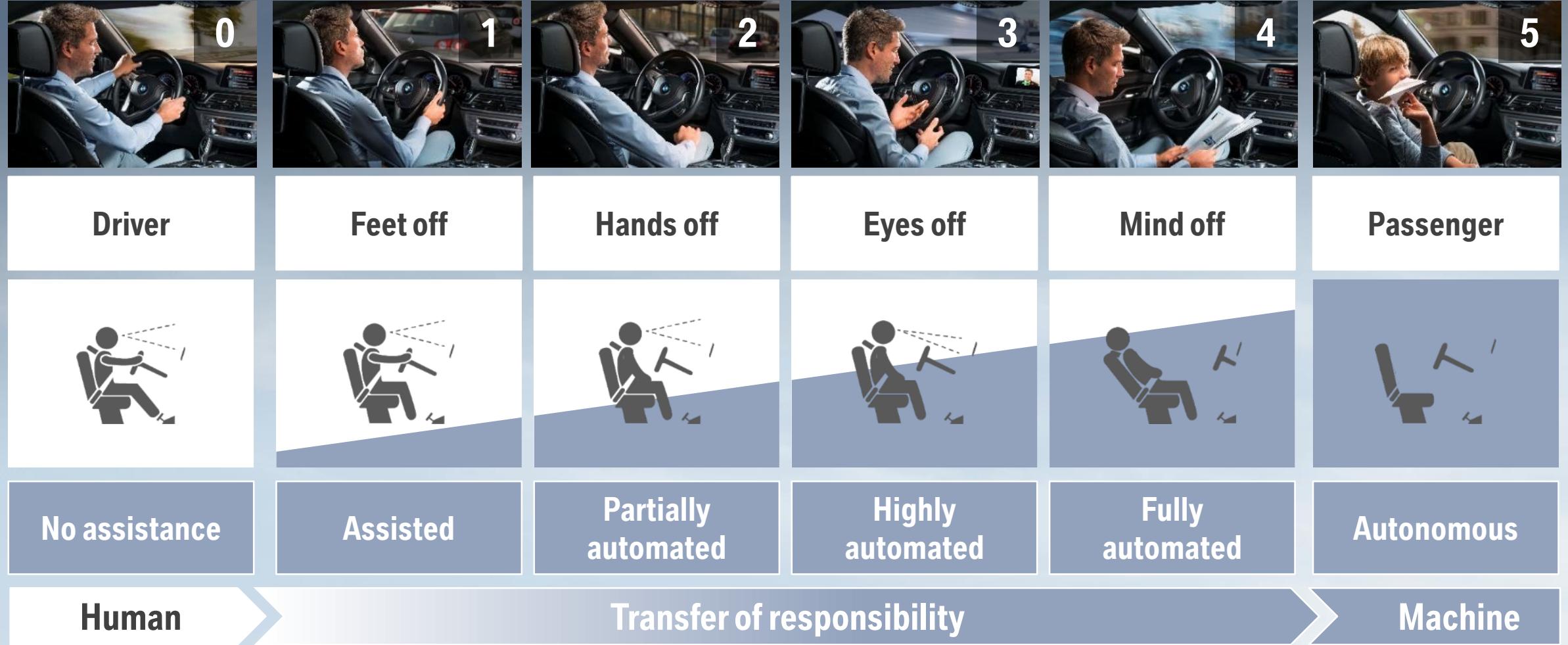
Wrong Way Assist

Lane change warning

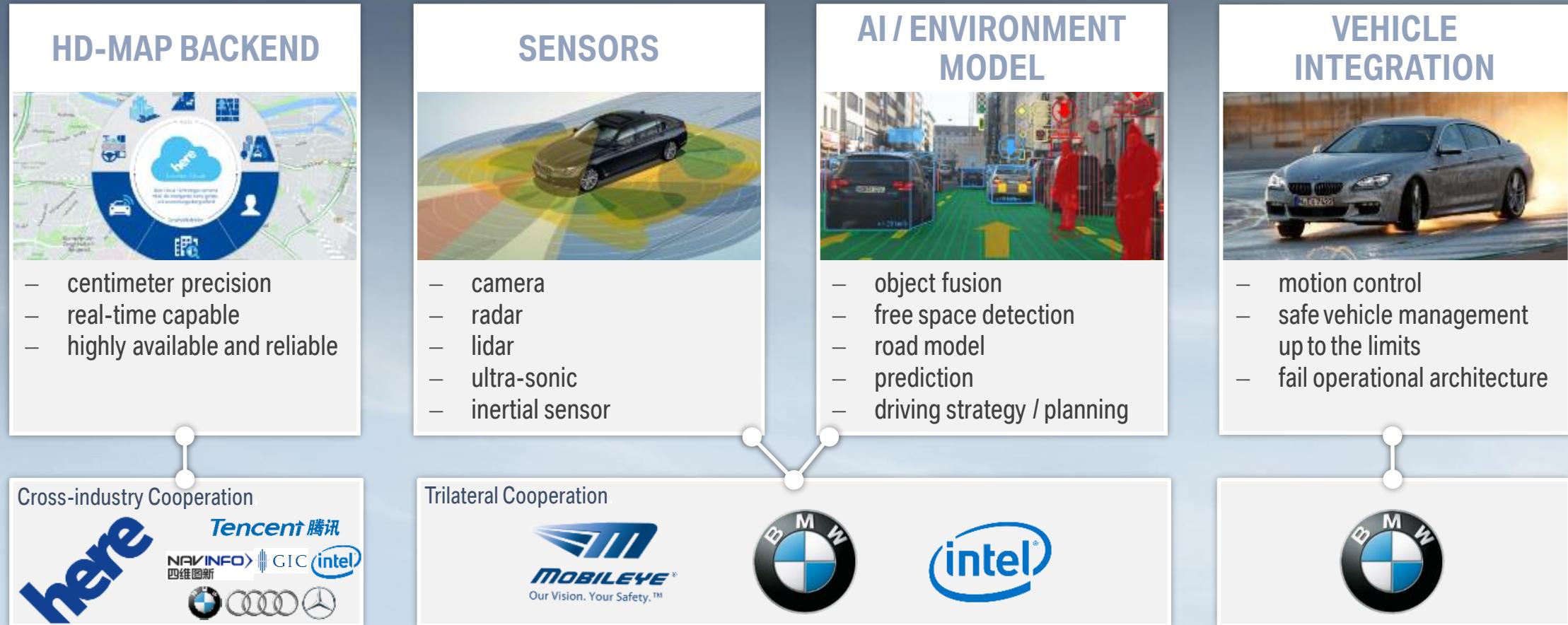
Speed Limit Assist



THE NEXT STEPS ARE HIGHLY AND FULLY AUTONOMOUS DRIVING.



HD-MAP, SENSORS, AI/ENVIRONMENT MODEL AND MOTION CONTROL PLAY A KEY ROLE IN THE ARCHITECTURE OF AUTOMATED DRIVING.



BMW GROUP, INTEL AND MOBILEYE TEAM UP TO BRING FULLY AUTONOMOUS DRIVING TO STREETS BY 2021.

JULY 1, 2016



#FUTUREOFDRIVING
#BMWINTELMOBILEYE
BMW GROUP

JULY 1, 2016
THE NEXT
100 YEARS

intel

MOBILEYE[®]
Our Vision. Your Safety.™

Fleets of fully autonomous cars for new mobility services in urban environments

Creation of an **open platform** for the next generation of cars

In-vehicle computing, robust cloud and set of machine-learning solutions from **Intel**

Full suite of expertise in sensing, localization, and driving policy from **Mobileye**

BMW iNEXT model will be the basis for fleets of fully autonomous vehicles



ROADMAP TO AUTONOMOUS DRIVING.

2017

2018

2019

2020

2021

2022

- Partial automated driving on all roads
- Automated lane changing on highway
- Hands-off up to 30sec

- Temporary Hands-off during Stop&Go on highway

- Advanced ACC function
- Hands- and Eyes-off on highway or highway-like (EU, US)

- Hands- and Eyes-off on highway (EU, US, CN)
- Active lane changing and thread

➤ 210 km/h

➤ 60 km/h

➤ 130 km/h

➤ 130 km/h

- Pilot Mind-off on pre-defined routes

➤ 70 km/h

2  PAD

3  HAD

4  FAD pilot project



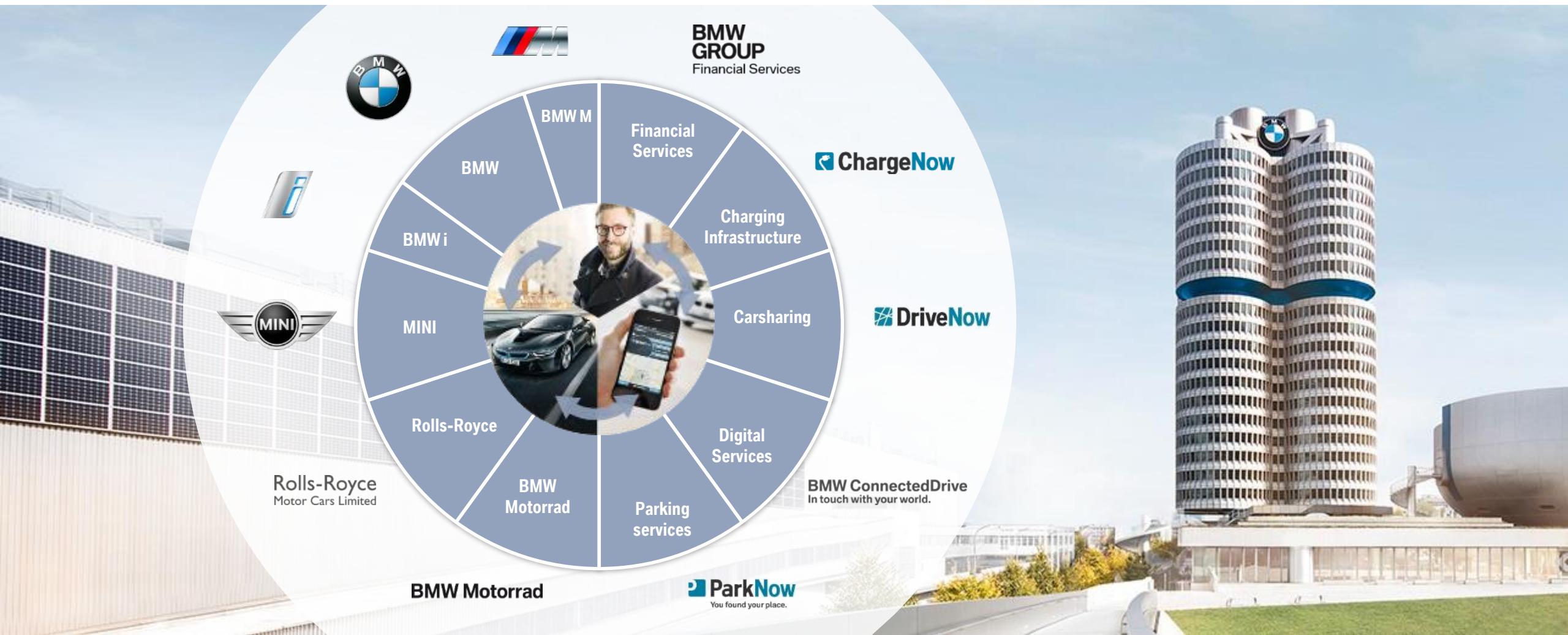
CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

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



LEVERAGING POTENTIAL OF DIGITALIZATION AND CONNECTIVITY.



DRIVE NOW. PREMIUM, FREE FLOATING CAR SHARING SERVICE FROM BMW GROUP.

DriveNow Customers are BMW Group's

youngest & most modern
target group

815,000 customers
in 11 cities

5,400+ cars
in the fleets



CAR SHARING EXPERIENCE ON A NEW LEVEL. REACH NOW TO INTRODUCE UNIQUE FEATURES TO THE CUSTOMERS.

Launch in April 2016 in **Seattle** –
Followed by **Portland** and **Brooklyn** (NY)

38,000+ members



New features piloted from end 2016:

Ride: Car with driver

Reserve: For long period
use of vehicles and
delivery of car

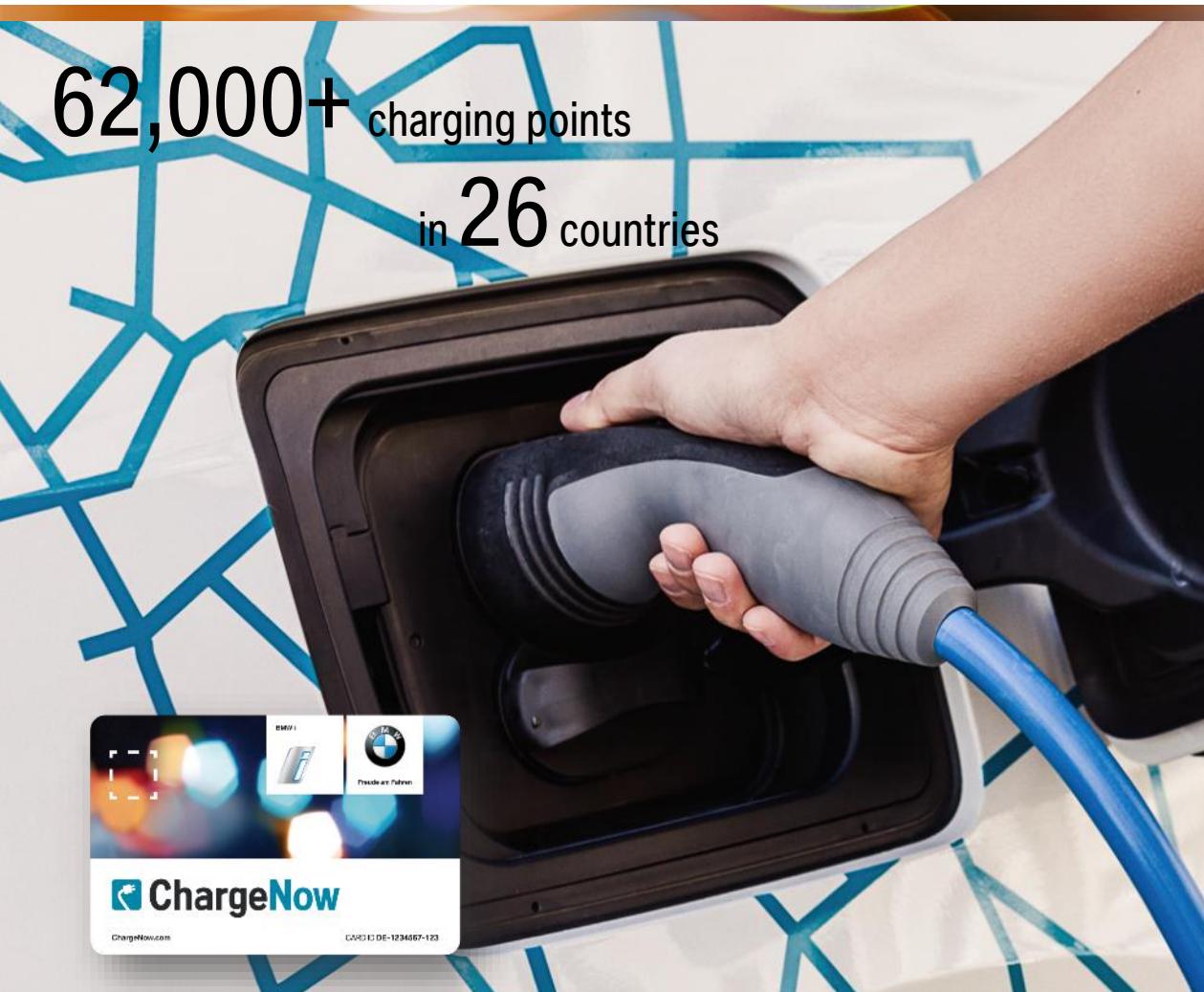
Fleet Solutions:

Individualized CarSharing offering
for residential areas

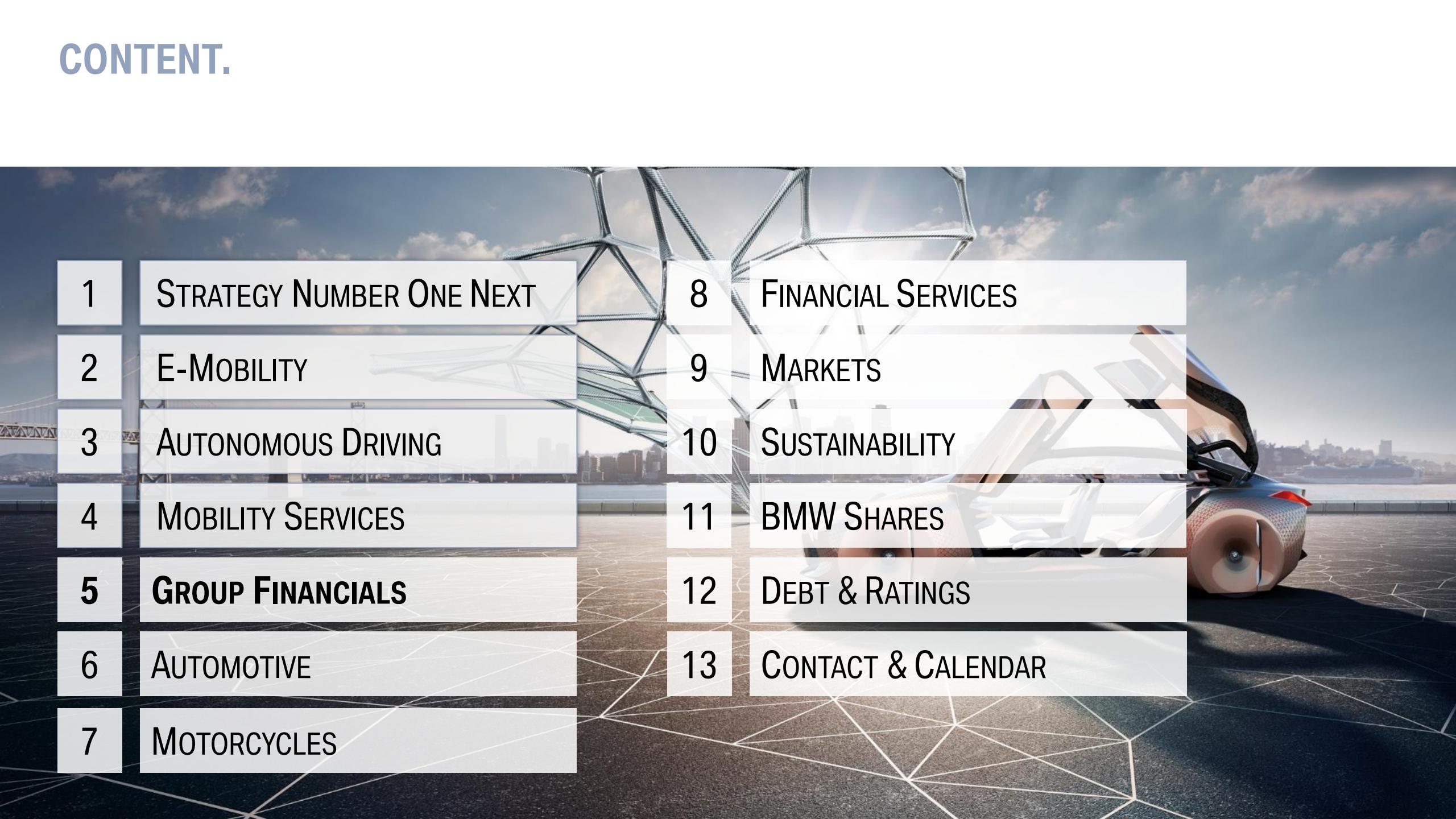
Share: Renting out your own car



PREMIUM MOBILITY SERVICES CHARGENOW AND PARKNOW MAKE CHARGING AND PARKING EASIER THAN EVER.



CONTENT.

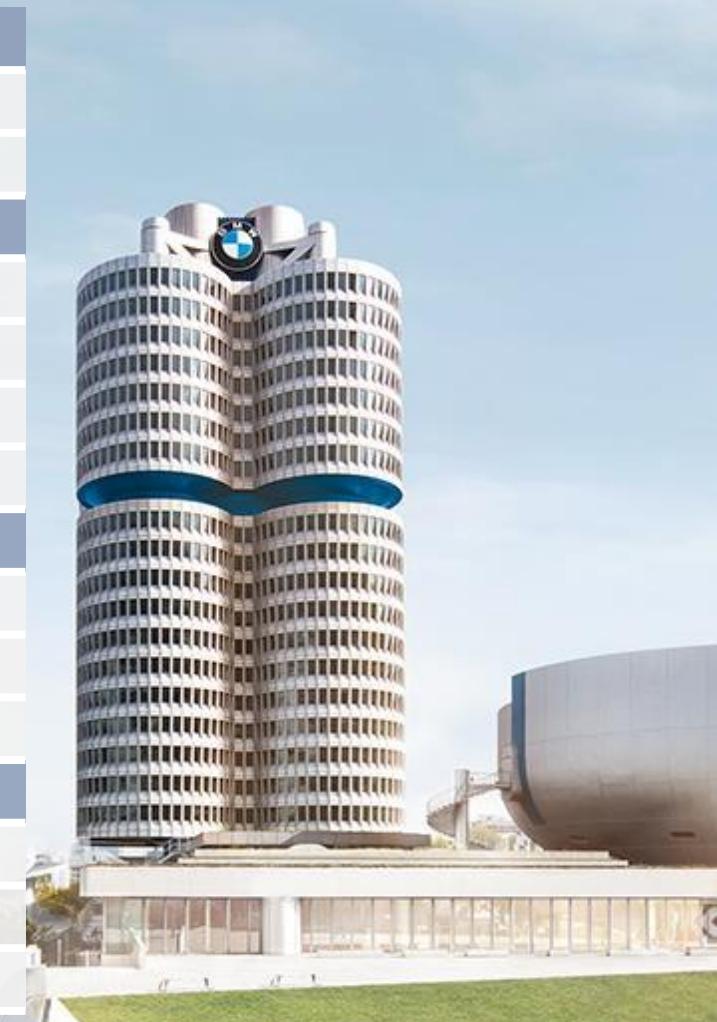


- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

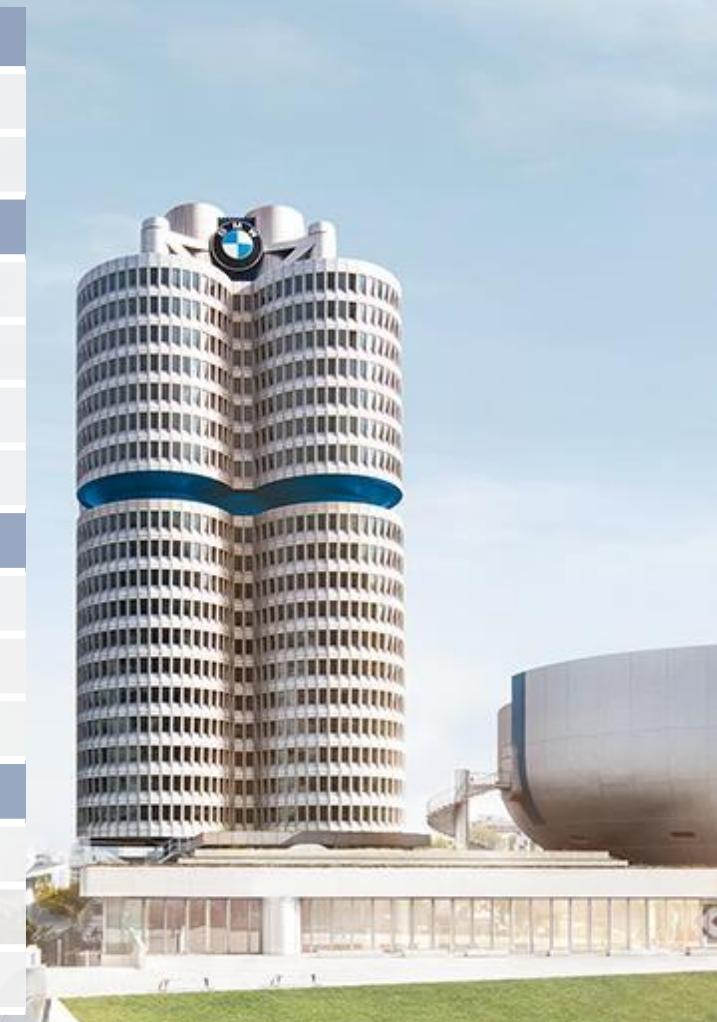
BMW GROUP – 2016 FINANCIAL YEAR. POSITIVE BUSINESS DEVELOPMENT DESPITE CHALLENGING POLITICAL AND ECONOMIC CONDITIONS.

BMW Group	FY-2016	FY-2015	Change in %
Earnings before tax – Group (in m€)	9,665	9,224	+4.8
EBT margin (in %) – Group	10.3	10.0	+0.3 pp
Automotive Segment			
Automotive sales (units)	2,367,603	2,247,485	+5.3
Earnings before interest and tax (EBIT) (in m€)	7,695	7,836	-1.8
EBIT margin (in %)	8.9	9.2	-0.3 pp
Net financial assets (m€)	19,520	16,911	+15.4
Motorcycles Segment			
Sales (units)	145,032	136,963	+5.9
Earnings before interest and tax (EBIT) (in m€)	187	182	+2.7
EBIT margin (in %)	9.0	9.1	-0.1 pp
Financial Services			
Earnings before tax (EBT) (in m€)	2,166	1,975	+9.7
Penetration rate (in %)	49.6	46.3	+3.3 pp
Credit loss ratio (in %)	0.32	0.37	-0.05 pp



THE BMW GROUP CONTINUED TO CHART A COURSE OF PROFITABLE GROWTH IN THE FOURTH QUARTER 2016.

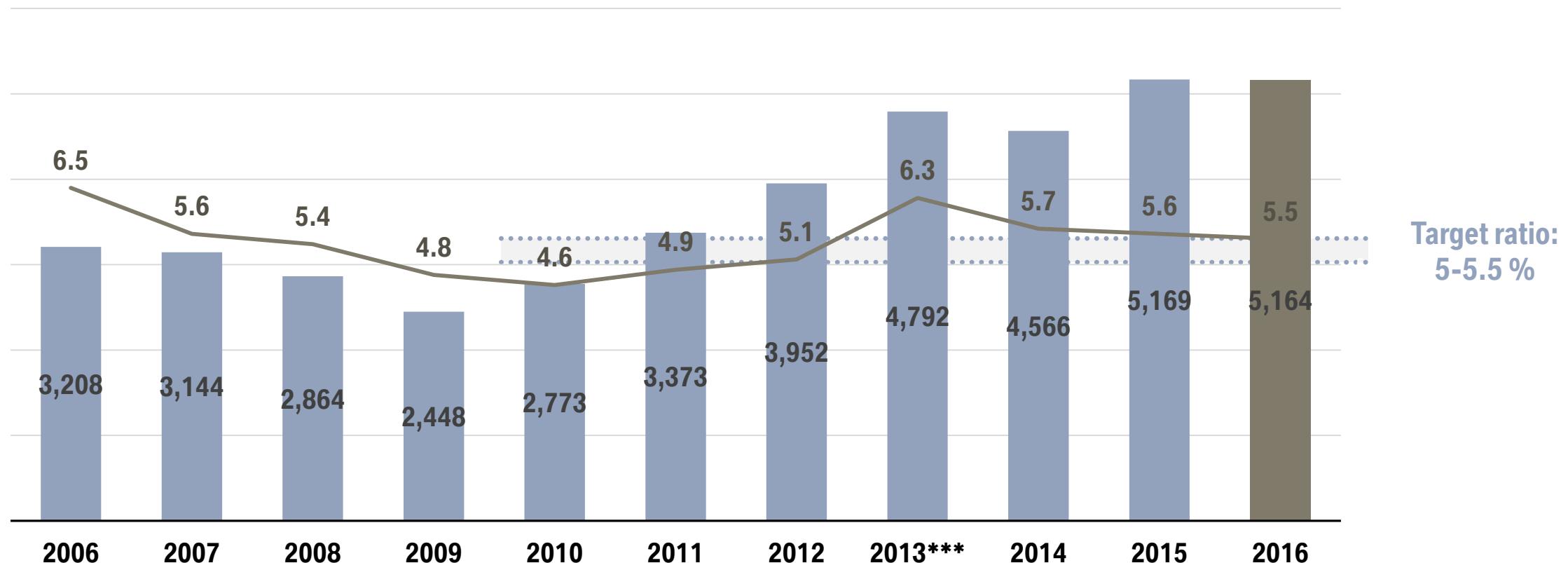
BMW Group	Q4-2016	Q4-2015	Change in %
Earnings before tax – Group (in m€)	1,924	2,110	-8.8
EBT margin (in %) – Group	7.7	8.4	-0.7 pp
Automotive Segment			
Automotive sales (units)	620,965	602,675	+3.0
Earnings before interest and tax (EBIT) (in m€)	1,917	2,311	-1.7
EBIT margin (in %)	8.3	9.6	-1.3 pp
Net financial assets (m€)*	19,520	16,911	+15.4
Motorcycles Segment			
Sales (units)	28,988	24,552	+18.1
Earnings before interest and tax (EBIT) (in m€)	-37	-91	n.a.
EBIT margin (in %)	-8.8	-26.2	n.a.
Financial Services			
Earnings before tax (EBT) (in m€)	525	458	+14.6
Penetration rate (in %)*	49.6	46.3	+3.3 pp
Credit loss ratio (in %)*	0.32	0.37	-0.05 pp



ONGOING RESEARCH & DEVELOPMENT PROJECTS TO MAKE BMW GROUP FUTURE PROOF.

R&D Costs*
[in m€, HGB]

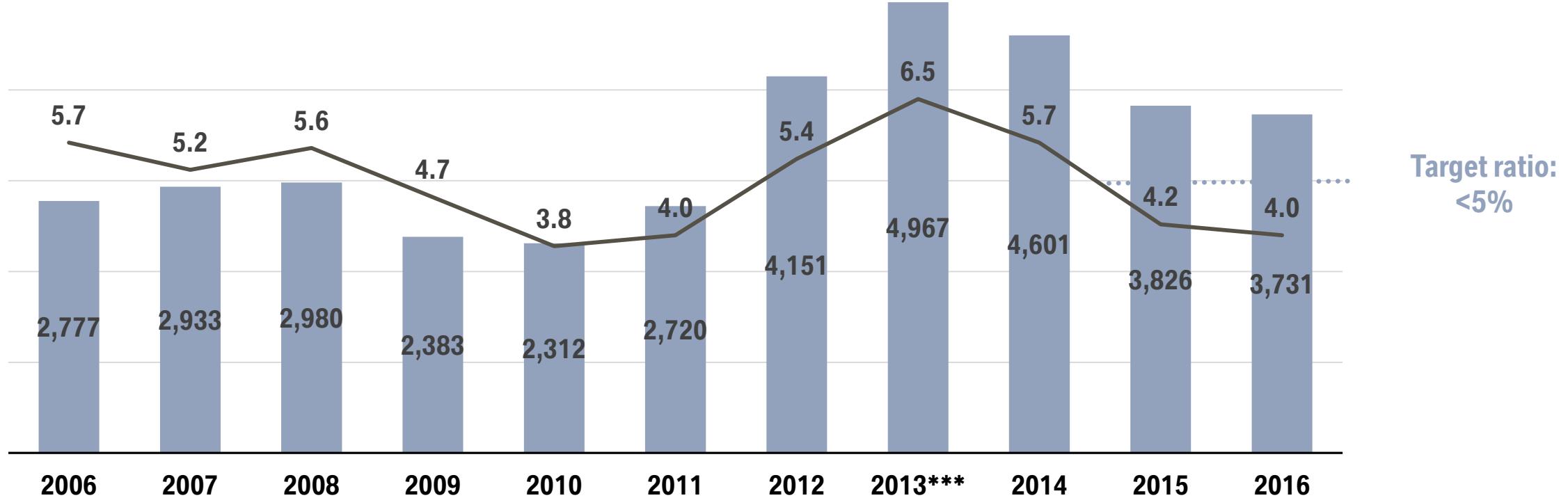
R&D Ratio**
[in %, HGB]



TIGHT MANAGEMENT OF CAPITAL EXPENDITURE TO ACHIEVE TARGET RATIO.

BMW Group Capital Expenditure*
[in m€]

Capex Ratio**
[in %]



Target ratio:
<5%



OUTLOOK FOR 2017. POSITIVE BUSINESS DEVELOPMENT EXPECTED DESPITE CHALLENGES.

BMW Group

Slight increase in EBT compared with previous year

Automotive Segment

Slight increase in deliveries and revenues compared with the previous year

EBIT margin in the target range of 8-10%

Slight decrease of Return on Capital Employed (RoCE)

Financial Services Segment

Return on equity of at least 18%, slight decrease compared to previous year

Motorcycles Segment

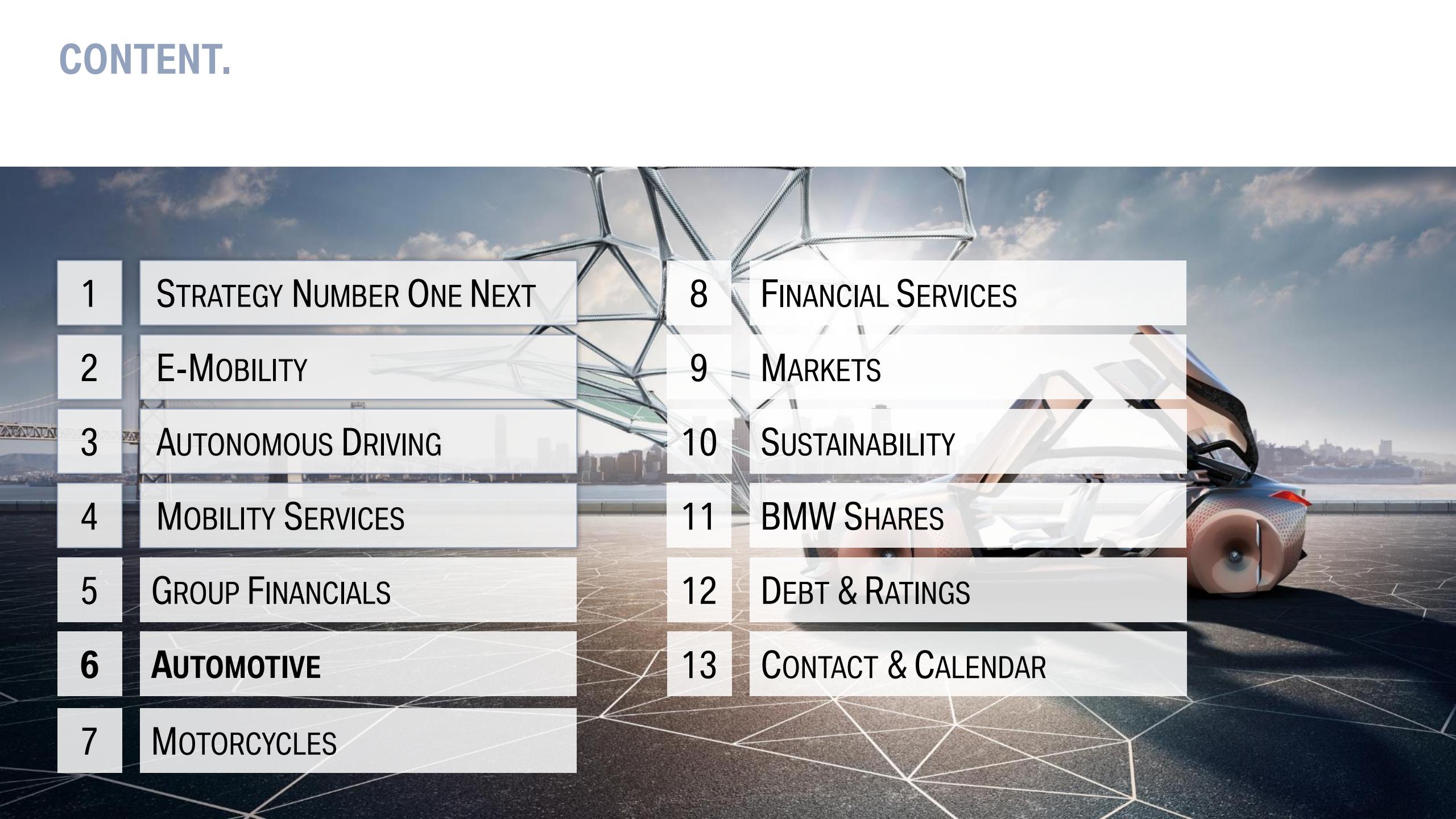
Significant increase in deliveries compared with the previous year

EBIT margin in the target range of 8-10%

Return on Capital Employed (RoCE) at previous year's level



CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

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

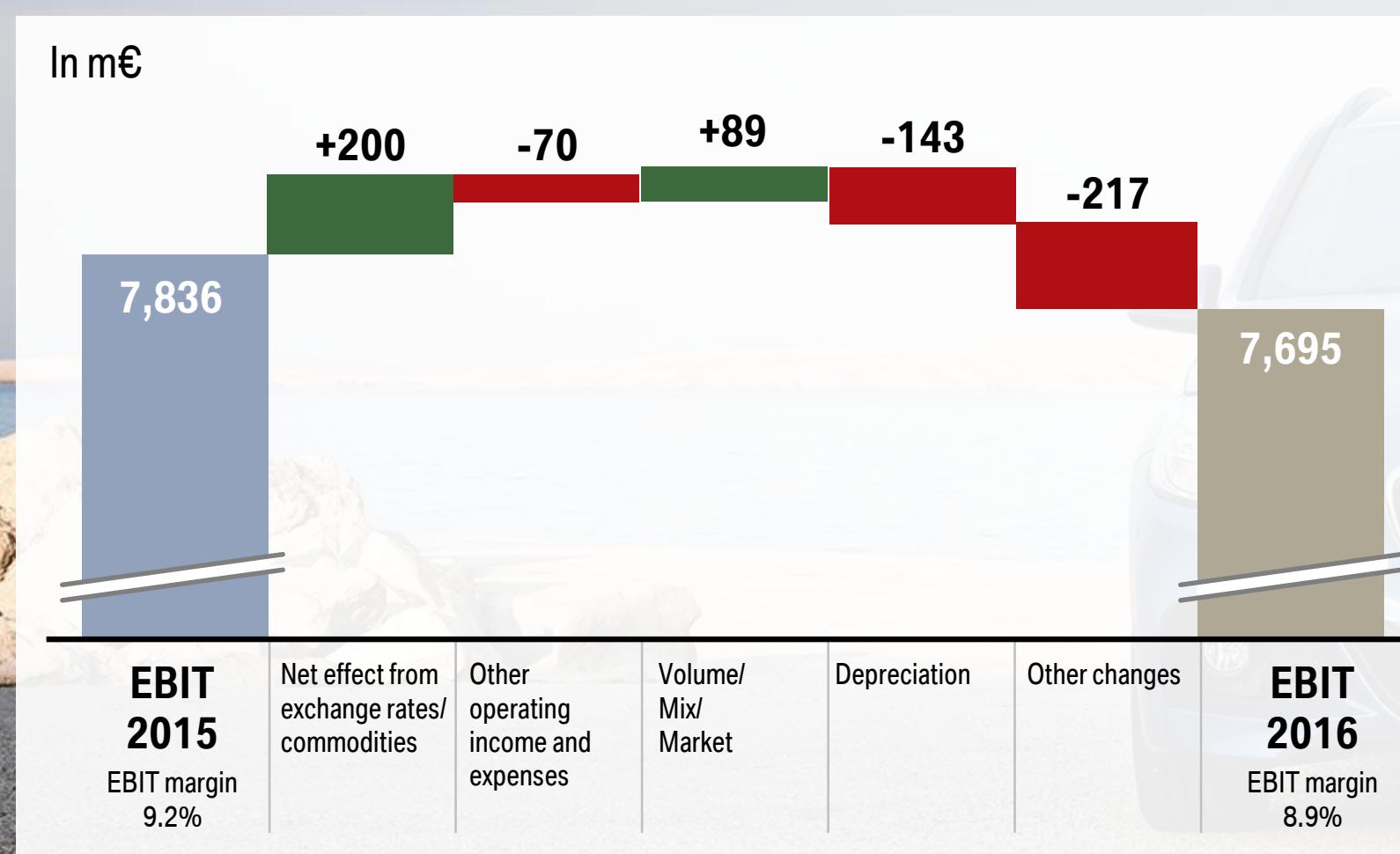


FY-2016 AUTOMOTIVE SEGMENT: EBIT MARGIN IN TARGET RANGE OF 8-10% AS FORECAST.

In m€	2016	2015	Change in %
Sales (units)	2,367,603	2,247,485	+ 5.3
Revenues	86,424	85,536	+ 1.0
Earnings before interest and tax (EBIT)	7,695	7,836	- 1.8
EBIT margin (in %)	8.9	9.2	- 0.3 pp
Earnings before tax (EBT)	7,916	7,523	+ 5.2



AUTOMOTIVE SEGMENT. 2015 TO 2016 EBIT DEVELOPMENT.



Q4-2016 AUTOMOTIVE SEGMENT: AS ANTICIPATED HIGH INVESTMENTS HAVE IMPACTED EARNINGS IN THE 4TH QUARTER 2016.

In m€	Q4-2016	Q4-2015	Change in %
Sales (units)	620,965	602,675	+3.0
Revenues	23,174	24,023	-3.5
Earnings before interest and tax (EBIT)	1,917	2,311	-17.0
EBIT margin (in %)	8.3	9.6	-1.3 pp
Earnings before tax (EBT)	1,875	2,200	-14.8

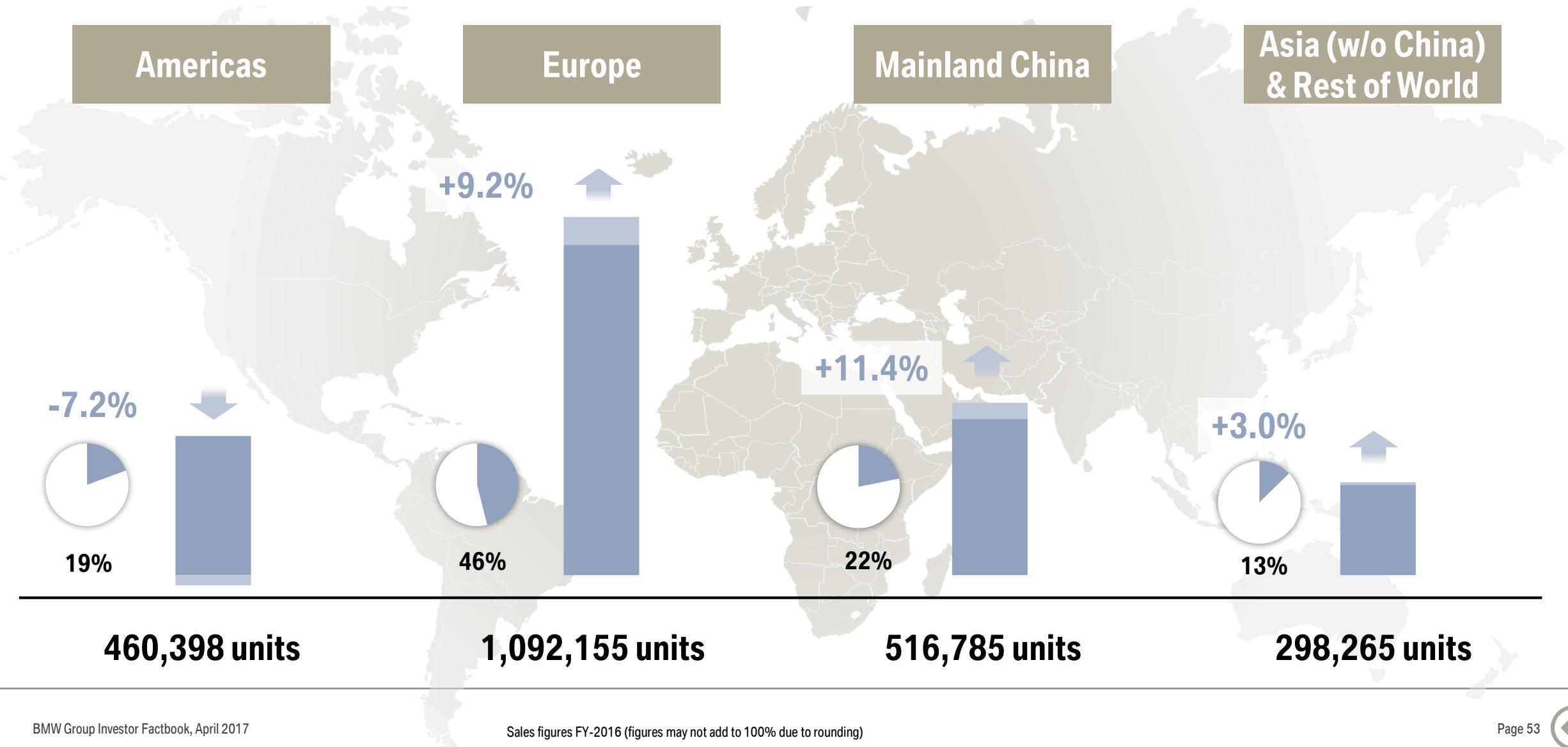


BMW GROUP ACHIEVES SIXTH CONSECUTIVE ALL-TIME SALES HIGH AND REMAINS WORLD'S LEADING PREMIUM CAR COMPANY IN FY 2016.

BMW GROUP	2,367,603	+5.3%
	2,003,359	+5.2%
	360,233	+6.4%
Rolls-Royce Motor Cars Limited	4,011	+6.0%
BMW Motorrad	145,032	+5.9%



BMW GROUP AUTOMOTIVE: BALANCED SALES DISTRIBUTION AND SOLID FY 2016 GROWTH OF +5.3% TO NEW RECORD OF 2,367,603 VEHICLES.



BMW GROUP AUTOMOTIVE MAJOR MARKETS. DELIVERIES TO CUSTOMERS FY 2016.

Deliveries of automobiles	YTD 2016	YTD 2015	Change in %
Europe	1,092,155	1,000,427	9.2
thereof			
Germany	298,928	286,098	4.5
Great Britain	252,205	230,982	9.2
Americas	460,398	495,897	-7.2
thereof			
USA	366,493	405,715	-9.7
Asia	747,291	685,792	9.0
thereof			
China Mainland	516,785	464,086	11.4
thereof BBA retail sales	316,200	282,000	12.1
Rest of the World	67,759	65,369	3.7
Total	2,367,603	2,247,485	5.3



DELIVERIES TO CUSTOMERS BY SERIES OR BRAND FY 2016.

Deliveries of automobiles	YTD 2016	YTD 2015	Change in %
1 Series	176,032	182,158	-3.4
2 Series	196,183	157,144	24.8
3 Series	411,844	444,338	-7.3
4 Series	133,272	152,390	12.5
5 Series	331,410	347,096	-4.5
6 Series	13,400	20,962	36.1
7 Series	61,514	36,364	69.2
X1	220,378	120,011	83.6
X3	157,017	137,810	13.9
X4	58,055	55,050	5.5
X5	166,219	168,143	-1.1
X6	43,323	46,305	-6.4
Z4	5,432	7,950	31.7
BMW i	29,280	29,513	-0.8
BMW Total	2,003,359	1,905,234	5.2
MINI	360,233	338,466	6.4
Rolls Royce	4,011	3,785	6
BMW Group Total	2,367,603	2,247,485	5.3

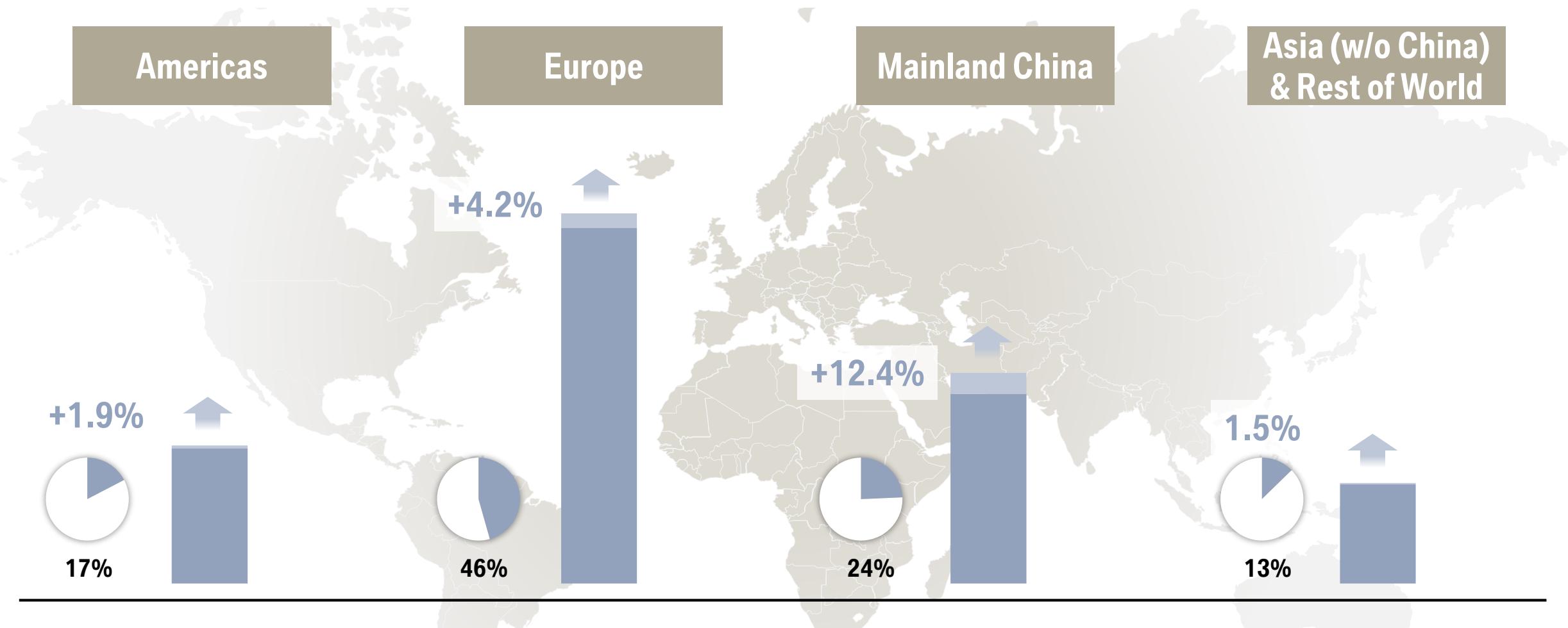


STRONG BMW GROUP SALES WITH DELIVERIES UP 5.3% BY MARCH 2017.

BMW GROUP	587,237	+5.3%
BMW	503,445	+5.2%
MINI	83,059	+6.1%
Rolls-Royce Motor Cars Limited	733	+33.0%
BMW Motorrad	35,636	+5.5%



BMW GROUP AUTOMOTIVE SALES UP 5.3% IN THE FIRST THREE MONTHS 2017.



BMW GROUP AUTOMOTIVE MAJOR MARKETS. DELIVERIES TO CUSTOMERS YTD MARCH 2017.

Deliveries of automobiles	YTD 2017	YTD 2016	Change in %
Europe	267,841	257,012	4.2
thereof			
Germany ¹⁾	76,609	72,397	5.8
Great Britain	62,925	59,162	6.4
France	21,939	20,811	5.4
Italy	21,275	19,951	6.6
Americas	101,987	100,081	1.9
thereof			
USA	81,933	81,452	0.6
Asia	199,845	182,982	9.2
thereof			
China Mainland	142,828	127,105	12.4
thereof BBA retail sales	90,172	81,900	10.1
Japan	19,642	18,668	5.2
Rest of the World (incl. RR) ²⁾	17,564	17,569	0.0
Total	587,237	557,644	5.3



DELIVERIES TO CUSTOMERS BY SERIES OR BRAND YTD MARCH 2017.

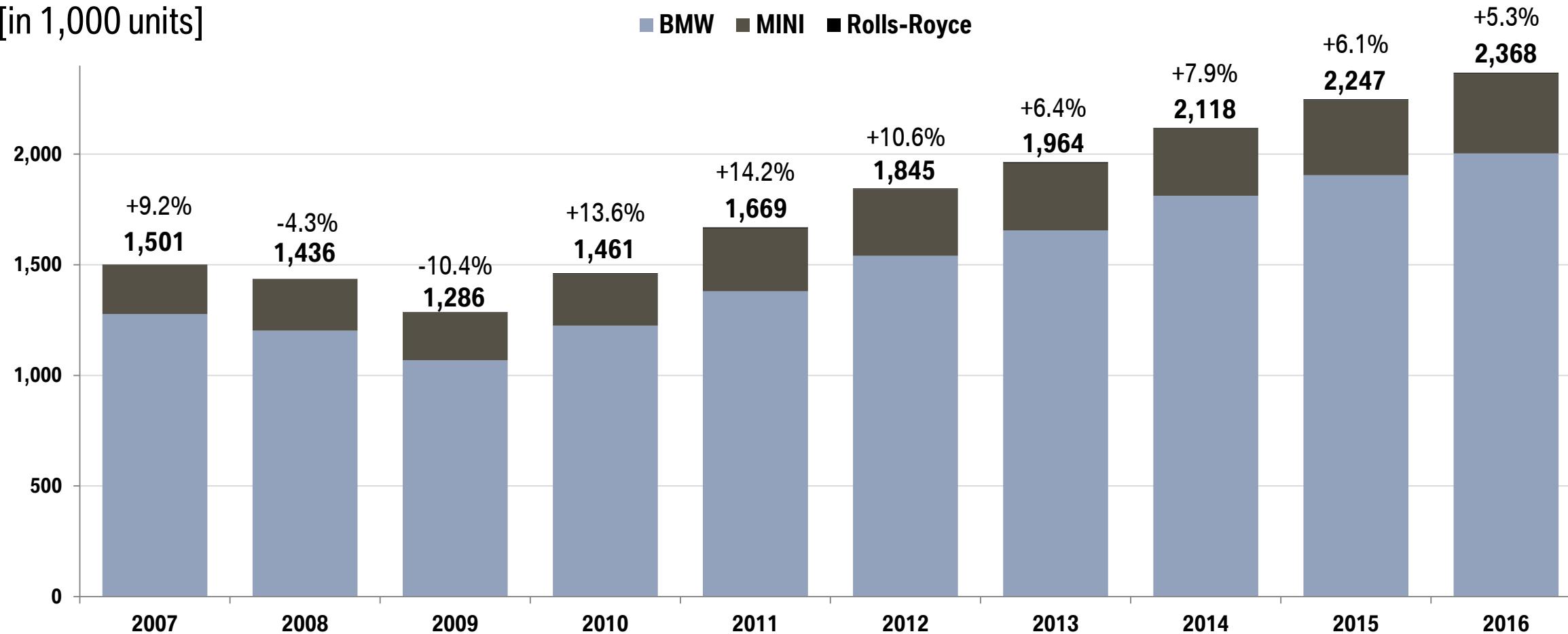
Deliveries of automobiles	YTD 2017	YTD 2016	Change in %
1 Series	42,036	41,853	0.4
2 Series	42,817	43,664	-1.9
3 Series	100,265	103,242	-2.9
4 Series	30,745	32,725	-6.1
5 Series	83,459	82,181	1.6
6 Series	2,522	3,292	-23.4
7 Series	15,898	10,588	50.2
X1	66,063	51,000	29.5
X3	41,742	38,719	7.8
X4	12,960	14,975	-13.5
X5	45,892	39,012	17.6
X6	10,179	11,044	-7.8
Z4	769	1,348	-43.0
BMW i	8,098	5,138	57.6
BMW Total	503,445	478,781	5.2
MINI	83,059	78,312	6.1
Rolls Royce	733	551	33.0
BMW Group Total	587,237	557,644	5.3



BMW GROUP RETAIL SALES INCREASED ON AVERAGE BY 4.7% SINCE 2007.

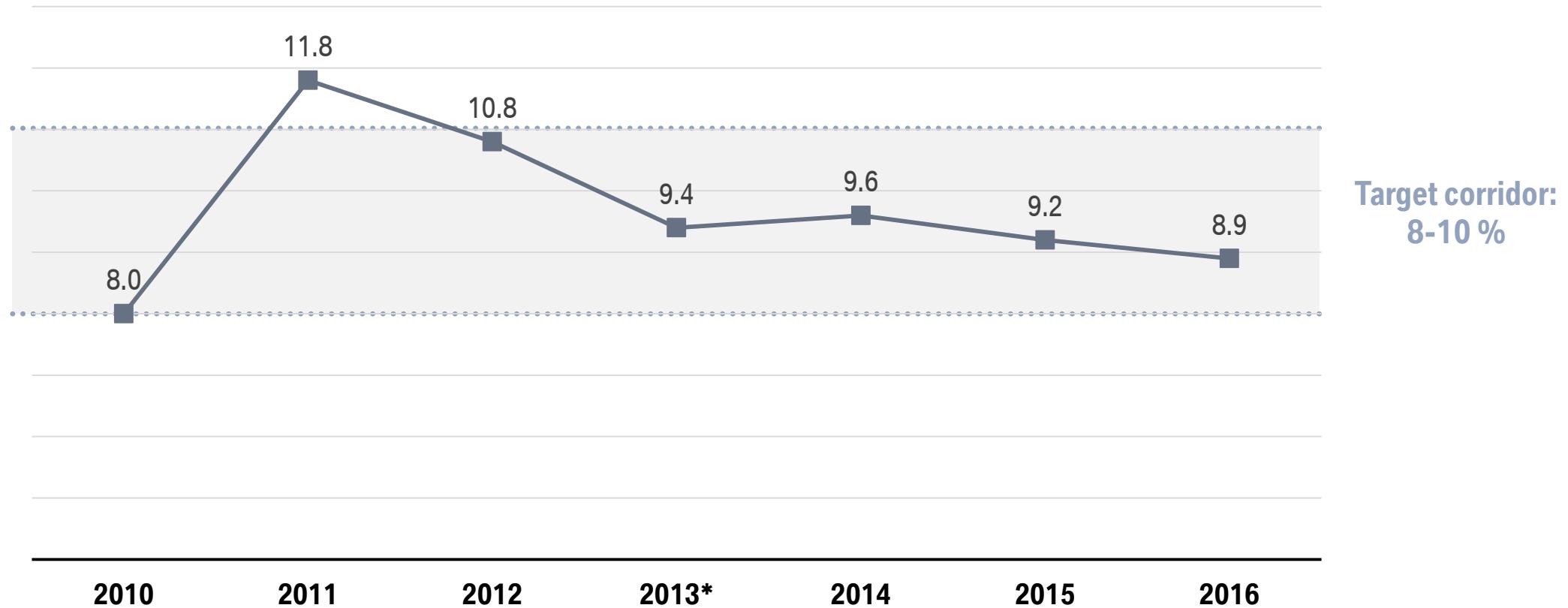
BMW Group Retail sales development

[in 1,000 units]



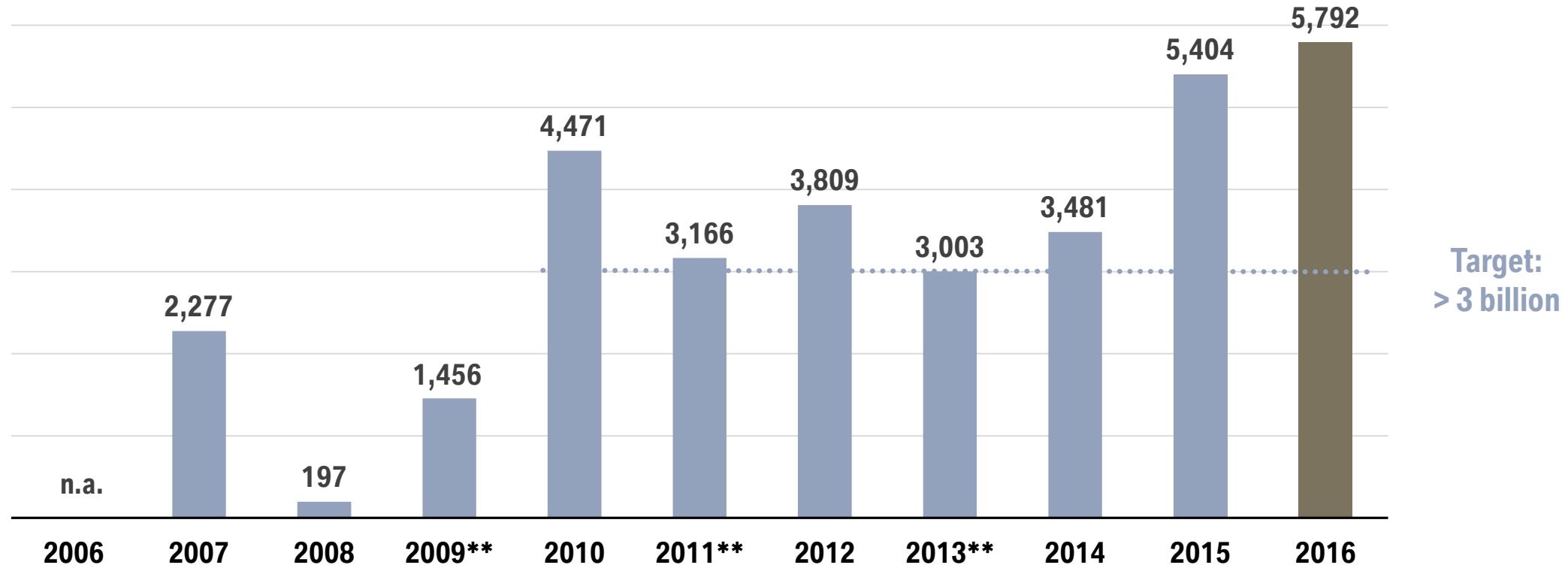
EBIT MARGIN IN THE AUTOMOTIVE SEGMENT WITHIN OR ABOVE TARGET RANGE OF 8-10% FOR SEVENTH YEAR IN SUCCESSION.

EBIT margin development automotive segment [in %]



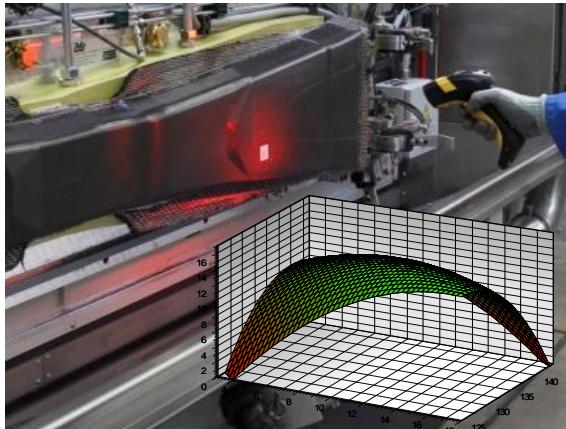
SOLID FREE CASH FLOW DEVELOPMENT IN THE AUTOMOTIVE SEGMENT.

Free Cash Flow (Automotive)* [in m€]



INTELLIGENT AND INNOVATIVE PRODUCTION. DIGITALIZATION CREATES NEW OPPORTUNITIES.

Data and Analytics



Smart Logistics



Innovative Automation



Additive Manufacturing



Internet-of-Things
Architecture

Autonomous Transport Systems

Collaborative Robot Systems

Laminate or Metal

Data Management for Planning
and Control

Global Supply Chain
Visibility and Control

Context-sensitive Worker
Support Systems

Serial Production
and Rapid Prototyping

Cyber Security

Integrated Supplier Networks

Reorganization of Work

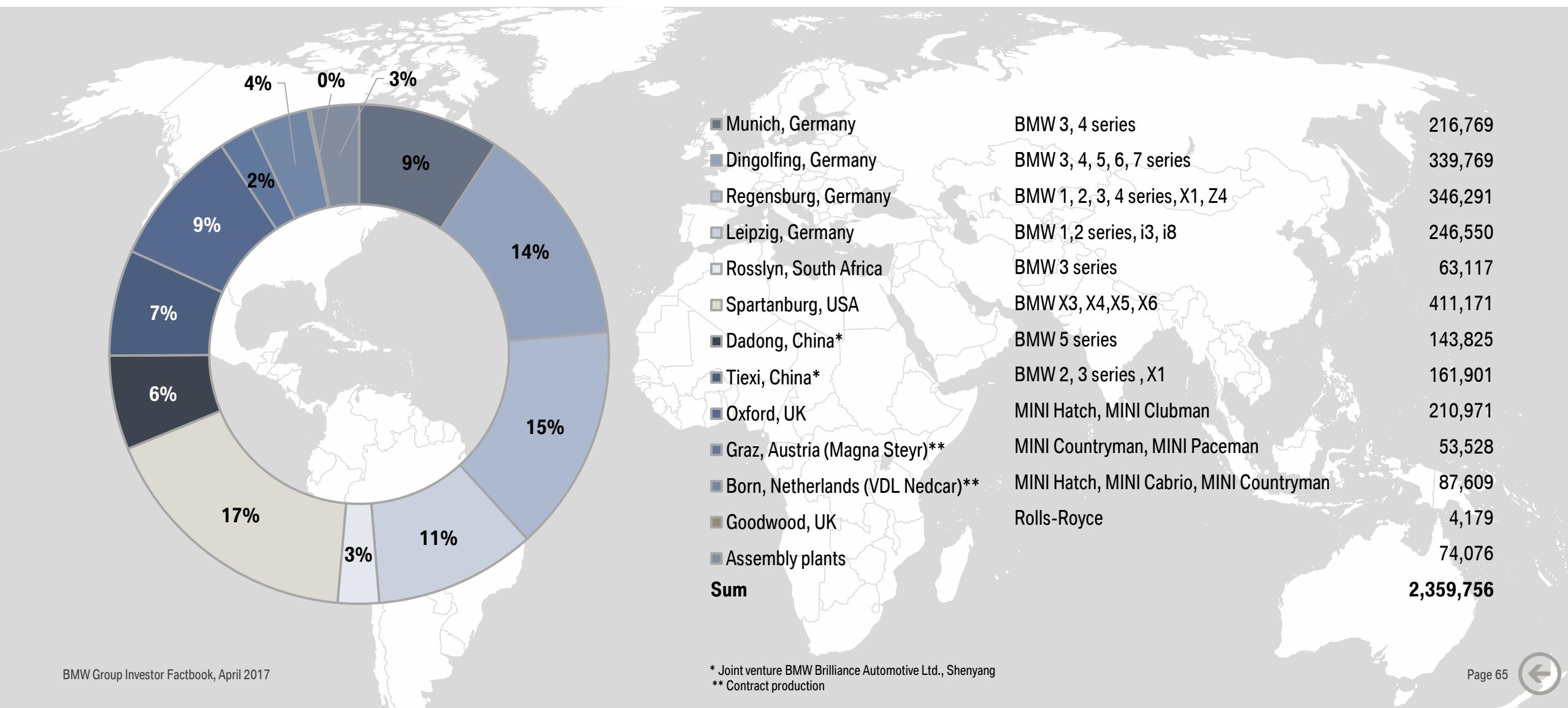
New Individualization



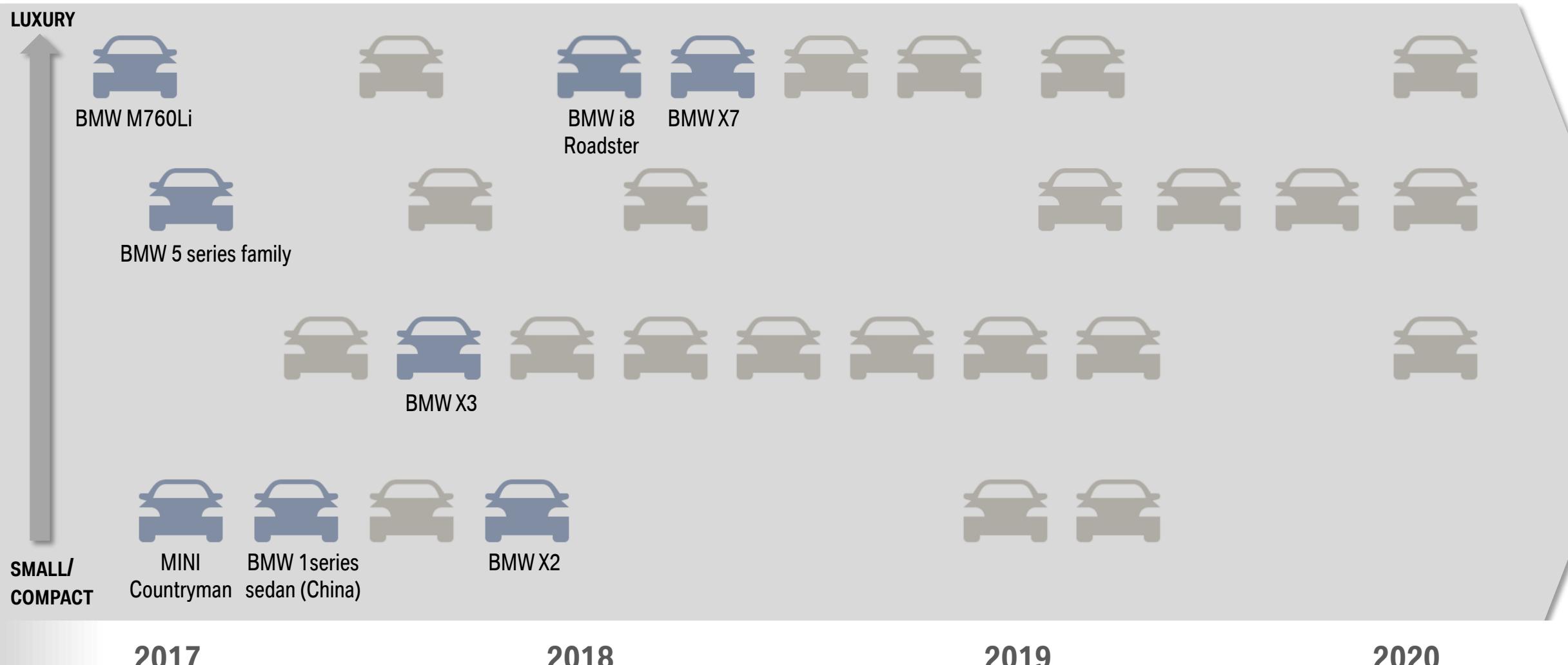
EUROPE, CHINA AND USA – THE PILLARS OF THE BMW GROUP PRODUCTION NETWORK.



AUTOMOBILE PRODUCTION BY PLANT IN 2016.



MORE THAN 70% OF EXPECTED ANNUAL SALES VOLUME WILL BE RENEWED UNTIL 2020.



SIXTH GENERATION OF BMW 7 SERIES: THE NEW BENCHMARK IN THE LUXURY SEGMENT.



SEVENTH GENERATION OF BMW 5 SERIES: SPORTINESS AND EVERYDAY USABILITY.



THE NEW MINI COUNTRYMAN.



BMW GROUP. THE ROLLS-ROYCE WRAITH AND GHOST BLACK BADGE.



KEEPING THE LEAD. FURTHER EXPANSION OF THE X-PORTFOLIO PLANNED UNTIL 2020.

BMW X1



BMW X2*



BMW X3



BMW X4



BMW X5



BMW X6



BMW X7



THE BMW X2 CONCEPT.

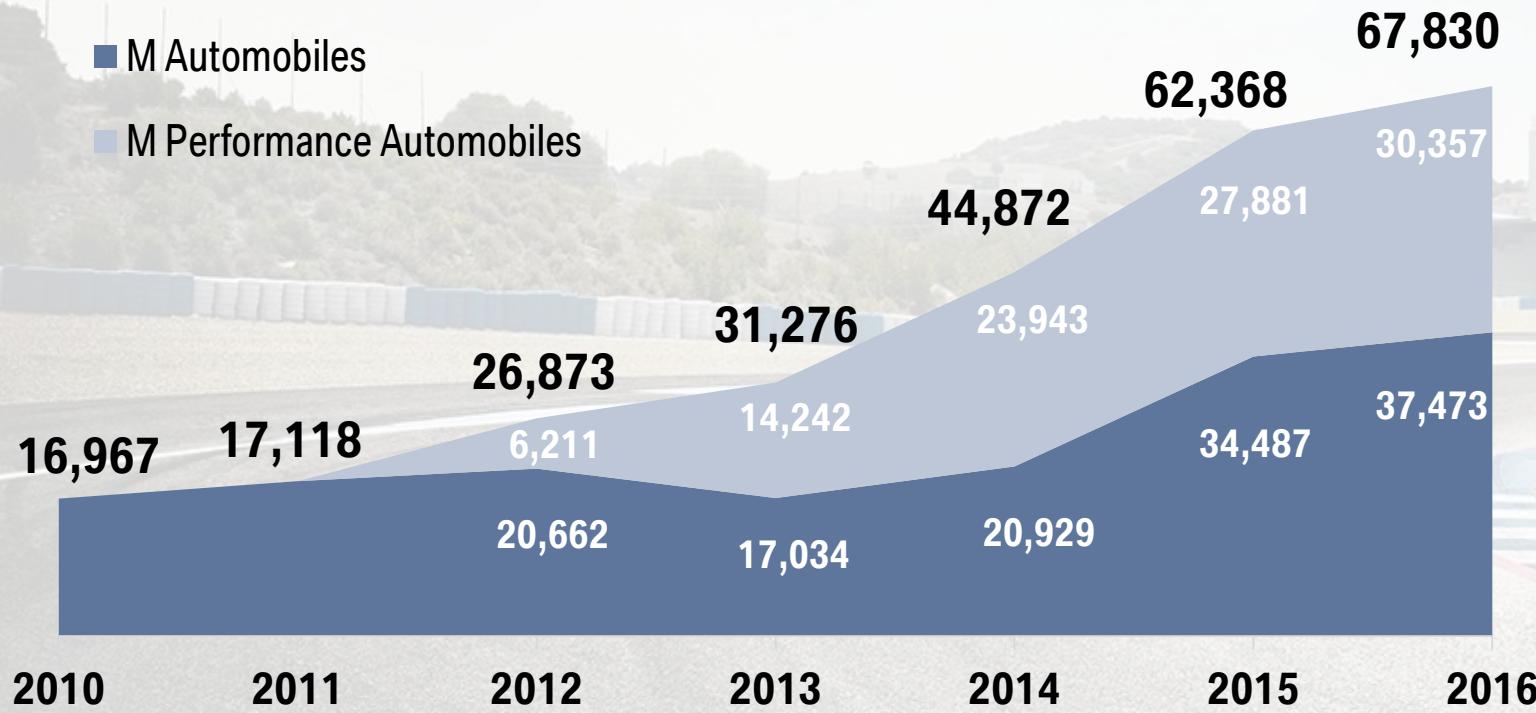


THE NEW BMW X3.



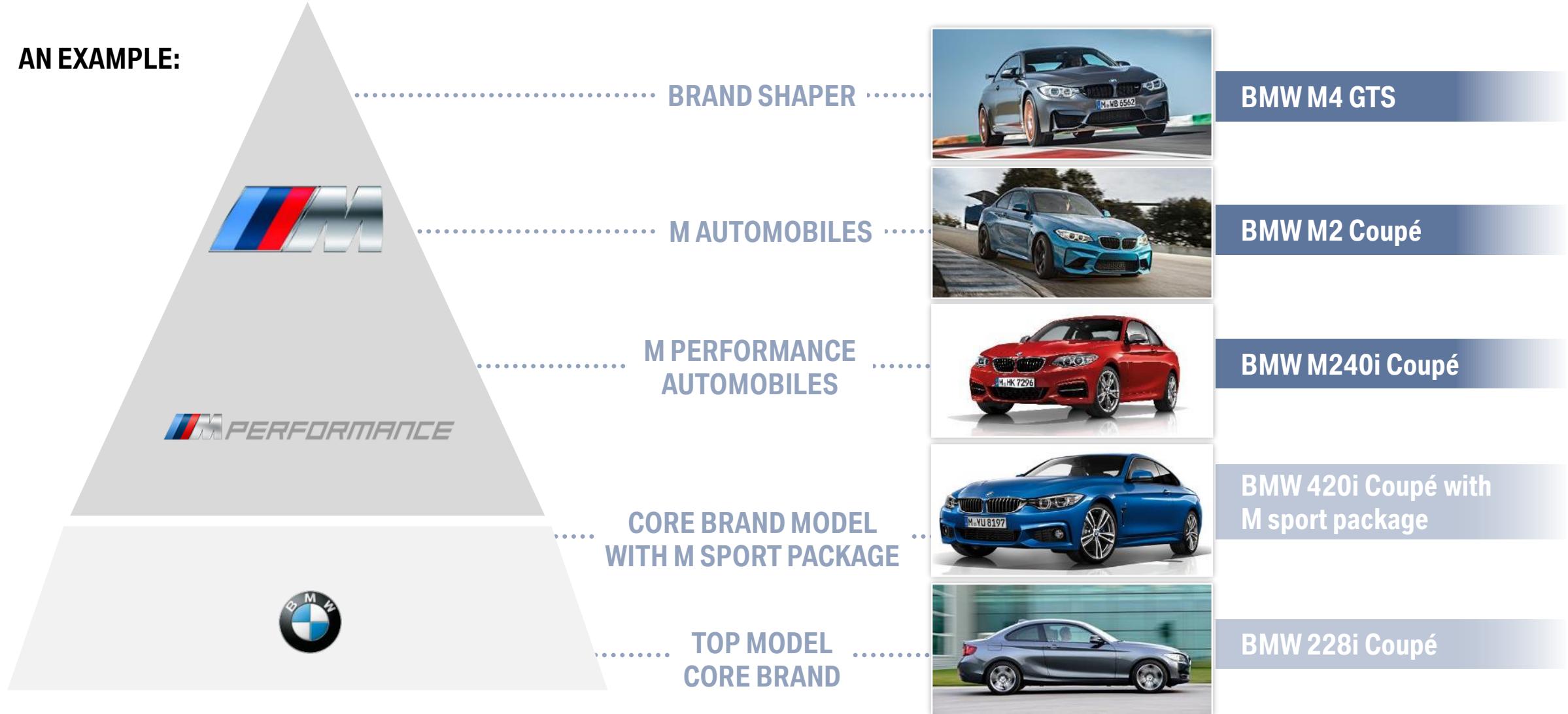
STRONG PERFORMANCE OF M PRODUCTS SERVES AS A STARTING POINT FOR FURTHER GROWTH.

Sales Volume BMW M and M Performance Automobiles



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

AN EXAMPLE:



THE NEW BMW 4 SERIES MODELS.



CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

BMW MOTORRAD. WIDER RANGE THAN EVER BEFORE.

ADVENTURE



TOUR



SPORT



ROADSTER



HERITAGE



URBAN
MOBILITY



FY-2016 MOTORCYCLES SEGMENT. INCREASE IN DELIVERIES, SALES AND EARNINGS.

In m€	2016	2015	Change in %
Sales (units)	145,032	136,963	+ 5.9
Revenues	2,069	1,990	+ 4.0
Earnings before interest and tax (EBIT)	187	182	+ 2.7
EBIT margin (in %)	9.0	9.1	-0.1 pp
Earnings before tax (EBT)	185	179	+ 3.4

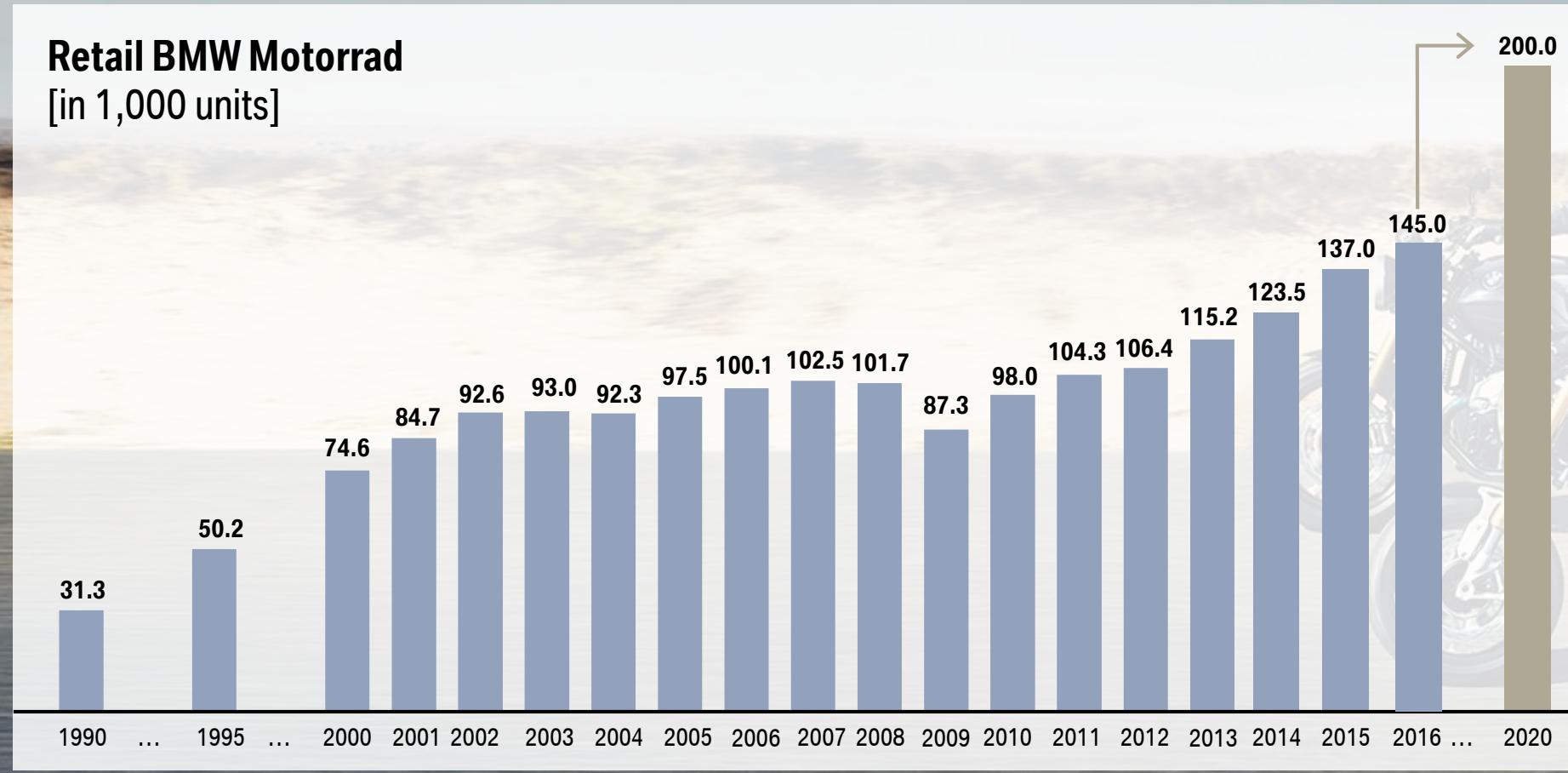


Q4-2016 MOTORCYCLES SEGMENT. SOLID PERFORMANCE BUT HIGH COSTS FOR STRATEGY PROJECTS LEAD TO LOWER EARNINGS.

In m€	Q4-2016	Q4-2015	Change in %
Sales (units)	28,988	24,552	+18.1
Revenues	419	347	+20.7
Earnings before interest and tax (EBIT)	-37	-91	n.a.
EBIT margin (in %)	-8.8	-26.2	n.a.
Earnings before tax (EBT)	-38	-92	n.a.

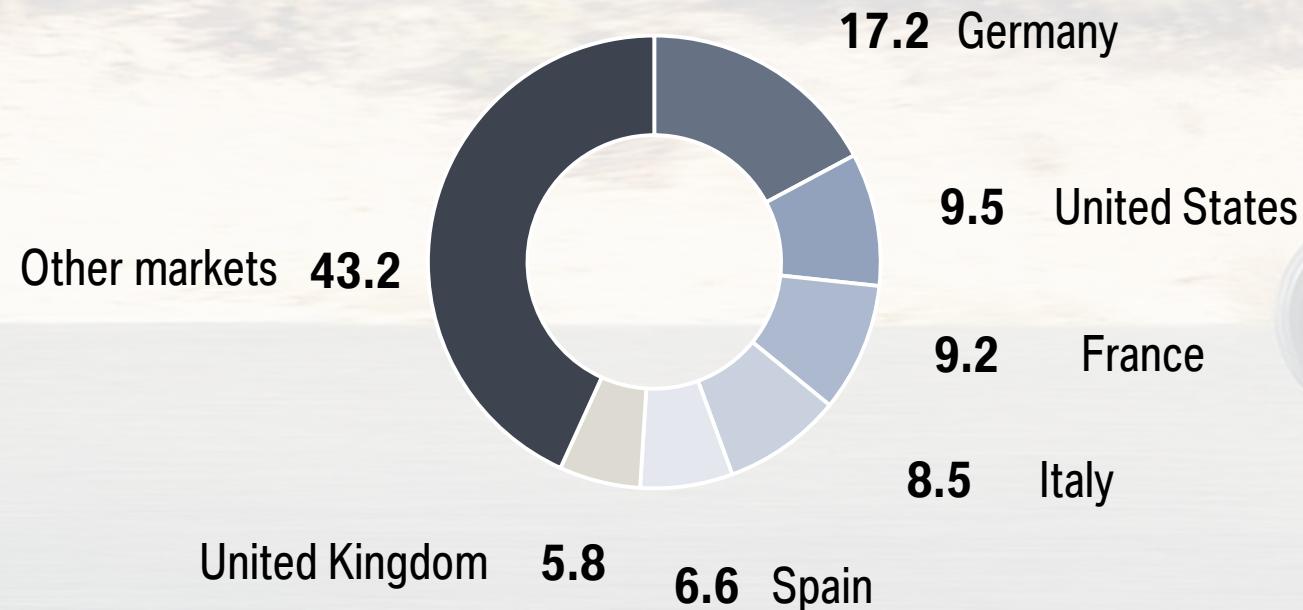


STRONG BMW MOTORRAD RETAIL SALES 1990 TO 2016 AND NEW SALES TARGET 2020.

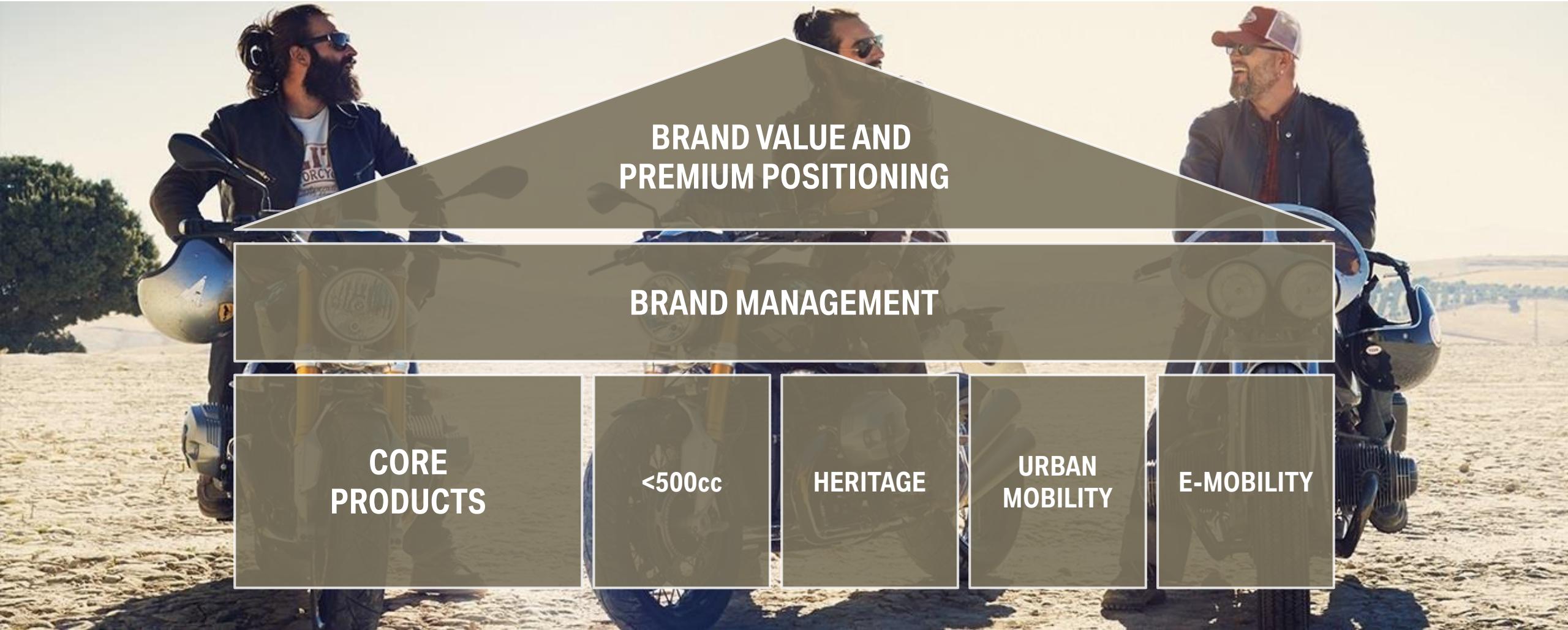


MOST IMPORTANT MARKETS FOR BMW MOTORCYCLES IN 2016.

Retail BMW Motorrad by regions
[in %]



BMW MOTORRAD – NEW STRATEGY SUPPORTS SUSTAINABLE AND PROFITABLE GROWTH.

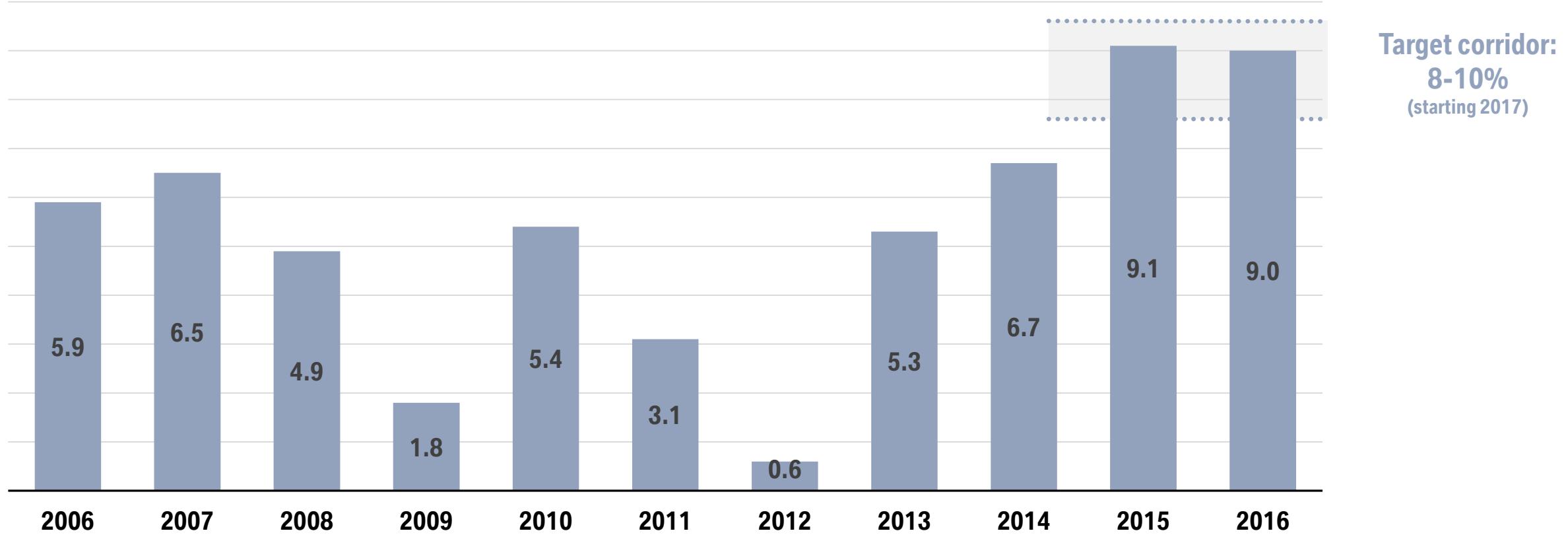


THE BMW MOTORRAD MODEL OFFENSIVE.



SUCCESSFUL FY 2016 FOR BMW MOTORRAD. EBIT MARGIN WITHIN TARGET CORRIDOR OF 8-10%.

EBIT margin development BMW Motorrad [in %]



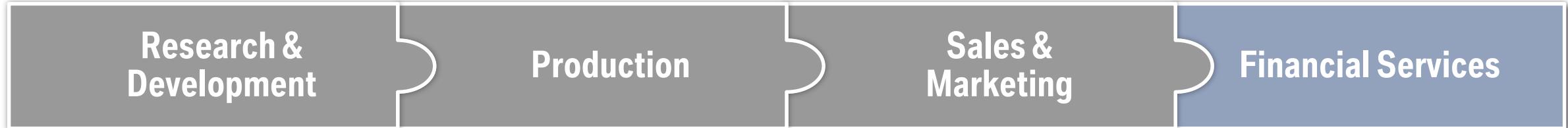
CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

TODAY SF FULFILLS ITS VALUE CONTRIBUTION ROLE WITHIN THE GROUP.



Support of Sales



Penetration Rate: 49.6% (2016)

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

Production

Customer Interface



Customers: 4.7 Million (2016)

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

Sales & Marketing

Financial Services

Profit Contribution



Return on Equity > 18% (Target)

- Significant Profit Contribution to BMW Group.



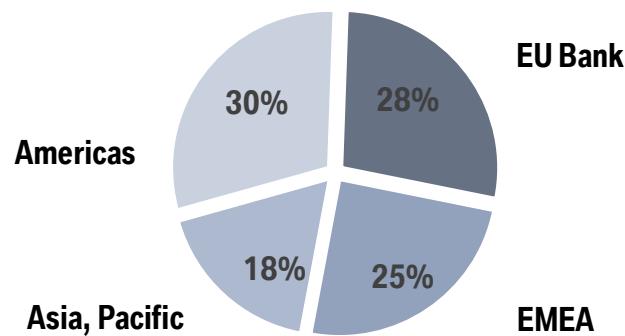
BMW GROUP FINANCIAL SERVICES AT A GLANCE.

Global Presence as of 12/2016

Global Operations in 57 Countries



~ 4.7 Million Serviced Retail Contracts



Business Lines as of 12/2016



Retail Finance

€ 88.4 bn



Alphabet



Fleet Business

€ 11.7 bn



Insurance

3.4 mn contracts



Dealer Finance

€ 18.3 bn



Multi Make Financing

€ 8.0 bn



Banking

€ 13.5 bn



FY-2016 FINANCIAL SERVICES SEGMENT: SUCCESSFUL FINANCIAL YEAR 2016. ROE TARGET OF >18% ACHIEVED.

In m€	FY-2016	FY-2015	Change in %
New customer contracts (units)	1,811,157	1,655,961	+ 9.4
Revenues	25,681	23,739	+ 8.2
Earnings before tax (EBT)	2,166	1,975	+ 9.7
Return on equity (in %)	21.2	20.2	+1.0 pp
Penetration rate (in %)	49.6	46.3	+3.3 pp



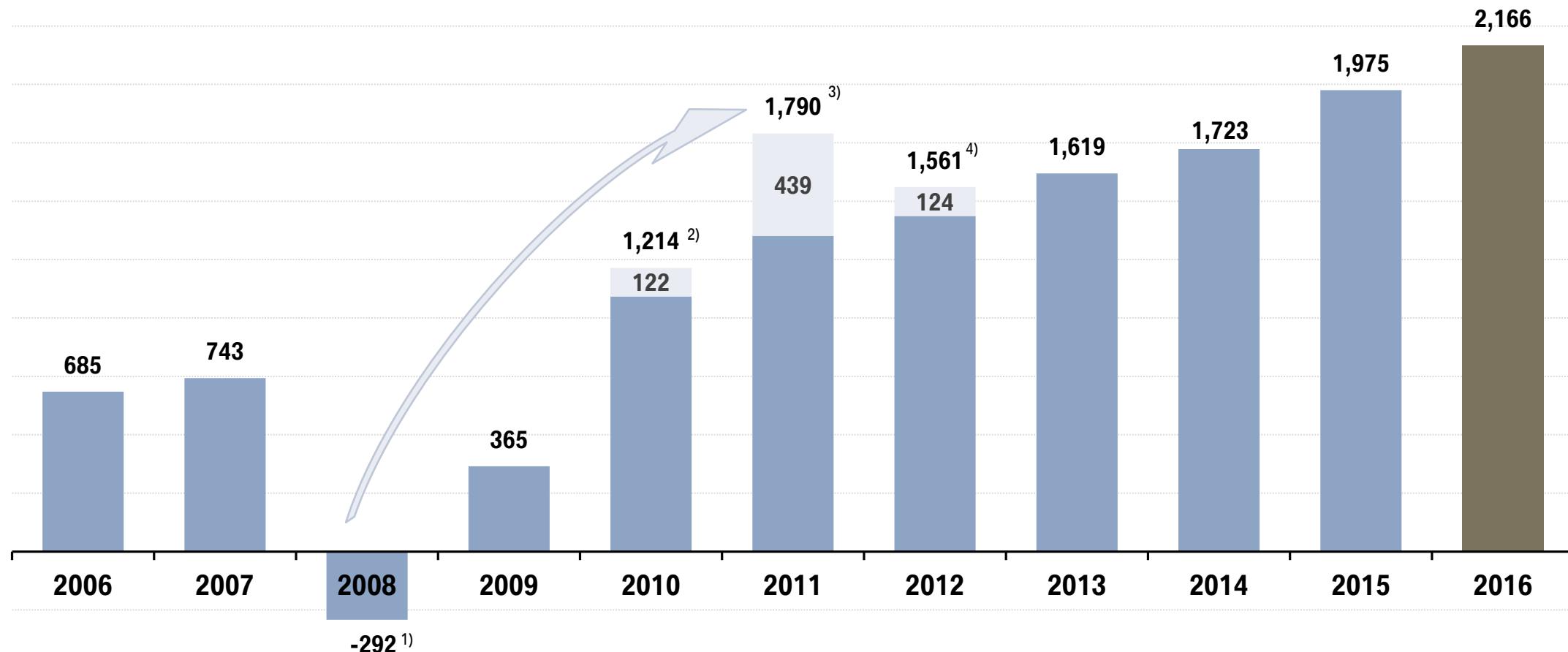
Q4-2016 FINANCIAL SERVICES SEGMENT: STRONG INCREASE IN NEW CUSTOMER CONTRACTS.

In m€	Q4-2016	Q4-2015	Change in %
New customer contracts (units)	469,365	433,796	+8.2
Revenues	6,741	5,906	+14.1
Earnings before tax (EBT)	525	458	+14.6
Penetration rate (in %)*	49.6	46.3	+3.3 pp



SIGNIFICANT CONTRIBUTION OF FINANCIAL SERVICES TO BMW GROUP PROFIT.

Profit before Tax (PBT) 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.

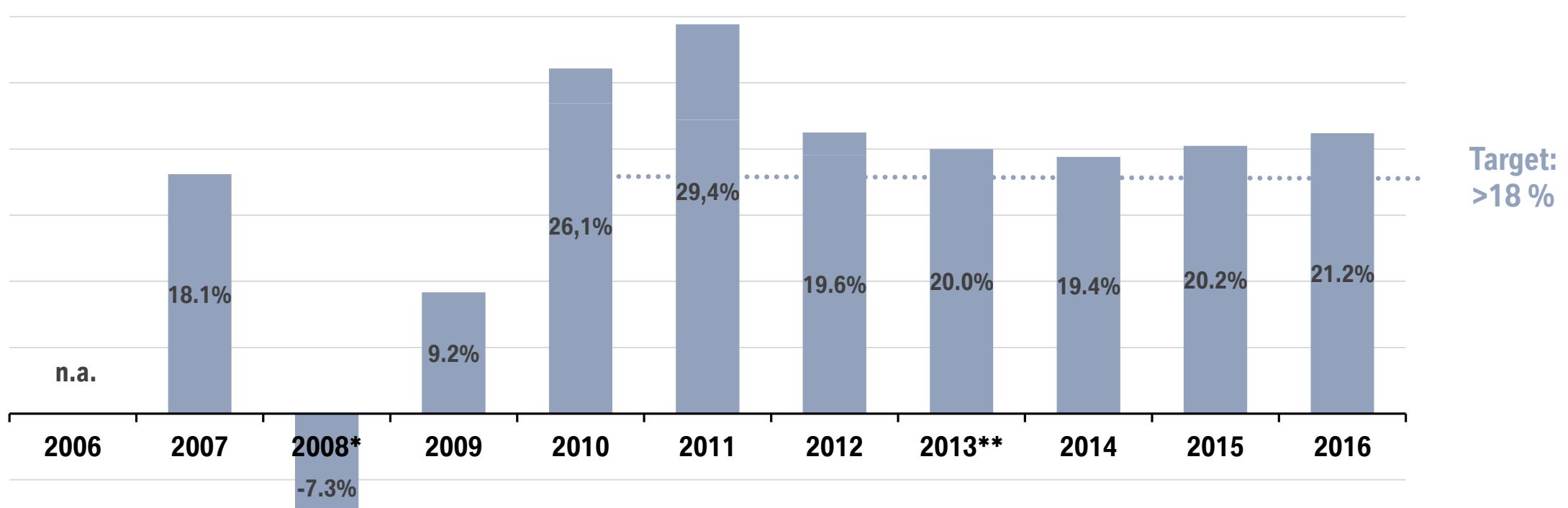
3) FY-11 EBT includes a positive effect of EUR 439 million from adjustment of residual value and credit risk provisions and a better than expected off-lease business.

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. TARGET ROE OF >18%.

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.

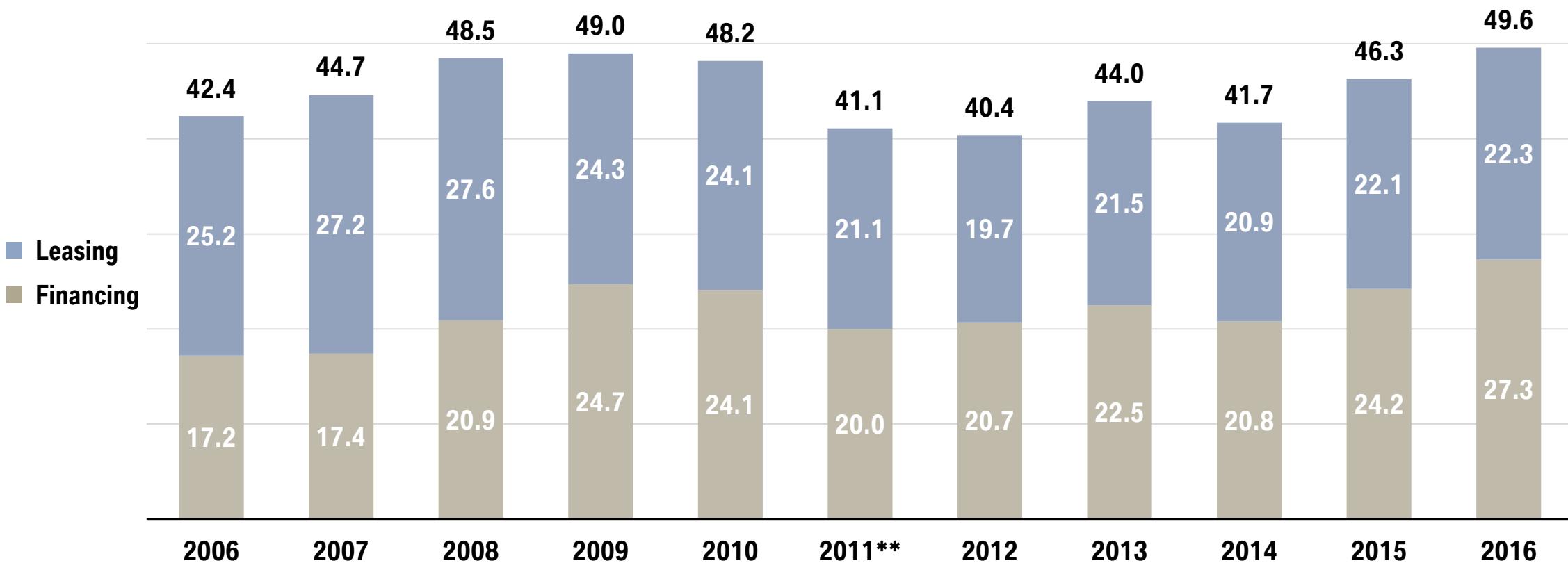
No quarterly equity reporting on segment level in 2006.



BMW GROUP FINANCIAL SERVICES PENETRATION RATE RETAIL BUSINESS.

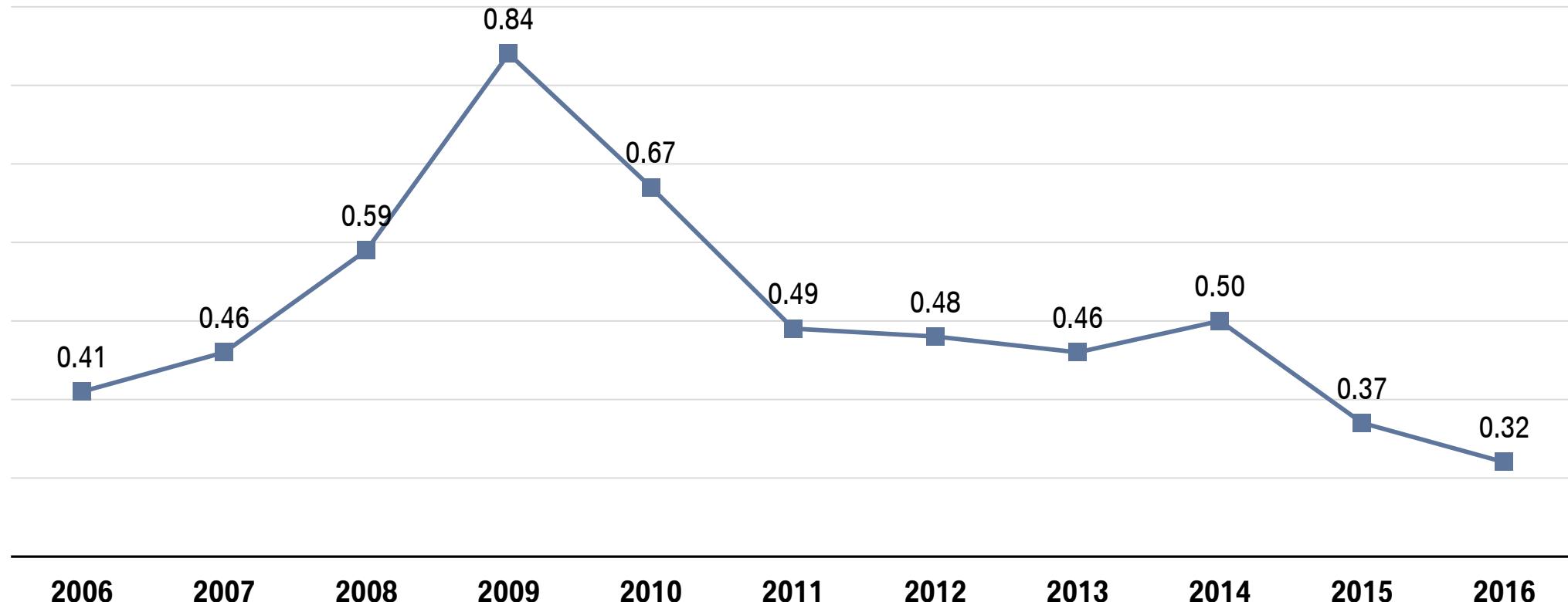
Penetration rate Retail business*

[in %]



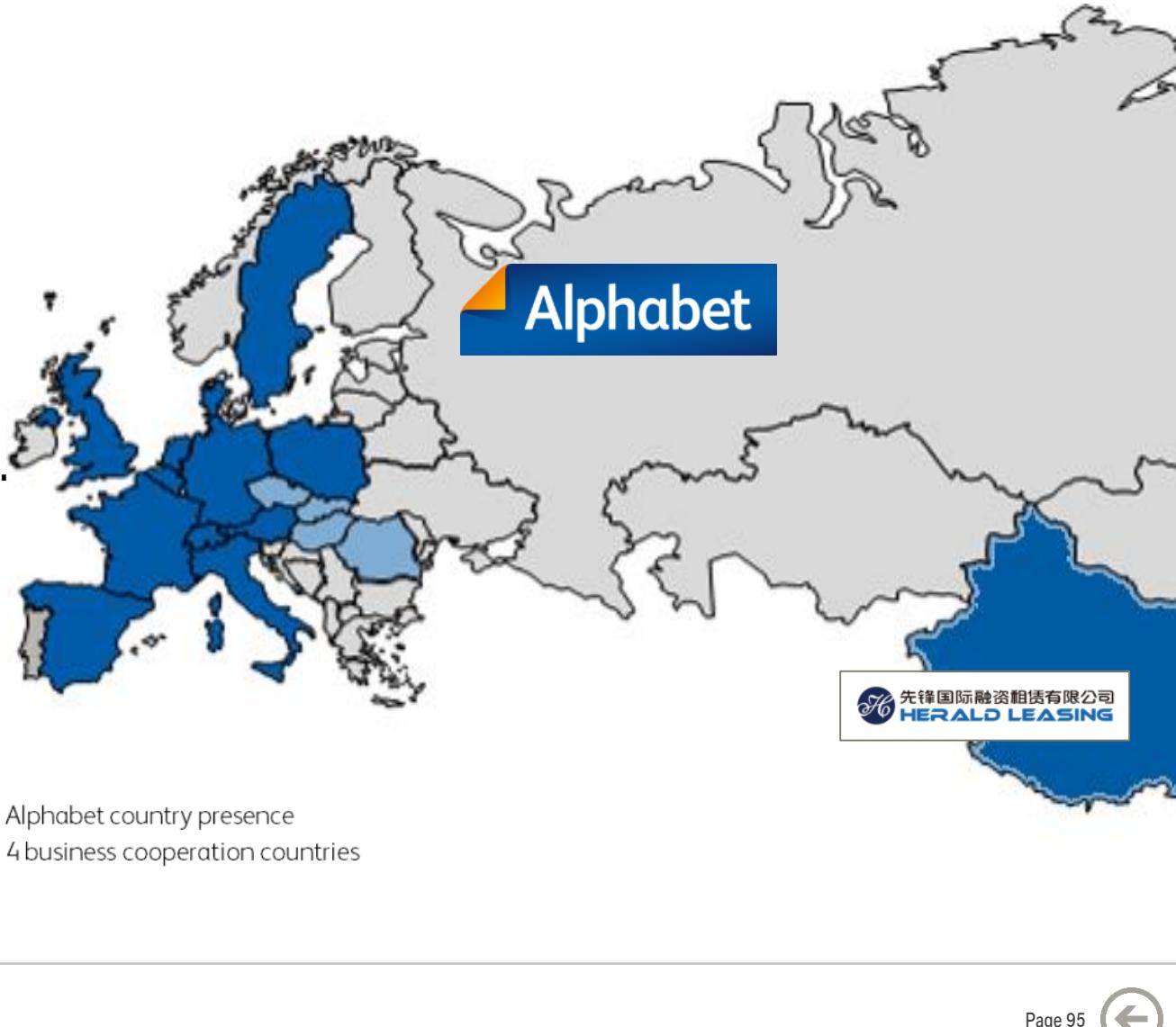
BMW GROUP FINANCIAL SERVICES. SOLID DEVELOPMENT OF CREDIT LOSS RATIO.

Credit loss ratio*
[in %]



ALPHABET PROVIDES INNOVATIVE AND HOLISTIC MOBILITY SERVICES FOR CORPORATE CUSTOMERS.

- 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 **68,000 corporate customers in 16 European countries**, Australia and China with a team of **~2,500 people**.
- Contract portfolio of **645,000 vehicles**.



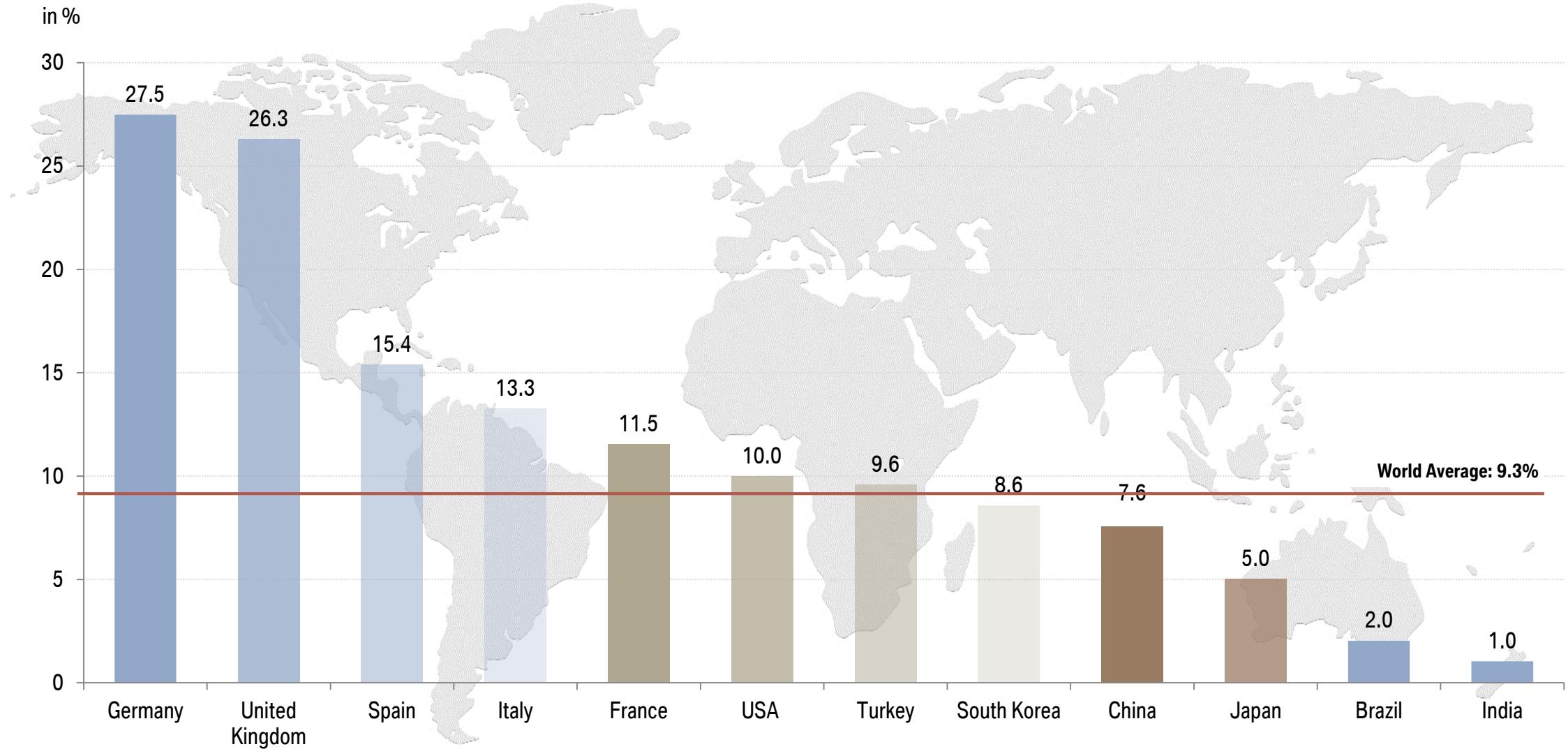
CONTENT.



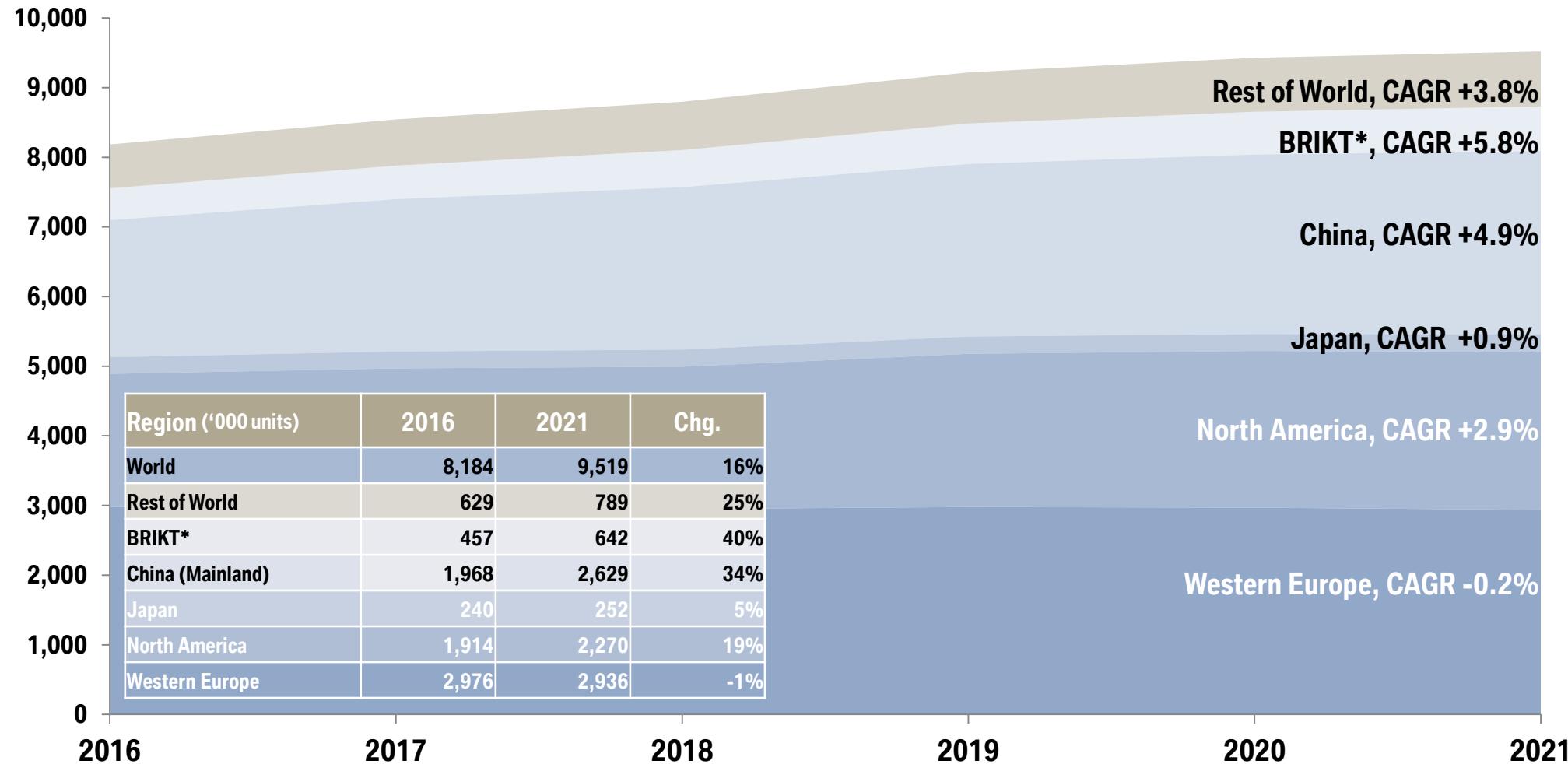
- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

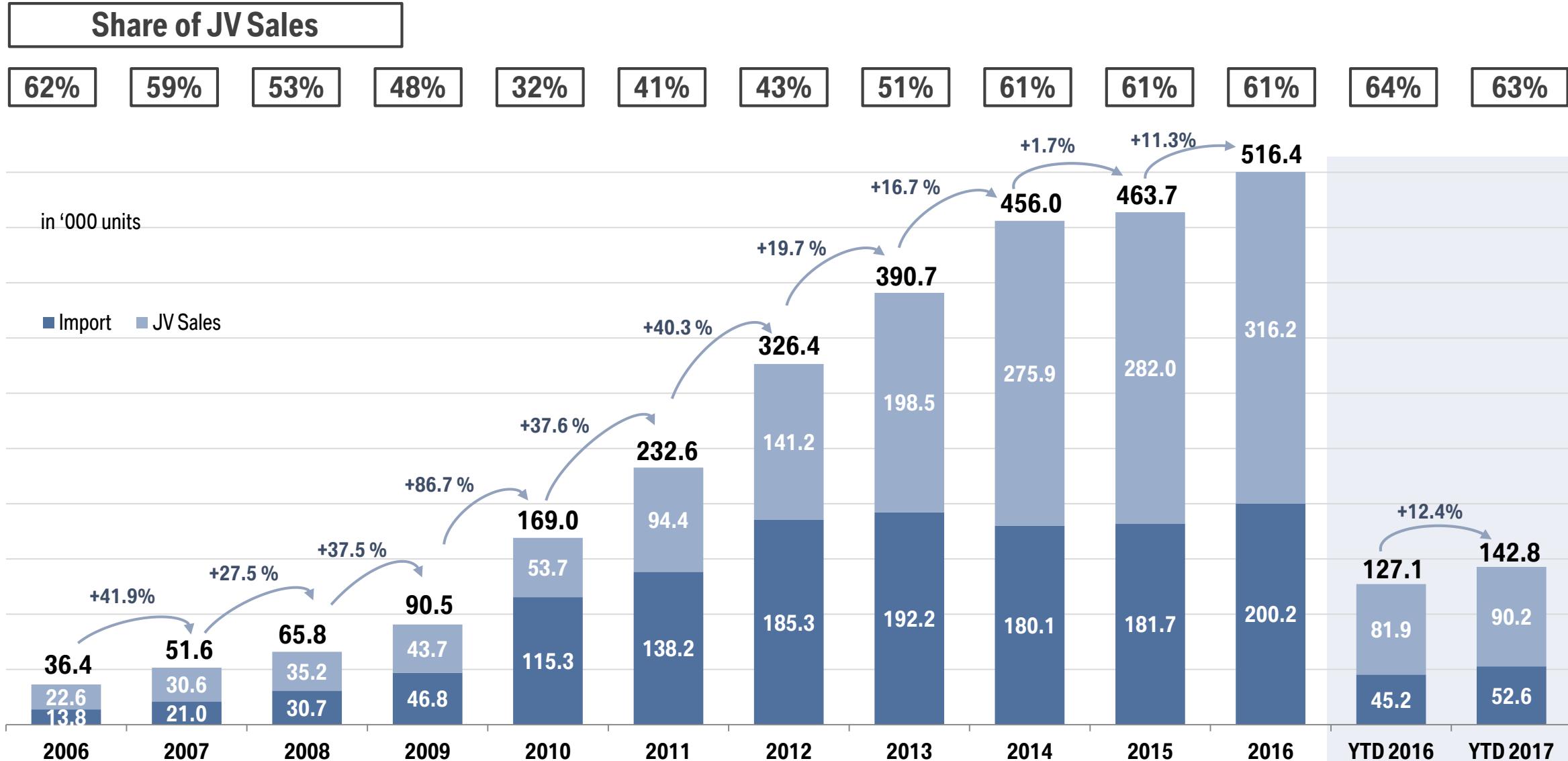
PREMIUM SEGMENT SHARE OF TOTAL MARKET 2016.



GLOBAL ANNUAL PREMIUM SEGMENT SALES ARE EXPECTED TO GROW TO 9.5 MN UNITS BY 2021.

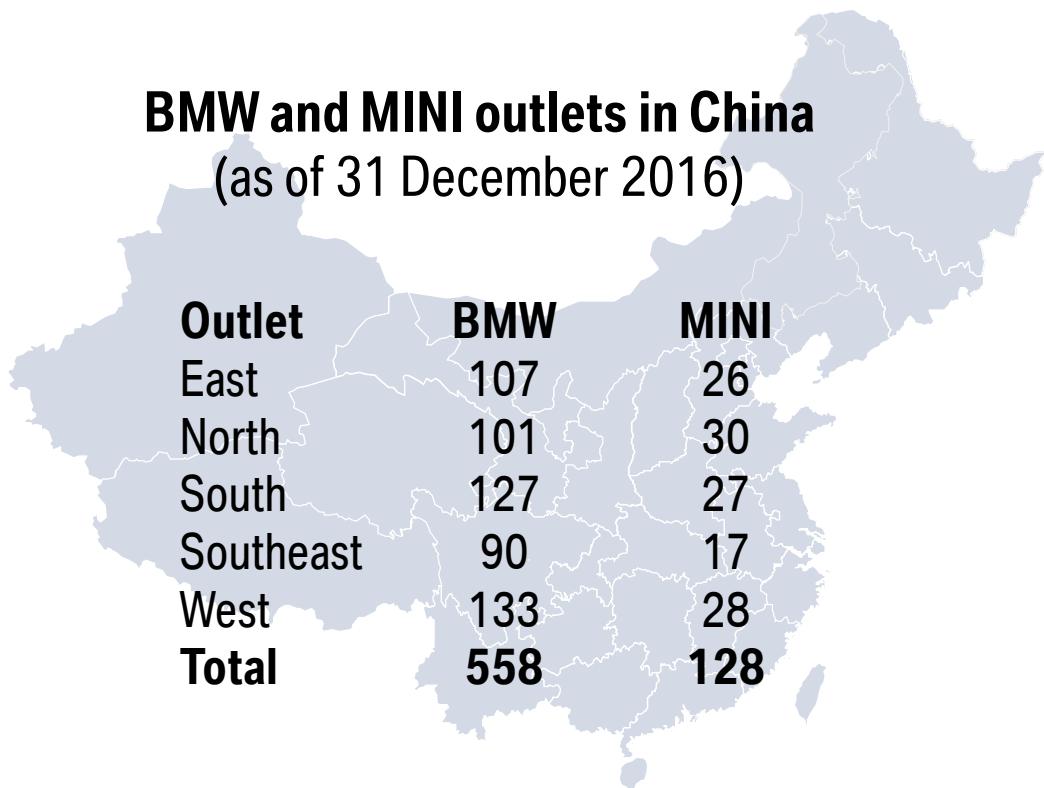


BMW AND MINI RETAIL DEVELOPMENT IN MAINLAND CHINA.



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

BMW and MINI outlets in China (as of 31 December 2016)



5 MODELS IN LOCAL PRODUCTION & MORE TO COME

3 SERIES



X1



5 SERIES



2 SERIES ACTIVE TOURER



1 SERIES SEDAN



NEXT MODEL IN LOCAL PRODUCTION



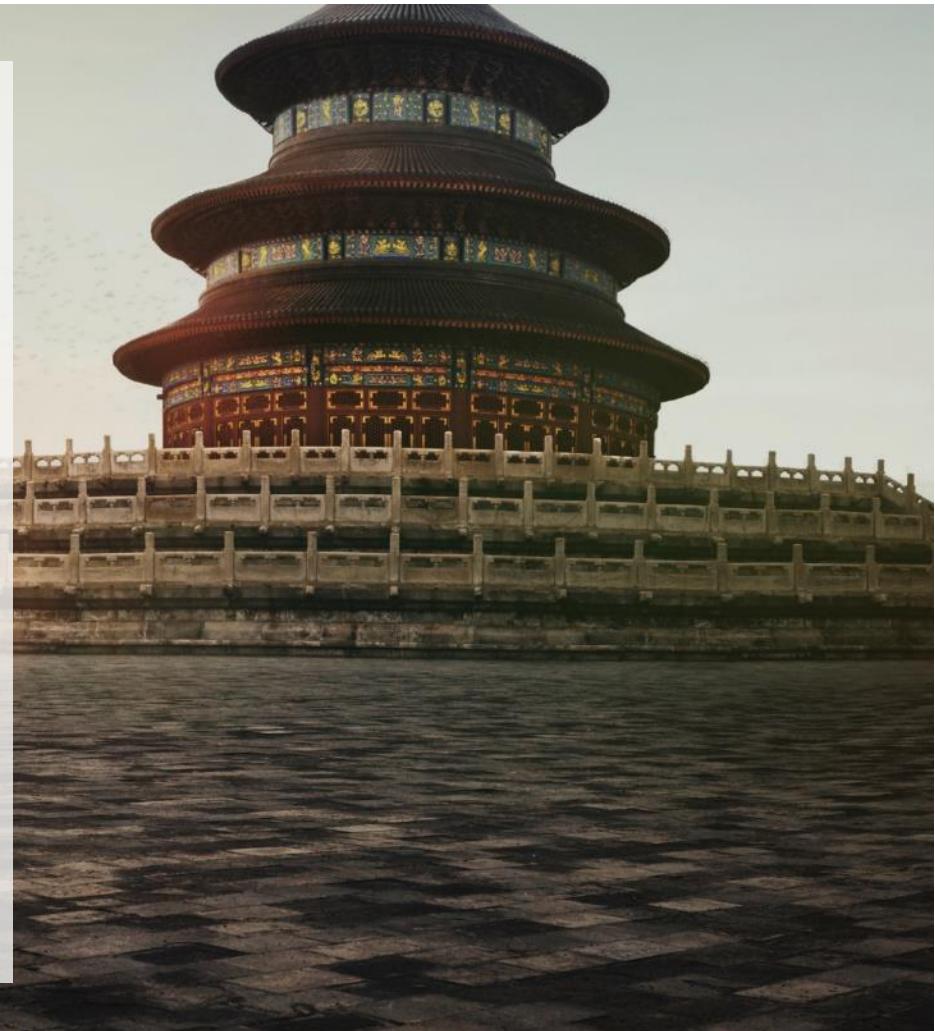
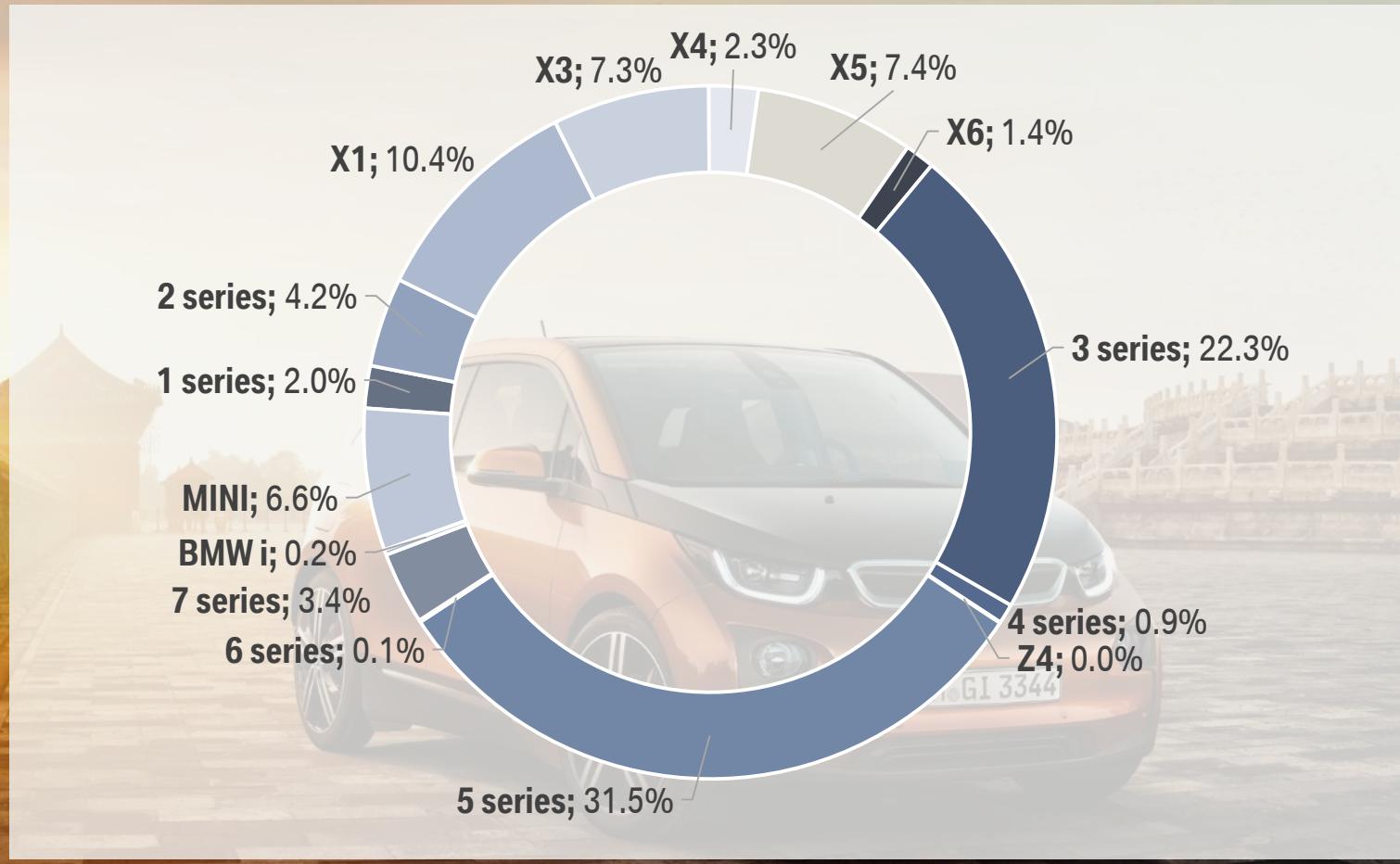
CHINA SPECIFIC X3



BMW 1 SERIES SEDAN: SPORTY, HIGHLY EMOTIONAL MODEL EXCLUSIVELY FOR THE CHINESE MARKET.

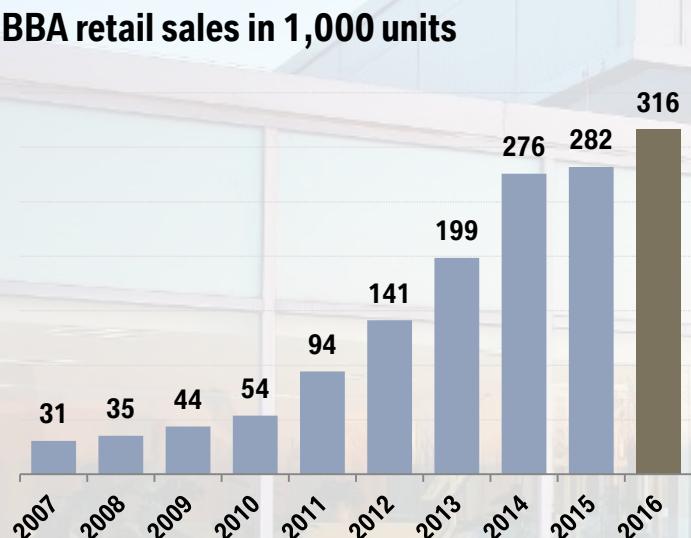


BMW AND MINI RETAIL MIX IN MAINLAND CHINA FY-2016.

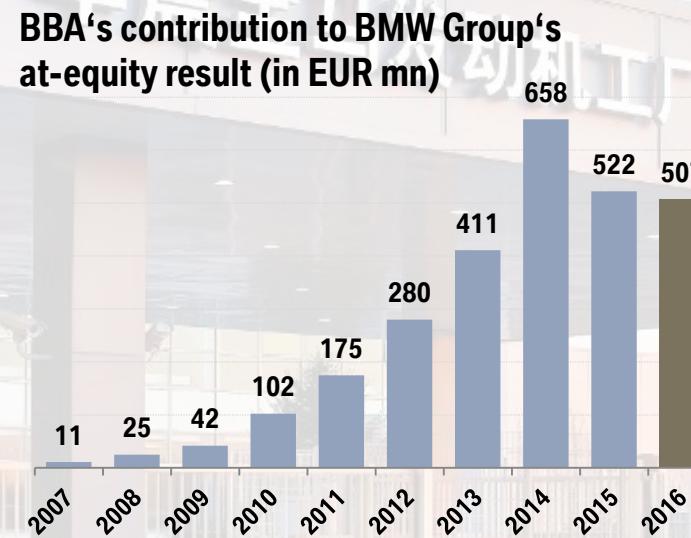


BMW BRILLIANCE AUTOMOTIVE – A SUCCESS STORY WITH GROWING REVENUE AND EARNINGS CONTRIBUTION.

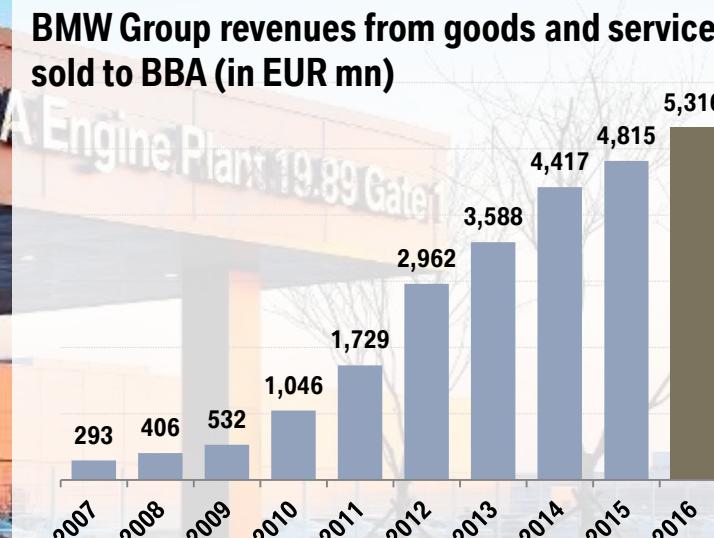
BBA retail sales in 1,000 units



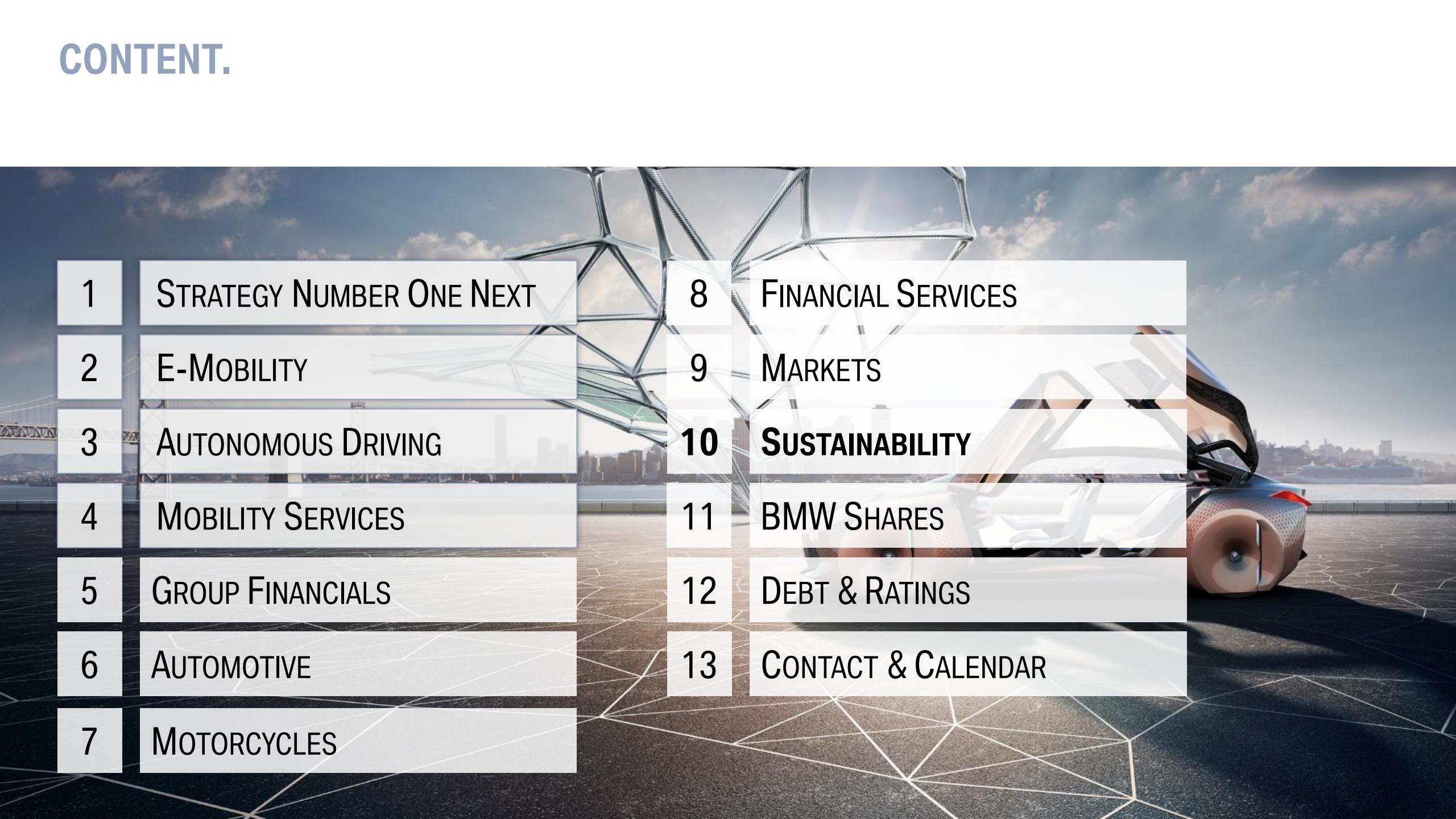
BBA's contribution to BMW Group's at-equity result (in EUR mn)



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



CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

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.
- **FTSE4Good:** Listed in the FTSE4Good Index.
- **Oekom:** Corporate Responsibility Rating oekom, Status: Prime.
- **Sustainalytics:** Ranked No. 1 in the “DAX 30 Sustainalytics” (no update since 2011).



SUSTAINABILITY IS INTEGRATED THROUGHOUT THE ENTIRE VALUE CHAIN.



25%
reduction of CO₂
emissions of new
7series 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



BMW GROUP EMPLOYER ATTRACTIVENESS: TOP AUTOMOTIVE MANUFACTURER WORLDWIDE.

Most respected global study:
students surveyed in 2016



Engineers / IT worldwide

Top automotive manufacturer

Only automobile manufacturer in top 10

4th place overall



Engineers / IT Europe

Top automotive manufacturer

4th place overall



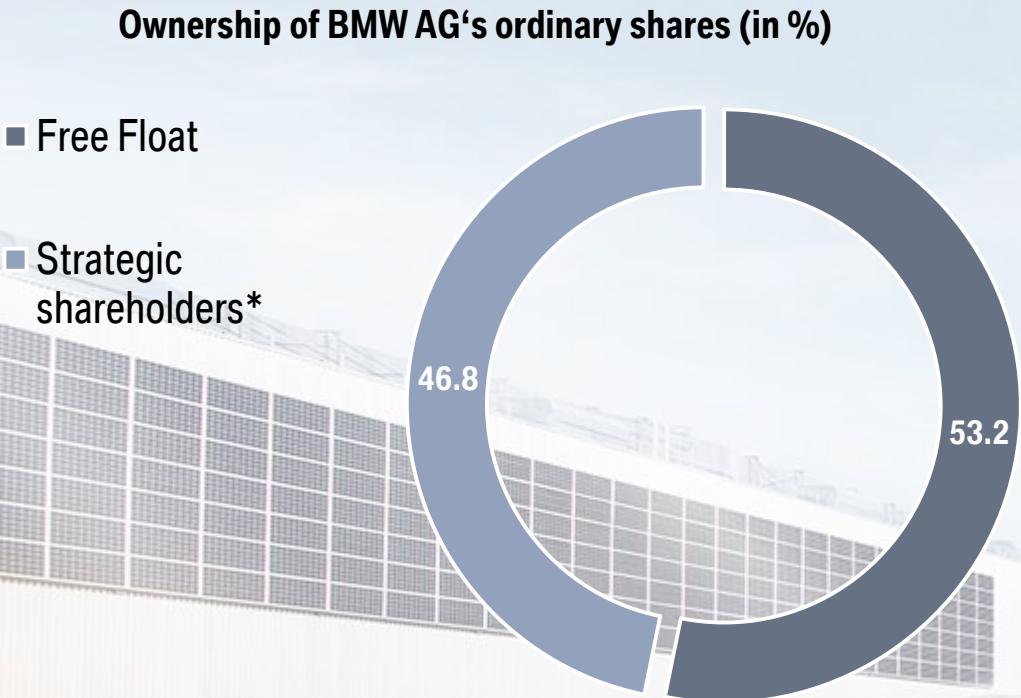
CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

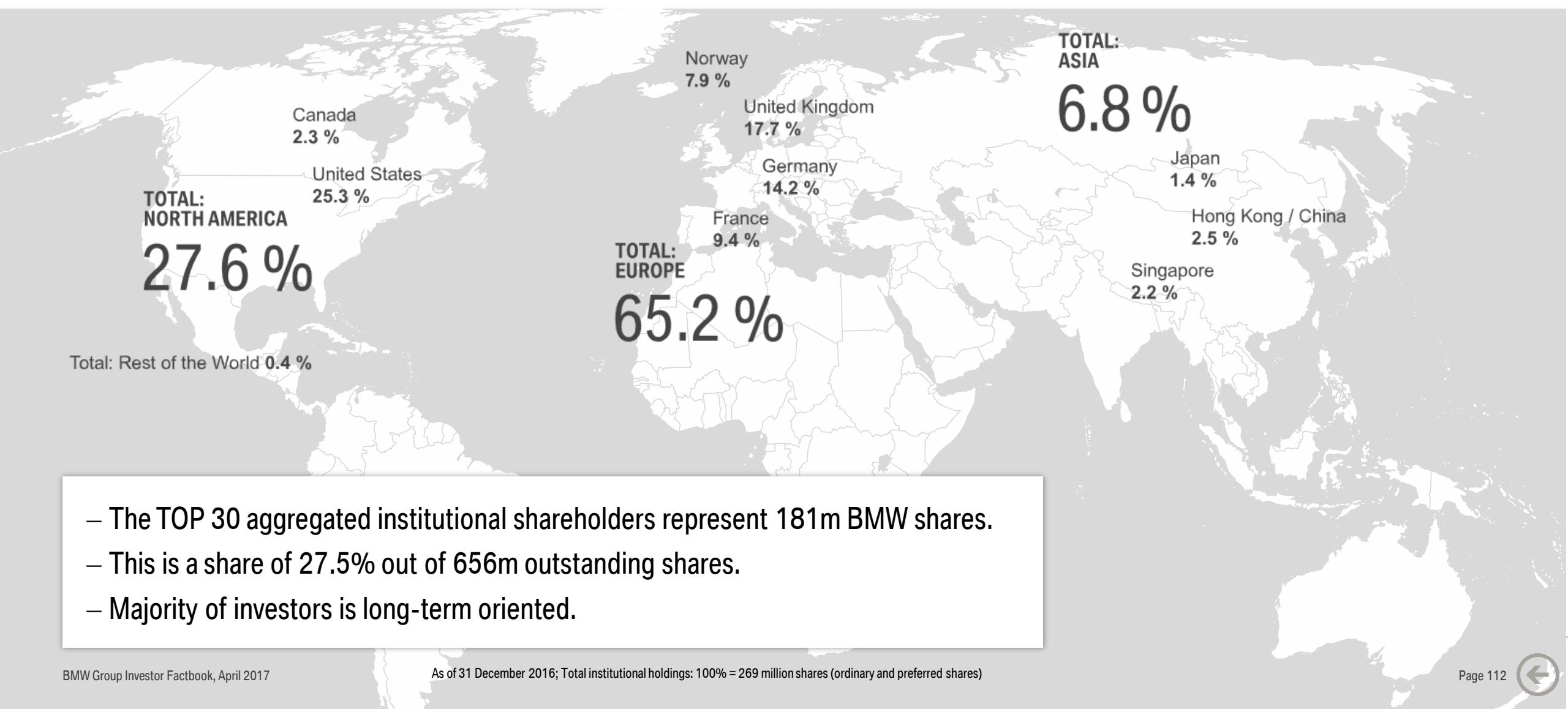
BMW AG SHAREHOLDER STRUCTURE SUPPORTIVE FOR LONG-TERM ORIENTATION OF THE COMPANY.



* Strategic shareholders as of 31 Dezember 2016: AQTON SE, Bad Homburg v.d. Höhe (17.4%) held by Mr. Stefan Quandt, Johanna Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v.d. Höhe (16.4%), Susanne Klatten Beteiligungs GmbH, Bad Homburg v.d. Höhe (12.6%), Susanne Klatten (0.2%), Stefan Quandt (0.2%)



DIVERSIFIED SHAREHOLDER STRUCTURE: GEOGRAPHICAL DISTRIBUTION OF INSTITUTIONAL EQUITY INVESTORS.



- The TOP 30 aggregated institutional shareholders represent 181m BMW shares.
- This is a share of 27.5% out of 656m outstanding shares.
- Majority of investors is long-term oriented.

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

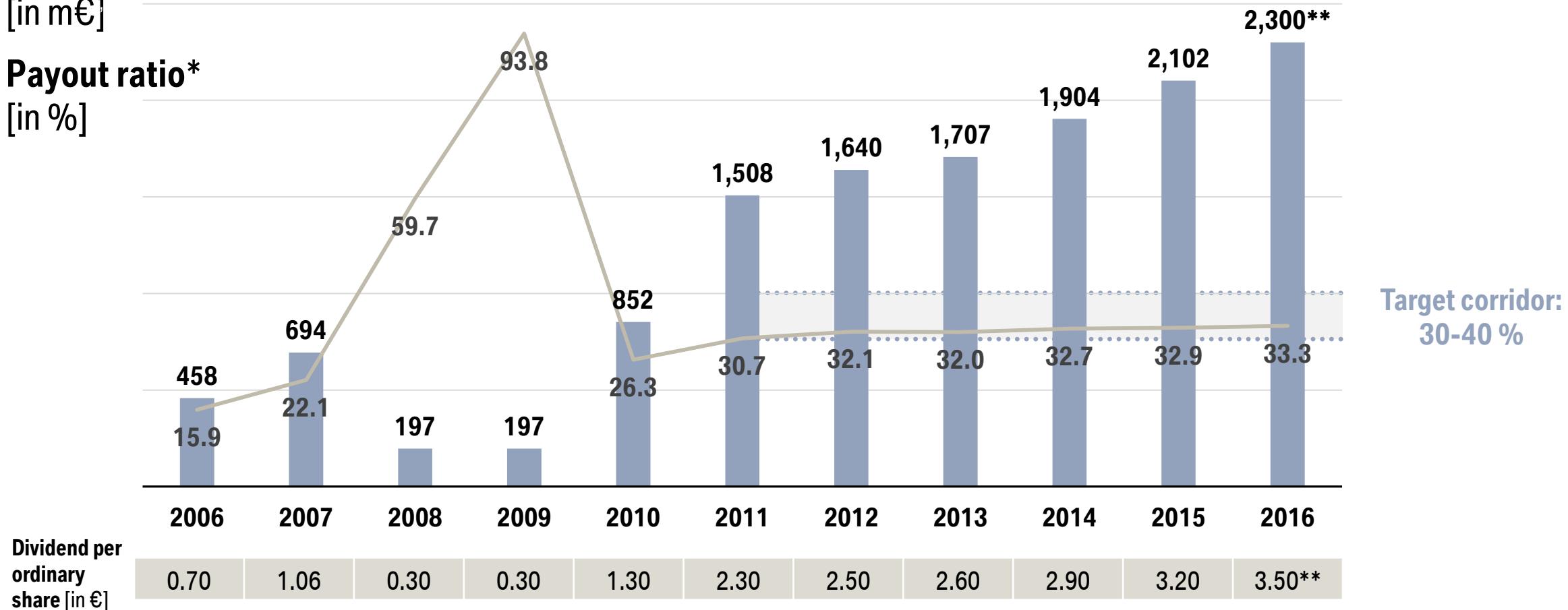
Total Dividend payout to BMW AG shareholders

[in m€]

Payout ratio*

[in %]

Target corridor:
30-40 %



* Payout ratio: total dividend payout to BMW AG shareholders divided by Group net profit / loss.

Net profit / loss: 2013 figures have been adjusted in accordance with IAS 8 (AR-2014, p. 90); 2012 figures adjusted in accordance with IAS 19 (AR-2013, p. 88); 2010 figures adjusted for effect of change in accounting policy for leased products (AR-2011, pg. 77).

** Proposal of Board of Management and Supervisory Board.

CONTENT.



- 1 STRATEGY NUMBER ONE NEXT
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

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



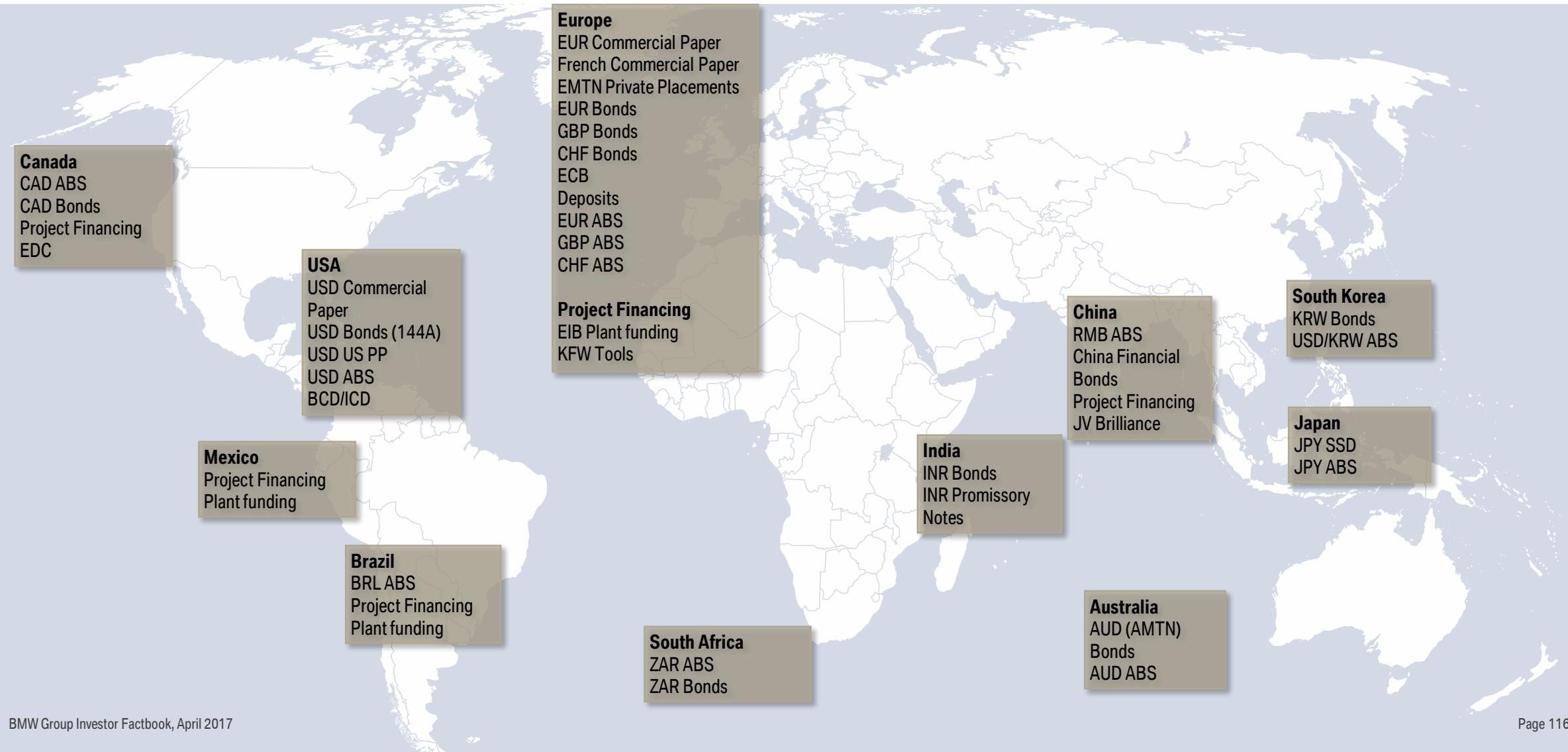
Sales & Marketing



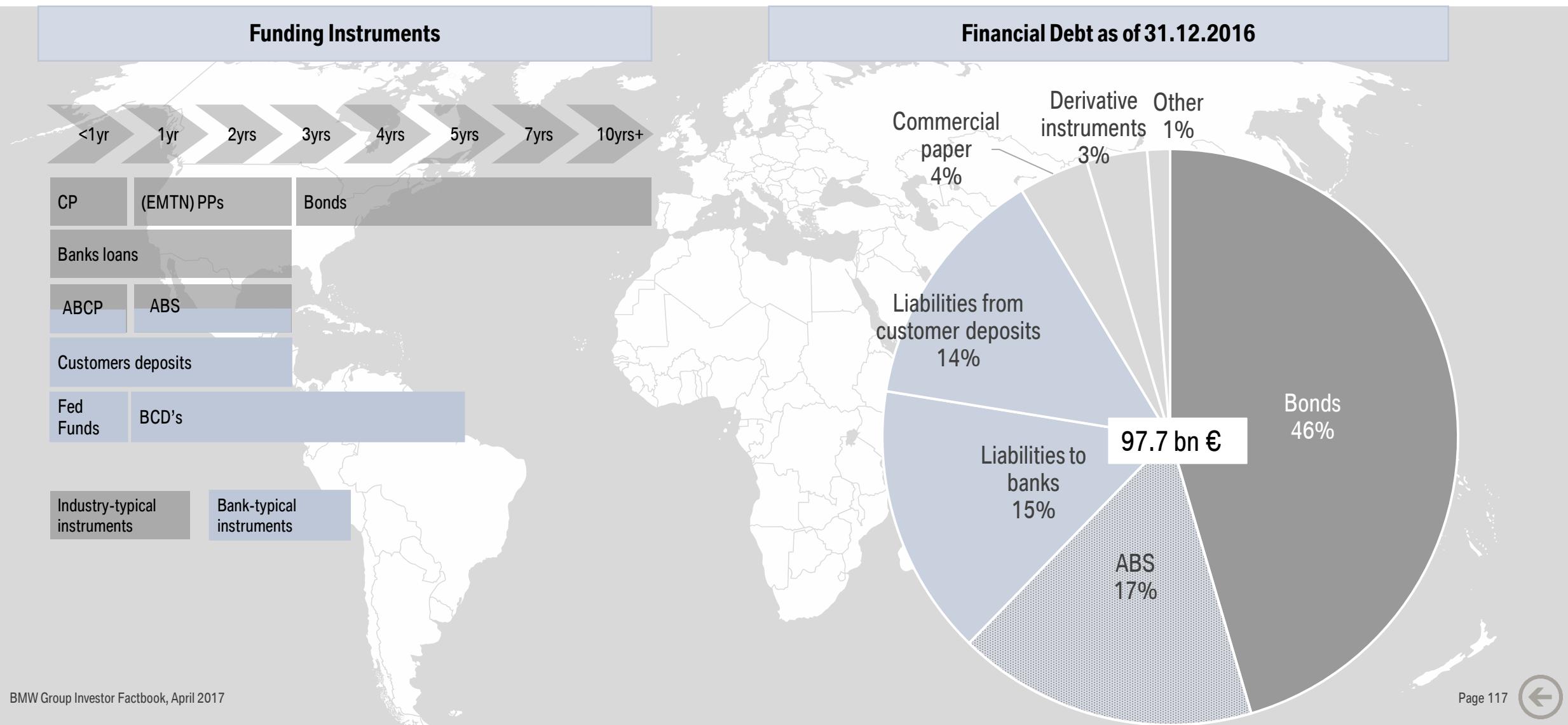
Financial Services



BROAD INVESTOR BASE.

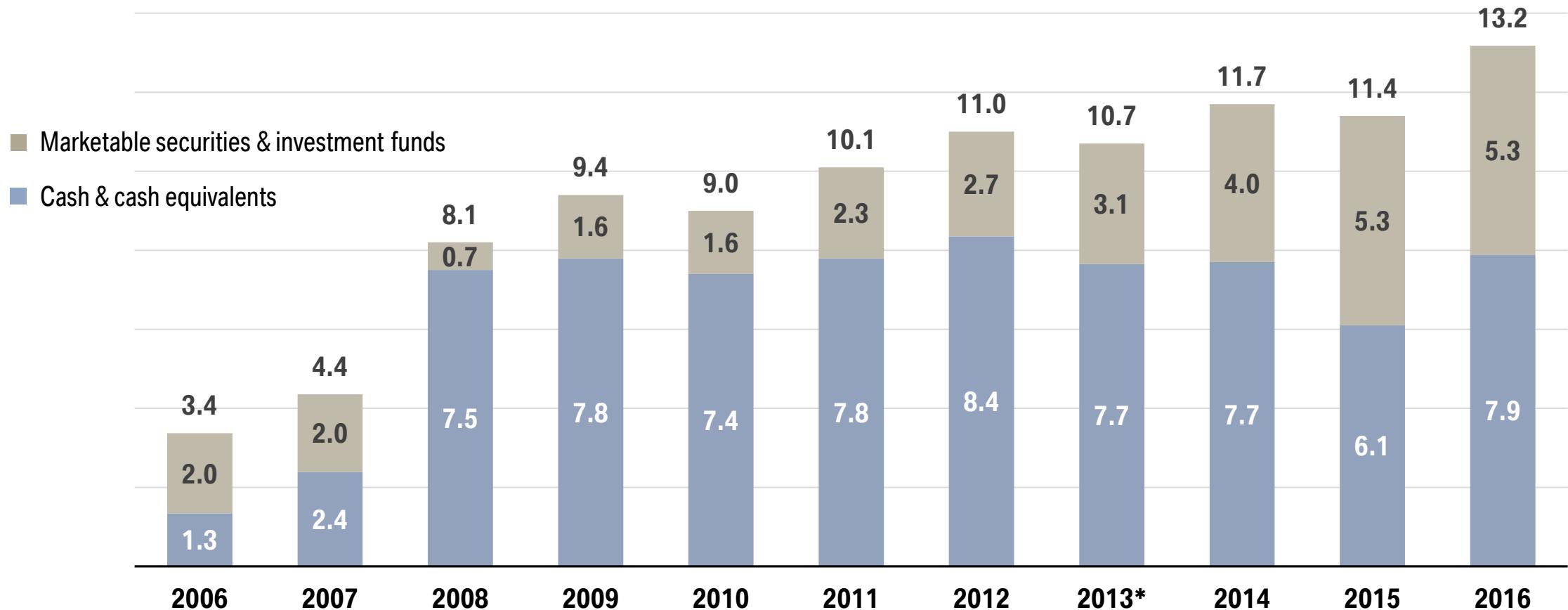


DIVERSIFIED FUNDING MIX WITH A COMBINATION OF INDUSTRY AND BANK TYPICAL FINANCING INSTRUMENTS.



BMW GROUP CONTINUES TO MAINTAIN A SOLID LIQUIDITY POSITION.

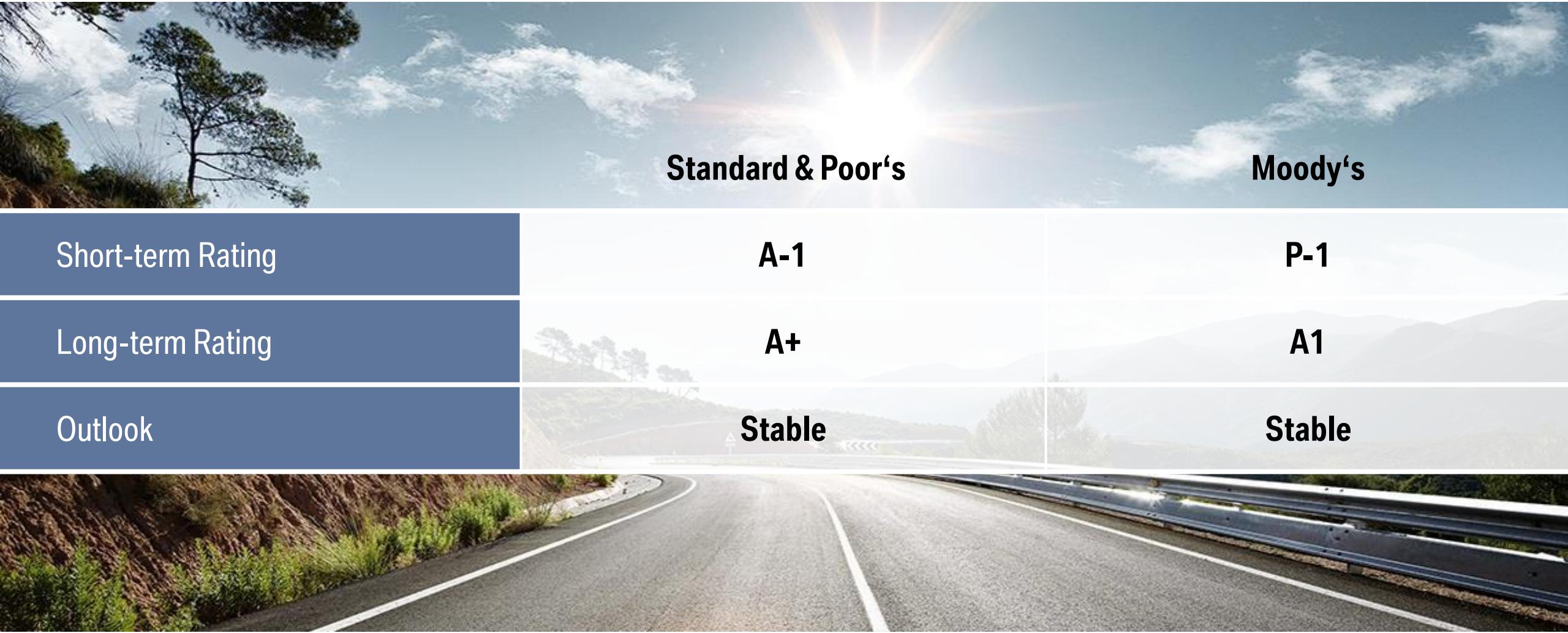
Group Liquidity [in bn€]



DEVELOPMENT OF 5-YEAR CDS.



BMW GROUP WITH BEST RATING AMONG EUROPEAN AUTOMOTIVE MANUFACTURERS.



	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
- 2 E-MOBILITY
- 3 AUTONOMOUS DRIVING
- 4 MOBILITY SERVICES
- 5 GROUP FINANCIALS
- 6 AUTOMOTIVE
- 7 MOTORCYCLES

- 8 FINANCIAL SERVICES
- 9 MARKETS
- 10 SUSTAINABILITY
- 11 BMW SHARES
- 12 DEBT & RATINGS
- 13 CONTACT & CALENDAR

BMW GROUP INVESTOR RELATIONS. CONTACTS.



Torsten Schüssler
Head of Investor Relations

+49-89-382-25387
torsten.schuessler@bmw.de



Bernd Daser
Debt & Equity IR

+49-89-382-31684
bernd.daser@bmw.de



Patrick Neumayer
Debt & Equity IR
Americas

+1-201-307-4210
patrick.neumayer@bmwna.com



Tanja Seiler
Equity & SRI IR

+49-89-382-75161
tanja.seiler@bmw.de



Andreas Stöffler
Equity IR

+49-89-382-17944
andreas.stoeffler@bmw.de



Ziye Zhou
Debt & Equity IR

+49-89-382-16190
ziye.zhou@bmw.de



<http://www.bmwgroup.com/ir>

IR Contact
BMW Group Investor Relations
Petuelring 130
80788 Munich

ir@bmwgroup.com



BMW GROUP INVESTOR RELATIONS. FINANCIAL CALENDAR 2017.

21.03.2017	Annual Accounts Press Conference 2017
22.03.2017	Analyst and Investor Conference 2017
04.05.2017	Quarterly Report to 31 March 2017
11.05.2017	Annual General Meeting 2017
03.08.2017	Quarterly Report to 30 June 2017
07.11.2017	Quarterly Report to 30 September 2017



<http://www.bmwgroup.com/ir>



BMW GROUP INVESTOR RELATIONS. ON THE ROAD 2017.

09.05.2017	Evercore Conference	New York
16.05.2017	Canada & US West Coast Roadshow	Montreal & Toronto
17./18.05.2017	UniCredit Automotive Credit Conference	London
23.05.2017	Berenberg Conference	New York
31.05.2017	Natixis Industrials Conference	Paris
05./06.06.2017	J.P. Morgan Global China Summit 2017	Beijing
13.06.2017	J.P. Morgan European Automotive Conference	London
13.06.2017	Berenberg Madrid Seminar 2017	Madrid
21.06.2017	dbAccess Berlin Conference	Berlin



<http://www.bmwgroup.com/ir>



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.

