



BMW GROUP IN CHINA

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BMW BRILLIANCE AUTOMOTIVE

MAY 22, 2012

BMW
GROUP

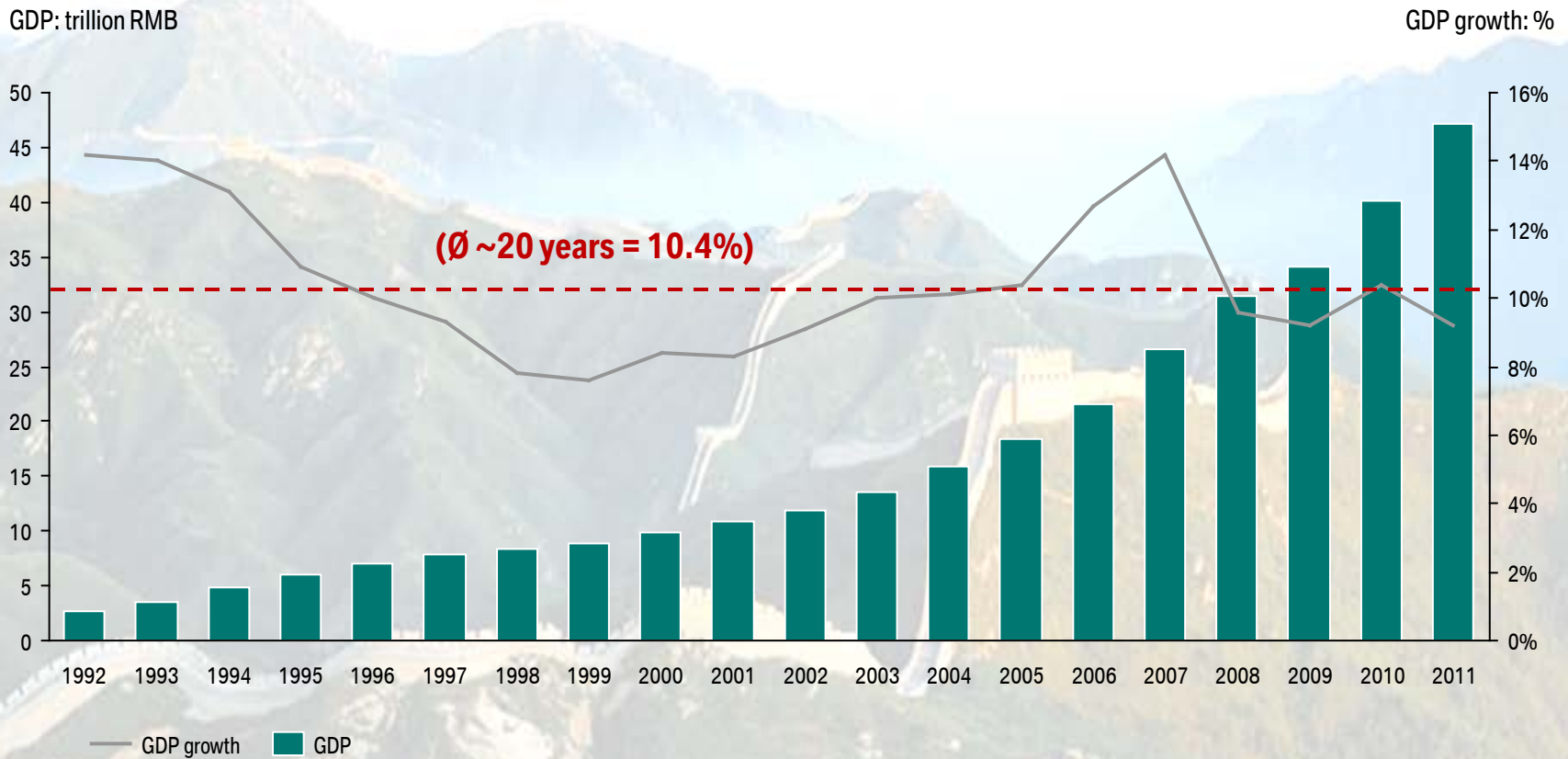


CONTENTS.

- **Looking back**
- **The BMW business model**
- **BMW retail network in China**
- **Outlook**

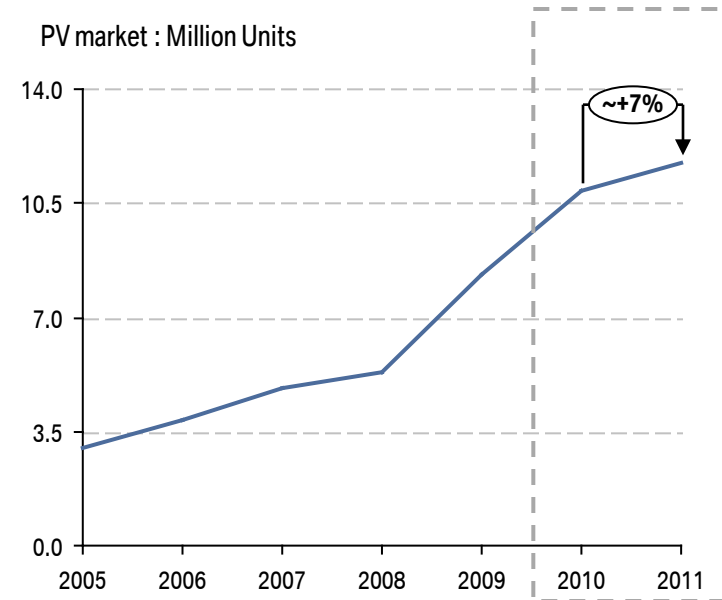
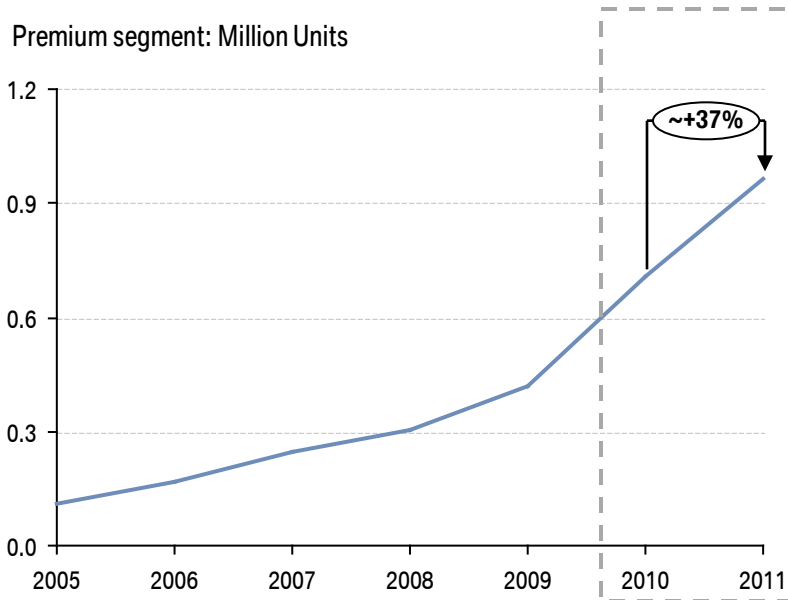
CHINA HAS ENJOYED STRONG ECONOMIC GROWTH OVER THE PAST 20 YEARS.

China GDP growth (1992-2011)



ALTHOUGH THE PV MARKET GROWTH RATE SLOWED IN 2011, THE PREMIUM SEGMENT HAS CONTINUED ITS RAPID GROWTH.

PV and premium segment sales development (2005-2011)

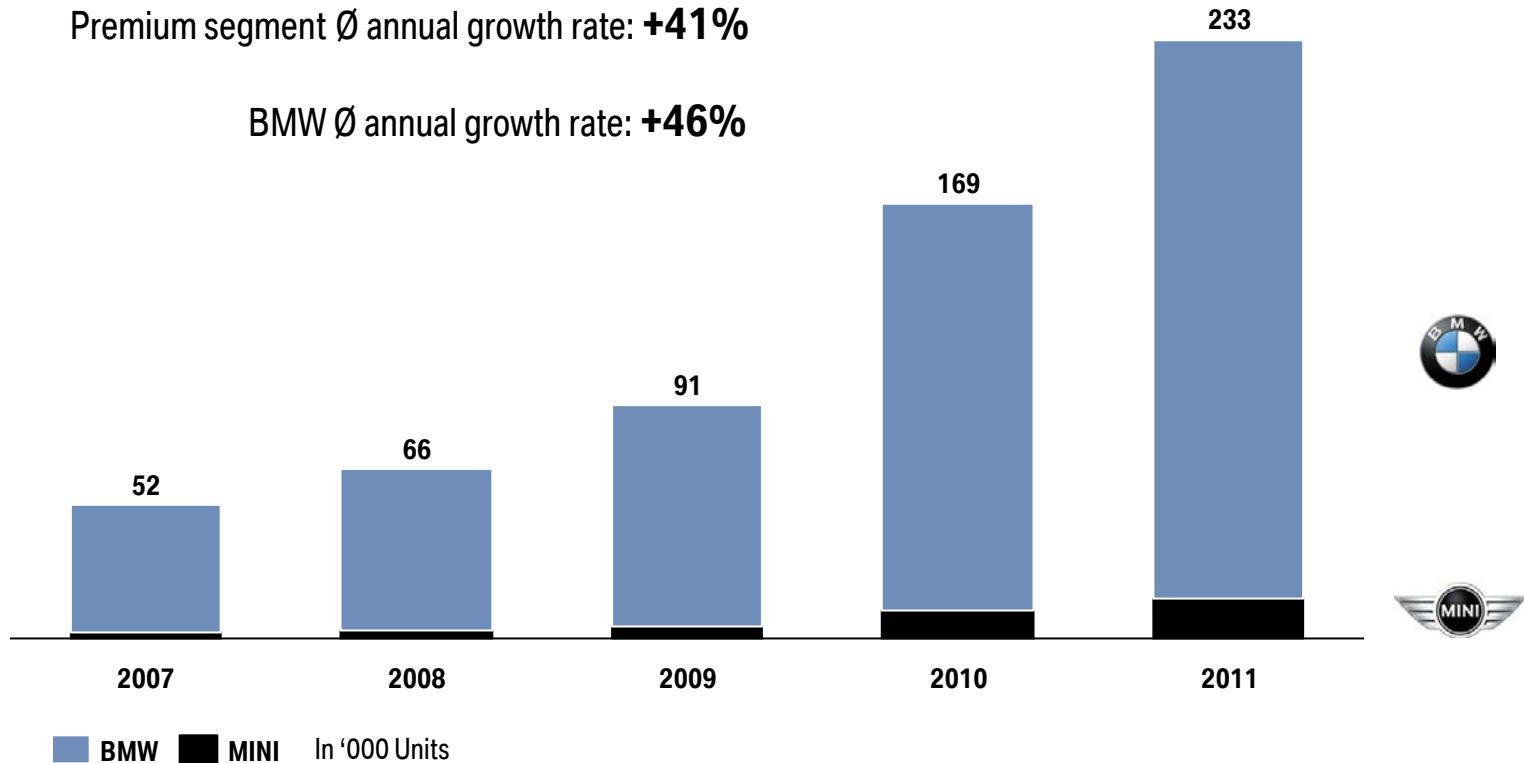


BMW & MINI HAVE SUCCESSFULLY DEVELOPED OVER THE YEARS, OUTPERFORMING THE PREMIUM SEGMENT GROWTH.

BMW Group sales development (2007-2011)

Premium segment Ø annual growth rate: **+41%**

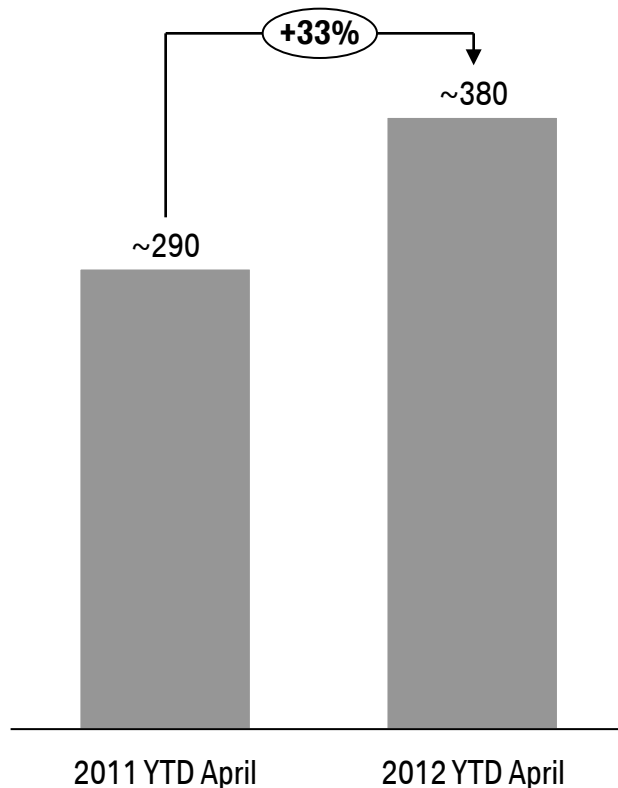
BMW Ø annual growth rate: **+46%**



2012 YTD MARKET STATUS. BMW GROUP HAS OUTPERFORMED THE PREMIUM SEGMENT.

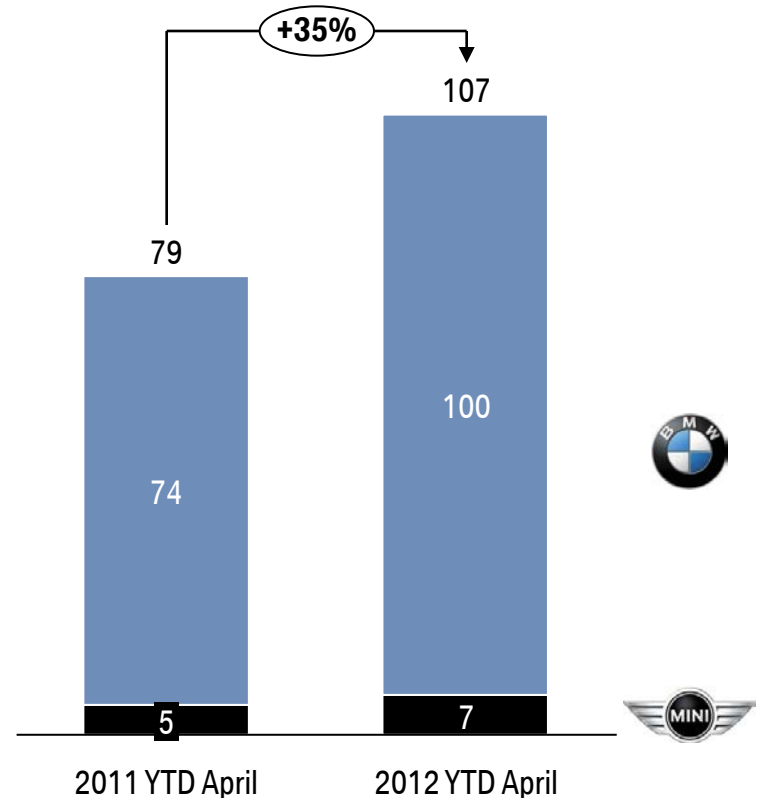
Premium segment development

'000 Units

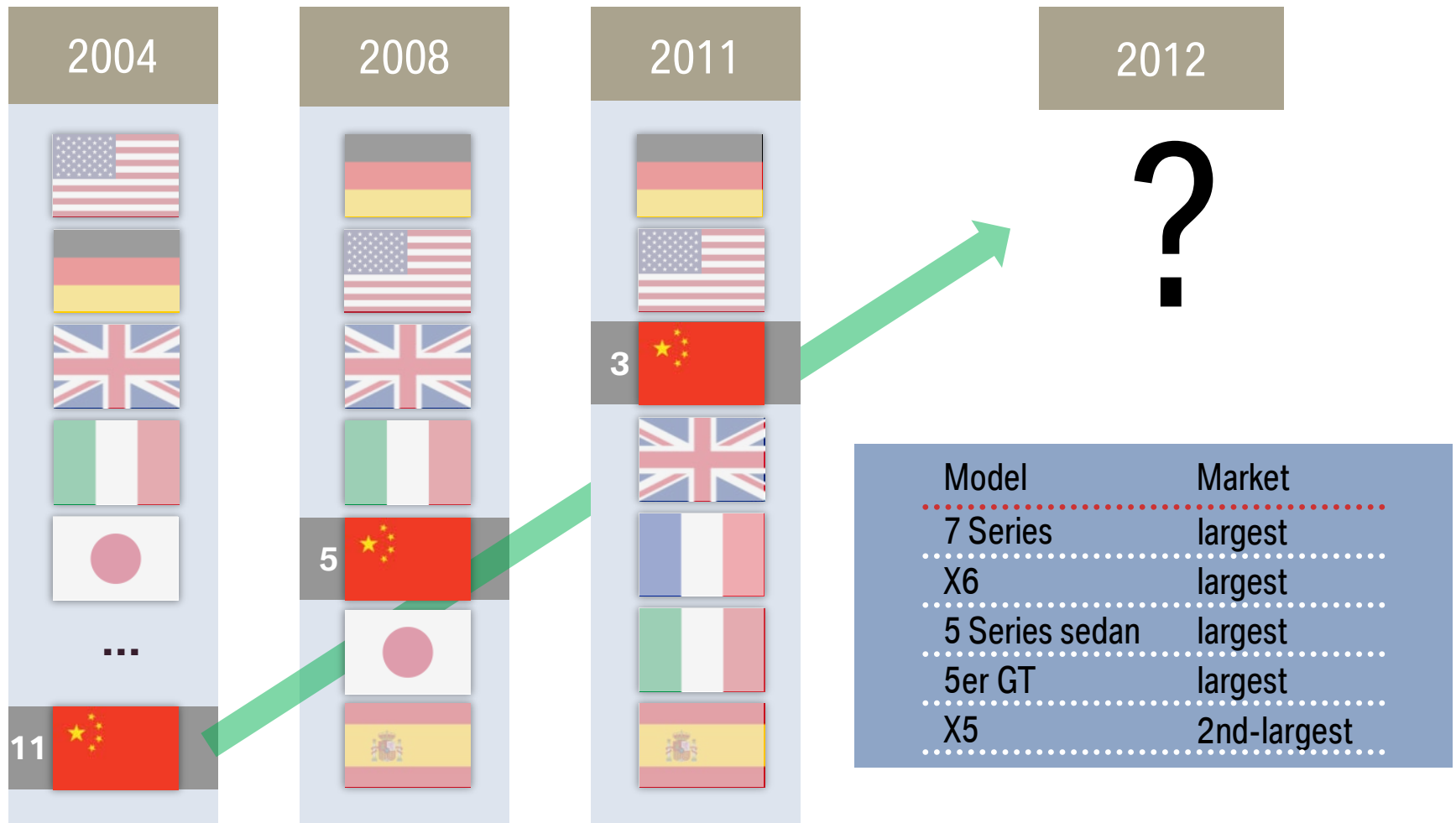


BMW+MINI development

'000 Units



CHINA HOLDS A PROMINENT POSITION WITHIN BMW'S GLOBAL RANKING.



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COMPETING WITH SUBSTANCE. PRESENTING THE BEST QUALITY TO CUSTOMERS.

Products



Customer orientation



Brand-building



Localization



Partners



People



BMW PRODUCT LINEUP. MOST BMW GROUP PRODUCTS ARE ALREADY OFFERED IN CHINA.

Locally-produced



Imported



MINI PRODUCT LINEUP. EXCITING MINI PRODUCTS IN CHINA.

MINI家族 在中国。	MINI	MINI CLUBMAN	MINI CABRIO	MINI COUNTRYMAN	MINI MINI COUPÉ	MINI ROADSTER
ONE	 MINI ONE	 MINI ONE CLUBMAN		 MINI ONE COUNTRYMAN		
COOPER	 MINI COOPER	 MINI COOPER CLUBMAN	 MINI COOPER CABRIO	 MINI COOPER COUNTRYMAN	 MINI COOPER COUPÉ	 MINI COOPER ROADSTER
COOPER S	 MINI COOPER S	 MINI COOPER S CLUBMAN	 MINI COOPER S CABRIO	 MINI COOPER S COUNTRYMAN	 MINI COOPER S COUPÉ	 MINI COOPER S ROADSTER

 BE MINI.

MINICHINA.COM.CN

UNDERSTANDING THE DIVERSE CUSTOMER BASE.

**Directors/Executive management
of (multi-) national companies**



Traditional company owners



Directors/managers in SOE



Young, self-made company owners / co-owners



Young professionals, executives



CUSTOMER ORIENTATION

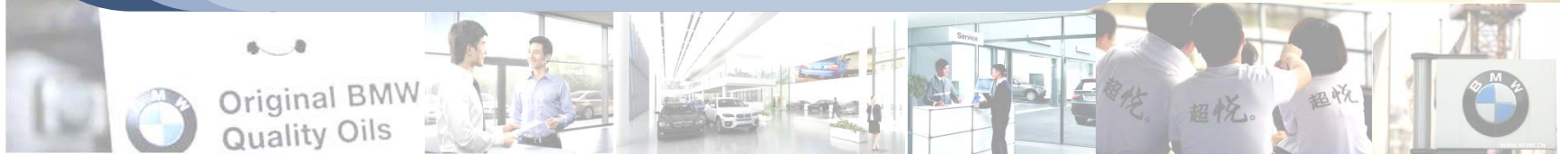
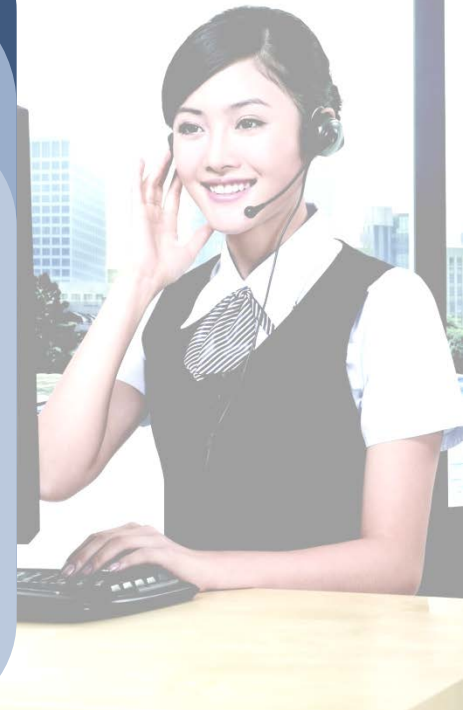
BMW GROUP IS FULLY DEDICATED TO CUSTOMER SATISFACTION

Attention & Care

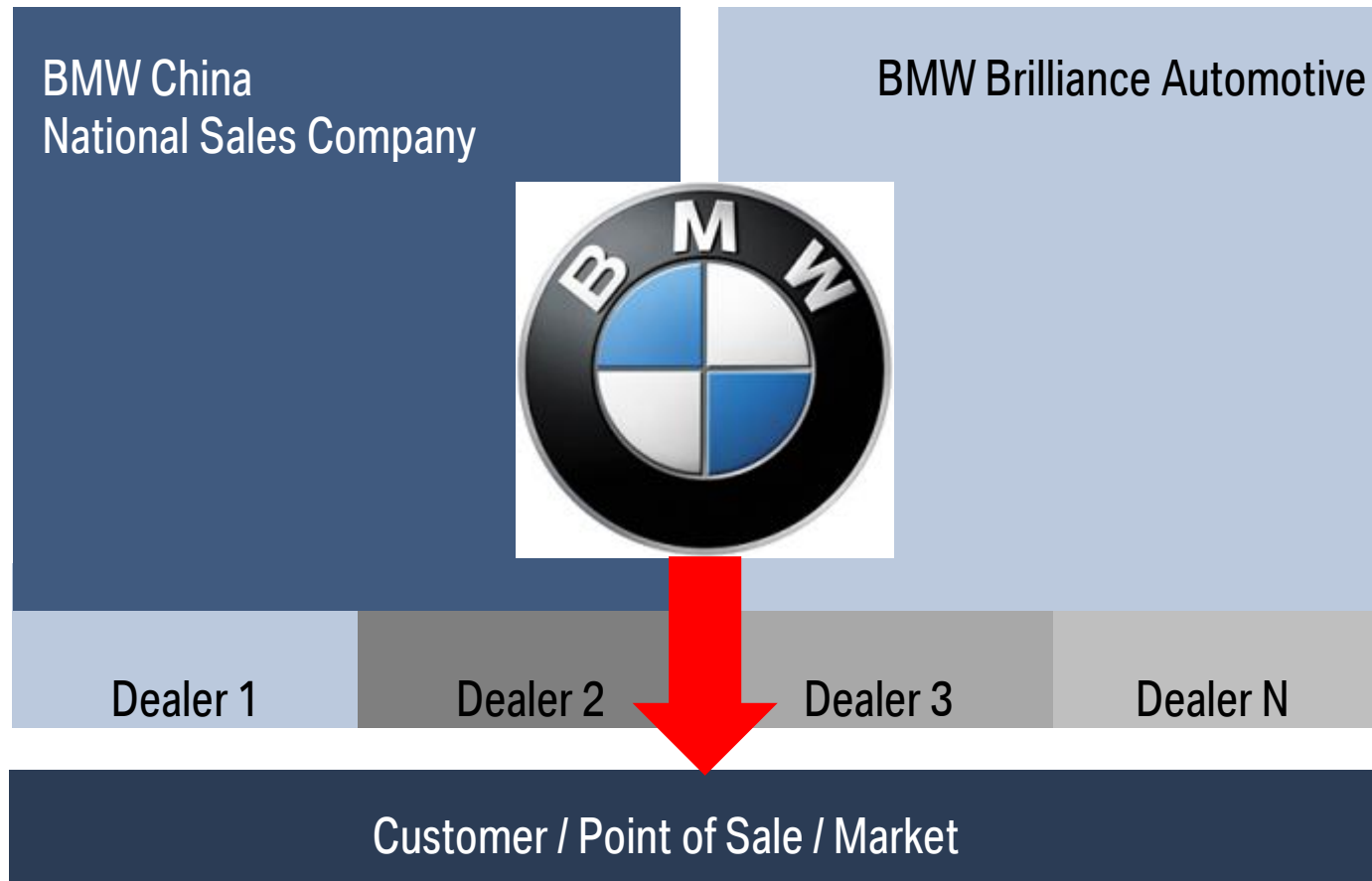
Understanding & Action

Fulfillment & Success

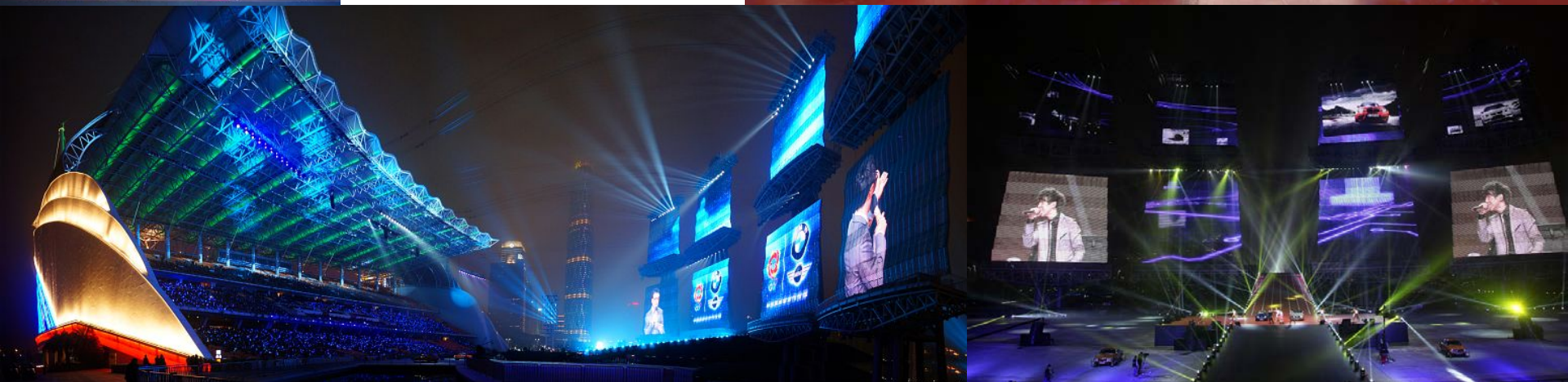
Customer Orientation



MULTIPLE ENTITIES, ONE FACE TO THE CUSTOMER.



PEOPLE-CENTERED MARKETING STRATEGY HIGHLIGHTING EXPERIENCE AND EMOTIONS (1/3).



PEOPLE-CENTERED MARKETING STRATEGY HIGHLIGHTING EXPERIENCE AND EMOTIONS (2/3).

Mission 3 Campaign



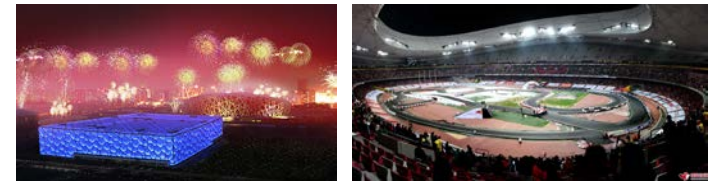
MINI Chinese Job



M Annual Event



BMW Brand day



PEOPLE-CENTERED MARKETING STRATEGY HIGHLIGHTING EXPERIENCE AND EMOTIONS (3/3).



2012 Beijing Auto Show



CCF - BMW WARM HEART FUND CONTINUE TO BUILD ON ITS SUCCESSES.

➤ On June 5, 2008, BMW China and BMW Brilliance jointly set up CCF - BMW Warm Heart Fund



THIS PERFORMANCE MAKES BMW THE LEADING AUTOMOTIVE BRAND IN CHINA.



- BMW has earned **NO.1** in 'I like this brand' in a row from 2002-2012.
- BMW is NO.1 in 4 main categories out of 13.



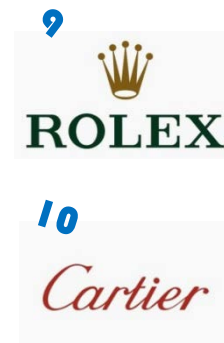
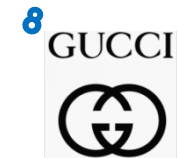
Criteria

1. Well Made
2. Very Reliable Car
3. High Safety Standards
- 4. Advanced Technology**
- 5. Environmentally Friendly Cars**
6. Good Customer Service
7. Good Value For Money
8. High Re-sale Value
- 9. Good Looks/Styling**
10. Makes Sporty Cars
11. Successful In Racing
12. Has Good Advertising
- 13. I Like This Brand**

BMW IS THE MOST ADMIRED AUTOMOTIVE BRAND AMONG CHINESE CUSTOMERS.

World's most valuable luxury brands 2012

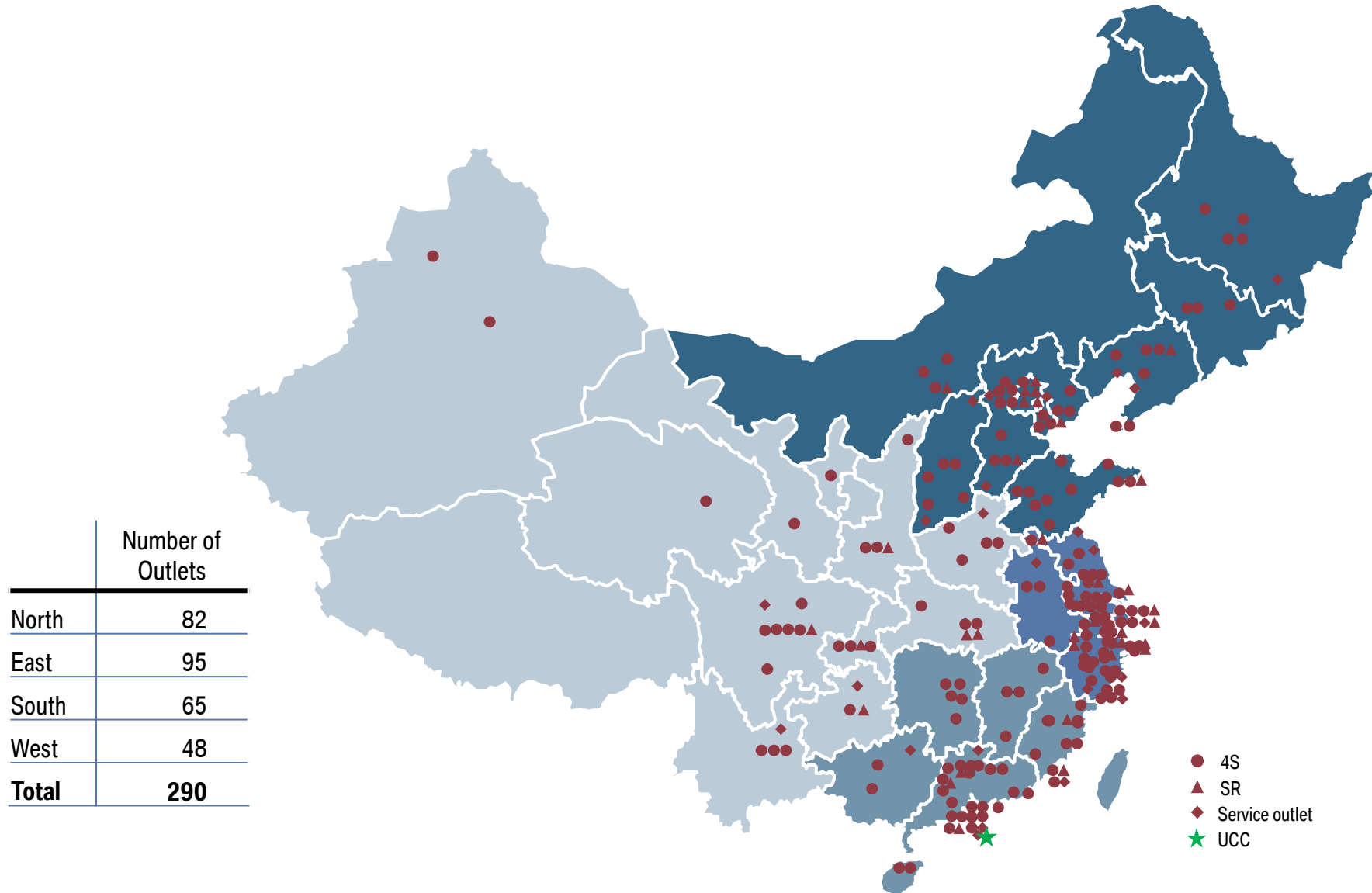
胡润百富
HURUN REPORT



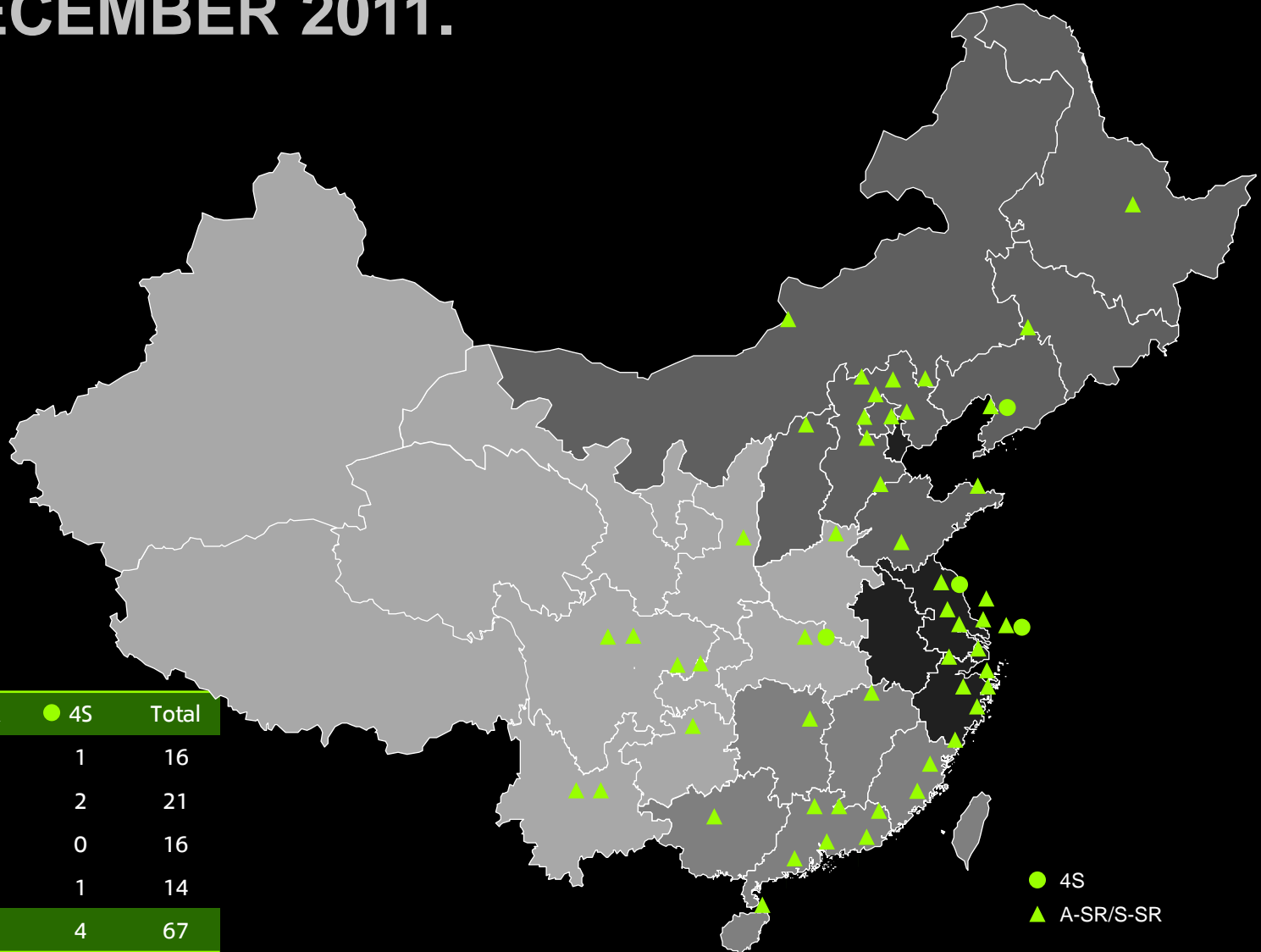
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290 BMW DEALER OUTLETS WERE IN OPERATION BY THE END OF 2011.



MINI ALSO MADE BIG STRIDES FORWARD AND 67 DEALER OUTLETS WERE IN OPERATION BY 31ST DECEMBER 2011.



BMW IS THE PIONEER TO EXPLORE NEW RETAIL FORMATS FOR HIGHER CUSTOMER SATISFACTION.



4S



Showroom



Fast Lane Rural



Service Center



Fast Lane City



Used Car Center



M Showroom

2003 - 2006

2007 - 2009

2010

2011

2012

SHAPING THE FUTURE OF RETAIL, 5S DEALERSHIPS BECOME A CRUCIAL FEATURE OF BMW'S SUSTAINABILITY STRATEGY IN CHINA.



5S dealership

Economic



Sustainable
Mobility



Sustainable
Training



Customer
Orientation

Environment



Sustainable
Design



Recycling &
Waste
Management



Sustainable
Service
Operation

Social



Attractive
Employer



CSR on
Dealer
Level



Customer
Involvement

FOCUSING NOT ONLY ON HARDWARE, 5S DIFFERENTIATES FROM OTHER OUTLETS BY THE EFFORTS IN CUSTOMER INVOLVEMENT, COMMUNITY LIFE AND EMPLOYEE CARE.



Waterborne paint



Paint Shop Ventilation



Car Wash Water Recycling



Health & Safety training



Social Contribution – BMW
JoyHome



Waste & Recycle training



Wind turbines

5S CONCEPT WON POSITIVE FEEDBACK FROM THE MEDIA.



“ The introduction of the 5S leads BMW dealers into a new era. ”



“ The 5S concept, developed in China, may be rolled out globally. China is also becoming an important source of BMW’s global brand strategy. ”

VARIOUS OUTLET TYPES TO ENLARGE THE SERVICE CAPACITY.



Service Centre



Fast Lane city



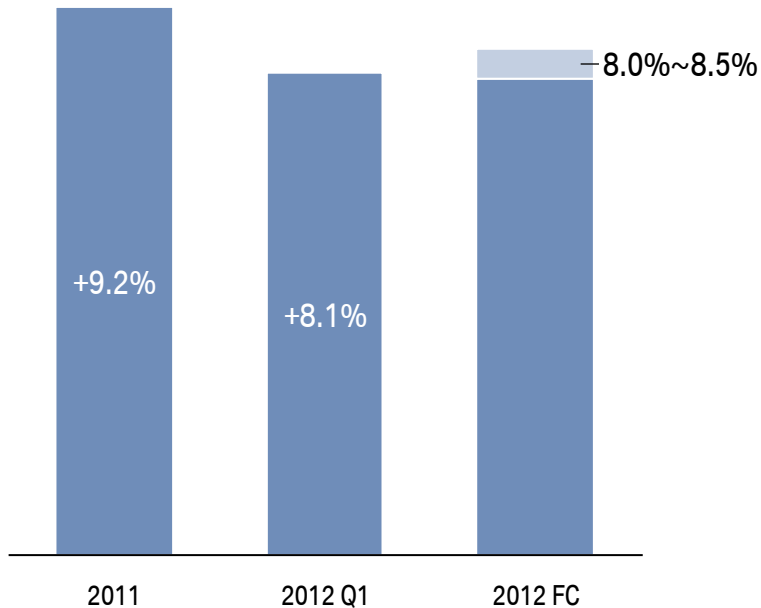
Body & Paint extension

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BUOYANT OUTLOOK ON CHINA DESPITE SHORT-TERM CONSOLIDATION.

China GDP growth



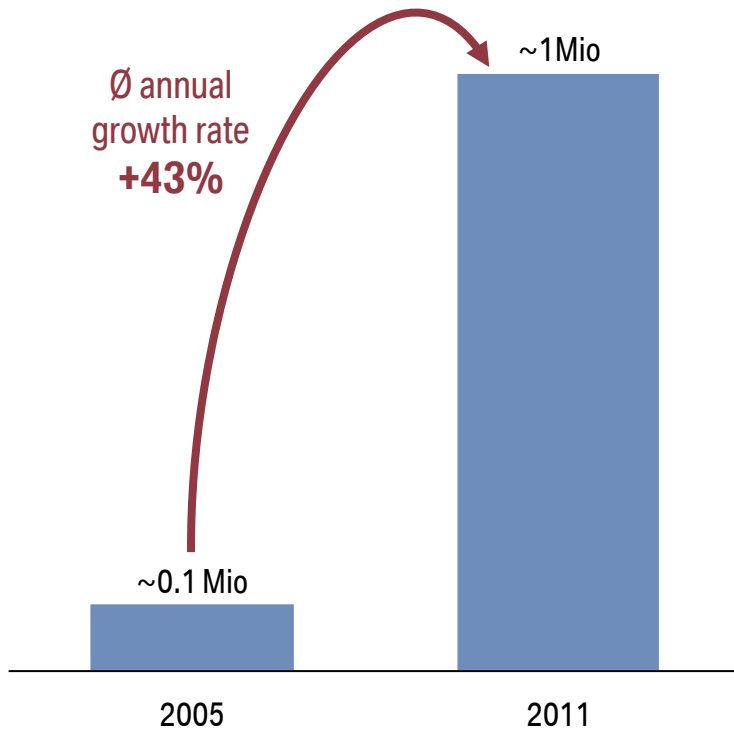
Risks to China's growth

- global economy is at a precarious stage and export growth slowed down
- domestic demand rising slower than expected
- continuing concerns of inflation, especially with rising oil prices
- real estate market cool down

China is **accelerating the transformation of the pattern of economic development** and heading to make economic development more **sustainable and efficient**

CONTINUED MOMENTUM FOR PREMIUM AUTO SEGMENT.

Premium segment development



- ✓ Mid-term passenger vehicle market growth of 9% per year.
– LMC, 2012
- ✓ Luxury growth expected to outpace overall market.
– Global Insight, 2012

BMW'S NEW 3 SERIES TWINS TO "GROW" IN THE MARKET.

New 3 Series Long Wheelbase



New 3 Series



THE NEW TIEXI PLANT – EXPANDED CAPACITY UTILIZING WORLD-CLASS TECHNOLOGY.

New Tiexi Plant

- “Cleanest” production within BMW Group (Benchmark comparison 2011)
- Lowest energy consumption
- Lowest VOC emission
- Lowest level of process waste water



Leading through:

- Environmentally-friendly architecture and technologies
 - to save heat, energy and water
 - to ensure sustainable, clean production

UNCOMPROMISING IMPROVEMENT OF QUALITY IN AFTERSALES.

BMW售后服务。悦常在,驾无忧。

驾驶之悦一旦启动, BMW的售后服务就即刻启动,保障您的驾乘乐趣从不间断。高效便捷的预约快修通道, 价格统一的服务套餐, 让您无忧出行的道路救援等诸多售后服务举措, BMW都是为您及爱车准备, 以确保无论面对任何问题, 皆有BMW提供的全方位解决方案, 助您一路畅行无忧, 驾悦常在。

更多售后问题, 请拨打客户专线400006666, 或登陆www.bmw.com.cn

BMW售后服务
悦常在, 驾无忧。

BMW售后服务。悦常在,驾无忧。

高效。BMW预约快修通道。
一小时的惬意等待, 愉悦一路。

BMW售后服务
悦常在, 驾无忧。

关爱。BMW道路救援。
一个电话由衷放心, 一路无忧前行。

BMW售后服务
悦常在, 驾无忧。

We are the first mover in many service initiatives:

- Service Repair Package
- Fast Lane Service
- Accident Hotline

COMPREHENSIVE FINANCIAL SERVICES TO ADD IMPETUS TO FUTURE GROWTH.

Majority of vehicles are still bought without financing

- BMW Finance Automotive China started operations by end of 2010
- ~11% penetration in 2011



BMW之悦。未来科技，今日实现。

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www.bmw.com.cn

BMW 集团动力集团
BMW Group Powertrain
STYCO 2008

FUTURE MOBILITY ENGINEERED TODAY. PERSISTENT PURSUIT OF SUSTAINABLE DRIVING.

“BMW again heads the ranking of Dow Jones Sustainability Index in 2011 and thus becomes auto industry’s most sustainable auto manufacturer for seven consecutive years.”

Intelligent Technologies



Active Hybrid

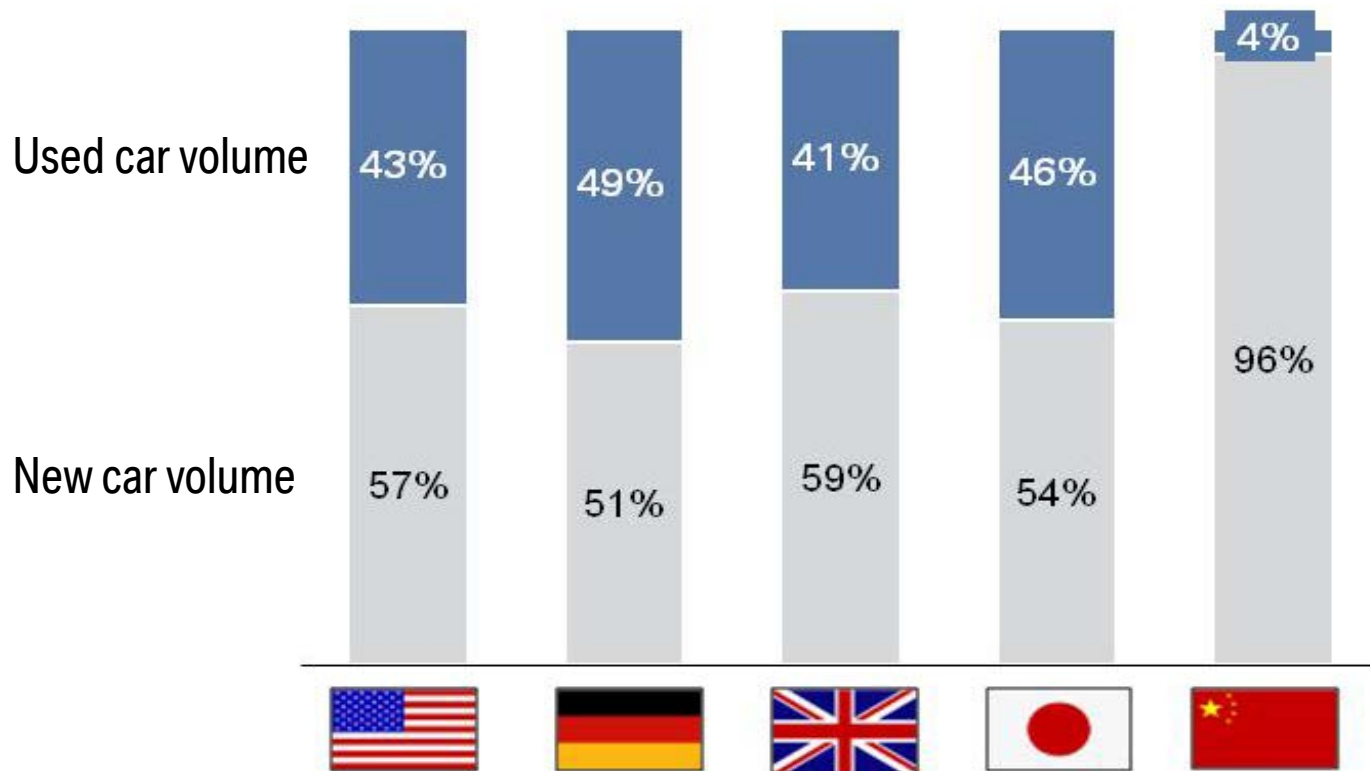


BMW i



IN COMPARISON WITH MATURE MARKETS, CHINA'S NASCENT USED CAR MARKET HAS OPPORTUNITIES FOR LARGE GROWTH.

Sales split of BMW Dealers worldwide(2010)



USED CAR IS A STRATEGIC BUSINESS AREA TO SUPPORT NEW CAR BUSINESS.

- **BMW Premium Selection** is a worldwide BMW used car program (since 2006 in China).
- BMW Premium Selection is **Number ONE** among competitors.
- Clear **Used Car Strategy** to develop the dealer organization with **1st UC Center** in Shenzhen as role model
- Used Car will become a business unit, providing **additional profit to dealers** and **support New Car sales**



**THE PROVEN “BMW MODEL” WILL ENSURE OUR
CONTINUING BRIGHT FUTURE.**

