

# ANNUAL ACCOUNTS PRESS CONFERENCE

**BMW  
GROUP**



Rolls-Royce  
Motor Cars Limited

# CHANNEL ALLOCATION.

Channel	Language	Translation Channel	Translation Language
Channel 1	German	Channel 1	Deutsch
Channel 2	English	Channel 2	English
Channel 3	French	Canal 3	Français
Channel 4	Italian	Canale 4	Italiano
Channel 5	Russian	Канал 5	русский
Channel 6	Mandarin	声道 6	中文

# ANNUAL ACCOUNTS PRESS CONFERENCE

HARALD KRÜGER  
CHAIRMAN OF THE BOARD OF MANAGEMENT OF BMW AG



**BMW  
GROUP**

THE NEXT  
100 YEARS 

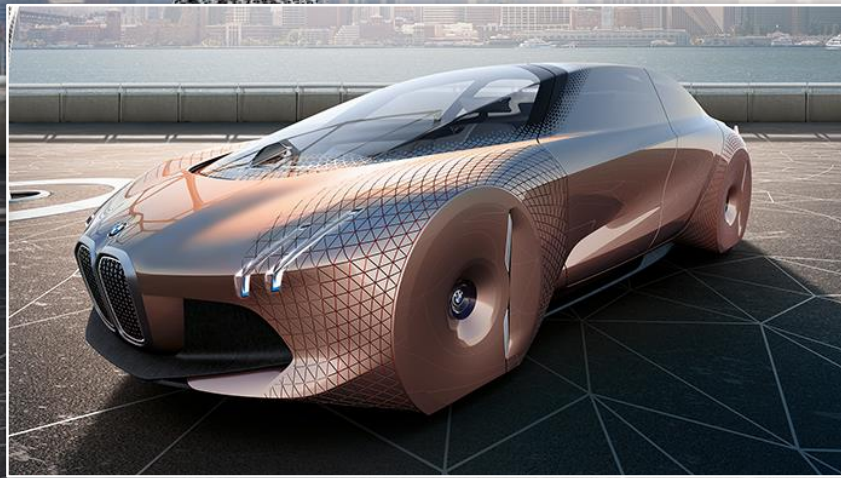
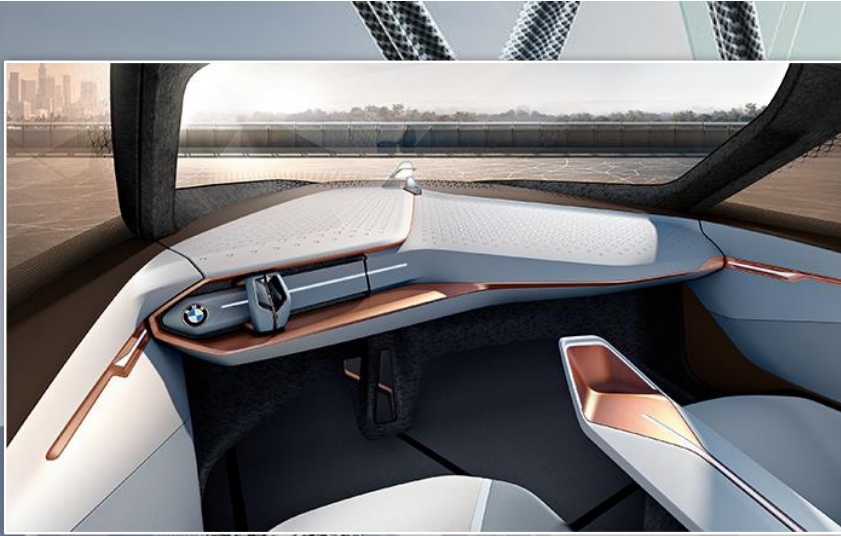


Rolls-Royce  
Motor Cars Limited

# BMW GROUP'S CELEBRATION: THE NEXT 100 YEARS. STARTING POINT FOR CENTENARY ACTIVITIES.



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



# OVERVIEW.

Our performance in the business year 2015

Our new models in 2016

Annual accounts 2015 and outlook for 2016

Strategy Number ONE > NEXT



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# BMW GROUP. SALES FIGURES FOR THE BUSINESS YEAR 2015.

**BMW  
GROUP**

**2,247,485**

**+ 6.1 %**



**1,905,234**

**+ 5.2 %**



**338,466**

**+ 12.0 %**

**Rolls-Royce  
Motor Cars Limited**

**3,785**

**- 6.8 %**

**BMW Motorrad**

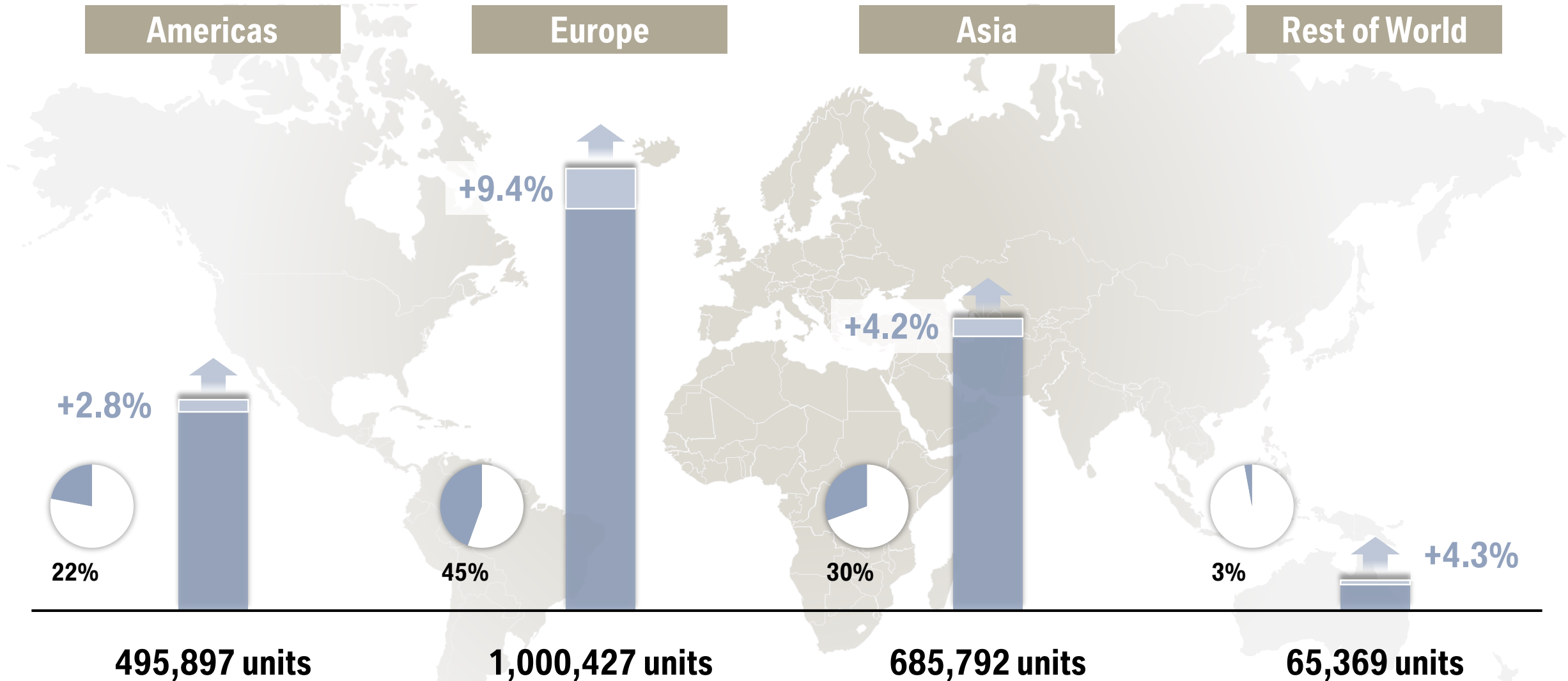
**136,963**

**+ 10.9 %**





# BMW GROUP. SALES 2015 BY REGION.



# BMW GROUP. KEY FINANCIALS FOR THE BUSINESS YEAR 2015.

in m€

**Group revenues**

**92,175**

**+ 14.6 %**

**Group profit before tax**

**9,224**

**+ 5.9 %**

**Group net profit**

**6,396**

**+ 10.0 %**

**EBIT margin Automotive segment**

**9.2 %**



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



# EXPANSION OF COMPACT CLASS LINEUP: BMW 2 SERIES GRAN TOURER AND BMW X1.



# REALIGNMENT OF THE MINI BRAND: THE NEW MINI CLUBMAN.



**DRIVENOW:  
ALMOST 580,000 USERS BY THE END OF 2015.**

**COPENHAGEN**

**VIENNA**

**BERLIN**

**COLOGNE**

**HAMBURG**

**STOCKHOLM**

**LONDON**

**DUESSELDORF**

**MUNICH**



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# NEW MODELS 2016: FOUR iPERFORMANCE MODELS INTO 2016.





**NEW MODELS 2016:  
iPERFORMANCE MODELS: BMW 225xe AND BMW 330e.**



**NEW MODELS 2016:  
MOST EFFICIENT MODEL IN THE LUXURY CLASS: BMW 740e iPERFORMANCE.**



**NEW MODELS 2016:  
SUPREME PERFORMANCE AND ELEGANCE: BMW M760Li xDRIVE.**



**NEW MODELS 2016:  
MINI CONVERTIBLE SINCE MARCH.**



**NEW MODELS 2016:  
ROLLS-ROYCE DAWN AS OF APRIL.**



# BMW MOTORRAD: WIDER RANGE THAN EVER BEFORE.

ADVENTURE



TOUR



SPORT



ROADSTER



HERITAGE



URBAN  
MOBILITY



# NEW MODELS 2016: BMW G 310 R AND BMW R nineT SCRAMBLER.



# BMW GROUP. SALES FIGURES PER FEBRUARY 2016.

**BMW  
GROUP**

**316,846**

**+ 7.7 %**



**277,304**

**+ 8.3 %**



**39,237**

**+ 4.1 %**

**Rolls-Royce  
Motor Cars Limited**

**305**

**- 32.7 %**

**BMW Motorrad**

**17,323**

**+ 12.1 %**





# BMW GROUP. OUR TARGETS FOR THE BUSINESS YEAR 2016.



Rolls-Royce  
Motor Cars Limited

**BMW Motorrad**

Slight increase in automotive sales

Slight increase in Group EBT

EBIT margin in the Automotive Segment of 8 - 10%



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DR. FRIEDRICH EICHINER  
MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG, FINANCE



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GROUP**

THE NEXT  
100 YEARS 



Rolls-Royce  
Motor Cars Limited

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# BMW GROUP – 2015 FINANCIAL YEAR: POSITIVE BUSINESS DEVELOPMENT WITHIN A VOLATILE ENVIRONMENT.

In m€	2015	2014	Change in %
Automotive sales (units)	<b>2,247,485</b>	2,117,965	+ 6.1
Revenues – Group	<b>92,175</b>	80,401	+ 14.6
Earnings before tax – Group	<b>9,224</b>	8,707	+ 5.9
EBT margin (in %) – Group	<b>10.0</b>	10.8	-
Net profit – Group	<b>6,396</b>	5,817	+ 10.0



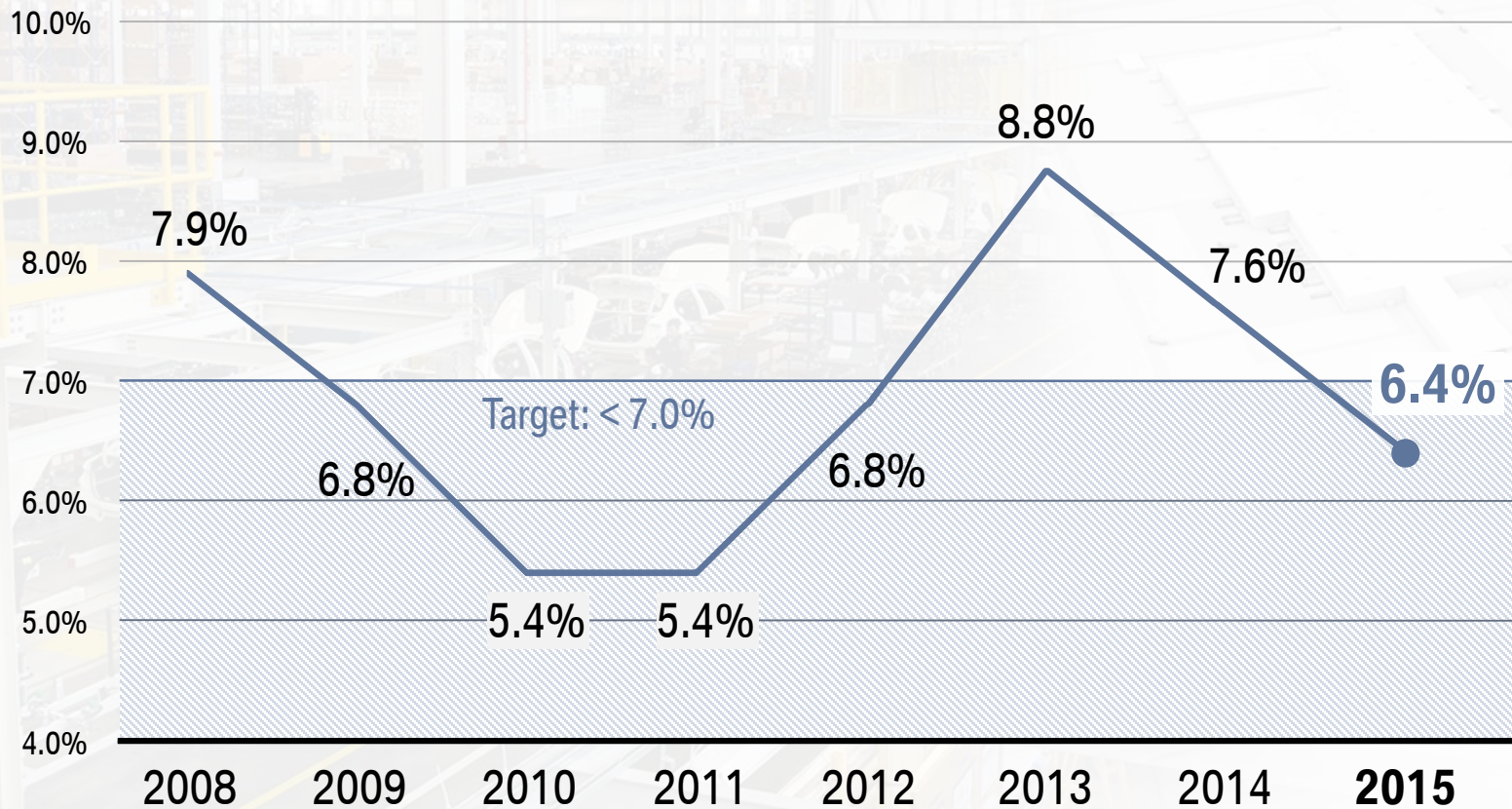
# BMW GROUP. FOURTH QUARTER 2015 BEST-EVER FOR RETAIL SALES.

In m€	Q4 2015	Q4 2014	Change in %
Automotive sales (units)	<b>602,675</b>	588,085	+ 2.5
Revenues – Group	<b>24,978</b>	22,661	+ 10.2
Earnings before tax – Group	<b>2,110</b>	1,888	+ 11.8
EBT margin (in %) – Group	<b>8.4</b>	8.3	-
Net profit – Group	<b>1,552</b>	1,282	+ 21.1
EBIT margin Automotive segment (in %)	<b>9.6</b>	8.2	-



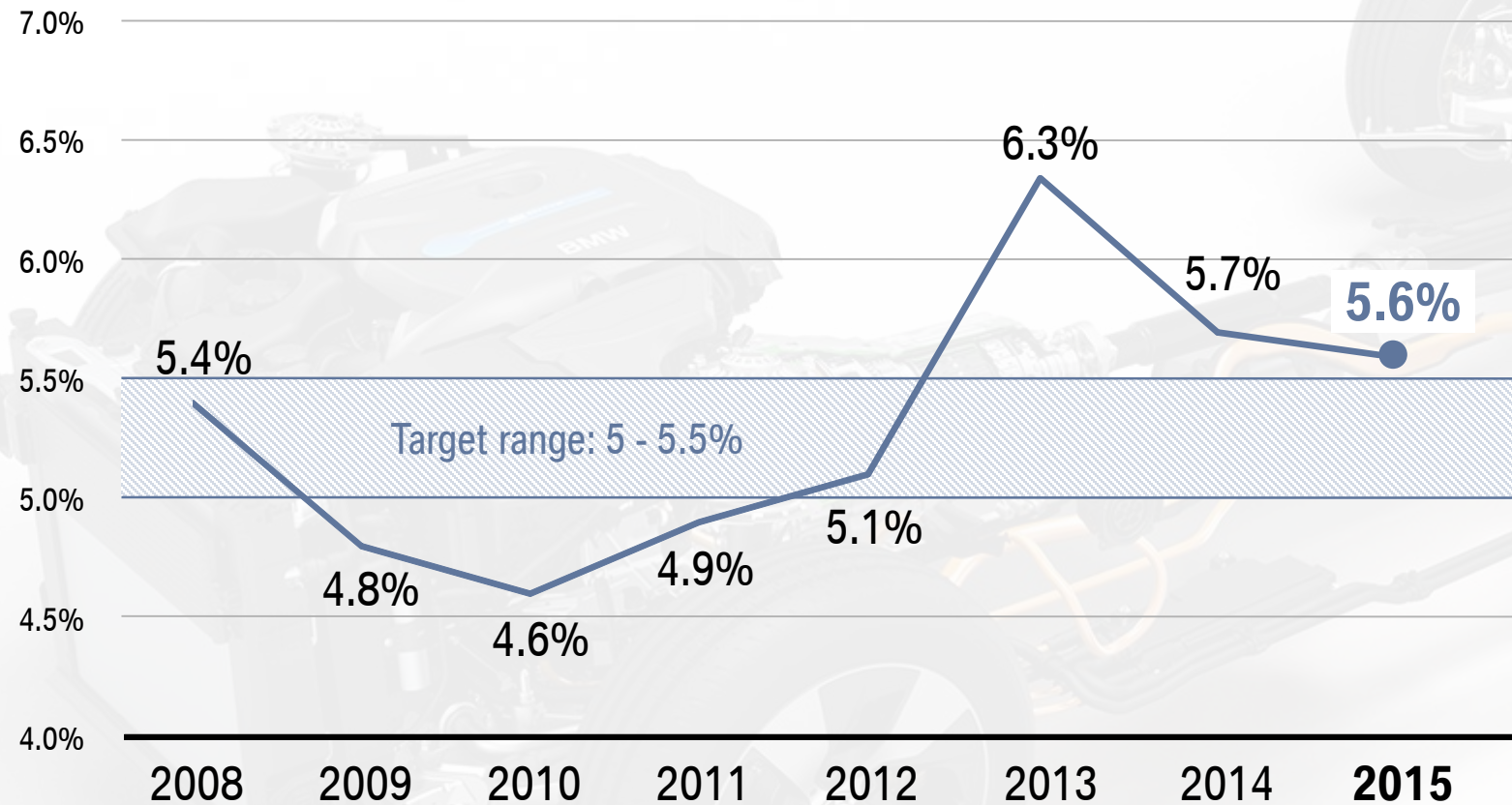
# CAPITAL EXPENDITURE OF € 5.9 BILLION IN 2015. CAPEX RATIO ON TARGET AT < 7%.

## Capex ratio BMW Group



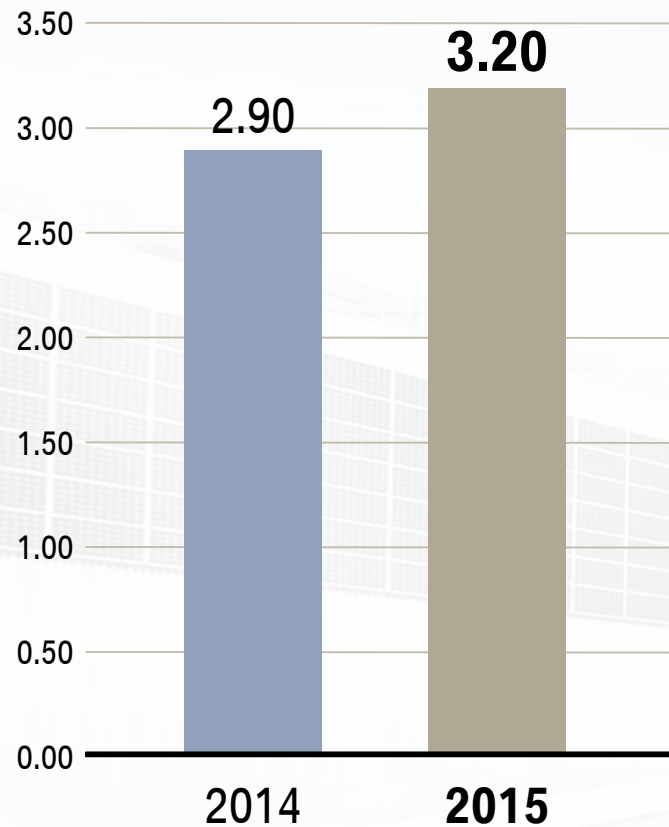
**R&D EXPENDITURE OF € 5.2 BILLION.  
R&D RATIO SLIGHTLY ABOVE TARGET RANGE OF 5 - 5.5%.**

### R&D ratio (HGB) BMW Group

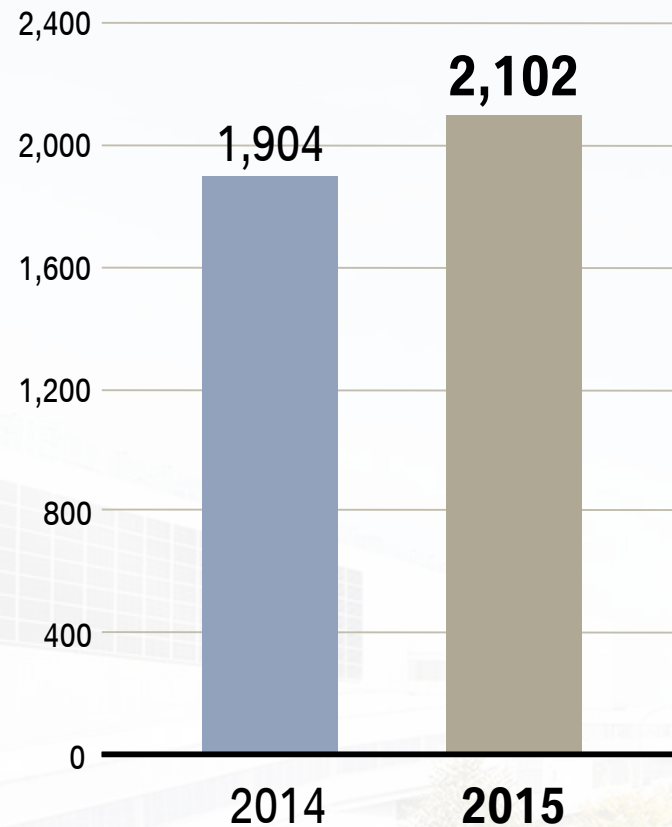


# DIVIDEND INCREASE OF € 0.30 PROPOSED. PAYOUT RATIO OF 33%.

## Dividend per common share (in €)



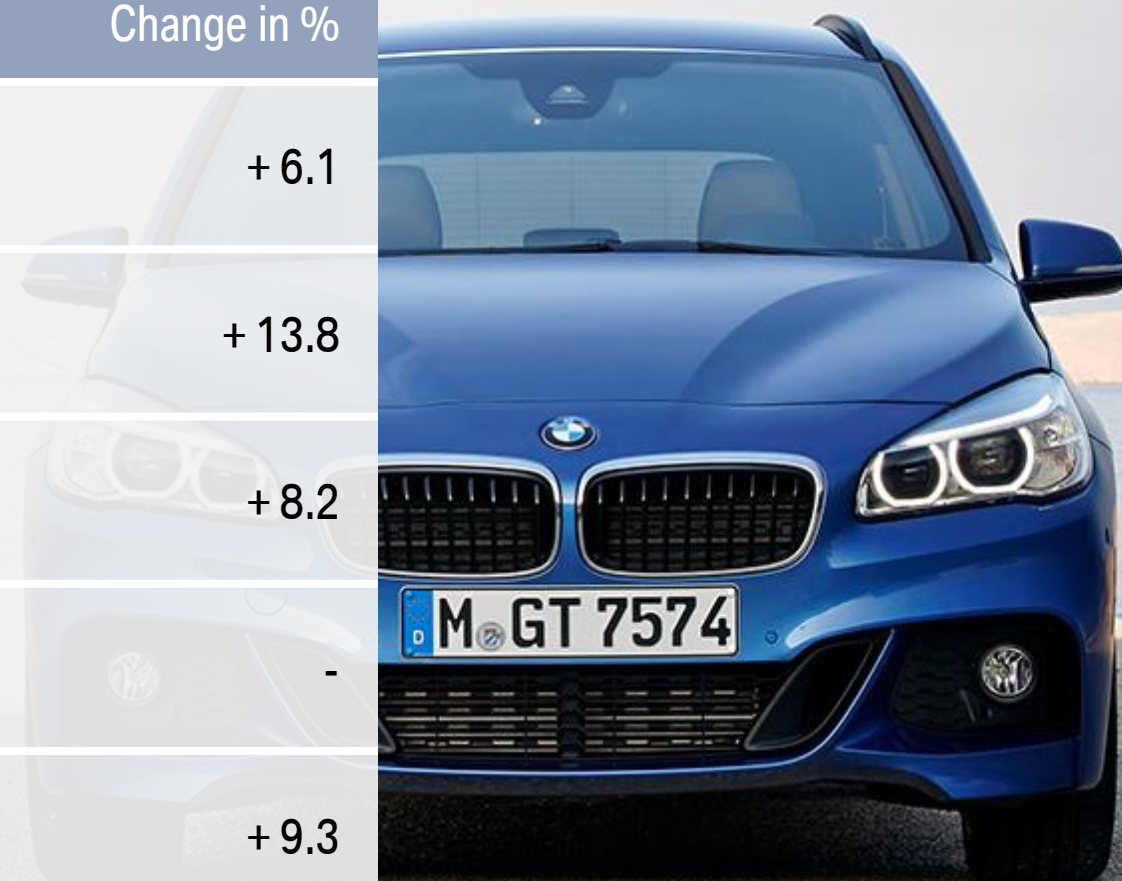
## Dividend payout (in m€)





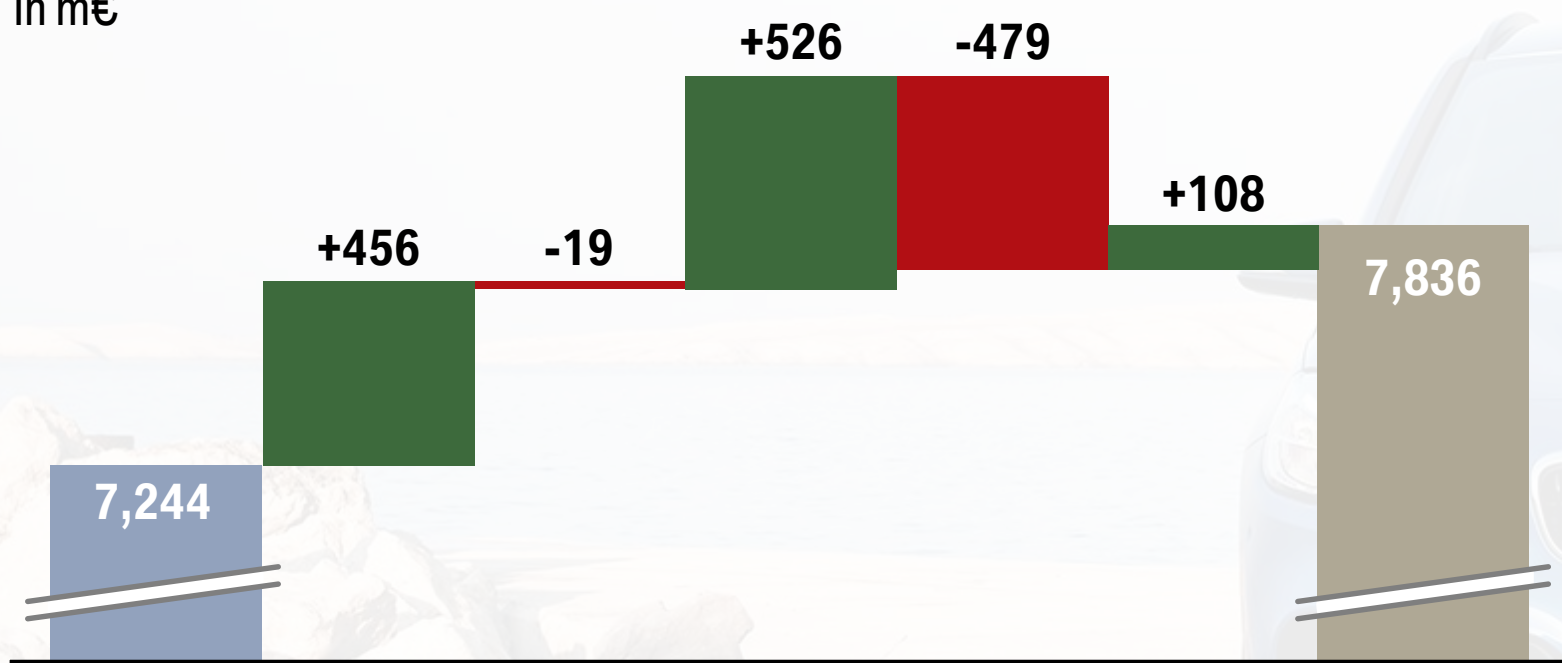
# AUTOMOTIVE SEGMENT: EBIT OF € 7.8 bn, SOLID INCREASE OVER LAST YEAR. EBIT MARGIN OF 9.2%.

In m€	2015	2014	Change in %
Sales (units)	<b>2,247,485</b>	2,117,965	+ 6.1
Revenues	<b>85,536</b>	75,173	+ 13.8
Earnings before interest and tax (EBIT)	<b>7,836</b>	7,244	+ 8.2
EBIT margin (in %)	<b>9.2</b>	9.6	-
Earnings before tax (EBT)	<b>7,523</b>	6,886	+ 9.3



# AUTOMOTIVE SEGMENT: 2014 TO 2015 EBIT DEVELOPMENT.

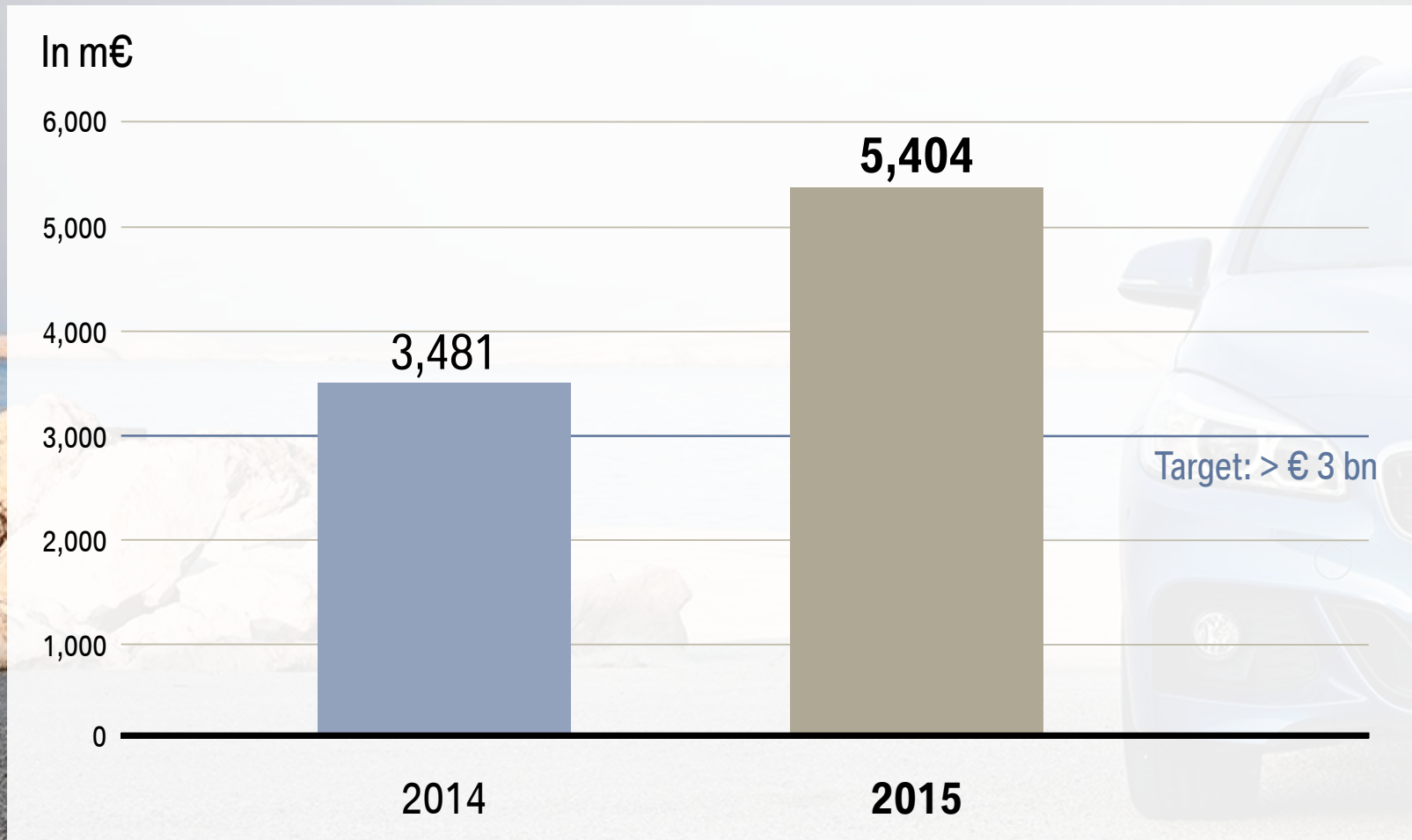
In m€



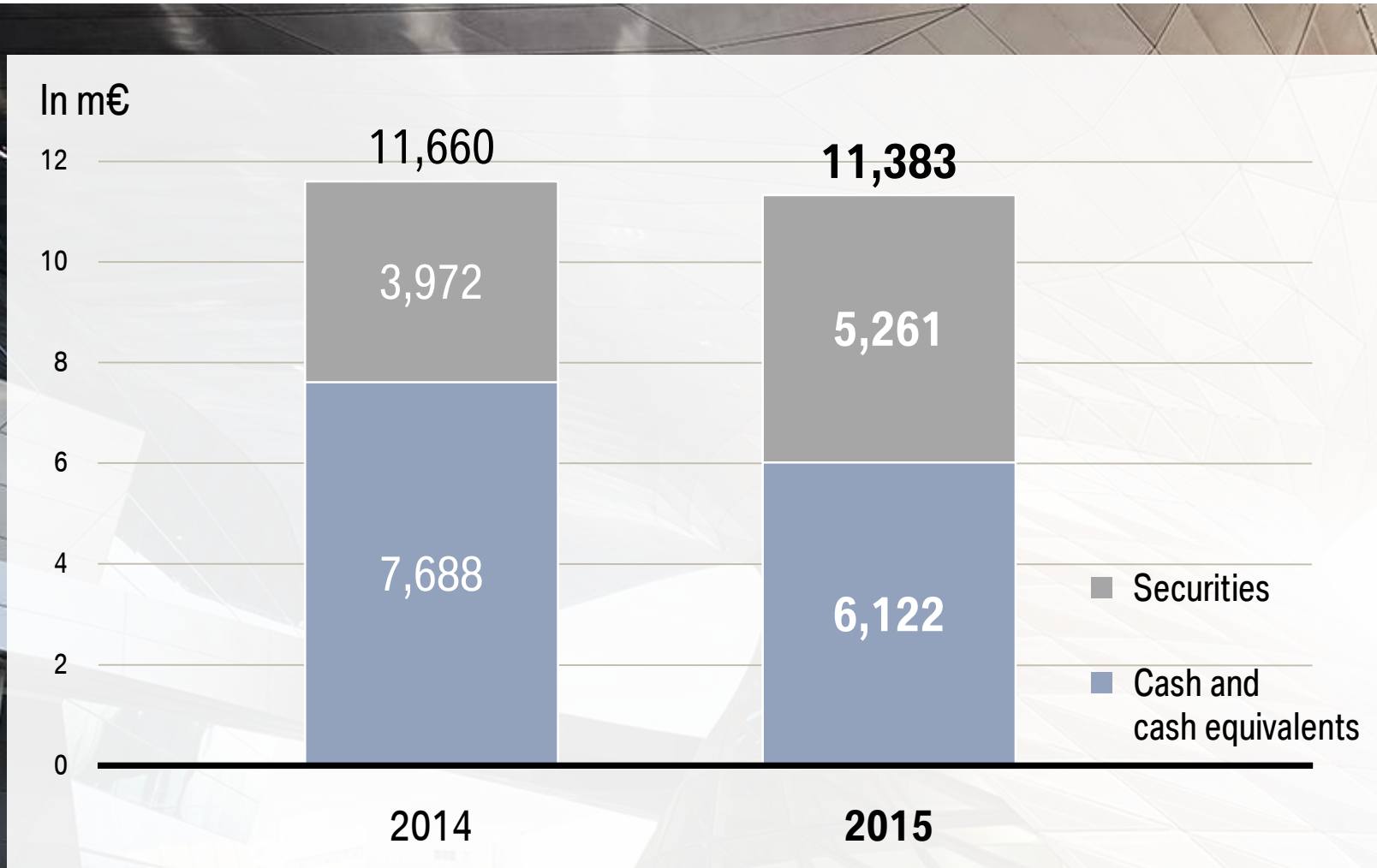
<b>EBIT 2014</b> EBIT margin 9.6%	Net expense from exchange rates/commodities	Other operating income and expenses	Volume/Mix/Market	Depreciation	Other changes	<b>EBIT 2015</b> EBIT margin 9.2%
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# AUTOMOTIVE SEGMENT FREE CASH FLOW: TARGET OF > € 3 BILLION SIGNIFICANTLY EXCEEDED.



# STRONG LIQUIDITY POSITION SECURES FINANCIAL FLEXIBILITY.



# FINANCIAL SERVICES SEGMENT: DYNAMIC BUSINESS DEVELOPMENT IN 2015.



# FINANCIAL SERVICES SEGMENT: SIGNIFICANT INCREASE IN EBT.

In m€	2015	2014	Change in %
New customer contracts (units)	<b>1,655,961</b>	1,509,113	+ 9.7
Total volume of new customer contracts	<b>50,606</b>	41,318	+ 22.5
Earnings before tax (EBT)	<b>1,975</b>	1,723	+ 14.6
Return on equity (in %)	<b>20.2</b>	19.4	-
Penetration rate (in %)	<b>46.3</b>	41.7	-



**STABLE RISK SITUATION UNCHANGED FROM PRIOR YEAR.  
LOSS RATIO IMPROVED AT 0.37%.**



# ANOTHER YEAR OF DYNAMIC GROWTH FOR BMW MOTORRAD. SIGNIFICANT INCREASE IN DELIVERIES, SALES AND EARNINGS.

In m€	2015	2014	Change in %
Sales (units)	<b>136,963</b>	123,495	+ 10.9
Revenues	<b>1,990</b>	1,679	+ 18.5
Earnings before interest and tax (EBIT)	<b>182</b>	112	+ 62.5
EBIT margin (in %)	<b>9.1</b>	6.7	-
Earnings before tax (EBT)	<b>179</b>	107	+ 67.3





# DYNAMIC FINANCIAL SERVICES BUSINESS AFFECTS INTERCOMPANY PROFIT ELIMINATIONS.

In m€	2015	2014	Change in %
Automobiles	<b>7,523</b>	6,886	9.3
Motorcycles	<b>179</b>	107	67.3
Financial Services	<b>1,975</b>	1,723	14.6
Other Entities	<b>211</b>	154	37.0
Eliminations	<b>- 664</b>	- 163	-
<b>BMW Group</b>	<b>9,224</b>	8,707	5.9

# OUTLOOK FOR 2016: 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 previous year

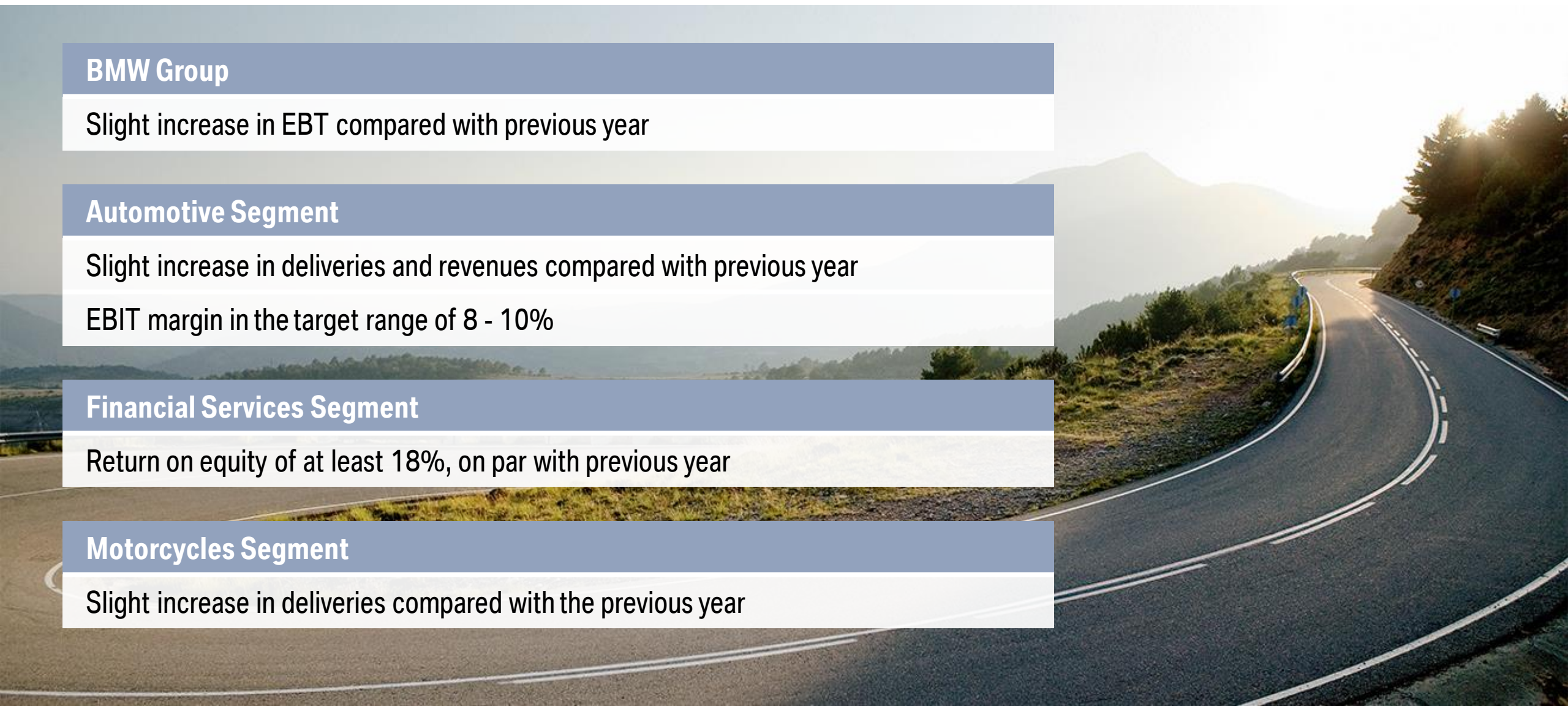
EBIT margin in the target range of 8 - 10%

## Financial Services Segment

Return on equity of at least 18%, on par with previous year

## Motorcycles Segment

Slight increase in deliveries compared with the previous year



# OVERVIEW.

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Annual accounts 2015 and outlook for 2016

Strategy Number ONE > NEXT



# BMW GROUP: SUCCESSFUL BUSINESS DEVELOPMENT SINCE 2001.

2016

2001/  
2003



Rolls-Royce  
Motor Cars Limited

Premium brand strategy

Strategy Number ONE



2007

# SIGNIFICANT CHANGES IN THE BUSINESS ENVIRONMENT: NEW STRATEGIC CHALLENGES.



STRATEGY  
NUMBER ONE



**NEXT**



STRATEGY  
NUMBER ONE



**NEXT**

VISION

COMPETITIVE  
ADVANTAGE

STRATEGIC  
APPROACH

CORPORATE  
CULTURE

NUMBER ONE > NEXT  
VISION.

STRATEGY  
NUMBER ONE  **NEXT**



**VISION**

**We are Number ONE.**

**We inspire people on the move:**

**We shape tomorrow's individual premium mobility.**



# NUMBER ONE > NEXT COMPETITIVE ADVANTAGE.



## COMPETITIVE ADVANTAGE

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

# NUMBER ONE > NEXT STRATEGIC APPROACH.

**> PROFITABILITY**

**> BRANDS & DESIGN**

**> PRODUCTS**

**> TECHNOLOGIES**

**> CUSTOMER EXPERIENCE & SERVICES**

**> DIGITALIZATION**

## STRATEGIC APPROACH

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

**NUMBER ONE > NEXT  
STRATEGIC APPROACH.**

**> PROFITABILITY**

**> BRANDS & DESIGN**

**> PRODUCTS**

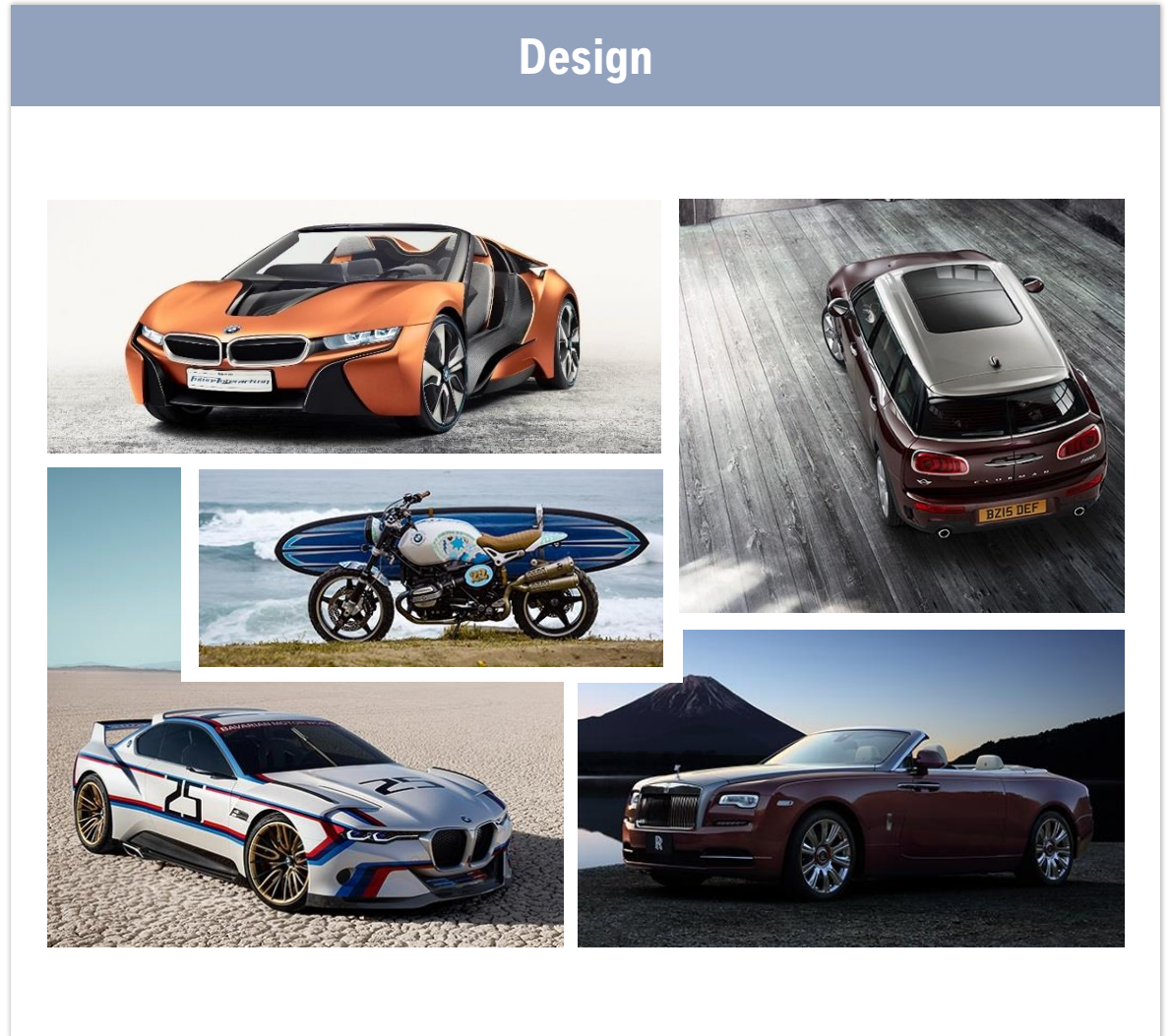
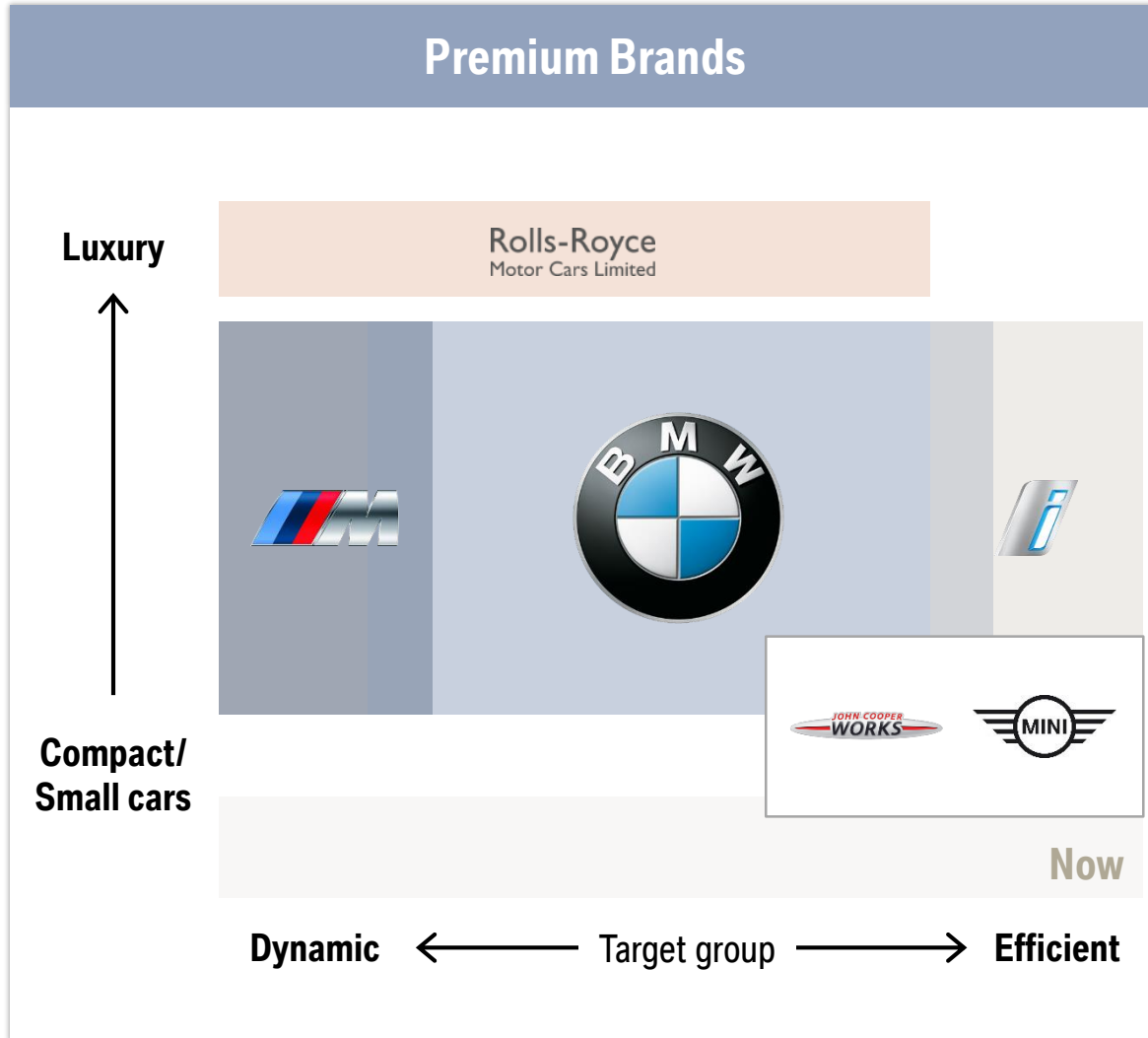
**> TECHNOLOGIES**

**> CUSTOMER EXPERIENCE & SERVICES**

**> DIGITALIZATION**

**We have the  
MOST ASPIRATIONAL BRANDS.  
We continuously grow the value of our brands  
through focused brand management and outstanding design.**

# LEADERSHIP DRIVEN BY ASPIRATIONAL BRAND PORTFOLIO AND HIGHLY EMOTIONAL PRODUCTS.



# ATTRACTIVE PREMIUM BRANDS: BASIS FOR FURTHER EXPANSION OF THE PRODUCT PORTFOLIO.

STRATEGY  
NUMBER ONE  **NEXT**  
BRANDS & DESIGN



Rolls-Royce  
Motor Cars Limited



**BMW Motorrad**



# NUMBER ONE > NEXT STRATEGIC APPROACH.

**> PROFITABILITY**

**> BRANDS & DESIGN**

**> PRODUCTS**

**> TECHNOLOGIES**

**> CUSTOMER EXPERIENCE & SERVICES**

**> DIGITALIZATION**

# BMW 7 SERIES AS DRIVER FOR INNOVATION: EXPANSION OF OUR PORTFOLIO IN THE LUXURY SEGMENT.

STRATEGY  
NUMBER ONE  **NEXT**  
PRODUCTS



# FURTHER EXPANSION OF OUR SUCCESSFUL BMW X FAMILY.

STRATEGY  
NUMBER ONE  **NEXT**  
PRODUCTS

**BMW X1**



**BMW X3**



**BMW X4**



**BMW X5**



**BMW X6**

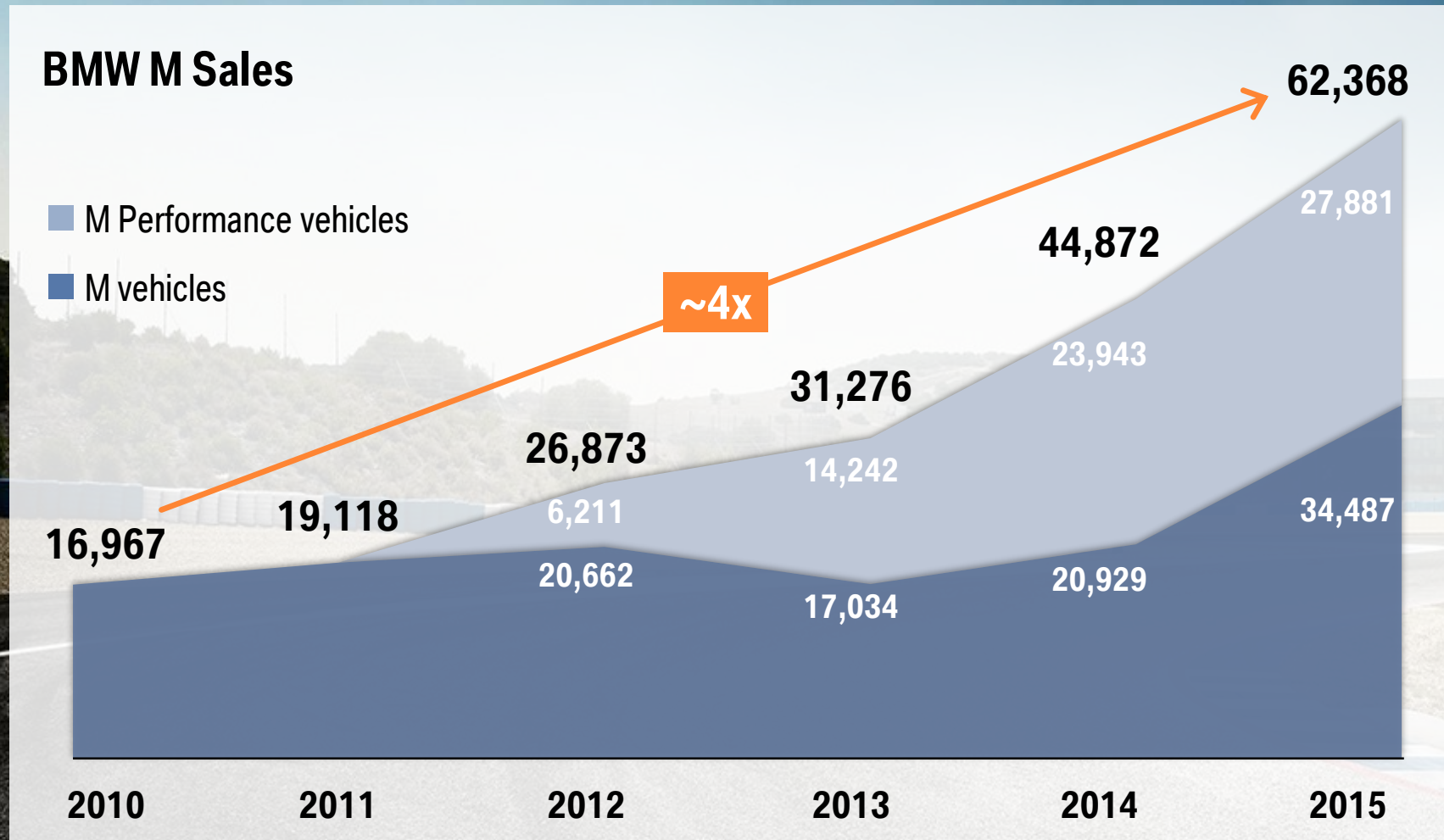


**BMW X7**





# STRONG GROWTH FOR BMW M PRODUCTS.



# FURTHER EXPANSION OF BMW M AND M PERFORMANCE.

STRATEGY  
NUMBER ONE  **NEXT**  
PRODUCTS

**BMW M2 Coupé, from 04/16**



**M4 Competition Package, from 03/16**



**BMW M4 GTS, from 03/16**



**BMW X4 M40i, from 02/16**



**BMW M760Li xDrive, end of 2016**



**M760Li xDrive V12 Excellence, end of 2016**



# FURTHER EXPANSION OF THE BMW i PORTFOLIO.



2013

2014

2016

2018

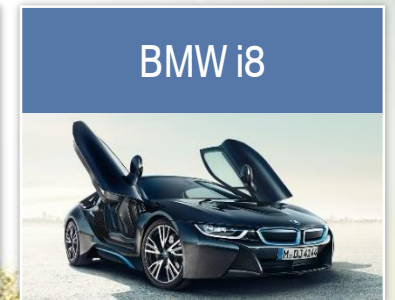
Beginning of the next decade



Continuous development of the BMW i3 with regard to range and design

# SEVEN ELECTRIFIED BMW MODELS: FURTHER MODELS TO COME.

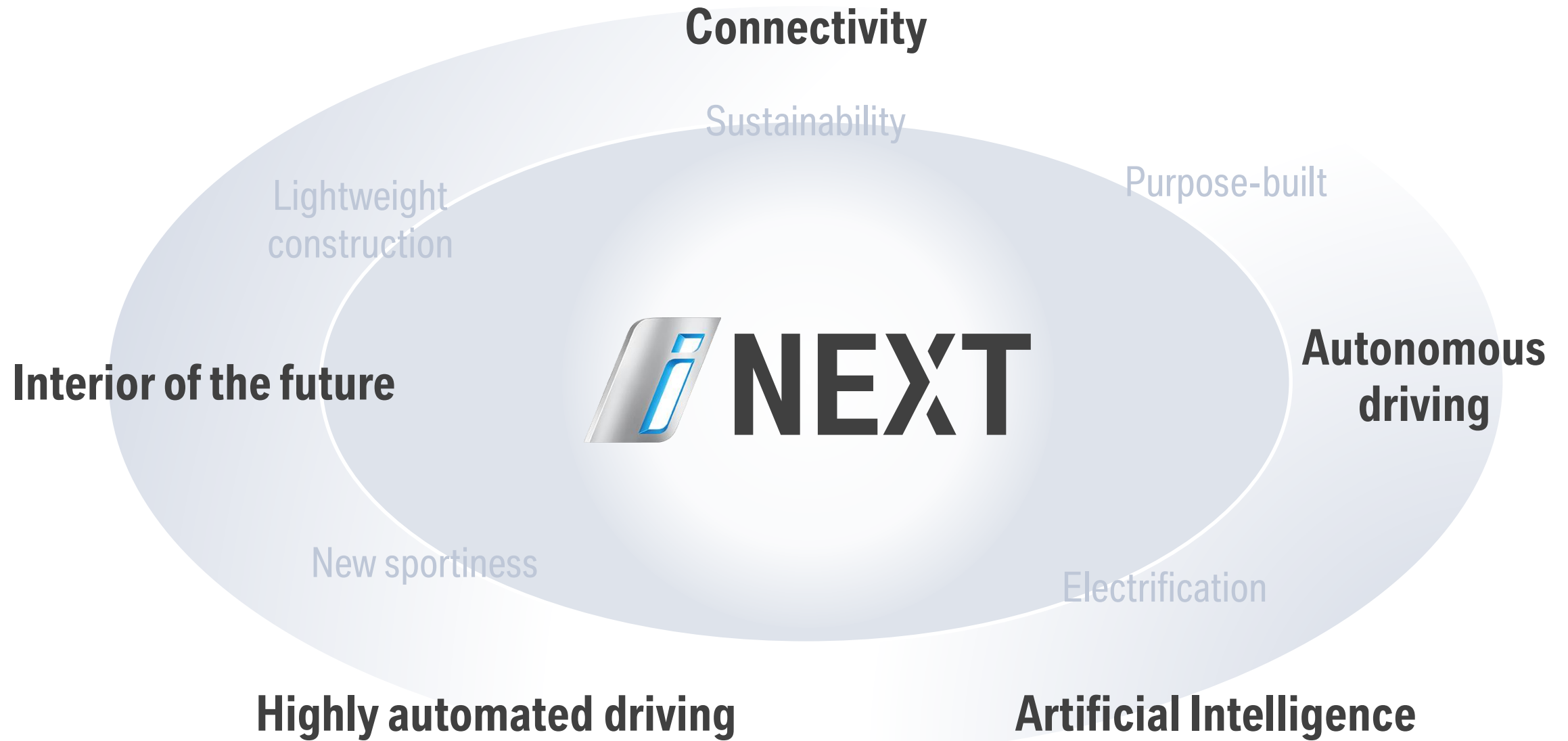
STRATEGY  
NUMBER ONE  **NEXT**  
PRODUCTS



 **PERFORMANCE**



# THE BMW i NEXT: THE FUTURE OF MOBILITY.



# NUMBER ONE > NEXT STRATEGIC APPROACH.

> PROFITABILITY

> BRANDS & DESIGN

> PRODUCTS

> TECHNOLOGIES

> CUSTOMER EXPERIENCE & SERVICES

> DIGITALIZATION

We shape **FUTURE TECHNOLOGIES.**

We develop innovative technologies  
for tomorrow's products and services.

# NUMBER ONE > NEXT STRATEGIC APPROACH.

**> PROFITABILITY**

**> BRANDS & DESIGN**

**> PRODUCTS**

**> TECHNOLOGIES**

**> CUSTOMER EXPERIENCE & SERVICES**

**> DIGITALIZATION**

# NUMBER ONE > NEXT STRATEGIC APPROACH.

> PROFITABILITY

> BRANDS & DESIGN

> PRODUCTS

> TECHNOLOGIES

> CUSTOMER EXPERIENCE & SERVICES

> DIGITALIZATION

**We offer the  
BEST CUSTOMER EXPERIENCE.**



# DELIVERING UNIQUE CUSTOMER EXPERIENCES: INDIVIDUAL SOLUTIONS IN REAL TIME.

**Individual customer experiences**



**24/7 and along the  
customer lifecycle**

**Omni-channel**

360° customer knowledge  
Next Best Offer

Consistent customer experience at all  
physical and digital points of contact

..... Data analytics

**Business lines**

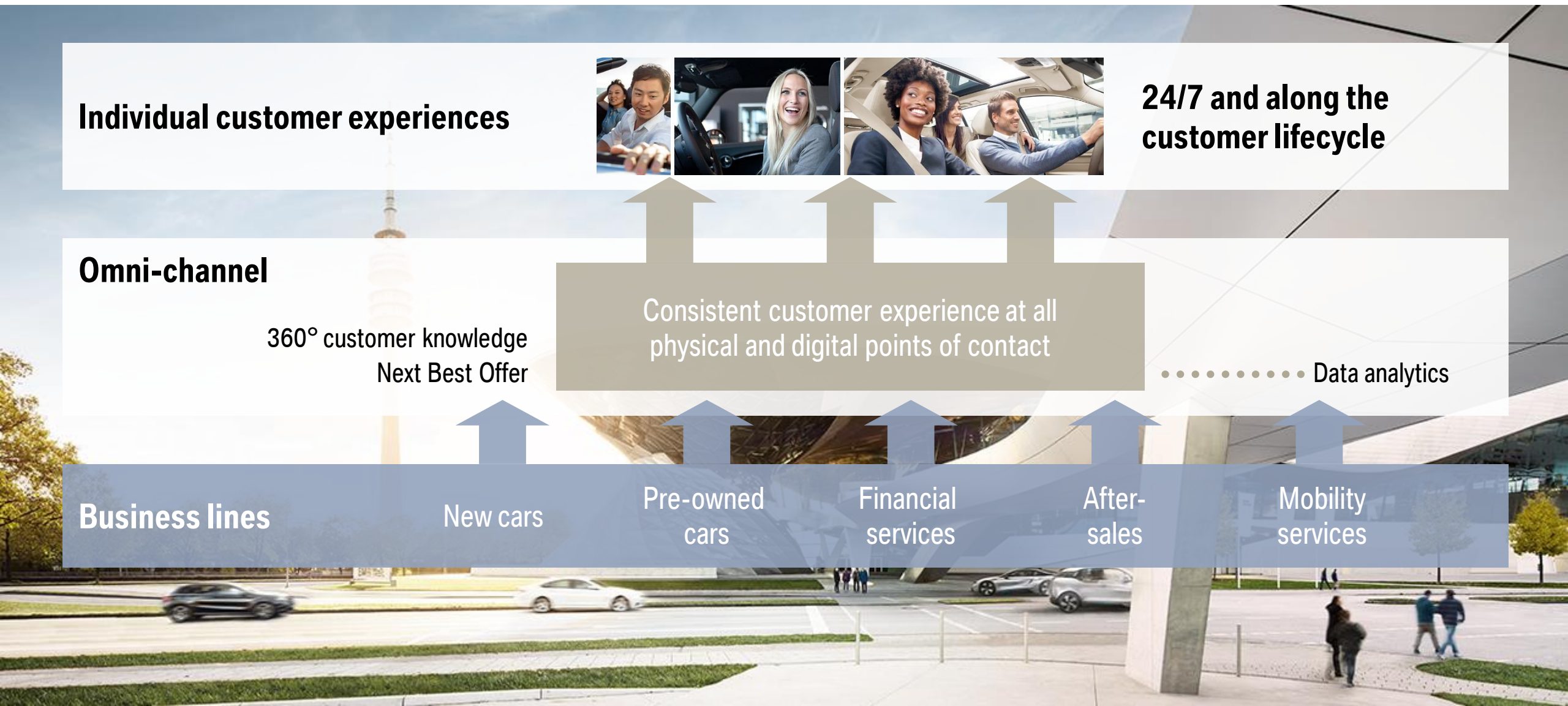
New cars

Pre-owned  
cars

Financial  
services

After-  
sales

Mobility  
services



# TAILOR-MADE, REGIONAL APPROACHES IN EXPANDING MOBILITY AND DIGITAL SERVICES.

STRATEGY  
NUMBER ONE  **NEXT**

CUSTOMER EXPERIENCE & SERVICES

We offer the most attractive services.

**Car Sharing**



**Ride Sharing**



**Parking / Charging**



**Digital Services**



# ANNUAL ACCOUNTS PRESS CONFERENCE

KLAUS FRÖHLICH  
MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG, DEVELOPMENT



**BMW  
GROUP**



Rolls-Royce  
Motor Cars Limited

# NUMBER ONE > NEXT STRATEGIC APPROACH.

> PROFITABILITY

> BRANDS & DESIGN

> PRODUCTS

> TECHNOLOGIES

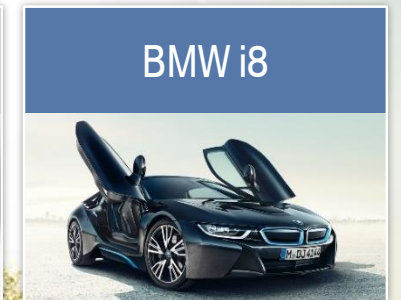
> CUSTOMER EXPERIENCE & SERVICES

> DIGITALIZATION

We shape **FUTURE TECHNOLOGIES.**

We develop innovative technologies  
for tomorrow's products and services.

# THE WIDEST RANGE OF ELECTRIC AND PLUG-IN HYBRID VEHICLES.



 **PERFORMANCE**



# BMW 7 SERIES: STATE-OF-THE-ART CONNECTED DRIVING.



# OUR VISION OF CONNECTED AUTONOMOUS DRIVING.



# ENSURING OUR POSITION AS TECHNOLOGY LEADER.

## Technology and innovation leader

### Future focus: Powertrain technologies



**Efficient  
Dynamics  
NEXT**



**Hydrogen**



**Connectivity**



**Artificial  
Intelligence**



**Autonomous  
driving**





# FUTURE FOCUS: POWERTRAIN TECHNOLOGIES.

Noticeable efficiency and dynamics



Plug-in hybrids



Optimisation of combustion engines



Intelligent assistance systems



Electro-mobility



Fuel cell



# FUTURE FOCUS: DIGITALIZATION. CONNECTIVITY.



## BMW Connected

05 January Tuesday

**Pure Drive**

**BMW i8**

Departure 8:10 am

+15 min  
+70°F

Annual 9:20 am

comes with

- Parking
- Charging

**DriveNow**

**BMW Motorbike**

Departure 8:18 am

comes with

- Chauffeur Service
- \$25

comes with

- Parking

Departure 8:25 am

## Mobility Cloud

**BMW Connected**



# FUTURE FOCUS: DIGITALIZATION. AUTONOMOUS DRIVING.

## Sensor systems



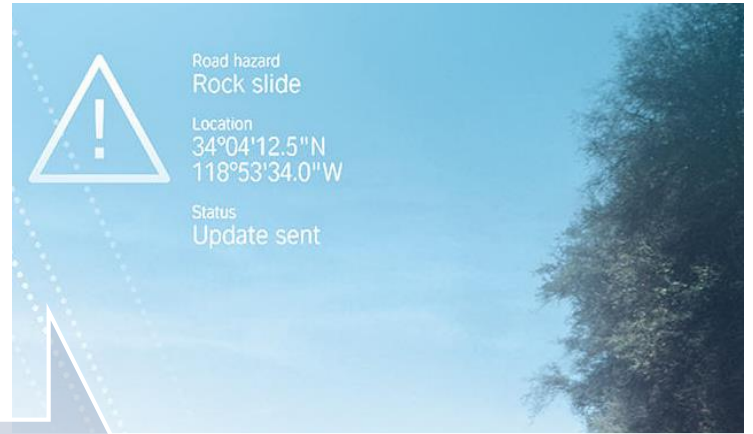
## Artificial Intelligence



## Digital maps / HERE

## Digital reality model

## Regulatory requirements



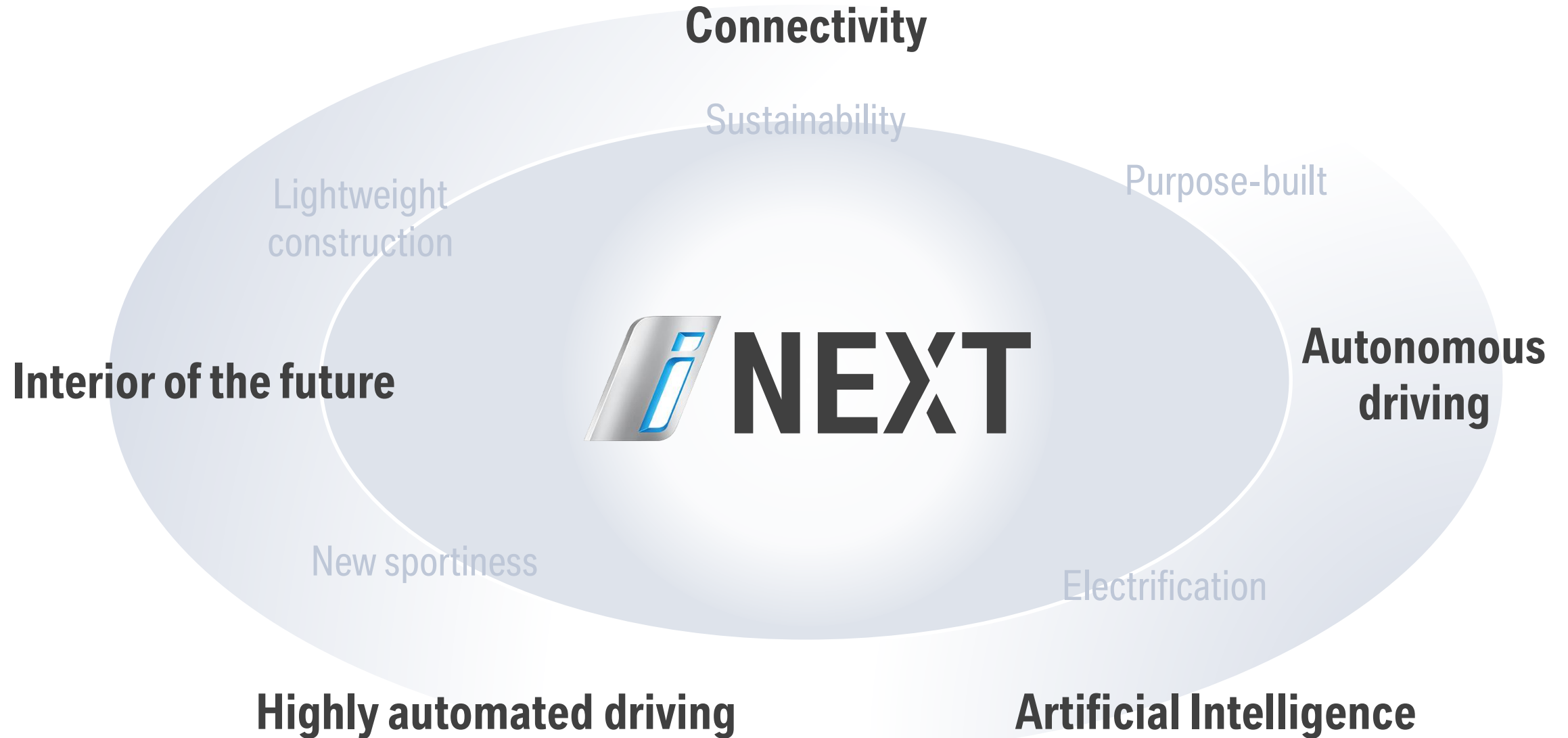
## Intelligent autonomous vehicle



# PROJECT i: A PIONEER IN SUSTAINABLE MOBILITY.



# PROJECT i 2.0: THE BMW i NEXT IS THE FUTURE OF MOBILITY.



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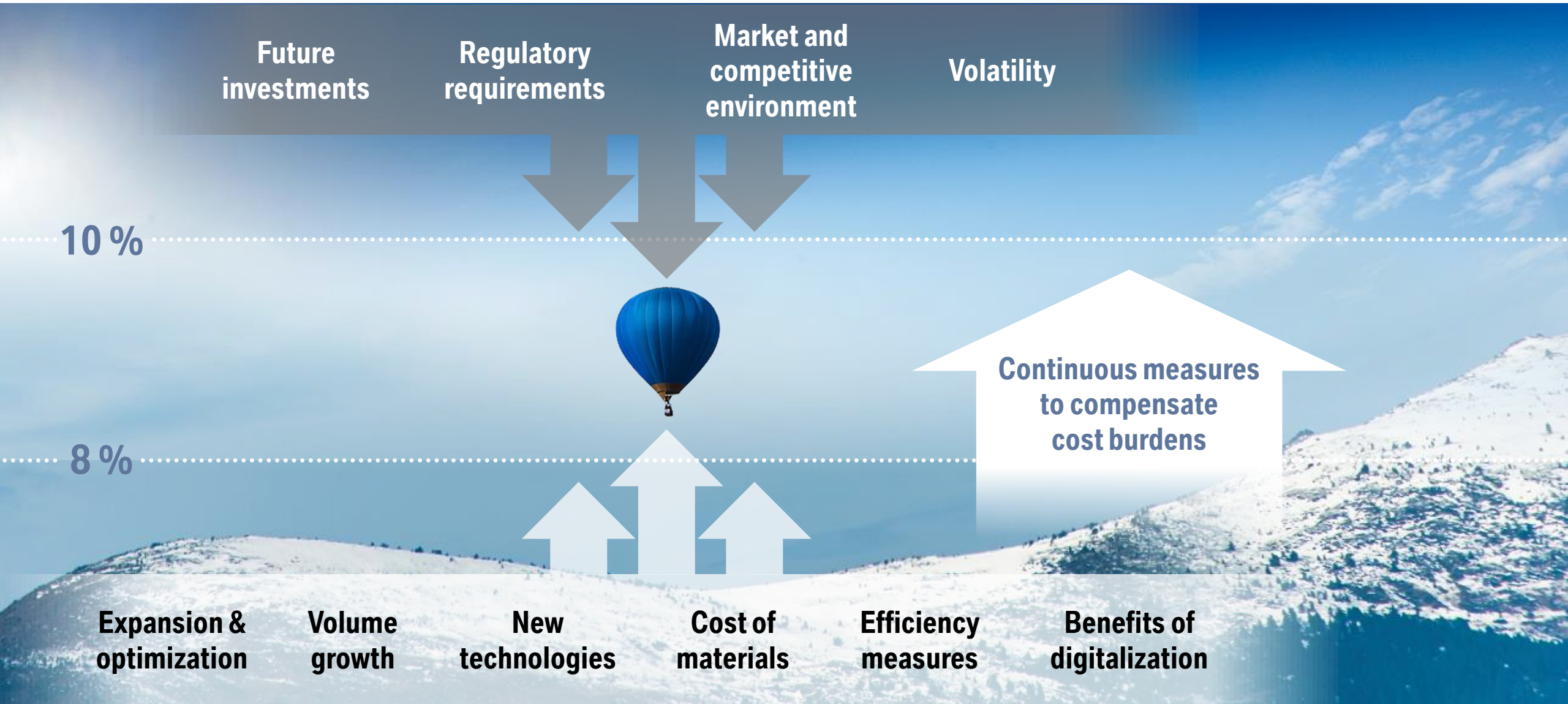
> TECHNOLOGIES

> CUSTOMER EXPERIENCE & SERVICES

> DIGITALIZATION

As a consequence, we consistently generate  
**EXCELLENT RESULTS.**

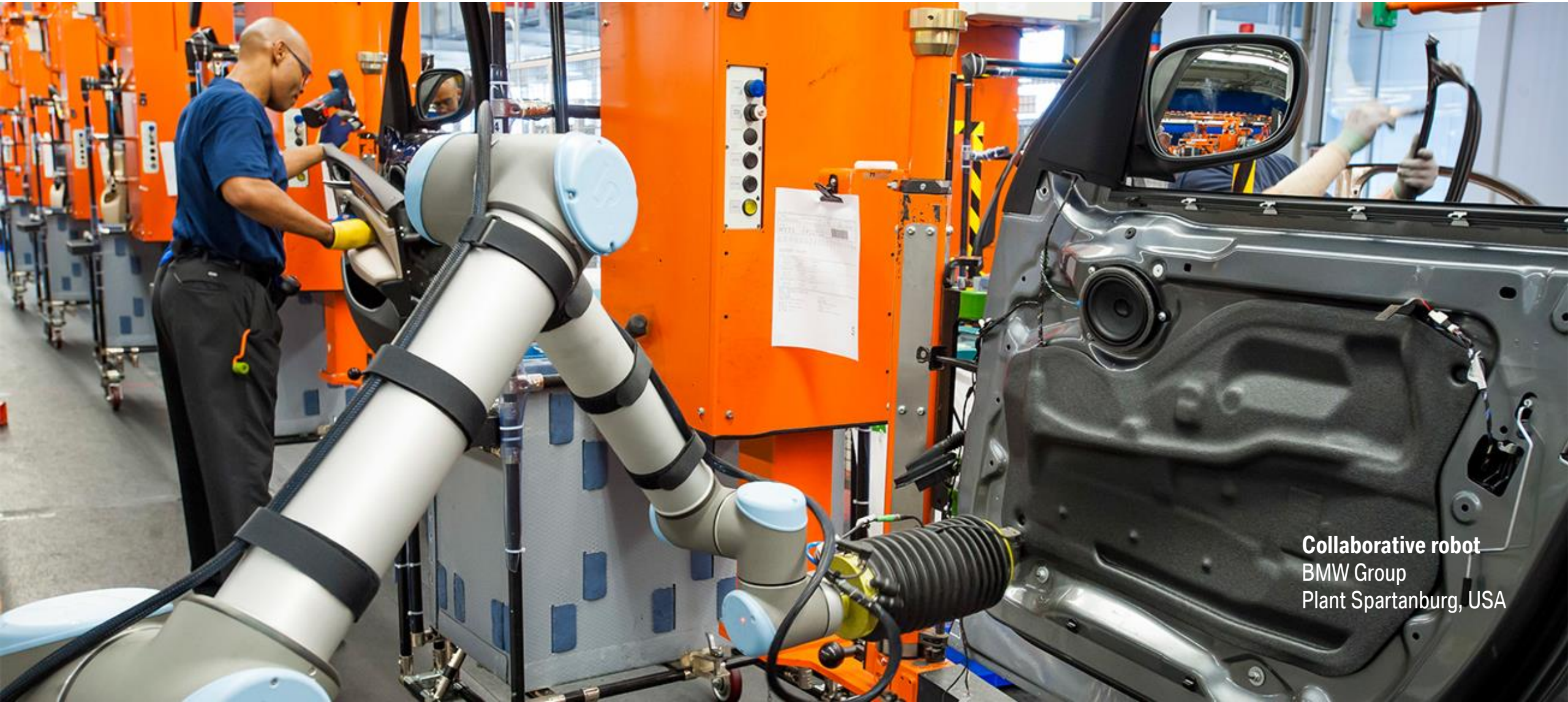
# CONTINUOUS MEASURES TO MAINTAIN PROFITABILITY LEVEL.





# EFFICIENCY IMPROVEMENTS THROUGH LONGER USE AND DIGITALIZATION OF PRODUCTION SYSTEMS.

STRATEGY  
NUMBER ONE  **NEXT**  
PROFITABILITY



**Collaborative robot**  
BMW Group  
Plant Spartanburg, USA

# FINANCIAL TARGETS 2020: SUSTAINABLE GROWTH AND SOLID PROFITABILITY IN THE FACE OF SIGNIFICANT CHALLENGES.

BMW Group	2015	2020
<b>EBT margin (from 2017)</b>	10%	<b>&gt;10%</b>
Research and Development ratio	5.6%	5.0 - 5.5%
<b>Investment ratio*</b>	4.2%	<b>&lt;5%</b>
Automotive Segment		
EBIT margin	9.2%	8 - 10%
Free Cashflow	5.4 bn. €	>3 bn. €
Segment Financial Services		
Return on Equity	20.2%	>18%
Segment Motorcycles		
<b>EBIT margin (from 2017)</b>	9.1%	<b>8 - 10%</b>

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



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CHAIRMAN OF THE BOARD OF MANAGEMENT OF BMW AG



**BMW  
GROUP**

THE NEXT  
100 YEARS 



Rolls-Royce  
Motor Cars Limited

## CULTURE

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

RESPONSIBILITY

APPRECIATION

TRANSPARENCY

TRUST

OPENNESS

