



Stephan Schaller, President BMW Motorrad
March 19, 2015

ANALYST AND INVESTOR CONFERENCE 2015

BMW MOTORRAD

**THE MOTORCYCLE MARKET
>500 CCM HAS BEEN
CUT IN HALF DURING THE
LAST SEVEN YEARS.**

**OUR MARKET SHARE
HAS DOUBLED
IN THE SAME PERIOD.**

MARKET SHARE VS. MARKET DEVELOPMENT INITIAL SIGNS OF A MARKET RECOVERY (G7 MARKETS)

MR&SC Market

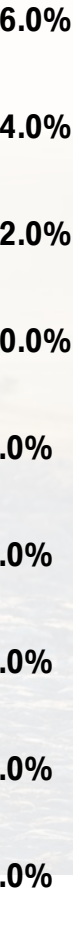
>500cc

in thsd. units



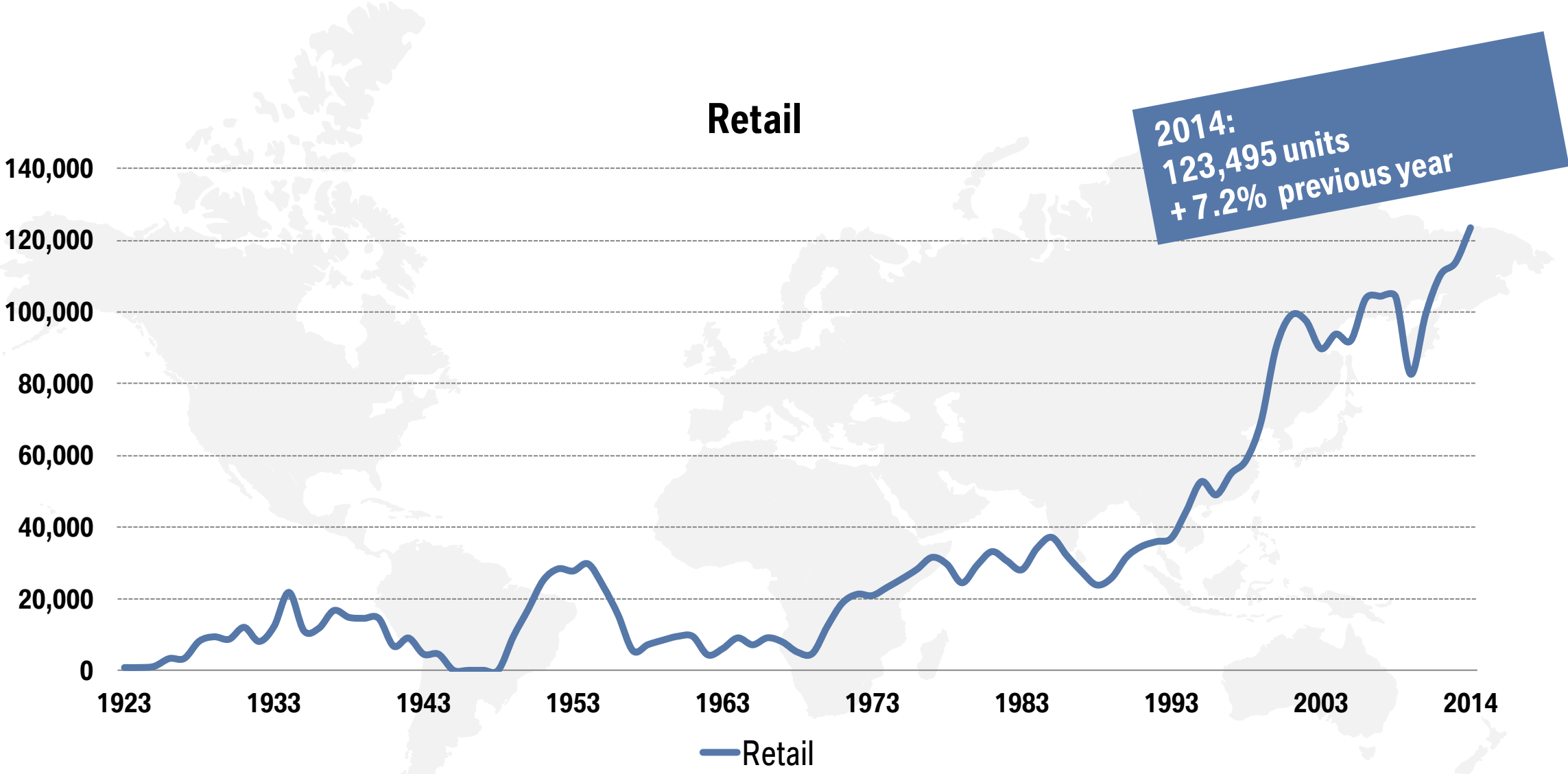
Market share

BMW



*2014 global market size number is still preliminary.

BMW MOTORRAD THE ULTIMATE RIDING MACHINE – SINCE 1923



2014 – PRODUCT HIGHLIGHTS

5 PRODUCT LAUNCHES 2014



R nineT



S 1000 R



C evolution

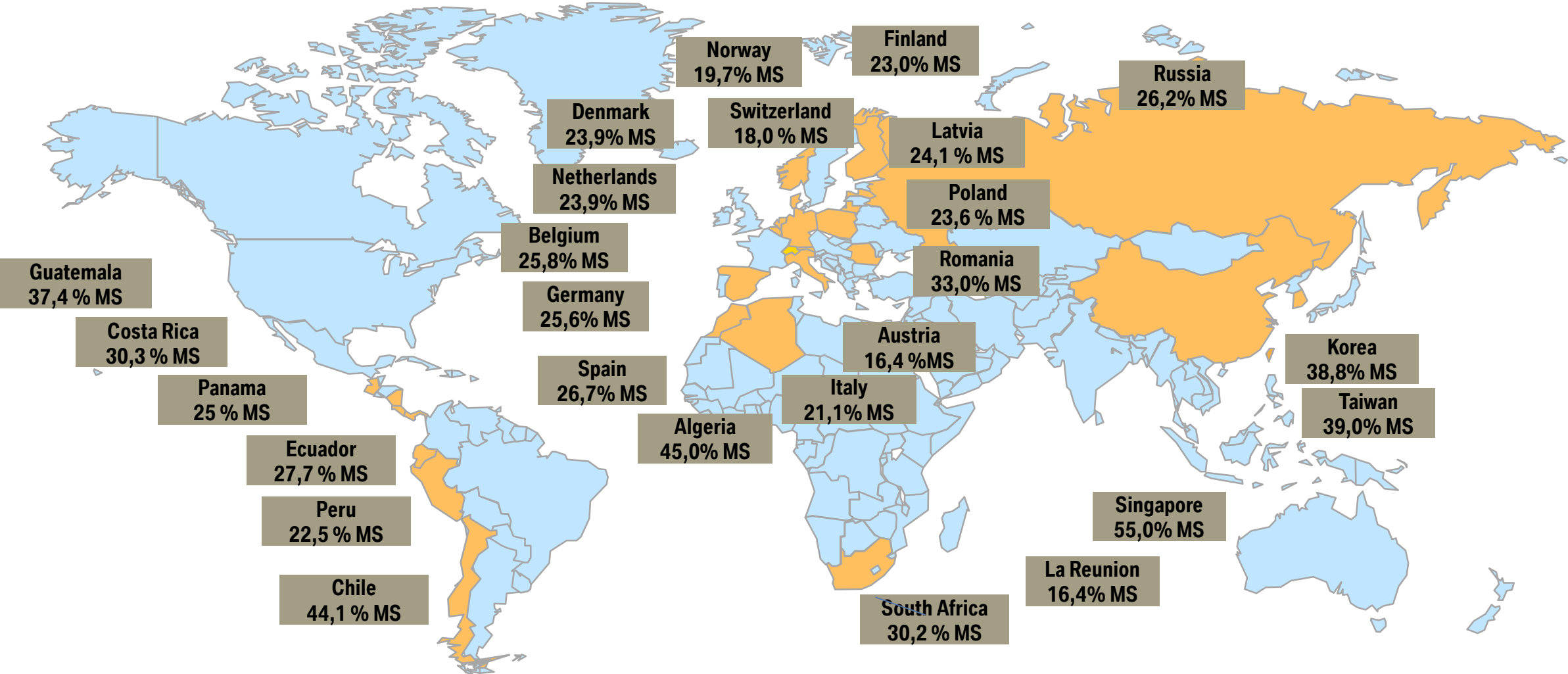


R 1200 RT



R 1200 GS Adventure

WE ARE MARKET LEADER IN 26 COUNTRIES NOW UP FROM 16 IN 2013



SUCCESSFUL FINANCIAL YEAR FOR BMW MOTORRAD WITH STRONG INCREASE IN EARNINGS

In € million	2014	2013	Change in %
Sales (units)	123,495	115,215	+ 7.2
Revenues	1,679	1,504	+ 11.6
Earnings before interests and taxes (EBIT)	112	79	+ 41.8
EBIT margin (in %)	6.7	5.3	-
Earnings before taxes (EBT)	107	76	+ 40.8



2015 – PRODUCT HIGHLIGHTS

5 LAUNCHES IN 2015



BMW R 1200 R



BMW R 1200 RS



BMW S 1000 RR

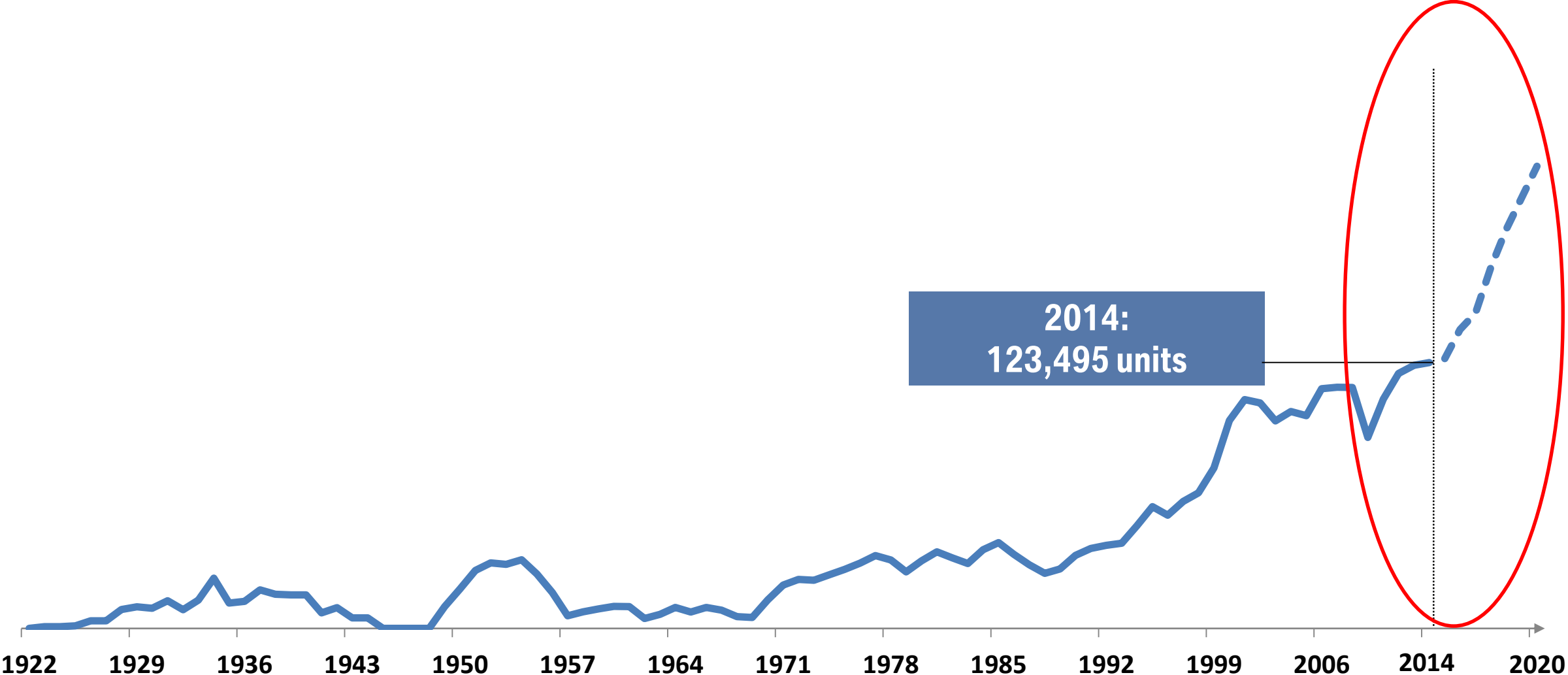


BMW F 800 R



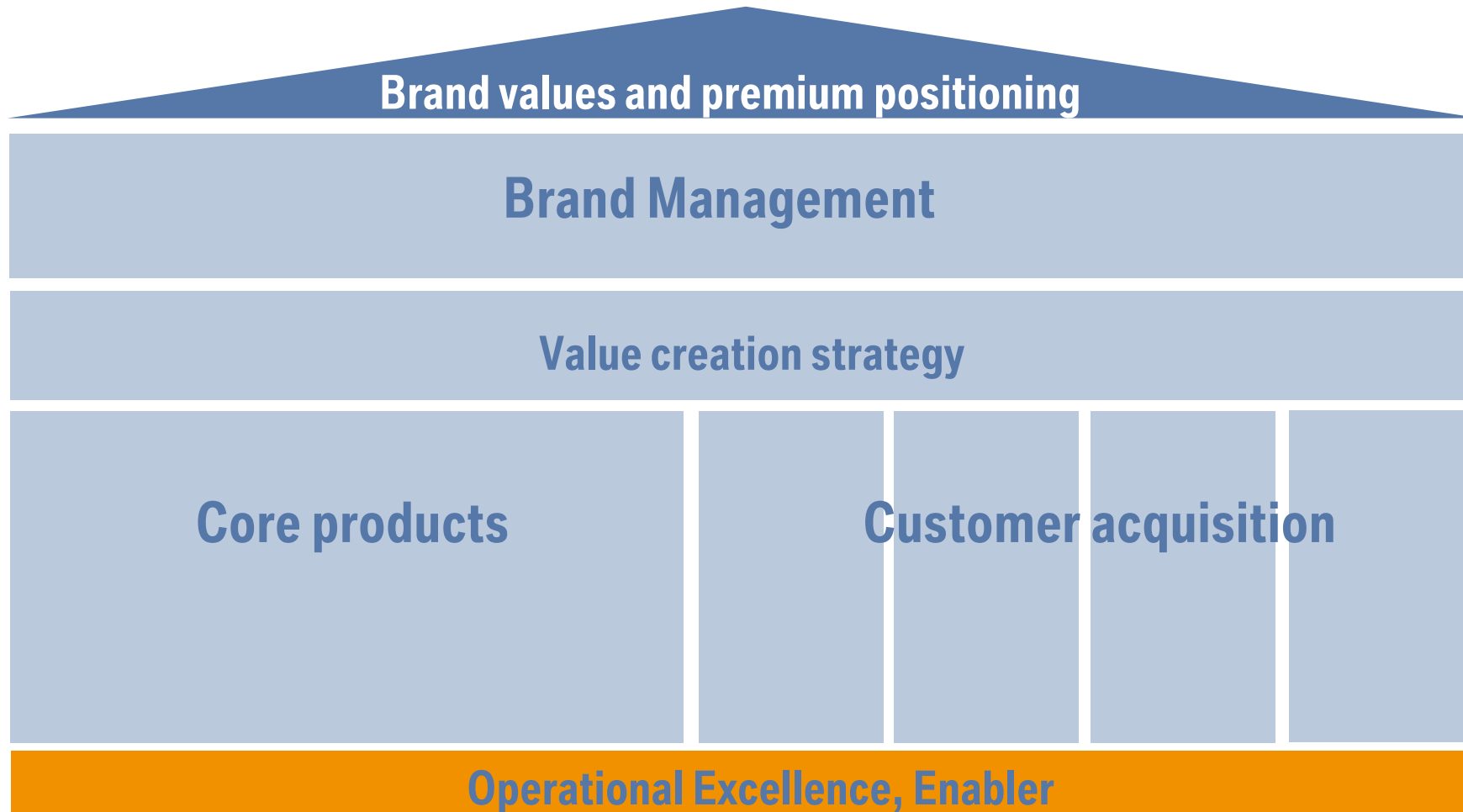
BMW S 1000 XR

BMW MOTORRAD AMBITIOUS TARGETS TILL 2020



BMW MOTORRAD ACTIVELY SHAPE THE FUTURE – OPERATIONAL EXCELLENCE, ENABLER

stable, profitable growth



BMW MOTORRAD – WE ARE COMMITTED !!!



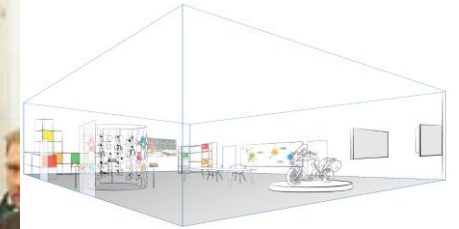
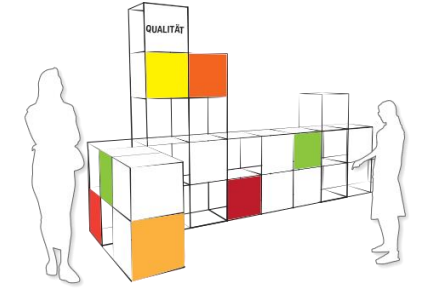
EMPLOYEE DEVELOPMENT 2014

ALL EMPLOYEES ARE TRAINED IN STRATEGY



- More than 1,400 employees were trained in two academies (additionally more than 100 manager in the role of a trainer)
- Very positive response from our employees
- Feedback after the event: 90% of the participants evaluate their new knowledge about the strategy as (very) good

QUALITY TRAINING FOR CUSTOMER ORIENTATION TRAINING FOR 1500 EMPLOYEES TILL THE END OF 2015



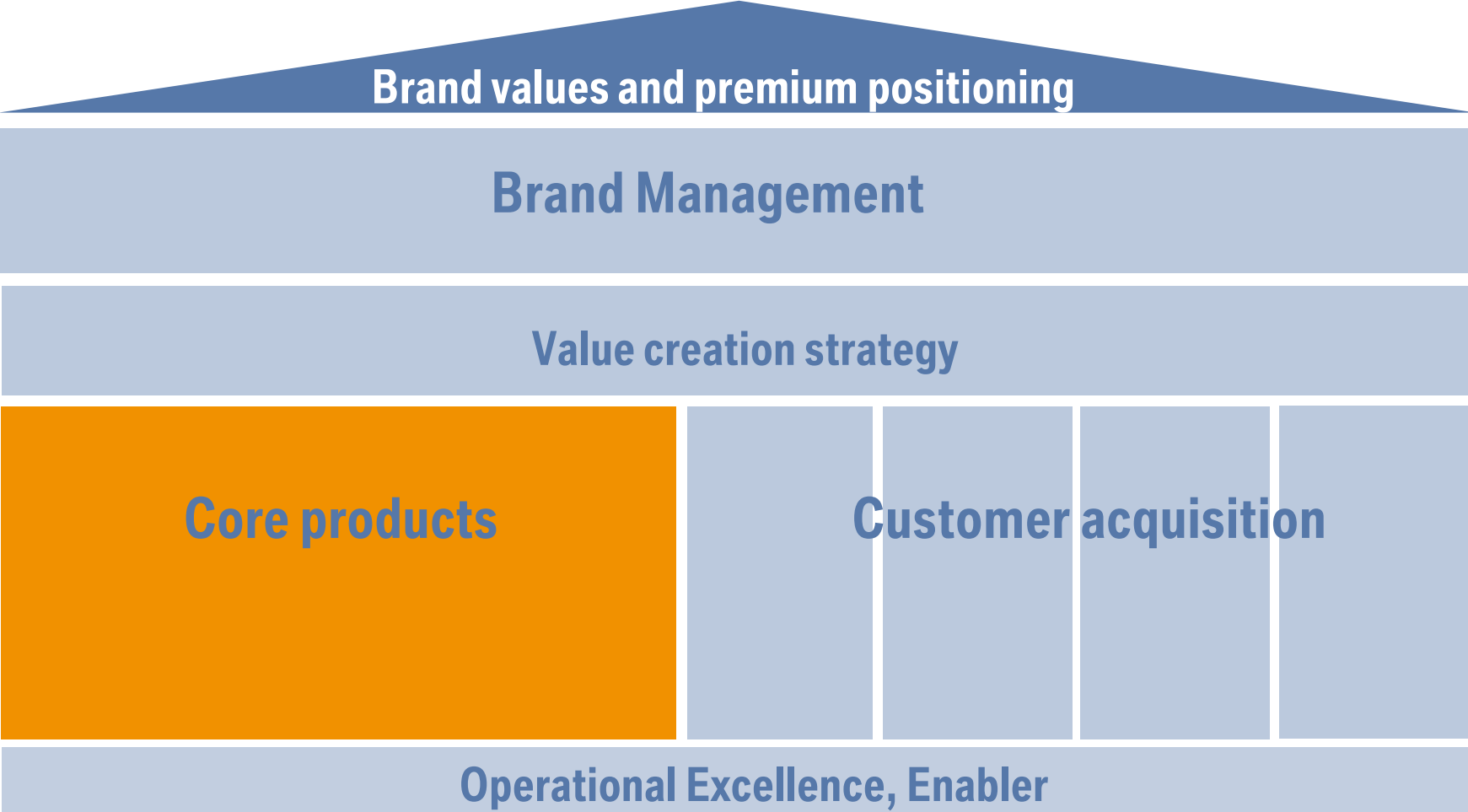
Start:

MUC: Feb. - May 2015

Berlin: July - Dec. 2015

BMW MOTORRAD ACTIVELY SHAPE THE FUTURE – CORE PRODUCTS

stable, profitable growth

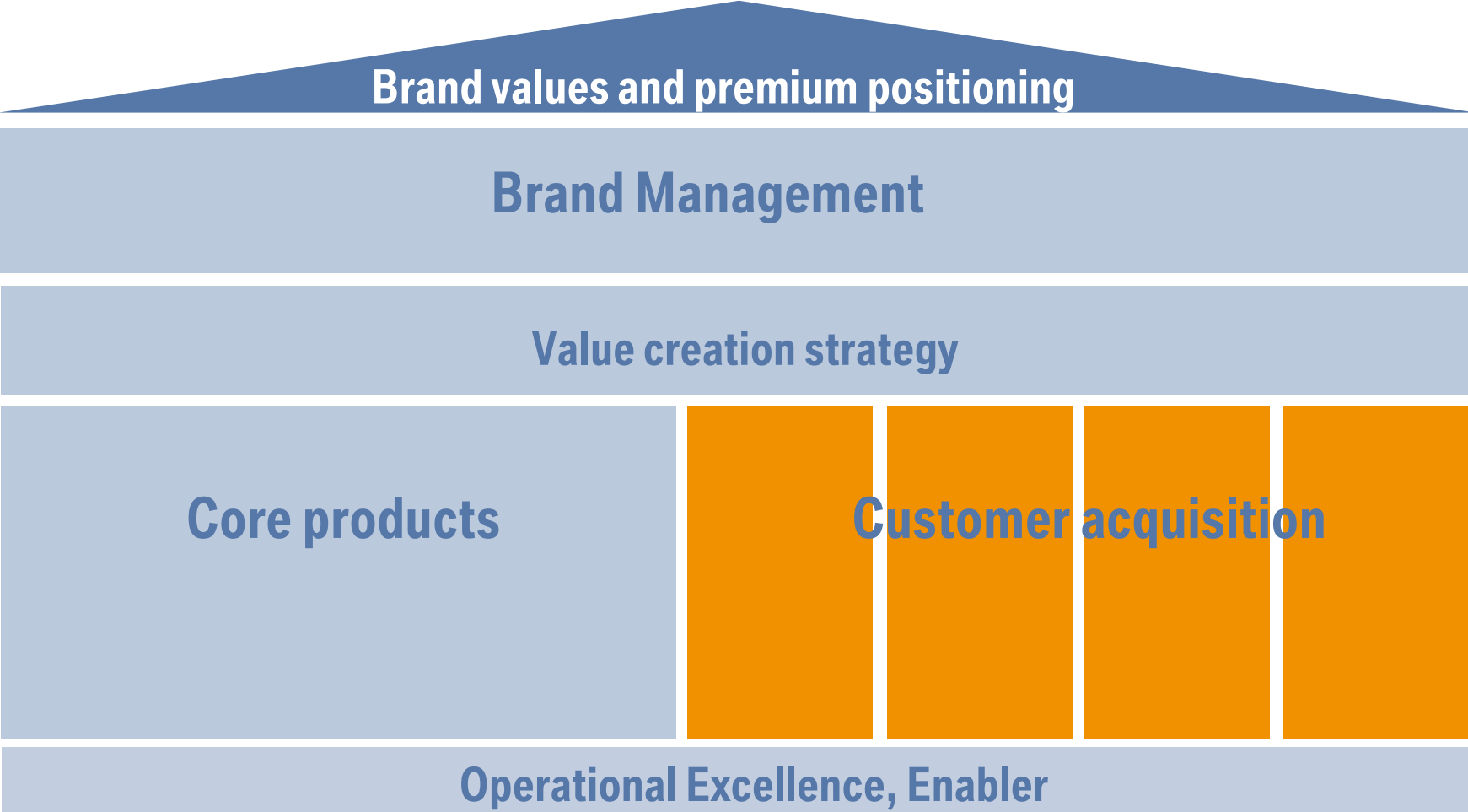


OUR STARTING POINTS CONTINUE TO STRENGTHEN THE CORE SEGMENTS



BMW MOTORRAD ACTIVELY SHAPE THE FUTURE – CUSTOMER ACQUISITION

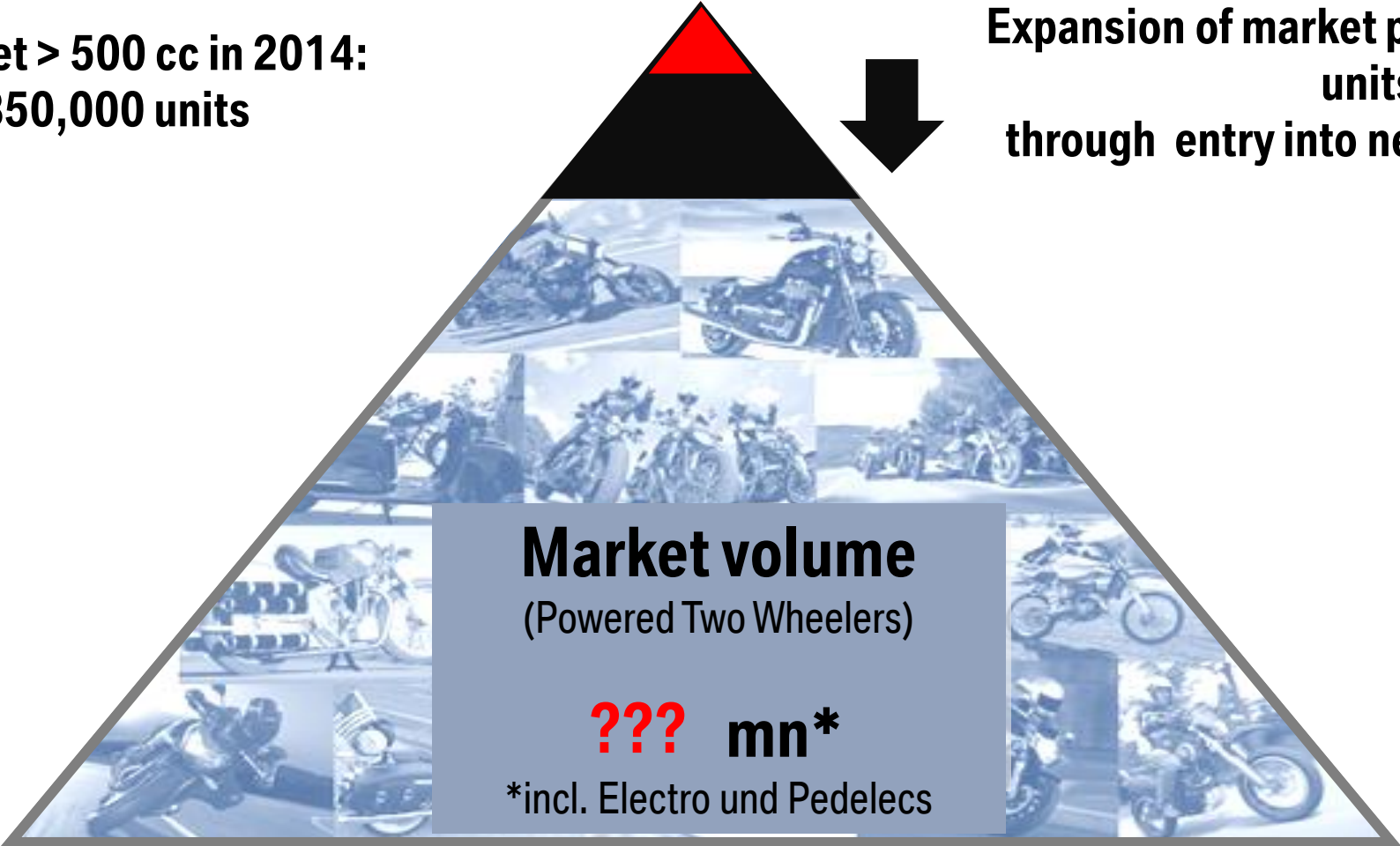
stable, profitable growth



OUR STARTING POINTS EXPANSION OF MARKET POTENTIAL

Total market > 500 cc in 2014:
Ca. 850,000 units

Expansion of market potential to 2-3 mn
units
through entry into new ccm segments



BMW MOTORRAD ACTIVELY SHAPE THE FUTURE - SEGMENTS

stable, profitable growth



ENTRY IN SEGMENT UNDER 500 CCM PREMIUM PRODUCT INNOVATIONS

Cooperation



OUR STARTING POINTS SEGMENT NEW HERITAGE AND LIFESTYLE



SEGMENT 'URBAN MOBILITY' EXPANSION OF THE SCOOTER SEGMENT IN LOWER DISPLACEMENT

Space required to transport 60 people



car



bicycle/bike



bus



BMW C 600 Sport / C 650 GT

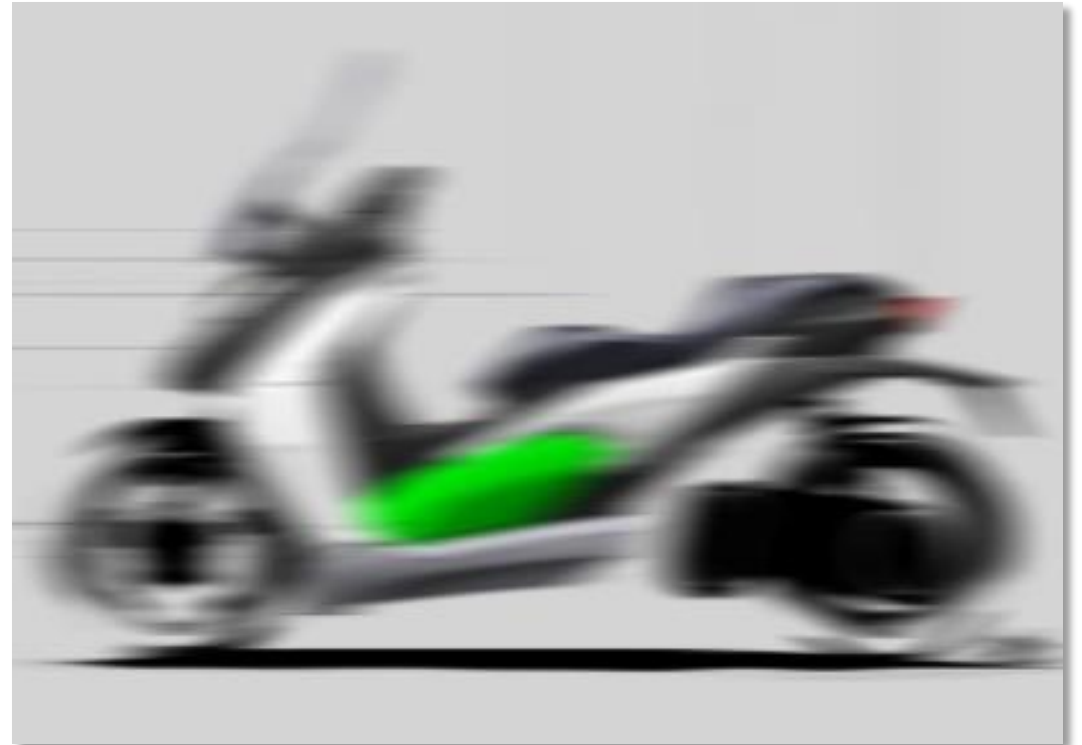
SEGMENT 'URBAN MOBILITY' FUTURE SUSTAINABILITY THROUGH E-MOBILITY

1. Step C-Evolution



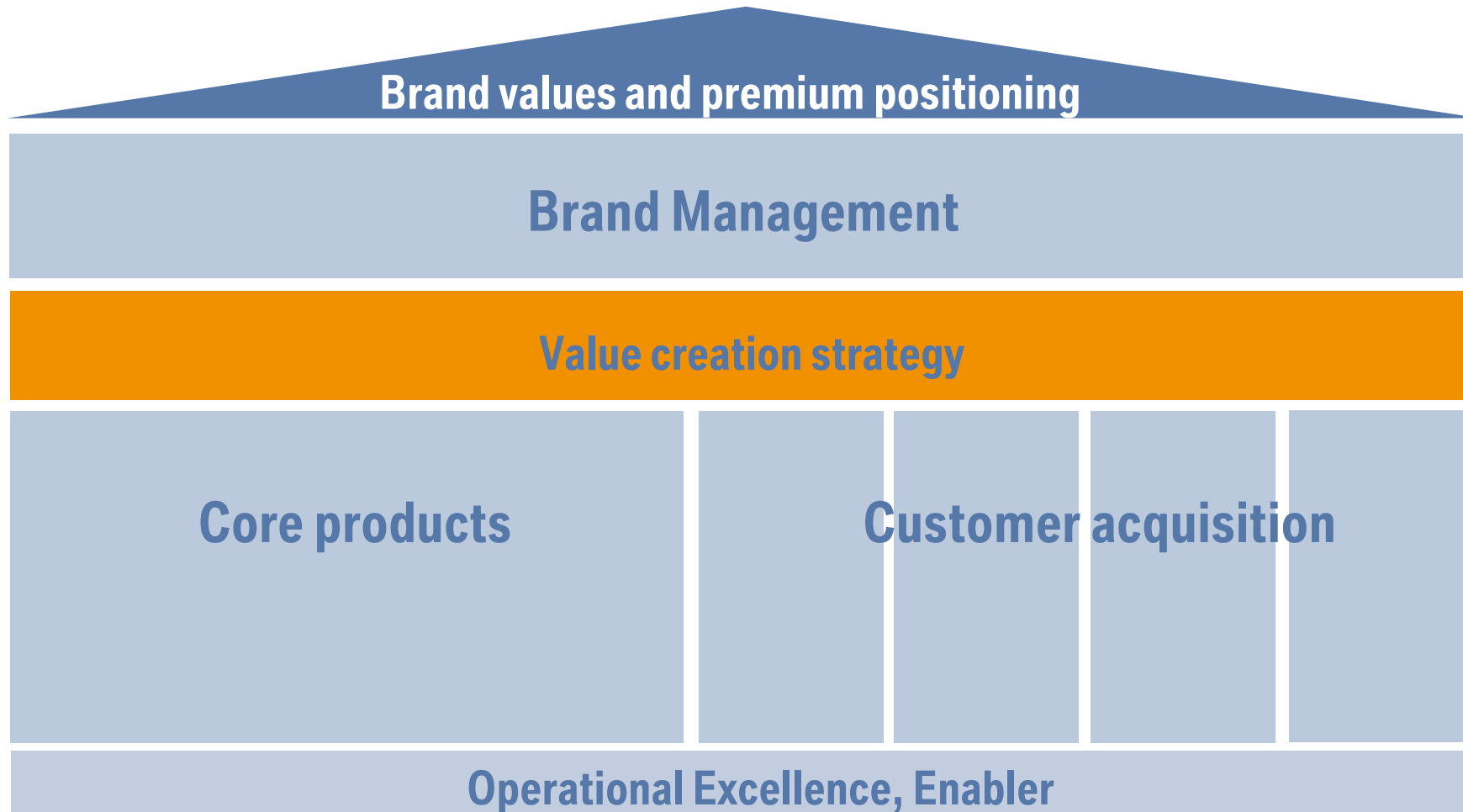
48 HP, 72 Nm, 100 km reach, completely charged in
max. 4 h or 2:15 h (80%)

2. Step Expansion E-Mobility



BMW MOTORRAD ACTIVELY SHAPE THE FUTURE – VALUE CREATION STRATEGY

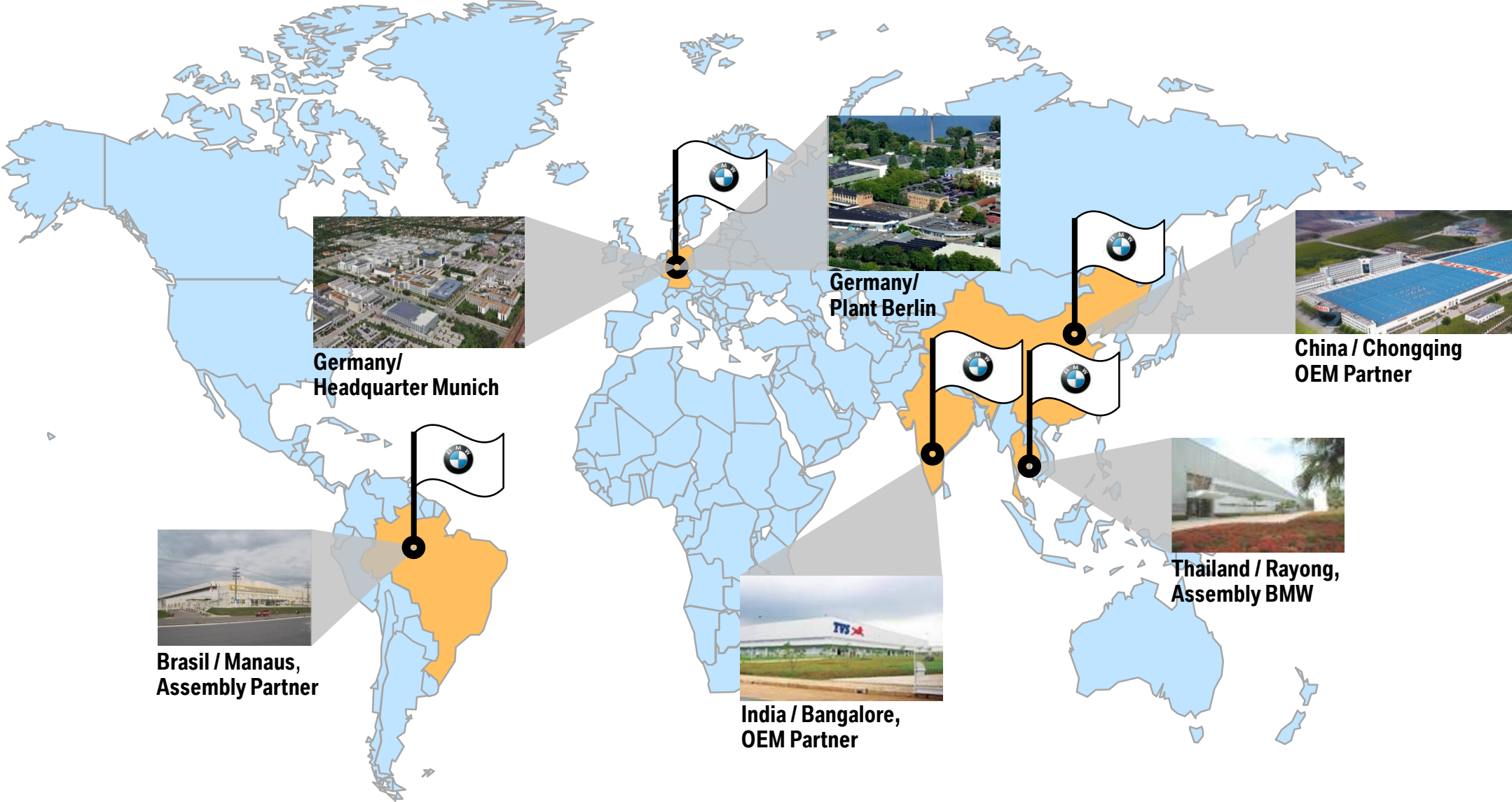
Stable, profitable growth



BMW MOTORRAD PRODUCTION 10 YEARS AGO FOCUS ON GERMANY/EUROPE

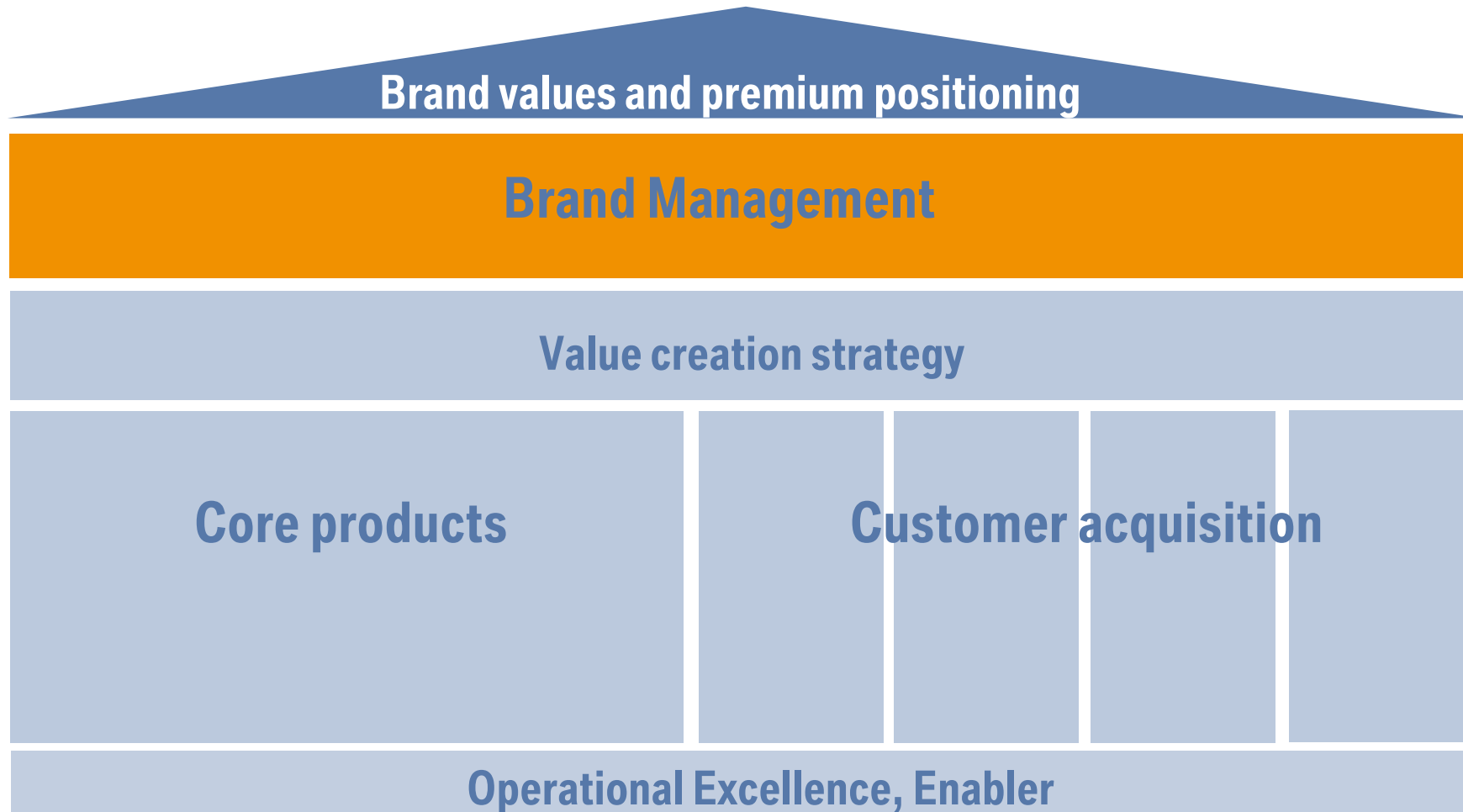


BMW MOTORRAD PRODUCTION TODAY A WORLDWIDE PRODUCTION NETWORK



BMW MOTORRAD ACTIVELY SHAPE THE FUTURE – BRAND MANAGEMENT

Stable, profitable growth



BRAND LEADERSHIP

THE EVOLUTION OF THE BRAND BMW MOTORRAD

Starting as a **conventional Brand...**



...becoming a **dynamic and emotional brand...**



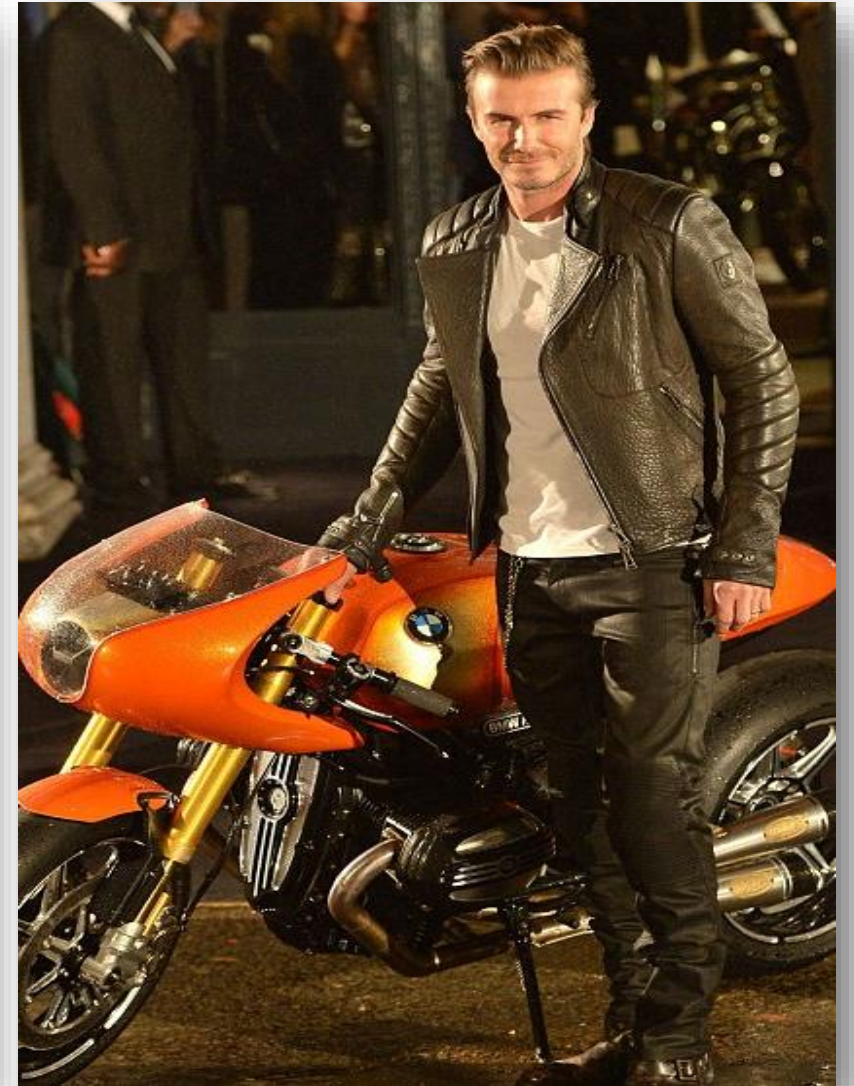
...right up to a **lifestyle and experience brand.**



BRAND PERCEPTION CUSTOMIZING / INDIVIDUALIZATION



BRAND PERCEPTION: RIDERS' EQUIPMENT BECOMES A LIFESTYLE ISSUE

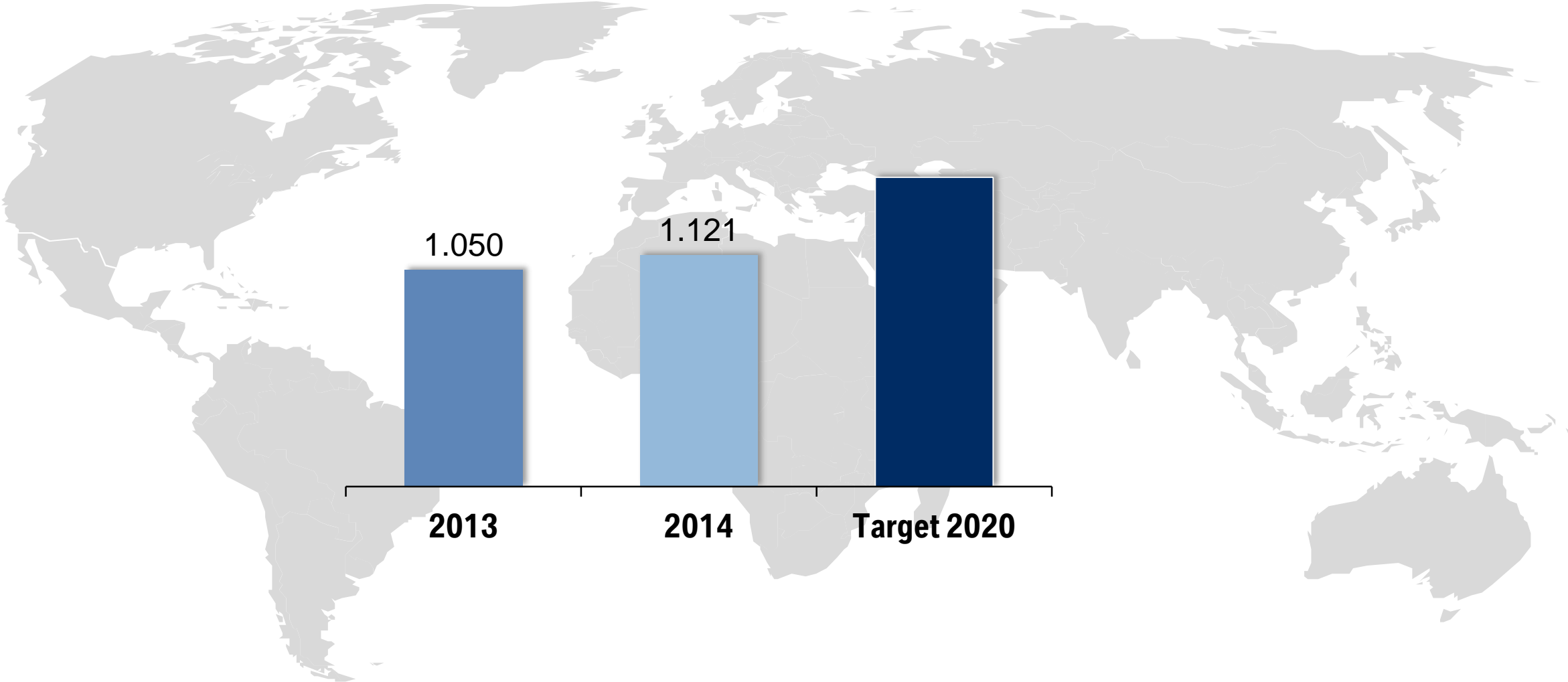


BRAND PERCEPTION AT THE POINT OF SALE “MAKE LIFE A RIDE”

BMW Motorrad Brand Concept Store Donford, Cape Town



BMW MOTORRAD EXPANSION OF DEALER NETWORK



2015 – MORE TO COME
PURE AND CRAFTED FESTIVAL



BRAND DEVELOPMENT BMW MOTORRAD MAKE LIFE A RIDE. NEW BRAND POSITIONING CAMPAIGN





MAKE LIFE A RIDE.



**MAKE
LIFE A
RIDE.**

THANK
YOU AND
DON'T
FORGET
TO ...



***MAKE
LIFE A
RIDE.***