

Creative Global Investments

Tuesday, March 12th, 2013



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BMW: 4Q/FY12E preview (Tuesday, March 19th)

We expect a strong performance at Autos, as structural improvement in earnings power and booming sales in Asia and NA markets counteract a negative Europe. Our EBIT estimates are EUR 1.99bn/10.1% in 4Q12E and EUR 7.54bn/10.7% in FY12E. We forecast record EPS of EUR 7.92 and DPS of EUR 2.60 for FY12E.

In FY12E, Autos set for only modest increase in EBIT and a margin squeeze. We forecast that a reported 10.6% increase in sales to 1.85m units generated only a 0.8% increase in EBIT to EUR 7.54bn/10.7%. This is despite positives such as 1) higher sales; 2) growing benefits from new models; 3) booming sales in a highly profitable Chinese market and 4) tailwinds from currency; and due to several negative factors that include 1) an expected doubling in costs for upfront investments for future projects; 2) declining share of sales in the domestic German and West European markets; 3) growing pricing pressures in the European car markets. (See pp. 3-8 for details.)

BMW Autos 2013E-14E: For 2013E, we expect that a 5.4% increase in sales to 1.95m units will result in a 3.5% increase in EBIT to EUR 7.80bn and a further dip in margin to 10.4%. For 2014E, we expect that a 9.2% increase in sales (to 2.12m) will result in an 11.4% increase in EBIT to EUR 8.69bn/10.5%. Positives include considerable annual efficiency gains driven by new models and a continuing strong performance in China; negatives include a further rise in incremental upfront investment for the future and continuing pricing pressure. (See pp. 12-15 for details.)

Group earnings growth in 2012E-14E: After an expected 6.3% increase in EPS to EUR 7.92 in FY12E, we expect earnings growth to slow to 1.9% and EUR 8.07/share in 2013E and accelerate again to 7.0% and EUR 8.63 in 2014E. (See p.16 for divisional split of our estimates.)

BMW shares - our view: The current BMW share price of EUR 72.65 values BMW shares at 9.0x 2013E prospective earnings and at 8.4x prospective 2014E earnings; the latter is a 20% discount to the 10-year average historic valuation of 10.5x. This is inconsistent with the implication that our 2014E EPS estimates of EUR 8.63 are 16% above 2011's record EUR 7.45, 74% higher than the 5-year average of EUR 4.97 and 123% higher than the 10-year average of EUR 3.87. (See pp. 21-22.)

BMW – Share summary (2006-14E)

Current price (EUR)	72.65								
Market capital. ¹ (EUR bn)	46.48								
December year-end	2006	2007	2008	2009	2010	2011	2012E	2013E	2014E
EPS (EUR)	4.38	4.78	0.49	0.31	4.93	7.45	7.92	8.07	8.63
CFPS (EUR)	15.34	18.23	18.32	12.95	7.20	11.19	14.44	14.90	15.77
BVPS (EUR)	39.3	39.8	41.4	43.6	42.0	44.0	40.9	47.2	53.4
DPS (EUR)	0.70	1.06	0.30	0.30	1.30	2.30	2.60	2.70	2.90
Free CFPS (EUR)	1.43	3.22	-0.12	-1.12	3.89	2.02	4.89	4.09	4.39
P/E (x)	16.6	15.2	147.0	234.4	14.7	9.8	9.2	9.0	8.4
PCF (x)	4.7	4.0	4.0	5.6	10.1	6.5	5.0	4.9	4.6
Price/BV (x)	1.8	1.8	1.8	1.7	1.7	1.7	1.8	1.5	1.4
P/revenue (x)	0.95	0.83	0.87	0.92	0.77	0.68	0.60	0.57	0.52
Dividend yield (%)	1.0	1.5	0.4	0.4	1.8	3.2	3.6	3.7	4.0
Free CF yield (%)	2.0	4.4	-0.2	-1.5	5.4	2.8	6.7	5.6	6.0

Close 03.08.2013 (1) All classes of shares. Source: Company data and CGI estimates.

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Timetable – 4Q/FY12 results for BMW

Company	Owned by	Sub-sector	Country	Currency	Date	Dividend, prel. Results	Results Press Conference	Analyst/Investor Meeting/CF Call
BMW	-	OEM	D	EUR	est. Thur, March 14 th	am		
BMW	-	OEM	D	EUR	Tue, March 19 th		10:00CET 10:00-12:00 CET	
BMW	-	OEM	D	EUR	Wed, March 20 th			10:00-12:00 CET Munich

Note: In BMW accounts EBIT refers to 'profit before financial results' and thus also excludes results from equity accounted investments.

Results preview 4Q/FY12E

In FY12E, we expect a 0.8% increase in EBIT to EUR 7.54bn...

Guidance 2012: Sales and earnings growth

Automotive segment - results preview 4Q/FY12E

For FY12E, we forecast that a reported 10.6% increase in sales to 1.85m units generated an 11.4% increase in revenue and a 0.8% increase in EBIT to EUR 7.54bn and a 10.7% margin; this implies a margin decline by 1.1%-pts from 2011's stellar headline result of EUR 7.48bn/11.8%. Adjusted for a one-off income of EUR 85m in 2Q11, our FY12E divisional EBIT estimate implies a 2.0% increase from EUR 7.39bn/11.7% in FY11 and a margin squeeze by 1%-point.

Our forecast is compatible with management's vague FY12 guidance of 'single-digit growth in sales, an increase in revenue and EBIT and a margin at the upper end of the 8-10% medium-term target range'. However, by forecasting growth in sales and EBIT, BMW management have remained well positioned among their peers Audi, with a reported 0.6% increase in EBIT to EUR 35.38bn/11.0% and Mercedes-Benz, which reported a 15.5% decline in FY12 EBIT to EUR 4.39bn/7.1%.

BMW – Management guidance 2012

Group

Aim to achieve a higher full-year group profit before tax than in 2011

Automotive segment

- Record sales of above 1.7 million units.
- Increase in absolute EBIT
- EBIT margin at the upper end of 8-10%
- Return on capital employed of >26%

Financial Services segment

Return on equity of > 18%.

Source: Company data

BMW – Auto - results, deliveries and production (1Q10-FY12E)

	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11 ³	3Q11	4Q11	FY11	1Q12	2Q12	3Q12	1-3Q12	4Q12E	FY12E
(EUR m)																
Revenue	10,672	13,669	14,210	15,586	54,137	14,373	16,674	15,344	16,838	63,229	16,159	17,366	17,187	50,712	19,725	70,437
% change yoy	11.1	26.2	39.6	18.7	23.8	34.7	22.0	8.0	8.0	16.8	12.4	4.2	12.0	9.3	17.1	11.4
Gross profit	1,349	2,593	2,465	3,027	9,434	2,930	3,747	3,107	3,281	13,065	3,271	3,521	3,121	9,913	3,822	13,735
Gross margin (%)	12.6	19.0	17.3	19.4	17.4	20.4	22.5	20.2	19.5	20.7	20.2	20.3	18.2	19.5	19.4	19.5
EBIT ¹	291	1,317	1,152	1,595	4,355	1,708	2,408	1,819	1,542	7,477	1,878	2,021	1,649	5,548	1,989	7,537
EBIT margin (%)	2.7	9.6	8.1	10.2	8.0	11.9	14.4	11.9	9.2	11.8	11.6	11.6	9.6	10.9	10.1	10.7
Net financial result	-71	-379	133	-161	-478	-103	-111	-74	-366	-654	-58	-270	54	-274	-76	-350
Pre-tax profit	220	938	1,285	1,434	3,877	1,605	2,297	1,745	1,176	6,823	1,820	1,751	1,703	5,274	1,913	7,187
Unit revenue (%-yoy)	-2.4	12.2	23.6	3.2	9.0	11.0	3.0	-1.0	-1.2	2.3	1.1	-1.2	2.8	0.9	0.3	1.7
Units ('000)																
Deliveries ²	315.6	380.4	366.2	399.0	1,461.2	382.8	450.6	399.2	436.4	1,669.0	425.5	475.0	435.0	1,335.5	509.7	1,845.2
% change yoy	13.8	12.5	13.0	15.1	13.6	21.3	18.5	9.0	9.4	14.2	11.2	5.4	9.0	8.3	16.8	10.6
Production	320.1	385.1	347.2	428.9	1,481.3	430.5	449.5	437.0	421.2	1,738.2	460.9	451.8	475.1	1,387.7	496.4	1,884.2
% change yoy	19.6	25.9	4.0	22.2	17.7	34.5	16.7	25.9	-1.8	17.3	7.1	0.5	8.7	5.4	17.9	8.4
Over-production	4.4	4.7	-19.0	29.9	20.1	47.6	-1.1	37.7	-15.2	69.2	35.4	-23.3	40.1	52.2	-13.2	39.0

(1) In BMW accounts EBIT refers to 'profit before financial results' and thus also excludes results from equity accounted investments. (2) 4Q-FY12 retail sales were announced on January 10th. See tables for retail sales by model and markets on pp.6-7. Source: Company data and CGI estimates

...and a lower margin of 10.7%

Our expectation of an only modest increase in EBIT and a margin squeeze in FY12E, is despite positive factors such as 1) higher sales; 2) growing benefits from new models; 3) booming sales in a highly profitable Chinese market and 4) tailwinds from currency, and is due to several negative factors that include 1) an expected doubling in costs for upfront investments for future projects; 2) declining share of sales in the domestic German and West European markets; 3) growing pricing pressures in the European car markets

Accelerating model momentum...

Positives include growing cost benefits from an accelerating model momentum as new models should provide ceteris paribus cost benefits in the order of 7-9% vs. their predecessor models. We thus estimate that BMW Auto will be able to generate efficiency gains in the order of EUR 0.8-0.9bn in FY12E, compared to EUR 0.52bn in 2011.

...should almost double efficiency gains

Indeed, we estimate that accelerating cost benefits from the Baukasten/modular system were driven by the renewal of the 3-Series and the 1-Series that combined account for about a third of group car sales. The roll-out of the 3-Series, BMW's highest volume model (accounting for 20-25% of sales) started with the launch of the saloon in February (simultaneously in Europe and the US); in August, this was followed by the launch of a LWB version exclusively for China, and in September, by an estate version, sold mostly in Europe, and a FWD that is of particular importance in the US. The renewal of the 1-Series started with the introduction of the five-door hatchback in September 2011 and was followed by the three-door hatchback in September 2012. (See table for retail sales by model on p. 7.)

Growing product proliferation

While the roll-out of the 3-Series, supported by the 1-Series should account for the lion's share of the expected efficiency gains, a considerable number of other new model introductions and facelifts have further boosted BMW's sales momentum and pricing power. (See Appendix on p. 23 for BMW-model introduction schedule.)

With the introduction of the Gran Coupé, a four-door coupé based on the 6-Series, in June, BMW has become able to compete in the sub-segment of large four-door coupés created by Mercedes CLS and the Audi A7. The F/L of the 7-Series (in July) is timely in view of the expected introduction of a new Mercedes S-Class in summer2013.

Model introduction schedule**BMW – Model introductions and segmentation (2012)**

	Model	Version	Segmentation ¹
February	3-Series	Saloon*	D+
March	5-Series	Active Hybrid 5	E+
June	Gran Coupé	4-door coupé on 6-Series	E+
June	X6	Sports-activity coupé F/L	SUV+
July	7-Series	Saloon F/L	L+
July	X1	Compact SAV F/L	C-SUV+
August	3-Series	LWB (China only)	D+
September	3-Series	Active Hybrid 3	D+
September	3-Series	Touring	D+
September	1-Series	3-door hatchback	C+
September	M6	Coupé/Convertible	E-S+
	5-Series GT	Space-functional concept F/L	E-MPV+

(*) New generation. F/L=facelift; (1) Segmentation – a) size related: B = small, subcompact; C = lower-medium, compact; D = upper-medium, midsize, E = executive; L=large, full-size; b) body-style related: S=sporty, MPV, SUV; c) market status related: '+' - premium; ++ - 'super-premium'. Source: Company data and CGI estimates

FY12 sales spear-headed by 40% jump in China

In terms of regional split, the division's reported 10.6% increase in retail sales was spearheaded by booming sales in higher margin markets in China and Asia overall. BMW generated a 40.4% sales jump in mainland China to 328.0k units or 17.8% of divisional sales; and in Asia a 31.6% increase to 494.1k units or 26.8% of sales. There was an extraordinary boost in 4Q12, with sales jumping 90.4% yoy in China and 45.2% in Asia. Sales in the US grew 13.8% to 348.6k units and 13.2% to 386.3k units in North America. (See table for retail sales by region on p. 8 for.)

This is in stark contrast to the domestic German market, where sales edged up 0.7% to 287.3k. In Europe sales were up 0.8% at 865.3k units, thanks to strong growth in Russia (+33% to 40.1k units) and growth in the UK (+4.3% to 174.7k).

These figures reflect not just the poor marketing environment/demand situation in the European markets, but are in our view also the result of a deliberate redirection of sales to growing markets such as China and other emerging markets, with a better pricing environment, and even the US.

Sales led by Asia

Indeed, it is in our view no coincidence that mainland China, BMW's most profitable market is also its fastest growing one, with a reported 40.4% increase to 328k units in FY12. Sales in China accelerated from a 39.3% yoy increase in 3Q12 to 63.1% yoy in 4Q12, driven by the introduction of new and additional models, such as the locally produced 3-Series LWB and X1, in addition to the locally produced 5-Series LWB. In addition, the group continued to aggressively expand its dealer network, mainly further west and in the tier 2 and tier 3 regions; in 2012, 70 BMW and 19 Mini dealerships were added, resulting in a total of 360 and 19 respectively at year-end.

China contribution to PBT set to increase 24% to EUR 2.55bn

We estimate that because of a superior model-mix and high uptake of options, mainland China's contribution to PBT increased 24% to EUR 2.55bn in FY12E, from a calculated EUR 2.06bn in FY11. Our estimates imply that in FY12E China contributed 18% to sales and 36% to PBT, after 14% and 30% respectively in FY11. We assume that the pricing pressure in the premium segment in China remained localised and restricted to some Tier 1 cities with mature car markets. (See Update: China – turbo-charging BMW earnings on pp. 17-19.)

Currency tailwind

We further expect that currency was a considerable tailwind of some EUR 0.8-0.9bn.

Efficiency set to be exceeded by higher R&D

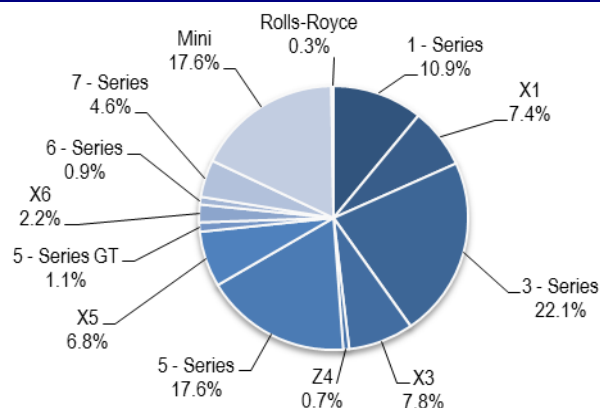
However, management indicated that One Future, the additional burden from upfront investment for future projects should amount 'to more than EUR 1.0bn', thus be more than double the additional costs of EUR -0.47bn incurred in FY11. This implies that the net effect from efficiency gains and upfront costs that was marginally positive in FY11 should turn negative in the order of up to EUR 0.2bn in FY12E.

Severe pricing pressure

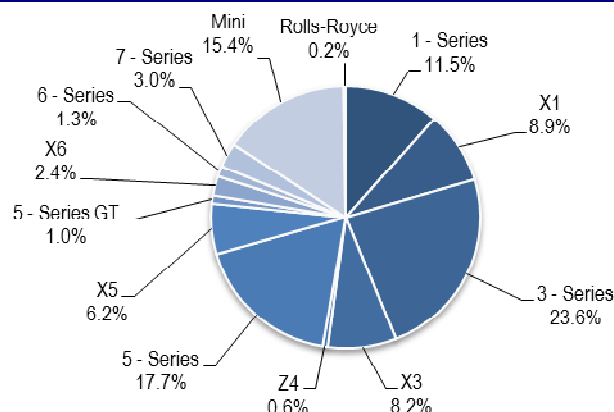
We expect that in FY12E BMW was affected by a pricing decline by as much as 120-150bpts, implying a negative impact of up to EUR 1bn on EBIT. This is related to growing pricing pressures in Europe that have now transcended the Southern European markets that are in recession and spread into Germany and Northern Europe. We understand that the pricing environment deteriorated throughout the year; while in 1Q12, the pricing impact (vs. the previous year) was some 50-bpts or less than EUR -0.1bn, the pricing decline accelerated to some 150-bpts in 2-3Q12, implying an EBIT impact of EUR 0.25-0.30bn per quarter, resulting in a negative impact of some EUR 0.7bn in 1-3Q12.

4Q12E EBIT of EUR 1.99bn or 10.1%**4Q12E**

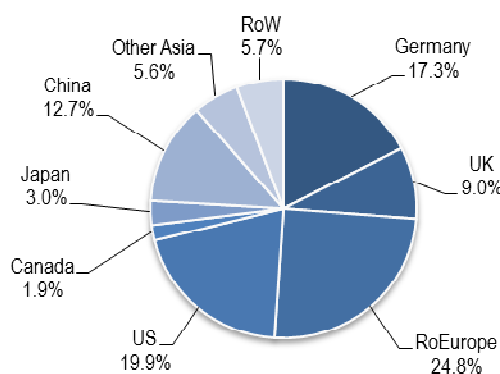
Our FY12 estimate implies for 4Q12E, that a 16.8% yoy increase in reported sales to 510k units will generate an EBIT of EUR 1.99bn/10.1%, or a 29% yoy increase in EBIT and a margin improvement by 0.9%-pts from 4Q12's EUR 1.54bn and 9.2%. This is despite the assumption that pricing is set to remain at 3Q12 level, thus some 150bpts below 4Q11 level and a fourth instalment for One Future. Indeed, we justify the implied yoy improvement by the absence of launch costs in the order of EUR 0.3-0.4bn related to the running out of the previous 3-Series that had burdened 4Q11 results and a positive currency effect in the order of EUR 0.3bn. In addition, we see growing benefits from an accelerating model momentum, following the aforementioned model introductions in 2-3Q12.

BMW – Model-mix retail sales (4Q11)

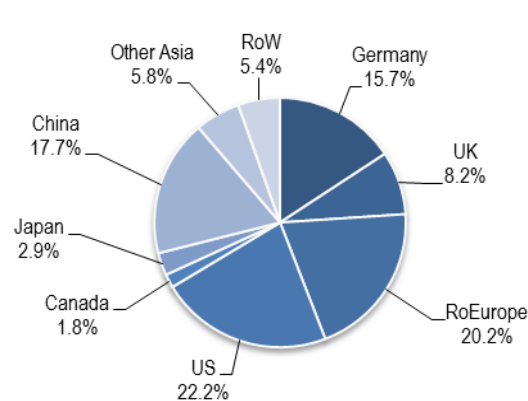
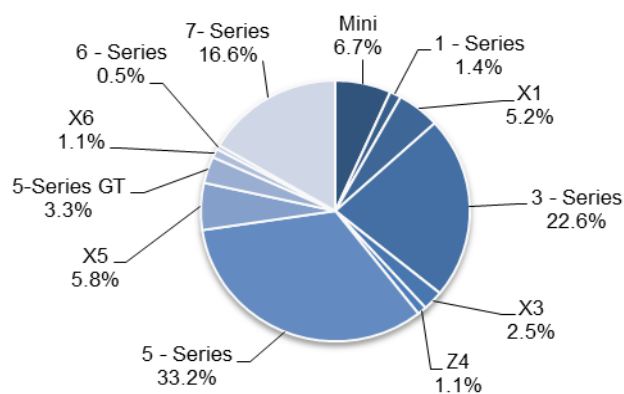
Source: Company data and CGI calculations

BMW – Model-mix retail sales (4Q12)

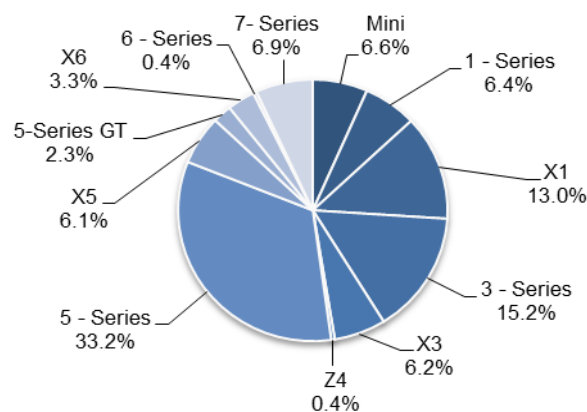
Source: Company data and CGI calculations

BMW – Geographic split retail sales (4Q11)

Source: Company data and CGI calculations

BMW – Geographic split retail sales (4Q12)(1) Full geographic split available only at publication of 2Q12 results on August 1st. Source: Company data and CGI calculations**BMW – Model-mix mainland China (4Q11)**

Source: Company data and CGI calculations

BMW – Model-mix mainland China (4Q12)

Source: Company data and CGI calculations

BMW Auto – Retail sales by model series (1Q10 – FY12A)

	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11	1Q12	2Q12A	3Q12	1-3Q12	4Q12A	FY12A
Units ('000)																
- 1 - Series	47.9	55.9	47.9	44.3	196.0	45.1	49.4	34.6	47.4	176.4	54.2	59.6	54.6	168.4	58.4	226.8
- X1	19.7	27.3	25.4	27.7	100.0	27.2	35.5	31.6	32.1	126.4	29.5	34.9	38.1	102.5	45.3	147.8
- 3 - Series	91.6	107.2	96.8	103.4	399.0	87.8	105.2	95.2	96.4	384.5	91.2	102.8	92.6	286.6	120.1	406.8
- X3	11.7	13.1	10.4	10.8	46.0	22.7	30.8	30.2	34.2	117.9	35.2	38.9	33.7	107.8	42.0	149.9
- Z4	6.5	7.8	6.4	3.9	24.6	4.5	6.0	5.1	3.2	18.8	4.1	4.7	3.3	12.2	3.0	15.2
- 5 - Series	34.7	48.2	53.6	75.5	212.0	79.2	79.4	74.5	77.0	310.1	75.7	90.4	81.6	247.7	90.2	337.9
- X5	22.9	23.6	28.2	27.5	102.2	23.1	25.6	26.3	29.8	104.8	26.6	25.8	24.3	76.7	31.8	108.5
- 5 - Series GT	4.5	7.3	7.4	7.3	26.5	6.3	5.9	5.3	5.0	22.5	6.6	5.1	4.3	16.0	5.1	21.1
- X6	10.8	11.3	12.3	11.9	46.4	9.7	11.6	10.0	9.5	40.8	11.0	9.8	10.6	31.5	12.2	43.7
- 6 - Series	1.3	1.7	2.1	0.7	5.8	0.8	2.4	2.1	4.1	9.4	4.7	5.7	6.3	16.6	6.6	23.2
- 7 - Series	14.2	16.5	16.6	18.5	65.8	14.8	16.9	17.1	19.9	68.8	17.8	12.7	13.3	43.8	15.4	59.2
BMW brand	265.8	319.9	307.0	331.5	1,224.3	321.2	368.7	332.1	358.5	1,380.4	356.5	390.5	362.9	1,110.0	430.1	1,540.1
Mini brand	49.5	59.8	58.4	66.4	234.2	60.9	81.1	66.3	76.8	285.1	68.2	83.7	71.3	223.2	78.3	301.5
Rolls-Royce	0.3	0.7	0.8	1.0	2.7	0.7	0.9	0.8	1.1	3.5	0.8	0.8	0.7	2.3	1.2	3.6
Group	315.6	380.4	366.2	399.0	1,461.2	382.8	450.6	399.2	436.4	1,669.0	425.5	475.0	435.0	1,335.5	509.7	1,845.2
%-change yoy																
- 1 - Series	2.4	-10.6	-12.6	-16.1	-9.7	-5.9	-11.7	-27.7	6.9	-10.0	20.2	20.8	57.9	30.5	23.3	28.6
- X1	-	-	-	225.9	1076.5	38.6	30.1	24.5	16.0	26.4	8.4	-1.7	20.7	8.7	40.8	16.9
- 3 - Series	2.4	3.4	-2.5	-1.2	0.5	-4.2	-1.9	-1.7	-6.8	-3.6	3.9	-2.2	-2.6	-0.5	24.6	5.8
- X3	-9.3	-12.7	-22.3	-24.6	-17.3	94.1	134.6	190.2	218.0	156.4	55.3	26.0	11.6	28.7	22.9	27.1
- Z4	313.4	18.1	-27.1	-32.5	8.0	-30.1	-23.0	-20.0	-19.2	-23.5	-8.3	-21.2	-34.8	-21.9	-4.2	-18.9
- 5 - Series	-14.5	7.3	27.9	65.7	22.6	128.2	64.7	39.1	1.9	46.3	-4.4	13.9	9.5	6.3	17.2	9.0
- X5	4.8	5.3	40.7	12.0	15.0	1.1	8.6	-6.7	8.2	2.6	14.7	0.9	-7.5	2.2	6.9	3.5
- 5 - Series GT	-	-	-	139.6	767.8	39.9	-19.7	-27.6	-32.0	-15.2	4.7	-12.6	-18.6	-8.2	1.6	-6.1
- X6	21.2	3.9	15.8	6.5	11.4	-10.3	2.3	-18.4	-20.7	-12.0	13.7	-15.3	5.8	0.4	28.8	7.0
- 6 - Series	-39.1	-36.0	-4.0	-55.5	-32.4	-41.1	39.0	1.7	484.0	60.7	489.5	134.9	198.0	212.5	61.3	146.8
- 7 - Series	54.1	46.6	28.7	-4.2	24.9	4.0	2.9	2.6	7.9	4.5	20.0	-24.9	-22.2	-10.3	-22.8	-13.9
BMW brand	13.8	14.2	16.3	13.8	14.6	20.8	15.2	8.2	8.1	12.8	11.0	5.9	9.3	8.6	20.0	11.6
Mini brand	13.6	3.2	-2.8	21.0	8.1	22.9	35.6	13.4	15.7	21.7	12.1	3.2	7.6	7.2	1.9	5.8
Rolls-Royce	60.3	345.8	474.2	81.7	170.6	159.1	25.8	12.0	11.6	30.5	6.5	-4.5	-14.5	-4.7	13.9	1.0
Group	13.8	12.5	13.0	15.1	13.6	21.3	18.5	9.0	9.4	14.2	11.2	5.4	9.0	8.3	16.8	10.6
Share (%)																
- 1 - Series	15.2	14.7	13.1	11.1	13.4	11.8	11.0	8.7	10.9	10.6	12.7	12.6	12.6	12.6	11.5	12.3
- X1	6.2	7.2	6.9	6.9	6.8	7.1	7.9	7.9	7.4	7.6	6.9	7.3	8.8	7.7	8.9	8.0
- 3 - Series	29.0	28.2	26.4	25.9	27.3	22.9	23.3	23.8	22.1	23.0	21.4	21.6	21.3	21.5	23.6	22.0
- X3	3.7	3.5	2.8	2.7	3.1	5.9	6.8	7.6	7.8	7.1	8.3	8.2	7.8	8.1	8.2	8.1
- Z4	2.0	2.0	1.7	1.0	1.7	1.2	1.3	1.3	0.7	1.1	1.0	1.0	0.8	0.9	0.6	0.8
- 5 - Series	11.0	12.7	14.6	18.9	14.5	20.7	17.6	18.7	17.6	18.6	17.8	19.0	18.8	18.5	17.7	18.3
- X5	7.3	6.2	7.7	6.9	7.0	6.0	5.7	6.6	6.8	6.3	6.2	5.4	5.6	5.7	6.2	5.9
- 5 - Series GT	1.4	1.9	2.0	1.8	1.8	1.6	1.3	1.3	1.1	1.3	1.5	1.1	1.0	1.2	1.0	1.1
- X6	3.4	3.0	3.4	3.0	3.2	2.5	2.6	2.5	2.2	2.4	2.6	2.1	2.4	2.4	2.4	2.4
- 6 - Series	0.4	0.5	0.6	0.2	0.4	0.2	0.5	0.5	0.9	0.6	1.1	1.2	1.4	1.2	1.3	1.3
- 7 - Series	4.5	4.3	4.5	4.6	4.5	3.9	3.8	4.3	4.6	4.1	4.2	2.7	3.1	3.3	3.0	3.2
BMW brand	84.2	84.1	83.8	83.1	83.8	83.9	81.8	83.2	82.1	82.7	83.8	82.2	83.4	83.1	84.4	83.5
Mini brand	15.7	15.7	16.0	16.6	16.0	15.9	18.0	16.6	17.6	17.1	16.0	17.6	16.4	16.7	15.4	16.3
Rolls-Royce	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Group	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: 4Q/FY12 retail sales were announced on January 10th Source: Company data and CGI estimates

BMW Auto – Retail sales by region (1Q10 – FY12P/E)

	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11	1Q12	2Q12	3Q12	1-3Q12	4Q12P/E	FY12P/E
Units ('000)																
- Germany	58.8	73.5	59.3	75.6	267.2	64.1	80.3	65.4	75.5	285.3	63.0	79.1	65.1	207.2	80.0	287.3
- UK	32.3	40.9	44.0	37.7	154.8	39.3	44.3	44.8	39.1	167.5	39.0	45.9	47.8	132.7	41.9	174.7
- Other Europe	86.0	98.5	84.5	100.3	369.3	96.8	112.9	87.6	108.4	405.7	99.1	111.2	90.0	300.3	103.1	403.3
Europe	177.0	212.8	187.8	213.6	791.2	200.1	237.6	197.7	223.0	858.4	201.1	236.3	202.9	640.2	225.0	865.3
- US	55.1	66.8	70.7	74.0	266.6	65.2	78.8	76.0	87.0	306.3	75.9	83.0	76.5	235.5	113.1	348.6
- Canada	5.6	9.5	8.3	8.4	31.7	6.1	10.8	8.6	8.4	35.0	7.2	11.2	10.3	28.7	9.0	37.7
North America	60.7	76.2	79.0	82.4	298.3	71.3	89.6	85.0	95.4	341.3	83.2	94.2	86.8	264.2	122.1	386.3
- Japan	9.9	11.0	11.2	11.5	43.6	9.7	12.1	12.8	13.1	47.7	14.0	13.7	14.3	42.0	14.9	57.0
- Mainland China	34.2	41.4	46.2	47.2	169.0	58.7	63.3	56.2	55.4	233.6	80.2	79.1	78.3	237.7	90.4	328.0
- Other Asia	14.8	17.5	20.2	21.1	73.7	21.8	24.5	23.4	24.4	94.2	24.7	27.0	27.8	79.4	29.7	109.1
Asia	58.9	69.9	77.6	79.8	286.3	90.1	99.9	92.4	93.0	375.5	118.9	119.9	120.4	359.1	135.0	494.1
Rest of World	18.9	21.4	21.8	23.2	85.3	21.3	23.5	24.0	25.0	93.8	22.4	24.7	24.9	72.0	27.5	99.5
World	315.6	380.4	366.2	399.0	1,461.2	382.8	450.6	399.2	436.4	1,669.0	425.5	475.0	435.0	1,335.5	509.7	1,845.2
%-change yoy																
- Germany	-3.5	-9.0	-1.0	14.6	-0.1	9.0	9.2	10.3	-0.1	6.8	-1.6	-1.4	-0.5	-1.2	6.0	0.7
- UK	6.8	34.2	12.6	0.8	12.9	21.7	8.5	1.9	3.7	8.2	-0.7	3.5	6.8	3.4	7.3	4.3
- Other Europe	9.7	4.4	-1.1	1.3	3.4	12.5	14.7	3.6	8.0	9.8	2.4	-1.5	2.7	1.0	-4.9	-0.6
Europe	4.4	3.6	1.8	5.5	3.9	13.0	11.6	5.3	4.4	8.5	0.5	-0.5	2.6	0.8	0.9	0.8
- US	7.5	5.6	9.0	18.1	10.1	18.2	18.0	7.5	17.6	14.9	16.5	5.4	0.7	7.4	30.0	13.8
- Canada	29.3	4.6	-0.3	15.1	9.5	9.0	14.2	3.3	0.5	10.3	18.9	3.4	19.9	12.6	6.9	7.7
North America	9.2	5.4	7.9	17.8	10.1	17.3	17.6	7.7	15.9	14.4	16.7	5.1	2.1	7.4	28.0	13.2
- Japan	-3.3	6.3	8.4	13.1	6.1	-2.4	9.8	14.0	14.2	9.2	44.4	13.9	11.7	21.7	13.6	19.5
- Mainland China	106.3	96.8	86.6	67.6	86.7	71.6	52.9	21.6	17.4	38.2	36.6	25.0	39.3	33.3	63.1	40.4
- Other Asia	34.4	40.4	58.8	37.8	42.9	47.1	39.9	15.9	15.6	27.8	13.4	10.0	18.6	13.9	21.5	15.9
Asia	55.7	59.4	62.3	48.8	56.3	53.0	42.9	19.0	16.5	31.1	31.9	20.0	30.2	27.1	45.2	31.6
Rest of World	32.6	29.7	17.0	11.7	21.6	12.3	9.6	10.3	7.9	9.9	5.4	5.0	3.7	4.6	10.1	6.1
World	13.8	12.5	13.0	15.1	13.6	21.3	18.5	9.0	9.4	14.2	11.2	5.4	9.0	8.3	16.8	10.6
Share (%)																
- Germany	18.6	19.3	16.2	18.9	18.3	16.7	17.8	16.4	17.3	17.1	14.8	16.7	15.0	15.5	15.7	15.6
- UK	10.2	10.7	12.0	9.4	10.6	10.3	9.8	11.2	9.0	10.0	9.2	9.7	11.0	9.9	8.2	9.5
- Other Europe	27.2	25.9	23.1	25.2	25.3	25.3	25.1	21.9	24.8	24.3	23.3	23.4	20.7	22.5	20.2	21.9
Europe	56.1	55.9	51.3	53.5	54.1	52.3	52.7	49.5	51.1	51.4	47.3	49.7	46.6	47.9	44.2	46.9
- US	17.5	17.6	19.3	18.6	18.2	17.0	17.5	19.0	19.9	18.4	17.8	17.5	17.6	17.6	22.2	18.9
- Canada	1.8	2.5	2.3	2.1	2.2	1.6	2.4	2.1	1.9	2.1	1.7	2.4	2.4	2.2	1.8	2.0
North America	19.2	20.0	21.6	20.6	20.4	18.6	19.9	21.3	21.9	20.5	19.5	19.8	20.0	19.8	24.0	20.9
- Japan	3.1	2.9	3.1	2.9	3.0	2.5	2.7	3.2	3.0	2.9	3.3	2.9	3.3	3.1	2.9	3.1
- Mainland China	10.8	10.9	12.6	11.8	11.6	15.3	14.1	14.1	12.7	14.0	18.9	16.7	18.0	17.8	17.7	17.8
- Other Asia	4.7	4.6	5.5	5.3	5.0	5.7	5.4	5.9	5.6	5.6	5.8	5.7	6.4	5.9	5.8	5.9
Asia	18.7	18.4	21.2	20.0	19.6	23.6	22.2	23.2	21.3	22.5	27.9	25.2	27.7	26.9	26.5	26.8
Rest of World	6.0	5.6	6.0	5.8	5.8	5.6	5.2	6.0	5.7	5.6	5.3	5.2	5.7	5.4	5.4	5.4

(1) Full geographic split available only at publication of 4Q-FY12 results on March 19th. Source: Company data and CGI estimates**BMW – Automotive CF (1Q10-FY12E)**

(EUR m)	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11	1Q12	2Q12	3Q12	1-3Q12	4Q12E	FY12E
Net profit	138	607	826	1,036	2,607	1,083	1,570	1,181	1,157	4,991	1,181	1,132	1,112	3,425	1,282	2,394
Depreciation	906	990	877	989	3,762	867	856	887	954	3,564	853	1,013	832	2,698	966	1,798
Depr /change leased prods.	2	2	1	1	5	-2	-5	17	19	29	1	-1	18	18	-8	10
Gross Cash Flow	1,046	1,599	1,704	2,025	6,374	1,948	2,421	2,085	2,130	8,584	2,035	2,144	1,962	6,141	2,230	4,192
Change in provisions	-375	-42	275	1,011	869	216	-123	89	395	577	292	-244	-405	-357	257	-148
Other	-220	591	-568	1,477	1,280	855	897	-160	-2,086	-494	-319	-508	1,475	648	-348	1,127
CF from operations	451	2,148	2,052	4,513	8,523	3,019	3,200	1,997	439	8,667	2,008	1,393	3,014	6,432	2,139	5,171
WCR	-154	-37	353	-536	-374	-943	-185	-313	-149	-1,590	285	448	-397	336	64	-333
CF- operating activities	297	2,111	1,764	3,977	8,149	2,076	3,010	1,701	290	7,077	2,293	1,840	2,635	6,768	2,203	4,838
Capital expenditure	-577	-557	-693	-1,356	-3,183	-428	-545	-828	-1,764	-3,565	-585	-852	-1,187	-2,624	-2,151	-3,338
Other	-43	-442	-1,392	-481	-2,358	-14	-855	-895	-396	-2,160	-357	-117	36	-438	-482	-446
CF - investment activities	-620	-999	-2,085	-1,837	-5,541	-442	-1,400	-1,723	-2,160	-5,725	-942	-969	-1,151	-3,062	-2,633	-3,784
Free CF	-323	1,112	-321	2,140	2,608	1,634	1,610	-22	-1,870	1,352	1,351	871	1,484	3,706	-430	1,054
Net inv. in marketable sec	0	410	1,253	200	1,863	-10	198	651	-58	781	284	-18	-132	134	16	-116
Adj. FCF¹	-323	1,522	932	2,340	4,471	1,624	1,808	629	-1,928	2,133	1,635	853	1,352	3,840	-414	938

Source: Company data and CGI estimates.

Group results preview 4Q/FY12E

Group EBIT of EUR 8.44bn/10.9% in FY12E...

For FY12E, we expect that a 12.4% increase in revenue to EUR 77.32bn resulted in a 5.2% increase in EBIT to EUR 8.44bn/10.9%, vs. FY11's EUR 8.02bn/11.7%. Our forecast of increases of 7.8% in pre-tax profit to EUR 7.96bn/10.3% and of 6.3% in earnings to EUR 5.16bn/6.7% or EUR 7.92 per share include a net financial charge (EUR -0.47bn) and a 34.8% tax rate. (See p.10 for divisional split of our estimates.)

In FY11, headline group EBIT had been boosted by one-off income of EUR 524m (EUR 439m at FS (from the adjustment of residual values and credit risk provisions and a better than expected off-lease business) and the afore-mentioned EUR 85m at the Auto division); 1-3Q12 results were boosted by a one-off profit of EUR 202m from better than expected off-lease business at FS. Adjusted for these one-off items, FY12E group EBIT is expected to increase 9.9% to EUR 8.23bn/10.6%, from EUR 7.49bn/10.9% in FY11.

Indeed, our expectation of a FY12E 15.5% decline in headline EBIT at FS to EUR 1.49bn from EUR 1.76bn in FY11 implies a 3.2% increase in EBIT, when adjusted for the aforementioned one-off effects.

...and EUR 1.85bn/10.4% in 4Q11E.

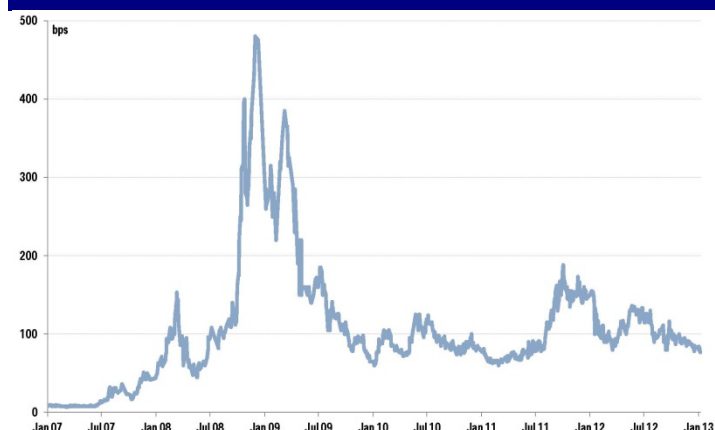
This implies for 4Q12E, that a 14.5% yoy increase in group revenue to EUR 21.01bn resulted in a 22.3% increase in EBIT to EUR 2.03bn and a 9.7% margin, compared to 4Q11's EUR 1.66bn/9.0%. The expected acceleration in group earnings from a reported 0.8% yoy increase in 1-3Q12 (+13.8% yoy increase in 3Q12) is due to an expected acceleration at Autos, mirroring the performance during 2011, driven by the model introduction schedule.

BMW – Group results (1Q10-FY12E)

	1Q10	2Q10	3Q10	4Q10	FY10	FY10R	1Q11R	2Q11R	3Q11R	4Q11R	FY11	1Q12	2Q12	3Q12	1-3Q12	4Q12E	FY12E
(EUR m)																	
Revenue	10,672	15,348	15,940	16,746	60,477	60,477	16,037	17,888	16,547	18,349	68,821	18,293	19,202	18,817	56,312	21,012	77,324
EBIT ¹	449	1,717	1,192	1,736	5,094	5,111	1,795	2,802	1,761	1,660	8,018	2,132	2,270	2,004	6,406	2,030	8,436
Financial income	59	-418	167	-66	-258	-258	-90	-152	-72	-321	-635	-56	-293	-72	-421	-108	-474
Pre-tax profit	508	1,299	1,359	1,670	4,836	4,853	1,705	2,650	1,689	1,339	7,383	2,076	1,977	1,932	5,985	1,922	7,962
Less tax charge	184	465	485	468	1,602	1,610	563	875	578	460	2,476	727	700	562	1,989	650	2,775
Profit after tax	324	834	874	1,202	3,234	3,243	1,142	1,775	1,111	879	4,907	1,349	1,277	1,370	3,996	1,273	5,188
Minorities	1	3	1	11	16	16	8	5	6	9	26	7	3	9	19	10	29
Net profit	323	831	873	1,191	3,218	3,227	1,134	1,770	1,105	870	4,881	1,342	1,274	1,361	3,977	1,263	5,159
Margin (%)																	
EBIT ¹	3.6	11.2	7.5	10.4	8.4	8.5	11.2	15.7	10.6	9.0	11.7	11.7	11.8	10.6	11.4	9.7	10.9
Pre-tax profit	4.1	8.5	8.5	10.0	8.0	8.0	10.6	14.8	10.2	7.3	10.7	11.3	10.3	10.3	10.6	9.1	10.3
Tax rate (%)	36.2	35.8	35.7	28.0	33.1	33.2	33.0	33.0	34.2	34.4	33.5	35.0	35.4	29.1	33.2	33.8	34.8
Net profit	2.6	5.4	5.5	7.2	5.3	5.3	7.1	9.9	6.7	4.7	7.1	7.3	6.6	7.2	7.1	6.0	6.7

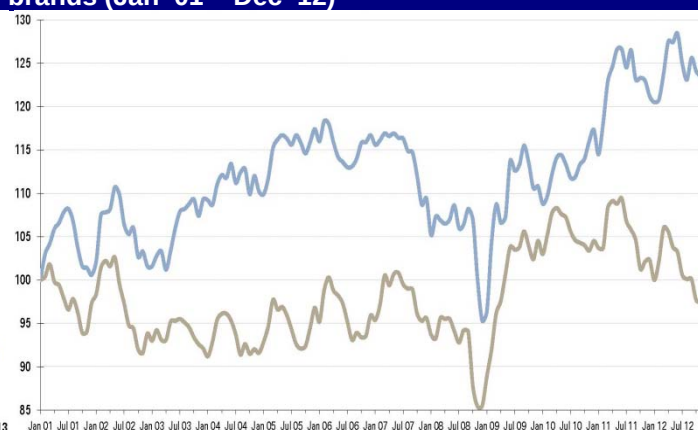
R= restated. (1) In BMW accounts EBIT refers to 'profit before financial results' and thus also excludes results from equity accounted investments. Source: Company data and CGI estimates

Development of BMW 5-year CDS (Jan. '07-Jan'13)



Source: BMW, Reuters Credit Views

Residual values trend (USA) – BMW vs. all luxury brands (Jan '01 – Dec '12)



BMW = blue line, luxury brand = grey line. Source: BMW, Mannheim Used Vehicle Value Index, mix and mileage adjusted

BMW group – P&L by division (1Q10-FY12E)

BMW – P&L by division (1Q10-FY12E)

(EUR m)	1Q10	2Q10	3Q10	4Q10	FY10	FY10R	1Q11R	2Q11R	3Q11R	4Q11R	FY11	1Q12	2Q12	3Q12	1-3Q12	4Q12E	FY12E
Revenue																	
Automotive	10,672	13,669	14,210	15,586	54,137	54,137	14,373	16,674	15,344	16,838	63,229	16,159	17,366	17,187	50,712	19,725	70,437
Motorcycles ¹	351	439	291	223	1,304	1,304	397	450	334	255	1,436	448	410	358	1,216	378	1,594
Financial Services ¹	4,004	4,198	4,278	4,137	16,617	16,617	4,183	4,181	4,276	4,870	17,510	4,800	4,866	4,916	14,582	5,029	19,611
Other ¹	1	1	1	2	5	4	1	1	1	2	5	1	2	1	4	1	5
Eliminations	-2,585	-2,959	-2,840	-3,202	-11,586	-11,585	-2,917	-3,418	-3,408	-3,616	-13,359	-3,115	-3,442	-3,645	-10,202	-4,122	-14,324
Group	12,443	15,348	15,940	16,746	60,477	60,477	16,037	17,888	16,547	18,349	68,821	18,293	19,202	18,817	56,312	21,012	77,324
EBIT																	
Automotive	291	1,317	1,152	1,595	4,355	4,355	1,708	2,408	1,819	1,542	7,477	1,878	2,021	1,649	5,548	1,989	7,537
Motorcycles	32	54	2	-17	71	71	31	47	-16	-17	45	37	48	-3	82	-2	80
Financial Services	213	379	308	301	1,201	1,201	403	739	364	257	1,763	426	441	424	1,291	199	1,490
Other	7	-81	0	33	-41	-41	17	21	-153	96	-19	13	14	17	44	-14	30
Eliminations	-94	48	-270	-176	-492	-475	-257	-359	-298	-334	-1,248	-222	-254	-83	-559	-141	-700
Group	449	1,717	1,192	1,736	5,094	5,111	1,902	2,856	1,716	1,544	8,018	2,132	2,270	2,004	6,406	2,030	8,436
EBIT margin (%)																	
Automotive	2.7	9.6	8.1	10.2	8.0	8.0	11.9	14.4	11.9	9.2	11.8	11.6	11.6	9.6	10.9	10.1	10.7
Motorcycles	9.1	12.3	0.7	-7.6	5.4	5.4	7.8	10.4	-4.8	-6.7	3.1	8.3	11.7	-0.8	6.7	-0.6	5.0
Financial Services	5.3	9.0	7.2	7.3	7.2	7.2	9.6	17.7	8.5	5.3	10.1	8.9	9.1	8.6	8.9	4.0	7.6
Group	3.6	11.2	7.5	10.4	8.4	8.5	11.9	16.0	10.4	8.4	11.7	11.7	11.8	10.6	11.4	9.7	10.9
Financial Income																	
Automobiles	-71	-379	133	-151	-468	-468	-103	-111	-74	-366	-654	-58	-270	54	-274	-76	-350
Motorcycles	-2	-1	-2	-1	-6	-6	-1	0	-1	-2	-4	0	-1	-1	-2	-2	-4
Financial Services	9	0	10	-6	13	13	26	5	-10	6	27	8	-10	1	-1	1	0
Other	-10	11	40	45	86	86	-41	-80	-34	6	-149	-34	-28	-56	-118	-32	-150
Eliminations	133	-49	-14	47	117	117	29	34	47	35	145	28	16	-15	29	1	30
Group	59	-418	167	-66	-258	-258	-90	-152	-72	-321	-635	-56	-293	-17	-366	-108	-474
Pre-tax profit																	
Automotive	220	938	1,285	1,444	3,887	3,887	1,605	2,297	1,745	1,176	6,823	1,820	1,751	1,703	5,274	1,913	7,187
Motorcycles	30	53	0	-18	65	65	30	47	-17	-19	41	37	47	-4	80	-4	76
Financial Services	222	379	318	295	1,214	1,214	429	744	354	263	1,790	434	431	425	1,290	200	1,490
Other	-3	-70	40	78	45	45	-24	-59	-187	102	-168	-21	-14	-39	-74	-46	-120
Eliminations	39	-1	-284	-129	-375	-358	-228	-325	-251	-299	-1,103	-194	-238	-98	-530	-140	-670
Group	508	1,299	1,359	1,670	4,836	4,853	1,812	2,704	1,644	1,223	7,383	2,076	1,977	1,987	6,040	1,922	7,962
Pre-tax margin (%)																	
Automotive	2.1	6.9	9.0	9.3	7.2	7.2	11.2	13.8	11.4	7.0	10.8	11.3	10.1	9.9	10.4	9.7	10.2
Motorcycles	8.5	12.1	0.0	-8.1	5.0	5.0	7.6	10.4	-5.1	-7.5	2.9	8.3	11.5	-1.1	6.6	-1.1	4.7
Financial S	5.5	9.0	7.4	7.1	7.3	7.3	10.3	17.8	8.3	5.4	10.2	9.0	8.9	8.6	8.8	4.0	7.6
Group	4.1	8.5	8.5	10.0	8.0	8.0	11.3	15.1	9.9	6.7	10.7	11.3	10.3	10.6	10.7	9.1	10.3
Less tax charge																	
Automotive	82	331	459	408	1,280	1,280	522	727	564	19	1,832	639	619	591	1,849	630	2,479
Motorcycles	11	19	0	-10	20	20	10	14	-5	-7	12	12	17	-1	28	-2	26
Financial services	79	133	109	125	446	446	151	272	105	525	1,053	146	157	136	439	68	507
Other	-1	-22	11	-10	-22	-22	-4	-4	-17	-12	-37	-2	-1	-4	-7	-30	-37
Eliminations	13	4	-94	-45	-122	-114	-79	-114	-85	-106	-384	-68	-92	-24	-184	-17	-201
Group	184	465	485	468	1,602	1,610	600	895	562	419	2,476	727	700	698	2,125	650	2,775
Profit after tax																	
Automotive	138	607	826	1,036	2,607	2,607	1,083	1,570	1,181	1,157	4,991	1,181	1,132	1,112	3,425	1,282	4,707
Motorcycles	19	34	0	-8	45	45	20	33	-12	-12	29	25	30	-3	52	-3	49
Financial services	143	246	209	170	768	768	278	472	249	-262	737	288	274	289	851	132	983
Other	-2	-48	29	88	67	67	-20	-55	-170	114	-131	-19	-13	-35	-67	-16	-83
Eliminations	26	-5	-190	-84	-253	-244	-149	-211	-166	-193	-719	-126	-146	-74	-346	-123	-469
Group	324	834	874	1,202	3,234	3,243	1,212	1,809	1,082	804	4,907	1,349	1,277	1,289	3,915	1,273	5,188
Tax rate (%)																	
Automotive	37.3	35.3	35.7	28.3	32.9	32.9	32.5	31.6	32.3	1.6	26.9	35.1	35.4	34.7	35.1	33.0	34.5
Motorcycles	36.7	35.8	NM	55.6	30.8	30.8	33.3	29.8	29.4	36.8	29.3	32.4	36.2	25.0	35.0	35.0	35.0
Financial Services	35.6	35.1	34.3	42.4	36.7	36.7	35.2	36.6	29.7	199.6	58.8	33.6	36.4	32.0	34.0	33.8	34.0
Group	36.2	35.8	35.7	28.0	33.1	33.2	33.1	33.1	34.2	34.3	33.5	35.0	35.4	35.1	35.2	33.8	34.8

R= restated. Source: Company data and CGI estimates

BMW – Financial Services (FY10-1-3Q12)

(EUR m)	FY10	1Q11	2Q10	1H11	3Q11	1-3Q11	4Q11	FY11	1Q12	2Q12	1H12	3Q12	1-3Q12
Financial Operations¹													
Business volume	66,233	64,667	-	65,759	-	71,982	-	75,245	74,720	-	77,929	-	79,485
Growth (%)	8.6	3.6	-	0.0	-	13.8	-	13.6	15.5	-	18.5	-	10.4
FS (total assets)	73,703	72,144	-	73,033	-	79,389	-	82,709	83,190	-	85,645	-	87,303
Group (total assets)	108,867	107,629	-	108,730	-	118,011	-	123,429	125,264	-	126,638	-	130,921
FS asset share (%)	67.7	67.0	-	67.2	-	67.3	-	67.0	66.4	-	67.6	-	66.7
FS asset growth (%)	3.4	1.3	-	-1.9	-	12.3	-	16.0	15.3	-	17.3	-	10.0
Equity	5,216	5,341	-	6,085	-	6,610	-	7,169	7,375	-	7,132	-	7,428
Leverage (Assets/equity) (x)	14.1	13.5	-	12.0	-	12.0	-	11.5	11.3	-	12.0	-	11.8
Contract portfolio¹													
Number of contracts outstanding	3,190,353	3,233,567	-	3,277,247	-	3,303,635	-	3,592,093	3,646,111	-	3,693,474	-	3,745,760
Dealer financing													
Contracts outstanding (#)	254,812	265,498	-	266,623	-	266,356	-	280,284	281,055	-	270,175	-	281,014
Managed business volume	10,154	10,149	-	10,275	-	10,662	-	11,417	11,317	-	11,355	-	11,776
Customer financing													
Retail portfolio (#)	2,935,541	2,968,069	-	3,010,624	-	3,037,279	-	3,311,809	3,365,056	-	3,423,299	-	3,464,746
Retail share (%)	92.0	91.8	-	91.9	-	91.9	-	92.2	92.3	-	92.7	-	92.5
- Est. loan share – RP (%)	71	70	-	70	-	69	-	67	66	-	66	-	67
- Est. leasing share – RP (%)	29	30	-	30	-	31	-	33	34	-	34	-	33
Alphabet Fleet	301,284	294,510	-	304,234	-	460,000	-	474,717	480,348	-	489,439	-	493,914
Fleet share - retail portfolio (%)	10.3	9.9	-	10.1	-	15.1	-	14.3	14.3	-	14.3	-	14.3
Leasing portfolio (EUR m)¹													
Leasing portfolio (group) ²	17,791	17,037	-	17,207	-	21,404	-	23,112	22,997	-	23,782	-	24,106
Growth (%)	-1.0	-5.3	-	-7.8	-	23.8	-	21.1	35.0	-	38.2	-	12.6
Leasing portfolio (FS) ²	20,868	20,172	-	20,583	-	25,131	-	25,900	25,889	-	27,022	-	27,391
Growth (%)	1.3	-2.2	-	-4.0	-	25.0	-	24.1	28.3	-	31.3	-	9.0
Implied margin (%)	17.3	18.4	-	19.6	-	17.4	-	12.1	12.6	-	13.6	-	13.6
New retail business													
New retail contracts (EUR m)	28,045	7,374	8,157	15,531	4,851	20,382	8,458	31,779	8,274	9,306	17,580	8,977	26,557
%-change	13.5	24.7	13.6	18.6	-33.4	0.0	10.4	13.3	12.2	14.1	13.2	15.2	13.9
Nr. retail contracts signed	1,083,154	276,856	314,495	591,351	291,610	882,961	313,649	1,196,610	305,984	346,034	652,018	327,304	979,322
%-change	6.6	13.8	10.9	12.2	5.8	10.0	11.8	10.5	10.5	10.0	10.3	12.2	10.9
Loan share (%)	71.2	69.7	69.4	69.5	68.2	69.1	62.6	67.4	65.7	66.7	66.3	67.6	66.7
Loan (%-change)	8.1	11.5	6.8	8.9	0.7	6.1	0.2	4.6	4.3	5.8	5.1	11.1	7.1
Leasing share (%)	28.8	30.3	30.6	30.5	31.8	30.9	37.4	32.6	34.3	33.3	33.7	32.4	33.3
Leasing (%-change)	3.2	19.3	21.4	20.4	18.6	19.8	39.0	25.0	24.9	19.5	22.1	14.6	19.5
FS penetration of retail car sales^{3,4}													
Group													
Leasing & financing (%)	48.2	40.0	40.8	40.4	42.5	41.1	41.1	41.1	38.2	39.2	38.7	40.2	39.2
Leasing (%)	24.1	20.5	20.5	20.5	22.0	21.0	17.0	20.0	18.4	19.2	18.8	19.4	19.0
Financing (%)	24.1	19.5	20.3	19.9	20.5	20.1	24.1	21.1	19.8	20.0	19.9	20.8	20.2
US													
Leasing & financing (%)	73.9	77.8	69.2	73.5	65.9	70.9	60.9	68.4	68.4	64.8	66.6	79.5	70.9
Leasing (%)	39.8	41.7	40.5	41.1	42.9	41.9	39.1	41.2	39.5	39.3	39.4	46.9	41.9
Financing (%)	34.1	36.1	28.7	32.4	23.0	29.0	21.8	27.2	28.9	35.1	32.0	23.0	29.0
Cost of risk²													
Credit loss rate (%)	0.67	0.55	0.31	0.43	0.52	0.46	0.58	0.49	0.35	0.63	0.49	0.55	0.51
Profit (EUR m) & profitability													
EBIT (FS)	1,201	403	739	1,142	364	1,506	257	1,763	426	441	867	424	1,291
EBIT (group)	5,094	1,902	2,856	4,758	1,716	6,474	1,544	8,018	2,132	2,270	4,402	2,004	6,406
EBIT (FS/group) (%)	23.6	21.2	25.9	24.0	21.2	23.3	16.6	22.0	20.0	19.4	19.7	21.2	20.2
PBT (FS)	1,214	429	744	1,173	354	1,527	263	1,790	434	431	865	425	1,290
PBT (group)	4,836	1,812	2,704	4,516	1,644	6,160	1,223	7,383	2,076	1,977	4,053	1,987	6,040
PBT (FS/group) (%)	25.1	23.7	27.5	26.0	21.5	24.8	21.5	24.2	20.9	21.8	21.3	21.4	21.4
Earnings (FS)	768	278	472	750	249	999	-262	737	288	274	562	289	851
PBToA (%)	1.6	2.4	4.1	3.2	1.9	4.0	1.3	2.2	2.1	2.0	2.0	2.0	3.0
PBT on Equity (%)	25.6	32.5	52.1	41.5	22.3	32.1	15.3	28.9	23.9	23.8	24.2	23.4	17.7
PBT on managed portfolio (%)	1.9	2.6	4.6	3.6	2.1	4.4	1.4	2.5	2.3	2.3	2.3	2.2	3.3
Leverage (FS assets/FS equity)	14.1	13.5	-	12.0	-	12.0	-	11.5	11.3	-	12.0	-	11.8

(1) Period end. (2) Leasing portfolio in group accounts at production costs and at the division at list price. (3) Data is YTD; therefore 2Q, 3Q and 4Q are implied. (4) Financing ratio relates to retail sales only in countries where FS is operating, thus excluding f.i. countries such as mainland China until 4Q10. Source: Company data and CGI calculations.

BMW group – outlook 2013E-14E

After an expected 6.3% increase in EPS to EUR 7.92 in FY12E, we expect earnings growth to slow to 1.9% and EUR 8.07/share in 2013E and accelerate again to 7.0% and EUR 8.63 in 2014E. (See p.16 for divisional split of our estimates.)

Automotive segment – outlook 2013E-14E

We expect EBIT to increase 4% to EUR 7.80bn/10.4% in 2013E,...

For 2013E, we expect that a 5.4% increase in sales to 1.95m units will result in a 3.5% increase in EBIT to EUR 7.80bn and a further dip in margin to 10.4%. For 2014E, we expect that a 9.2% increase in sales (to 2.12m) will result in an 11.4% increase in EBIT to EUR 8.69bn/10.5%. (See also Auto segment - results preview 4Q/FY12E on pp. 3-8.)

...and 11% to EUR 8.69bn/10.5% in 2014E

Although we expect that due to the replacement of its highest volume model, the 3-Series that accounts for some 30% of sales the efficiency gains from the Baukasten strategy should peak at just under EUR 1bn in FY12E, we expect that the planned steady renewal rate of existing models and the continuing model proliferation will enable BMW to continue to generate considerable annual efficiency gains in the next two years. (See table for retail sales by model series on p. 14.)

Incremental Future One set to increase

We expect that in 2013E the incremental upfront investment for future projects (One Future) will be on the rise again compared to an estimated 'more than one billion' in 2012E and a reported EUR -0.47bn in FY11.

We therefore expect that the net effect from efficiency gains and upfront costs should remain negative in 2013E, after an expected negative EUR 0.2bn in FY12E and a marginal positive in FY11.

Pricing pressure set to continue

We expect that competitive pressures are on the up and that pricing could actually decline further by some 50-100bpts per annum, implying ceteris paribus a negative impact on EBIT in the order of EUR 0.4-0.8bn.

BMW – Automotive profitability (2006-2014E)

	2006	2007	2008	2009	2010	2011	2012E	2013E	2014E
Retail sales ('000)	1,374.0	1,500.7	1,435.9	1,286.3	1,461.2	1,669.0	1,845.2	1,945.3	2,123.6
Change (%)	3.5	9.2	-4.3	-10.4	13.6	14.2	10.6	5.4	9.2
Division (EUR m)									
Revenue	47,767	53,818	48,782	43,737	54,137	63,229	70,437	75,034	82,766
Gross profit	9,636	10,528	7,991	4,121	9,434	13,065	13,735	15,757	18,208
EBIT	3,055	3,450	690	-265	4,355	7,477	7,537	7,804	8,690
Pre-tax profit	3,012	3,232	318	-588	3,887	6,823	7,187	7,404	8,290
Margin (%)									
Gross profit	20.2	19.6	16.4	9.4	17.4	20.7	19.5	21.0	22.0
EBIT	6.4	6.4	1.4	-0.6	8.0	11.8	10.7	10.4	10.5
PBT	6.3	6.0	0.7	-1.3	7.2	10.8	10.2	9.9	10.0
Per vehicle (EUR)¹									
Revenue/vehicle (EUR k)	34.8	35.9	34.0	34.0	37.1	37.9	38.2	38.6	39.0
EBIT/vehicle	2,223	2,299	481	-206	2,980	4,480	4,085	4,011	4,092
Change (%)									
Revenue/vehicle	0.7	3.2	-5.3	0.1	9.0	2.3	0.8	1.0	1.0
OP/vehicle	-4.1	3.4	-79.1	NM	NM	50.3	-8.8	-1.8	2.0
Avg. sport rate (USD/EUR)	1.26	1.37	1.47	1.39	1.33	1.39			
Est. transaction rate (USD/EUR)	1.17	1.21	1.30	1.35	1.32	1.30			

(1) Divisional revenue and EBIT vs. retail sales. Source: Company data and CGI estimates

Model momentum

In 2013E-14E, we expect that BMW will continue with the roll-out of more derivatives of the 3-Series, introducing coupé, convertible and grand coupé (four door coupé) versions, which we expect to be marketed as 4-Series. Equally, we expect that the coupé and convertibles based on the current 1-Series will be sold as 2-Series. In addition, we expect BMW to broaden its portfolio with the introduction of all-new niche products such as GT versions for the 3-Series and 1-Series, and a coupé version of the X3 which will be called X4. (See Appendix on p. 24 for BMW model introduction schedule.)

BMW - i

In autumn, after the Frankfurt Motor Show, BMW is expected to launch the first model of its new sub-brand, BMW i that will be equipped with light-weight CFRP bodies, the i3 saloon, the group's first series produced full-electric vehicle. The car is expected to be sold first in Europe at a competitive retail price of EUR 40k.

BMW - i3 & i8

At the current Geneva motor show, BMW shows a concept study of a 3-door, coupé version of the i3. This indicates that BMW is not planning to launch the i3 as a niche model, but to develop a whole model series under the i3 name. This makes sense in view of the steep up-front investment for CFRP production. In late 2013, we expect also the launch of the i8, a low-volume, performance petrol-electric hybrid.

New small FWD architecture

We expect that a new generation of Minis will be introduced from late 2013 onwards, which will mean the introduction of BMW's new small, FWD architecture that should also underpin BMW models, from 2014 onwards. The roll-out of the FWD architecture and of new modular engines should enable BMW to maintain a positive momentum of efficiency gains in the medium term.

Markets

In terms of markets, we expect that emerging markets, led by China will remain the driving forces behind BMW's sales and earnings growth. We further expect that the US and North America will continue to be key drivers and expect some growth in Europe from 2014E. (See table for retail sales by region on p. 15.)

**China: growing sales...
...and PBT contribution**

Our estimates include rather conservative assumptions for mainland China; we expect that increases in retail sales (imported and locally assembled vehicles) of 21% and 20% will lead to a PBT contribution of some EUR 2.8bn in 2013E and EUR 3.0bn in 2014E, after an estimated EUR 2.55bn in FY12E and a calculated EUR 2.01bn in FY11. Our estimates are based on the assumption that margins will narrow gradually, due to a worsening product mix as BMW's market penetration increases and product offering widens, and tougher pricing. (See 'Update: China – turbo-charging BMW earnings' on pp.17-18.)

BMW – Cash flow at industrial operations and automotive segment (2006-14E)

	Ind. Operations <=> Auto division									
(EUR m)	2006	2007	2007	2008	2009	2010	2011	2012E	2013E	2014E
Net profit	2,449	2,963	2,721	226	-439	2,607	4,991	4,707	4,886	5,389
Depreciation	3,315	3,665	3,568	3,567	3,502	3,762	3,564	3,664	3,764	3,864
Depreciation leased products	4	4	4	6	7	5	29	10	6	6
Gross Cash Flow	5,768	6,632	6,293	3,799	3,070	6,374	8,584	8,371	8,650	9,253
Increase in provisions	236	398	236	-515	42	869	577	-100	300	300
Other	-404	-257	-76	10	-332	1,280	-494	100	75	-25
CF from operations	5,600	6,773	6,453	3,294	2,780	8,523	8,667	8,571	9,025	9,528
WCR	-227	-433	-207	1,177	2,141	-374	-1,590	400	-300	-500
CF- operating activities	5,373	6,340	6,246	4,471	4,921	8,149	7,077	8,971	8,725	9,028
Capital expenditure	-4,272	-4,157	-4,103	-4,114	-3,409	-3,183	-3,565	-4,775	-5,014	-5,114
Other	-148	-158	4	-438	-2,266	-2,358	-2,160	-920	-970	-970
CF -Investment activities	-4,417	-4,050	-4,099	-4,552	-5,675	-5,541	-5,725	-5,695	-5,984	-6,084
Free CF	956	2,160	2,147	-81	-754	2,608	1,352	3,276	2,742	2,944
Net inv. marketable sec.					2,210	1,863	781	150	150	150
Adj. FCF			2,147	-81	1,456	4,471	2,133	3,426	2,892	3,094
Dividends	-419	-458	-458	-694	-197	-197	-852	-1,508	-1,704	-1,770
Other application	-1,025	-1,642	NM	741	1,070	1,718	-653	-679	-137	-274
Net debt increase/-decrease	741	-60	NM	34	-119	-4,129	153	-1,089	-900	-900
Net cash (calculated)	980	1,040	380	346	465	4,594	4,441	5,530	6,430	7,330
Intra-group net receivables	-	-	6,974	8,700	8,497	6,692	7,947	-	-	-
Net cash - BMW definition	-	-	7,354	9,046	8,962	11,286	12,388	-	-	-

(1) 2006-11 CGI estimates. Source: Company data and CGI estimates

BMW Auto – Retail sales by model series (2006-14E)

	2006	2007	2008	2009	2010	2011	2012E	2013E	2014E
Units ('000)									
- sub 1-Series	-	-	-	-	-	-	-	-	70.0
- 1 - Series	151.9	165.8	225.1	217.0	196.0	176.4	226.8	236.7	239.1
- X1	-	-	-	8.5	100.0	126.4	147.8	158.1	150.2
- 3 - Series	508.5	555.2	474.2	397.1	399.0	384.5	406.8	440.3	457.9
- X3	114.0	111.9	84.4	55.6	46.0	117.9	149.9	149.9	143.9
- Z4	31.0	28.4	18.0	22.8	24.6	18.8	15.2	14.5	14.2
- 3 - Series GT	-	-	-	-	-	-	0.0	30.0	50.0
- 5 - Series	232.2	230.8	202.3	172.9	212.0	310.1	337.9	324.4	321.2
- X5	75.3	120.6	116.5	88.9	102.2	104.8	108.5	114.0	134.5
- 5 - Series GT	-	-	-	3.1	26.5	22.5	21.1	19.0	17.1
- X6	-	-	26.6	41.7	46.4	40.8	43.7	40.6	38.2
- 6 - Series	21.9	19.6	16.3	8.6	5.8	9.4	23.2	36.1	36.5
- 7 - Series	50.2	44.4	38.8	52.7	65.8	68.8	59.2	56.2	57.9
BMW brand	1,185.1	1,276.8	1,202.2	1,068.8	1,224.3	1,380.4	1,540.1	1,619.8	1,750.6
Mini brand	188.1	222.9	232.4	216.5	234.2	285.1	301.5	316.6	335.6
Rolls-Royce	0.8	1.0	1.2	1.0	2.7	3.5	3.6	3.6	3.6
i3	-	-	-	-	-	-	-	5.0	30.0
i8	-	-	-	-	-	-	-	0.3	4.5
Group	1,374.0	1,500.7	1,435.9	1,286.3	1,461.2	1,669.0	1,845.2	1,945.3	2,124.3
% change									
- 1 - Series	1.6	9.1	35.8	-3.6	-9.7	-10.0	28.6	4.4	1.0
- X1	-	-	-	-	NM	26.4	16.9	7.0	-5.0
- 3 - Series	17.1	9.2	-14.6	-16.3	0.5	-3.6	5.8	8.2	4.0
- X3	3.0	-1.9	-24.5	-34.1	-17.3	156.4	27.1	0.0	-4.0
- Z4	7.3	-8.4	-36.6	26.4	8.0	-23.5	-18.9	-5.0	-2.0
- 5 - Series	1.7	-0.6	-12.4	-14.5	22.6	46.3	9.0	-4.0	-1.0
- X5	-25.8	60.1	-3.4	-23.7	15.0	2.6	3.5	5.0	18.0
- 5 - Series GT	-	-	-	-	NM	-15.2	-6.1	-10.0	-10.0
- X6	-	-	-	56.8	11.4	-12.0	7.0	-7.0	-6.0
- 6 - Series	-6.0	-10.6	-17.0	-46.9	-32.4	60.7	146.8	55.7	1.0
- 7 - Series	0.3	-11.6	-12.6	35.7	24.9	4.5	-13.9	-5.0	3.0
BMW brand	5.2	7.7	-5.8	-11.1	14.6	12.8	11.6	5.2	8.1
Mini brand	-6.2	18.5	4.3	-6.8	8.1	21.7	5.8	5.0	6.0
Rolls-Royce	1.1	25.5	20.0	-17.3	170.6	30.5	1.0	1.0	1.0
Group	3.5	9.2	-4.3	-10.4	13.6	14.2	10.6	5.4	9.2
Share (%)									
- sub 1-Series	-	-	-	-	-	-	-	-	3.3
- 1 - Series	11.1	11.0	15.7	16.9	13.4	10.6	12.3	12.2	11.3
- X1	-	-	-	0.7	6.8	7.6	8.0	8.1	7.1
- 3 - Series	37.0	37.0	33.0	30.9	27.3	23.0	22.0	22.6	21.6
- X3	8.3	7.5	5.9	4.3	3.1	7.1	8.1	7.7	6.8
- Z4	2.3	1.9	1.3	1.8	1.7	1.1	0.8	0.7	0.7
- 3 - Series GT	-	-	-	-	-	-	0.0	1.5	2.4
- 5 - Series	16.9	15.4	14.1	13.4	14.5	18.6	18.3	16.7	15.1
- X5	5.5	8.0	8.1	6.9	7.0	6.3	5.9	5.9	6.3
- 5 - Series GT	-	-	-	0.2	1.8	1.3	1.1	1.0	0.8
- X6	-	-	1.9	3.2	3.2	2.4	2.4	2.1	1.8
- 6 - Series	1.6	1.3	1.1	0.7	0.4	0.6	1.3	1.9	1.7
- 7 - Series	3.7	3.0	2.7	4.1	4.5	4.1	3.2	2.9	2.7
BMW brand	86.3	85.1	83.7	83.1	83.8	82.7	83.5	83.3	82.4
Mini brand	13.7	14.9	16.2	16.8	16.0	17.1	16.3	16.3	15.8
Rolls-Royce	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
i3	-	-	-	-	-	-	-	0.3	1.4
i8	-	-	-	-	-	-	-	-	0.2
Group	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company data and CGI estimates

BMW Automobile – Retail sales by region (2006-2014E)

	2006	2007	2008	2009	2010	2011	2012E	2013E	2014E
Units ('000)									
- Germany	287.7	280.9	280.9	267.5	267.2	285.3	287.3	288.7	294.5
- UK	154.1	173.8	151.5	137.1	154.8	167.5	174.7	176.4	181.7
- Other Europe	375.0	443.6	432.2	357.3	369.3	405.7	403.3	395.8	414.9
Europe	816.8	898.3	864.6	761.9	791.2	858.4	865.3	860.9	891.1
- US	313.9	336.2	303.6	242.1	266.6	306.3	348.6	371.3	404.7
- Canada	23.4	27.7	28.2	29.0	31.7	35.0	37.7	38.8	40.4
North America	337.4	364.0	331.8	271.0	298.3	341.3	386.3	410.1	445.1
- Japan	62.1	60.5	48.8	41.1	43.6	47.7	57.0	54.1	56.3
- China	36.4	51.6	65.8	90.5	169.0	233.6	328.0	396.9	476.3
- Other Asia	43.6	47.4	51.1	51.5	73.7	94.2	109.1	117.2	137.9
Asia	142.1	159.5	165.7	183.2	286.3	375.5	494.1	568.2	670.5
Rest of World	77.7	78.9	73.8	70.2	85.3	93.8	99.5	106.1	118.0
World	1,374.0	1,500.7	1,435.9	1,286.3	1,461.2	1,669.0	1,845.2	1,945.3	2,124.6
% change									
- Germany	-2.8	-2.4	0.0	-4.8	-0.1	6.8	0.7	0.5	2.0
- UK	-1.4	12.8	-12.8	-9.5	12.9	8.2	4.3	1.0	3.0
- Other Europe	6.9	18.3	-2.6	-17.3	3.4	9.8	-0.6	-1.9	4.8
Europe	1.7	10.0	-3.8	-11.9	3.9	8.5	0.8	-0.5	3.5
- US	2.1	7.1	-9.7	-20.3	10.1	14.9	13.8	6.5	9.0
- Canada	8.7	18.4	1.5	2.9	9.5	10.3	7.7	3.0	4.0
North America	2.6	7.9	-8.8	-18.3	10.1	14.4	13.2	6.2	8.5
- Japan	5.6	-2.6	-19.2	-15.8	6.1	9.2	19.5	-5.0	4.0
- China	51.3	41.9	27.6	37.5	86.7	38.2	40.4	21.0	20.0
- Other Asia	1.8	8.7	7.7	0.9	42.9	27.8	15.9	7.4	17.7
Asia	13.0	12.3	3.9	10.5	56.3	31.1	31.6	15.0	18.0
Rest of World	10.3	1.5	-6.5	-4.8	21.6	9.9	6.1	6.6	11.2
World	3.5	9.2	-4.3	-10.4	13.6	14.2	10.6	5.4	9.2
Share (%)									
- Germany	20.9	18.7	19.6	20.8	18.3	17.1	15.6	14.8	13.9
- UK	11.2	11.6	10.6	10.7	10.6	10.0	9.5	9.1	8.6
- Other Europe	27.3	29.6	30.1	27.8	25.3	24.3	21.9	20.3	19.5
Europe	59.5	59.9	60.2	59.2	54.1	51.4	46.9	44.3	41.9
- US	22.8	22.4	21.1	18.8	18.2	18.4	18.9	19.1	19.0
- Canada	1.7	1.8	2.0	2.3	2.2	2.1	2.0	2.0	1.9
North America	24.6	24.3	23.1	21.1	20.4	20.5	20.9	21.1	20.9
- Japan	4.5	4.0	3.4	3.2	3.0	2.9	3.1	2.8	2.6
- China	2.6	3.4	4.6	7.0	11.6	14.0	17.8	20.4	22.4
- Other Asia	3.2	3.2	3.6	4.0	5.0	5.6	5.9	6.0	6.5
Asia	10.3	10.6	11.5	14.2	19.6	22.5	26.8	29.2	31.6
Rest of World	5.7	5.3	5.1	5.5	5.8	5.6	5.4	5.5	5.6
World	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company data and CGI estimates

BMW group – P&L by division (2006-14E)

BMW – P&L by division (2006-14E)										
(EUR m)	2006	2007	2008	2009	2010	2010R	2011	2012E	2013E	2014E
Revenue										
Automotive	47,767	53,818	48,782	43,737	54,137	54,137	63,229	70,437	75,034	82,806
Motorcycles	1,265	1,228	1,230	1,069	1,304	1,304	1,436	1,594	1,394	1,533
Financial Services	11,079	13,940	15,725	15,798	16,617	16,617	17,510	19,611	20,592	21,621
Other	-	290	191	3	5	4	5	5	5	5
Eliminations	-11,112	-13,258	-12,731	-9,926	-11,586	-11,585	-13,359	-14,324	-15,026	-16,336
Group	48,999	56,018	53,197	50,681	60,477	60,477	68,821	77,324	81,999	89,630
EBIT										
Automotive	3,055	3,450	690	-265	4,355	4,355	7,477	7,537	7,804	8,695
Motorcycles	75	80	60	19	71	71	45	80	64	72
Financial Services	689	717	-216	355	1,201	1,201	1,763	1,490	1,300	1,200
Other	-	49	273	30	-41	-41	-19	30	30	30
Eliminations	231	-84	114	150	-492	-475	-1,248	-700	-800	-900
Group	4,050	4,212	921	289	5,094	5,111	8,018	8,436	8,398	9,097
EBIT margin (%)										
Automobiles	6.4	6.4	1.4	-0.6	8.0	8.0	11.8	10.7	10.4	10.5
Motorcycles	5.9	6.5	4.9	1.8	5.4	5.4	3.1	5.0	4.6	4.7
Financial Services	6.2	5.1	-1.4	2.2	7.2	7.2	10.1	7.6	6.3	5.6
Group	8.3	7.5	1.7	0.6	8.4	8.5	11.7	10.9	10.2	10.1
Financial Income										
Automotive	-43	-218	-372	-323	-468	-468	-654	-350	-400	-400
Motorcycles	-9	-9	-9	-8	-6	-6	-4	-4	-9	-9
Financial Services	-4	26	-76	10	13	13	27	0	0	0
Other	-	119	22	21	86	86	-149	-150	0	0
Eliminations	130	-257	-135	424	117	117	145	30	0	0
Group	74	-339	-570	124	-258	-258	-635	-474	-409	-409
Pre-tax profit										
Automotive	3,012	3,232	318	-588	3,887	3,887	6,823	7,187	7,404	8,295
Motorcycles	66	71	51	11	65	65	41	76	55	63
Financial Services	685	743	-292	365	1,214	1,214	1,790	1,490	1,300	1,200
Other	-	168	295	51	45	45	-168	-120	30	30
Eliminations ¹	361	-341	-21	574	-375	-358	-1,103	-670	-800	-900
Group	4,124	3,873	351	413	4,836	4,853	7,383	7,962	7,989	8,688
Pre-tax margin (%)										
Automobiles	6.3	6.0	0.7	-1.3	7.2	7.2	10.8	10.2	9.9	10.0
Motorcycles	5.2	5.8	4.1	1.0	5.0	5.0	2.9	4.7	4.0	4.1
Financial Services	6.2	5.3	-1.9	2.3	7.3	7.3	10.2	7.6	6.3	5.6
Group	8.4	6.9	0.7	0.8	8.0	8.0	10.7	10.3	9.7	9.7
Less tax charge										
Automotive	-	511	92	-149	1,280	1,280	1,832	2,479	2,517	2,903
Motorcycles	-	11	14	3	20	20	12	26	19	22
Financial Services	-	269	-131	147	446	446	1,053	507	442	414
Other	-	5	16	-13	-22	-22	-37	-37	-37	-37
Eliminations	-	-57	30	215	-122	-114	-384	-201	-240	-270
Group	1,250	739	21	203	1,602	1,610	2,476	2,775	2,702	3,032
Profit after tax										
Automotive	-	2,721	226	-439	2,607	2,607	4,991	4,707	4,886	5,391
Motorcycles	-	60	37	8	45	45	29	49	36	41
Financial Services	-	474	-161	218	768	768	737	983	858	786
Other	-	163	279	64	67	67	-131	-83	67	67
Eliminations	-	-284	-51	359	-253	-244	-719	-469	-560	-630
Group	2,874	3,134	330	210	3,234	3,243	4,907	5,188	5,287	5,655
Tax rate (%)										
Automotive	-	15.8	28.9	25.3	32.9	32.9	26.9	34.5	34.0	35.0
Motorcycles	-	15.5	27.5	27.3	30.8	30.8	29.3	35.0	35.0	35.0
Financial Services	-	36.2	44.9	40.3	36.7	36.7	58.8	34.0	34.0	34.5
Group	-	19.1	6.0	49.2	33.1	33.2	33.5	34.8	33.8	34.9

R= restated. (1) Other & eliminations in 2006. Source: Company data and CGI estimates

Update: China – turbo-charging BMW earnings

In FY12E, a 40% jump in sales...

...is set to increase China's contribution to PBT 24% to EUR 2.55bn

Strong model mix

We forecast that in FY12E, BMW Auto generated a pre-tax profit of EUR 2.55bn in China, accounting for 36% of the divisional result and a 24% increase from FY11E's EUR 2.06bn or 30% of the divisional result. In FY12, mainland China group sales jumped 40.4% to 328.0k units, raising their share in global sales to 17.8%, from 14.0% in FY11.

We estimate that in FY12E imports accounted for 53% of cars sold in China and generated the lion's share of 78% of PBT in China and a pre-tax profit per vehicle of more than EUR 11k, compared to a calculated EUR 12.4k in 2011, whereas BMW's share in profit of locally produced vehicles was just in the order EUR 0.35bn or EUR 2.3k per vehicle. We estimate that in FY12E the average PBT per vehicle sold in China was EUR 7.03k, compared to an estimated EUR 3.9k world-wide. In addition, we estimate that BMW also generated a pre-tax profit some EUR 0.2bn from the sale of goods and services to the equity accounted production JV with Brilliance. (See for tables on p. 18 for methodology and details.)

BMW's model mix is extraordinarily strong in China, which is now the largest market for the 7-Series, the 5-Series, the 5-Series GT and the X6; and the second largest market for the X5 and X3. In FY12A, just under 50% sales of global sales of the 7-Series and the 5-Series GT went to mainland China, about a third of 5-Series and a quarter of X1 and X6 sales. In addition, BMW reports an extraordinarily strong engine mix and high option uptake.

BMW Auto – Estimated profit contribution – mainland China (2007E-14E)

	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E
PBT¹ (EUR m)								
Auto division	3,232	318	-588	3,887	6,823	7,187	7,404	8,293
China contribution to PBT	162	227	657	1,455	2,059	2,553	2,802	3,081
Division PBT w/o China	3,070	91	-1,245	2,432	4,764	4,634	4,602	5,212
Share (%)								
PBT China	5.0	71.3	-111.7	37.4	30.2	35.5	37.8	37.2
Margin (%)								
Divisional pre-tax profit	6.0	0.7	-1.3	7.2	10.8	10.2	9.9	10.0
Divisional PBT w/o China	5.9	0.2	-3.1	5.3	9.2	8.0	7.6	7.9

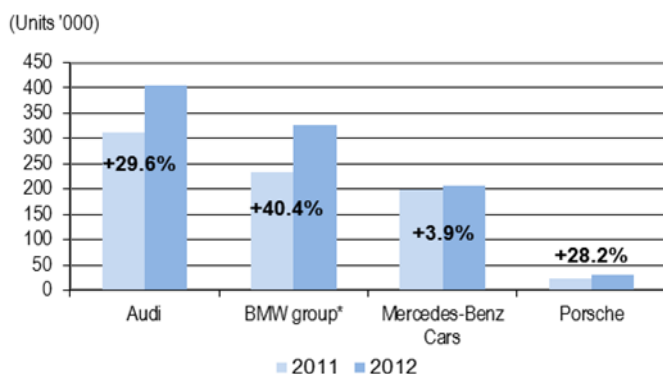
Source: Company data and CGI estimates

We expect PBT to grow 10% p.a.

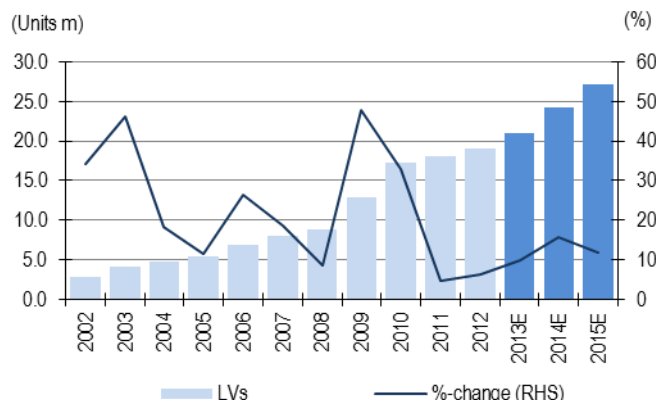
...to EUR 2.80bn in 2013E and EUR 3.08bn in 2014E

We expect that in 2013E-14E, BMW's car sales in China will slow from a reported 40% in FY12, to 21% and 20% in 2013E-14E. We expect that growth in China's PBT contribution will decelerate more quickly, from an expected 24% to EUR 2.55bn in FY12E, to 10% p.a. to EUR 2.80bn in 2013E and EUR 3.08bn in 2014E. Our estimates are based on the assumption that profit per vehicle will decline, due to a worsening product mix as BMW's market penetration increases and product offering widens, tougher pricing, and a declining import share. Indeed, we expect local production will grow from an estimated 153.2k in FY12E to 231.5k in 2014E, with a medium term target of 300k units.

German premium brands (Jan-Dec 2011 & 2012)



China – LV sales* (2002-15E)



Source: Company data and CGI calculations

(*) Premium and non-premium LV sales. See also our monthly publication Global Automotive Demand Atlas for details on the Chinese LV market. Source: LMC Automotive and CGI estimates

Methodology:

There are three categories of profit contribution from China: 1) profit from importing cars through the China Trading comp (Beijing) that is a fully consolidated subsidiary; 2) BMW's share in the production JV with Brilliance; and 3) profit from the sale of goods and services to the JV. Revenue and profits of 1) and 3) are thus included in consolidated revenue and 'EBIT' (operating results), whereas 2) BMW's share in the JV's net profit is included in financial income and thus only in PBT, and neither in divisional revenue nor 'EBIT' because in BMW accounts 'EBIT' refers to 'profit before financial results'.

BMW Auto – Methodology - estimated profit contribution – mainland China (2007E-14E)

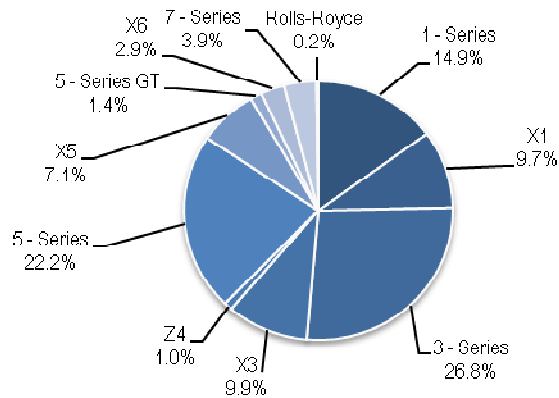
	2007A/E	2008A/E	2009A/E	2010A/E	2011A/E	2012E	2013E	2014E
Revenue (EUR m)								
Divisional revenue	53,818	48,782	43,737	54,137	63,229	69,459	77,424	84,805
China revenue (imports, sales to JVs)	1,795	2,693	4,039	8,444	11,591	12,133	13,379	13,536
o/w revenue from sales to JV	293	406	532	1,046	1,927	2,551	3,532	4,906
Divisional revenue w/o China	52,023	46,089	39,698	45,693	51,638	57,326	64,045	71,269
Pre-tax profit (EUR m)								
Divisional PBT	3,232	318	-588	3,887	6,823	7,468	8,531	8,531
China contribution to PBT	162	227	657	1,455	2,059	2,504	2,794	2,972
- Profit from sales to JVs	23	32	43	84	154	204	283	392
- Profit from imports and JV	139	194	614	1,371	1,904	2,300	2,511	2,579
Divisional PBT w/o China	3,070	91	-1,245	2,432	4,764	4,965	5,737	5,559
Margin (%)								
Divisional PBT	6.0	0.7	-1.3	7.2	10.8	10.8	11.0	10.1
Divisional PBT w/o China	5.9	0.2	-3.1	5.3	9.2	8.7	9.0	7.8
Net profit (EUR m)								
Divisional net profit	2,721	226	-439	2,607	4,991	5,078	5,801	6,268
China contribution to net profit	110	166	461	1,073	1,479	1,792	1,977	2,064
- Profit from sales to JVs	8	11	14	28	51	67	93	130
- Profit from imports and JV	102	155	447	1,045	1,428	1,725	1,883	1,935
Divisional net profit w/o China	2,611	60	-900	1,534	3,512	3,286	3,825	4,204

Note: 2007E-11E: Blue highlights reported by BMW or calculated on reported items in BMW accounts. Source: Company data and CGI estimates

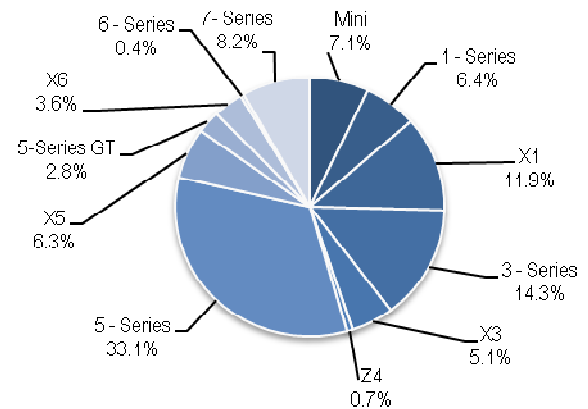
BMW Auto – Assumptions and calculation of profit from car sales in China (imports and JV) (2007E-14E)

	2007A/E	2008A/E	2009A/E	2010A/E	2011A/E	2012E	2013E	2014E
Units ('000)								
Retail sales - mainland	51.6	65.8	90.5	169.0	233.6	328.0	396.9	476.3
Assembly at Shenyang	33.7	33.0	44.0	55.6	98.2	153.2	191.5	231.5
Implied imports	17.9	32.8	46.5	113.4	135.4	174.8	205.4	244.8
Import share (%)	34.7	49.9	51.4	67.1	58.0	53.3	51.8	51.4
China in division (%)	3.4	4.6	7.0	11.6	14.0	17.8	20.4	22.4
Net profit (EUR m)								
Division	2,721	226	-439	2,607	4,991	4,707	4,886	5,391
China Trading comp (Beijing)	93	121	419	930	1,264	1,469	1,553	1,666
JV net profit	11	25	42	98	164	260	316	365
Net profit contr. China sales	102	155	447	1,045	1,428	1,729	1,869	2,030
Share (%)								
Net profit China car sales	3.7	68.6	-101.8	40.1	28.6	36.7	38.3	37.7
PBT (EUR m)								
Division (rep.)	3,232	318	-588	3,887	6,823	7,187	7,404	8,293
Trading company (calc)	124	161	558	1,240	1,686	1,958	2,071	2,221
JV (calc.)	15	33	56	131	219	347	421	486
PTP contribution China sales	139	194	614	1,371	1,904	2,305	2,492	2,707
Share (%)								
PBT China car sales (calc.)	4.3	61.1	-104.4	35.3	27.9	32.1	33.7	32.6
PBT per vehicle (EUR)								
Division	2,154	221	-457	2,660	4,088	3,895	3,806	3,904
Mainland imports	6,936	4,904	11,992	10,937	12,447	11,203	10,082	9,074
Mainland JV	435	1,010	1,273	2,350	2,227	2,263	2,200	2,100
Mainland combined	2,689	2,952	6,782	8,112	8,151	7,027	6,279	5,684

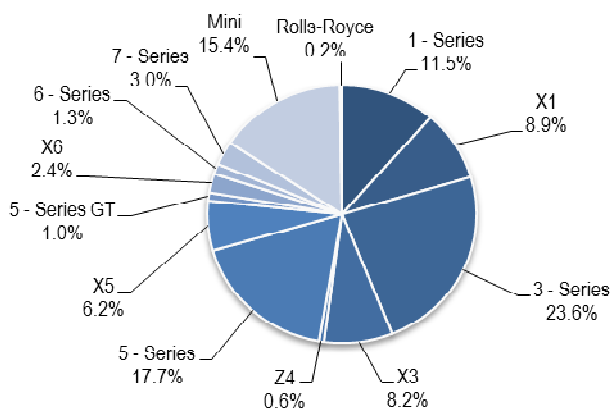
Note: 2007E-11E: Blue highlights reported by BMW or calculated on reported items in BMW accounts. Source: Company data and CGI estimates

BMW Auto – model-mix globally (2012)

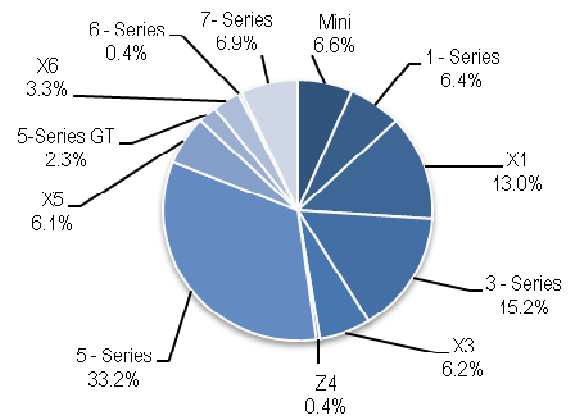
Source: Company data and CGI calculations

BMW Auto – model-mix in mainland China (2012)

Source: Company data and CGI calculations

BMW – Model-mix globally (1Q12)

Source: Company data and CGI calculations

BMW – Model-mix in mainland China (4Q12)

Source: Company data and CGI calculations

Overview

BMW – overview (2006-14E)

Ordinary share price (EUR)	72.65									
Market capitalisation (EUR bn) ¹	46.48									
No of shares (m) ²	654.7									
	2006	2007	2008	2009	2010	2010R	2011	2012E	2013E	2014E
Values per share (EUR)										
EPS	4.38	4.78	0.49	0.31	4.91	4.93	7.45	7.92	8.07	8.63
CFPS	15.34	18.23	18.32	12.95	7.20	7.20	11.19	14.44	14.90	15.77
BVPS	39.29	39.77	41.43	43.58	35.3	39.23	39.69	40.94	47.15	53.40
DPS - ordinary shares	0.70	1.06	0.30	0.30	1.30	1.30	2.30	2.60	2.70	2.90
Free CFPS	1.43	3.22	-0.12	-1.12	3.89	3.89	2.02	4.89	4.09	4.39
Stock market ratios (x)										
P/E	16.6	15.2	147.0	234.4	14.8	14.7	9.8	9.2	9.0	8.4
P/CF	4.7	4.0	4.0	5.6	10.1	10.1	6.5	5.0	4.9	4.6
P/BV	1.8	1.8	1.8	1.7	2.1	1.7	1.7	1.8	1.5	1.4
P/revenue	0.95	0.83	0.87	0.92	0.77	0.77	0.68	0.60	0.57	0.52
Dividend yield (%)	1.0	1.5	0.4	0.4	1.8	1.8	3.2	3.6	3.7	4.0
Free CF yield (%)	2.0	4.4	-0.2	-1.5	5.4	5.4	2.8	6.7	5.6	6.0
EV (EUR bn)	45.1	46.0	43.9	43.4	42.0	42.0	40.1	39.4	38.7	38.8
EV/ revenue – industrial (%)	92.0	83.5	87.8	96.9	75.7	75.7	62.0	54.7	50.7	46.0
EV/EBITDA - industrial	7.1	6.4	10.0	13.0	5.1	5.1	3.6	3.5	3.3	3.1
Group P&L (EUR m)										
Revenue ¹	48,999	56,018	53,197	50,681	60,477	60,477	68,821	77,324	81,999	89,630
Gross profit	8,795	9,266	6,049	5,325	10,915	10,915	14,545	15,465	17,220	19,718
EBIT	4,050	4,212	921	289	5,094	5,111	8,018	8,436	8,398	9,097
EBIT, full R&D	3,386	3,988	882	428	5,403	5,420	8,255	8,634	8,512	9,228
EBITDA	7,390	7,901	4,597	3,892	8,955	5,999	11,672	12,210	12,272	13,071
Profit before tax	4,124	3,873	351	413	4,836	4,853	7,383	7,962	7,989	8,688
Net profit	2,874	3,134	330	210	3,234	3,243	4,907	5,188	5,287	5,655
Less dividends	459	694	197	197	852	852	1,508	1,704	1,770	1,901
Retained profit	2,415	2,440	133	13	2,382	2,391	3,399	3,483	3,517	3,754
CF - automobiles (EUR m)³										
CF from operations	5,600	6,453	2,954	2,780	8,523	3,019	8,667	8,571	9,025	9,530
Working capital	-227	-207	1,517	2,141	-374	-943	-1,590	400	-300	-500
CF from operating activities	5,373	6,246	4,471	4,921	8,149	2,076	7,077	8,971	8,725	9,030
Capital expenditure (incl. R&D)	-4,272	-4,103	-4,114	-3,409	-3,183	-428	-3,565	-4,775	-5,014	-5,114
Other	-145	4	297	-2,266	-2,358	-14	-2,160	-920	-970	-970
Free CF after investment	956	2,147	654	-754	2,608	1,634	1,352	3,276	2,742	2,946
BS - automobiles (EUR m)³										
Net cash/-debt	980	380	346	465	4,594	4,594	4,441	5,530	6,430	7,330
Intra-group receivables	-	6,845	8,185	8,272	5,690	5,690	6,404	-	-	-
Net cash (BMW definition)	-	7,354	9,046	8,962	11,286	11,286	12,388	-	-	-
SHFs	15,315	21,583	22,481	22,101	23,993	23,993	26,154	33,790	37,731	42,005
Profitability and financial ratios (%)										
Gross profit margin	17.9	16.5	11.4	10.5	18.0	18.0	21.1	20.0	21.0	22.0
EBIT margin	8.3	7.5	1.7	0.6	8.4	8.5	11.7	10.9	10.2	10.1
Adj. EBIT margin - full R&D	6.9	7.1	1.7	0.8	8.9	9.0	12.0	11.2	10.4	10.3
Pre-tax profit margin	8.4	6.9	0.7	0.8	8.0	8.0	10.7	10.3	9.7	9.7
Tax rate	30.3	19.1	6.0	49.2	33.1	33.2	33.5	34.8	33.8	34.9
Net profit margin	5.9	5.6	0.6	0.4	5.3	5.4	7.1	6.7	6.4	6.3
Pay-out ratio	16.0	22.2	60.7	96.8	26.4	30.9	30.9	32.8	33.5	33.6
Return on equity	15.0	14.4	1.6	1.1	16.3	16.1	24.3	23.9	22.9	22.9
Automobile division										
Unit sales ('000)	1,374.0	1,500.7	1,435.9	1,286.3	1,461.2	1,461.2	1,669.0	1,845.2	1,945.3	2,124.6
% change	3.5	9.2	-4.3	-10.4	13.6	13.6	14.2	10.6	5.4	9.2
Revenue (EUR m) ³	47,767	53,818	48,782	43,737	54,137	54,137	63,229	70,437	75,034	82,806
% change	4.2	12.7	-9.4	-10.3	23.8	23.8	16.8	11.4	6.5	10.4
EBITDA (EUR m)	6,214	7,018	4,257	3,237	8,117	8,117	11,041	11,201	11,451	12,287
Margin (%)	13.0	13.0	8.7	7.4	15.0	15.0	17.5	15.9	15.3	14.8
EBIT (EUR m)	3,055	3,450	690	-265	4,355	4,355	7,477	7,537	7,804	8,695
Margin (%)	6.4	6.4	1.4	-0.6	8.0	8.0	11.8	10.7	10.4	10.5
Profit before tax (EUR m)	3,012	3,232	318	-588	3,887	3,887	6,823	7,187	7,404	8,295
Margin (%)	6.3	6.0	0.7	-1.3	7.2	7.2	10.8	10.2	9.9	10.0

R=restated. (1) All classes of shares. (2) 602.0m ordinary and 53.6m preferred. (3) Automobile division since 2007, industrial operations (Auto+motorcycles+other) 2006. Source: Company data and CGI estimates

BMW Shares - our view

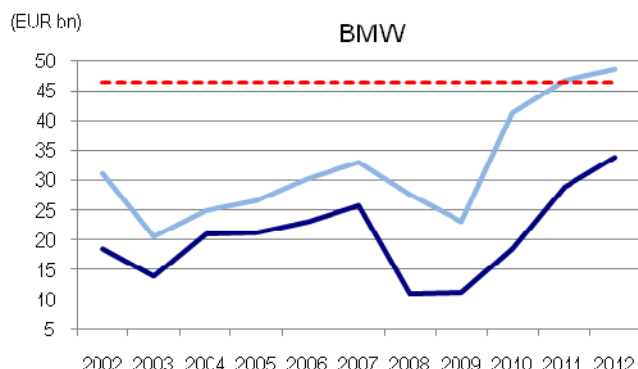
The current share price of EUR 72.65 is just 4.6% below all-time high

The current BMW share price of EUR 72.65 is just 4.6% below the all-time high of EUR 76.16 of January 28th, in line with highs in 2011 and 2012, and 43% higher than the pre-crisis high of EUR 50.73 in May 2007. BMW is besides VW the only OEM based in a mature economy that has been re-rated and is currently trading at a sharp premium to pre-crisis levels and is as such in uncharted territory

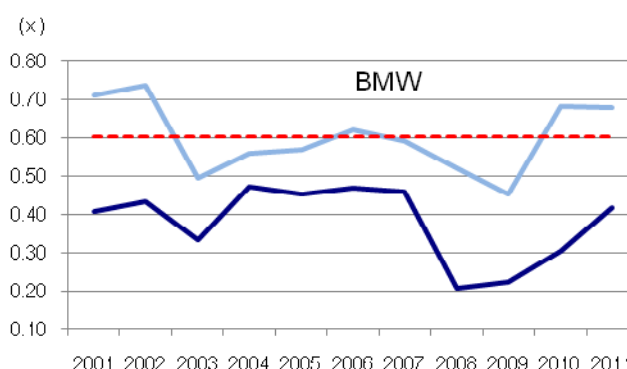
...and at a 20% discount to 10-yr average historic valuation

The current BMW share price of EUR 72.65 values BMW shares at 9.0x 2013E prospective earnings and at 8.4x prospective 2014E earnings; the latter is a 20% discount to the 10-year average historic valuation of 10.5x. This is inconsistent with the implication that our 2014E EPS estimates of EUR 8.63 are 16% above 2011's record EUR 7.45, 74% higher than the 5-year average of EUR 4.97 and 123% higher than the 10-year average of EUR 3.87.

BMW – Market capitalisation – historic range (2002-11) vs. current valuation



BMW – Price/revenue – historic range (2001-11) vs. current valuation (2012E)



BMW – Current valuation (price/revenue) put in context

	Historic average price/revenue (x)	Historic average price/revenue	Current valuation p/revenue 2012E (0.60x) vs. historic highs/lows (%)		Current valuation p/revenue 2013E (0.57x) vs. historic highs/lows (%)	
	10 years ¹	5 years ²	10-yr average	5-yr average	10-yr average	5-yr average
High	0.58	0.57	4.1	5.5	-1.8	-0.5
Low	0.34	0.29	74.5	107.5	64.5	95.7

(1) 2002-2011; (2) 2007-11. Source: Company data and CGI estimates

BMW – Historic valuation (1999-2011)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	10-yr average 2000-11 ¹	5-yr average 2005-11 ¹
EPS (EUR)	1.01	1.80	2.78	3.00	2.89	3.33	3.33	4.38	4.78	0.49	0.31	4.93	7.45	4.97	3.87
P/E-high	31.3	22.8	15.0	15.8	10.6	11.3	12.0	10.6	10.6	86.4	115.9	13.2	9.9	11.13	12.41
P/E-low	22.7	12.9	8.6	9.3	7.3	9.6	9.6	8.1	8.3	34.5	56.8	5.8	6.0	7.30	8.15
P/E-average	26.5	18.5	13.4	13.1	9.1	10.4	10.8	9.4	9.5	60.4	86.4	9.5	8.0	9.32	10.55

(1) Excl. 2008 & 09. Source: Company data and CGI estimates

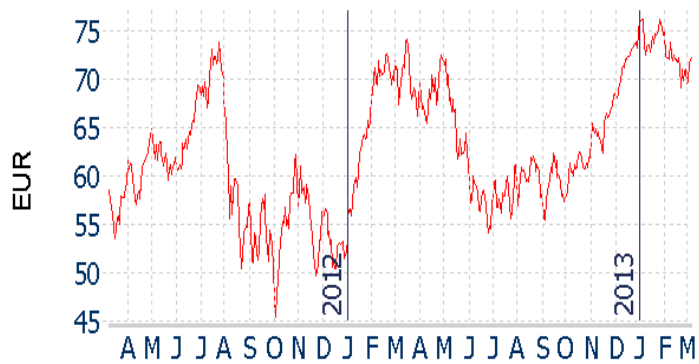
BMW – Current valuation (2004-2014E)

	2004	2005	2006	2007	2008	2009	2010	2011	2012E	2013E	2014E
BMW EPS (EUR)	3.33	3.33	4.38	4.78	0.49	0.31	4.93	7.45	7.92	8.07	8.63
Current BMW PE (x)	21.8	21.8	16.6	15.2	147.0	234.4	14.7	9.8	9.2	9.0	8.4
% vs. 5-yr high (11.1x)	96	96	49	37	NM	NM	32	-12	-18	-19	-24
% vs. 5-yr low (7.3x)	199	198	127	108	NM	NM	102	34	26	23	15
% vs. 5-yr average (9.3x)	134	134	78	63	NM	NM	58	5	-2	-3	-10
% vs. 10-yr high (12.4x)	76	76	34	22	NM	NM	19	-21	-26	-27	-32
% vs. 10-yr low (8.2x)	168	167	104	86	NM	NM	81	20	13	10	3
% vs. 10-yr average (10.5x)	107	107	57	44	NM	NM	40	-8	-13	-15	-20

Source: Company data and CGI estimates

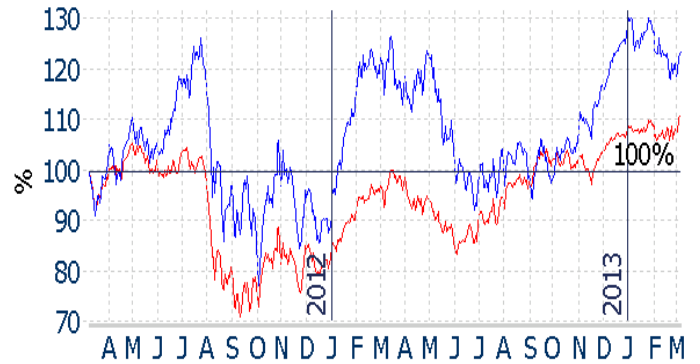
BMW – share price (- 2 years)

— BMW St. (XETRA)

**BMW vs. DAX 30 Index (- 2 years)**

— DAX

— BMW St. (XETRA)

**BMW – share price (- 5 years)**

— BMW St. (XETRA)

**BMW vs. DAX 30 Index (- 5 years)**

— DAX

— BMW St. (XETRA)



Appendix: BMW – model introduction schedule

BMW – Model introductions and segmentation (2007-14E)

BMW					Mini				
		Model	Version	Segmentation ¹			Model	Version	Segmentation ¹
March	2007	3-Series	Convertible	D+	July	2001	One*	Hatchback	B+
March		1-Series	5-door hatchback F/L	C+			Cooper*	Hatchback	B+
		5-Series	Saloon/Touring F/L	E+	March		2002	Cooper S	Hatchback
March/June		M5	Estate	E+	June	2003	One Diesel	Hatchback	B+
May		1-Series	3-door hatchback	C+		2004	One/Cooper	Convertible	B+
September		M3	Coupé	D+			Cooper S	Convertible	B+
September		6-Series	Coupé/Convertible F/L	E-S+	Nov/March	2006	Cooper/Cooper S	Hatchback	B+
November		1-Series	3-door coupé	C+	April	2007	One/Diesel	Hatchback	B+
March	2008	1-Series	Convertible	C+	November		Clubman	Estate	B+
May		M3	Saloon	D+	March	2009	One/Cooper/S	Convertible	B+
May		M3	Convertible	D+	September	2010	One/Cooper/S F/L	Hatchback	B+
April and May		X6	Sports-activity coupé	SUV+	September		Countryman	Small SUV	B-SV+
September		3-Series	Saloon/Touring F/L	D+	October	2011	Coupé	Coupé	B+
November		7-Series	Saloon*	L+	February	2012	Speedster	Roadster	B+
April	2009	X6M	Sports-activity coupé	SUV+	March		Cargo	Estate/van	B+
April		X5M	SAV	SUV+	Spring	2013	Paceman	B-SUV coupé	B+
May		Z4	Roadster	C-S+	Autumn		next generation	Hatchback/conv/clubman	B+
October		X1	Compact SAV*	C-SUV+	Rolls-Royce				
October		5-Series GT	Space-functional concept*	E-MPV+		2003	Phantom	Saloon	L++
March	2010	3-Series	Coupé/Convertible F/L	D+		2005	Phantom	Long-wheelbase	L++
March		5-Series	Saloon*	E+		2007	Drophead Coupé	Convertible	L-S++
May		X5	SAV F/L	SUV+		2008	Phantom Coupé	Coupé	L-S++
September		5-Series	Touring	E+		2009	Ghost	Smaller model Series	L++
September		5-Series	LWB (China only)	E+		2011	Ghost	Extended Wheelbase	L++
November		X3	mid-size SAV*	D-SUV+					
March	2011	1-Series	Coupé/Convertible F/L	C+					
March		6-Series	Convertible*	E-S+					
May		1-Series	M Coupé	C+					
September		6-Series	Coupé	S-E+					
September		1-Series	5-door hatchback*	C+					
November		M5	Saloon	E+					
February	2012	3-Series	Saloon*	D+					
March		5-Series	Active Hybrid 5	E+					
June		6 Gran Coupé	4-door coupé on 6-Series	E+					
June		X6	Sports-activity coupé F/L	SUV+					
July		7-Series	Saloon F/L	L+					
July		X1	Compact SAV F/L	C-SUV+					
August		3-Series	LWB (China only)	D+					
September		3-Series	Active Hybrid 3	D+					
September		3-Series	Touring	D+					
September		1-Series	3-door hatchback	C+					
September		M6	Coupé/Convertible	E-S+					
		5-Series GT	Space-functional concept F/L	E-MPV+					
Spring	2013	3-Series GT	Space-functional concept*	D-MPV+					
		M6 Gran Coupé	4-door coupé on 6-Series	E+					
		X3	mid-size SAV* F/L	D-SUV+					
		Z4	Roadster F/L	D-S+					
		4-Series	Coupé on 3-Series	D+					
		5-Series	Saloon/Touring F/L	E+					
		i3	Megacity (BEV)	C-MPV+					
		X5	SAV*	SUV+					
		i8	Vision Efficient Dynamics (PIEV)	E-S+					
	2014	M3	Saloon	D+					
		4-Series	Convertible on 3-Series	D+					
		M4	Coupé	D+					
		X4	Sports-activity coupé*	D-SUV+					
		2-Series	Coupé on 1-Series	C+					
		Activity Tourer	FWD MPV	C-MPV+					
		2-Series	Convertible on 1-Series	C+					
		4 Gran Coupe	4-door coupé on 3-Series	D+					

(*) New generation. F/L=facelift; (1) Segmentation – a) size related: B = small, subcompact; C = lower-medium, compact; D = upper-medium, midsize; E = executive; L=large, full-size; b) body-style related: S=sporty, MPV, SUV; c) market status related: '+' - premium; ++ - 'super-premium'. Source: Company data and CGI estimates

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