Creative Global Investments

Monday, November 2nd 2015

Sabine CJ Blümel
Automotive Research

Creative Global Advisers (UK) LLP

sblumel@cg-inv.com
Tel +44 7785 301 588

Creative Global Investments LLC
115 East 57th Street
11th Floor
New York, NY 10022
Tel 212 939 7256

Creative Global Investments/Europe
5, op der Heed
L-1709 Senningerberg
Luxembourg
Tel +352 2625 8640

Objectivity

Integrity

Creativity

BMW (EUR 93) – BUY

3Q15E preview (Tuesday, November 3rd)

Our 3Q15E EBIT estimates are EUR 1.67bn/8.3% for the Automotive segment and EUR 2.20bn/9.8% for the group. In 2015E-17E, we expect EPS to grow at a CAGR of 5.9% and reach EUR 10.49 in FY17E. Our new YE16 target price of EUR 110 implies a 19% upside potential for BMW shares.

3Q15E group: we expect that a 14.3% yoy increase in revenue to EUR 22.41bn resulted in a 2.3% yoy decline in **EBIT to EUR 2.20bn/9.8% and increases of 4.4% in PBT to EUR 2.10bn/9.4% and 5.6% in net profit to EUR 1.38bn.** (See pp.3-4.)

3Q15E EBIT at the Auto segment of EUR 1.67bn is in line with 3Q14's results and implies a margin decline to 8.3% from 9.4%. This is despite a reported 8.5% yoy increase **in fully consolidated retail sales to 476.5k units** (incl. 44.0k cars imported to China) and a **positive currency effect**. **Negatives** include a 1) **worse product mix** (higher share of FWD models and ageing line-up of RWD models); 2) costs related to the **renewal** of the **7-Series and X1;** 3) **negative pricing**; 4) a considerable **deterioration in trading conditions in China;** and 5) **costs related to 'Strategy Number One'.** (See pp.5-8 for details.)

FY15E outlook: we expect a 5.5% increase in EPS to EUR 9.32. At Autos we expect flat earnings and a margin deterioration by 1.0%-point. Forex is set to be a positive of at least EUR 0.5bn, almost balancing an incremental net burden from 'SNO'. The model momentum should continue to deteriorate and the share of FWDs to grow during for the remainder of the year. This is further exacerbated by a deteriorating trading environment in China and negative pricing of up to 100 bpts.

For 2016E-17E, we expect EPS to grow 6.5% (EUR 9.93) and 5.6% (EUR 10.49) respectively. Expected driving forces are an improving model momentum and tailwinds from currency through enhanced hedging opportunities to peak in 2016E. **We forecast that Autos will operate at the middle, rather than at the top end of its 8-10% profitability target range.** (See pp.10-15.)

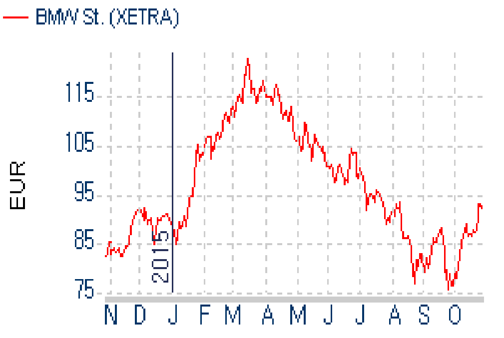
Investment opinion - BUY: Based on historic P/E valuation, we calculate a target price of EUR 110 for YE16E. This implies a 19% upside potential from the current share price. The chart technical outlook is positive and the next levels of minor resistance around EUR 93 and EUR 96 should not prevent BMW shares to test their 200-day moving average around EUR 98. (See pp.15-16.)

BMW– share summary (2013-17E)

Current price (EUR)	93.09				
Market cap.(EUR bn)	60.00				
December YE	**2013**	**2014**	**2015E**	**2016E**	**2017E**
EPS (EUR)	8.10	8.83	9.32	9.93	10.49
CFPS (EUR)	4.01	5.28	16.88	17.79	18.66
BVPS (EUR)	54.3	57.0	51.3	57.8	63.8
DPS (EUR)	2.60	2.90	3.20	3.40	3.60
Free CFPS (EUR)	2.93	5.35	4.38	4.94	5.91
P/E (x)	12.6	11.5	10.0	9.4	8.9
PCF (x)	25.4	19.3	5.5	5.2	5.0
Price/BV (x)	1.9	1.8	1.8	1.6	1.5
P/revenue (x)	0.86	0.81	0.67	0.63	1.93
Dividend yd (%)	2.6	2.8	3.4	3.6	3.9
Free CF yd (%)	2.9	5.3	4.7	5.3	6.3

Share price 10.30.2015. Source: Company data and CGI estimates

BMW – share price (-1year)



Source: Euroland

Contents

Timetable – 3Q15 results for BMW

Company	Owned by	Sub-sector	Country	Currency	Date	Results	Press Conference	Analyst/Investor CF Call
BMW	-	OEM	D	EUR	Tue, 3rd Nov	07:30 CET	10:00 CET	14:00 CET

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

Group results - 3Q/FY15E

BMW – Group results (1Q12-FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15A	3Q15E	4Q15E	FY15E
(EUR m)										
Revenue	18,235	19,905	19,600	22,661	80,401	20,917	23,935	22,409	23,012	90,274
EBIT[1]	**2,090**	**2,603**	**2,256**	**2,169**	**9,118**	**2,521**	**2,525**	**2,204**	**2,372**	**9,440**
Financial income	76	57	-243	-301	-411	-252	57	-102	-108	-405
Pre-tax profit	**2,166**	**2,660**	**2,013**	**1,868**	**8,707**	**2,269**	**2,582**	**2,102**	**2,081**	**9,035**
Less tax charge	704	889	699	598	2,890	753	833	716	596	2,897
Profit after tax	**1,462**	**1,771**	**1,314**	**1,270**	**5,817**	**1,516**	**1,749**	**1,387**	**1,485**	**6,137**
Minorities	4	6	7	2	19	4	6	7	3	20
Net profit	**1,458**	**1,765**	**1,307**	**1,268**	**5,798**	**1,512**	**1,743**	**1,380**	**1,482**	**6,117**
Margin (%)										
EBIT[1]	11.5	13.1	11.5	9.6	11.3	12.1	10.5	9.8	10.3	10.5
Pre-tax profit	11.9	13.4	10.3	8.2	10.8	10.8	10.8	9.4	9.0	10.0
Tax rate (%)	*32.5*	33.4	34.7	*32.0*	*33.2*	33.2	32.3	34.0	28.6	32.1
Net profit	8.0	8.9	6.7	5.6	7.2	7.2	7.3	6.2	6.4	6.8

(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

BMW – Management guidance 2015* (of May 6th)	BMW – Management guidance 2015* (of August 4th)
Group	**Group**
Solid increase of BMW Group EBT compared to previous year.	Solid increase of BMW Group EBT compared to previous year.
Automotive segment	**Automotive segment**
• Solid increase in vehicle deliveries and revenues compared to previous year. • EBIT margin in target range of 8-10%.	• Solid increase in vehicle deliveries compared to previous year • Significant increase in revenue compared to the previous year • EBIT margin in target range of 8-10%.
Segment Financial Services	**Segment Financial Services**
Return on equity of at least 18%, on par with previous year.	Return on equity of at least 18%, on par with previous year.
Segment Motorcycles	**Segment Motorcycles**
Solid rise in deliveries compared with previous year.	Solid rise in deliveries compared with previous year.

(*) Subject to stable economic conditions. Source: Company data

Model introduction schedule

BMW – Model introductions and segmentation (2015E)

	Model	Version	Segmentation[1]
	BMW		
February '15	2-Series	Convertible on 1-Series	C+
March	X5 M	SAV	SUV+
March	X6 M	Sports-activity coupé	SUV+
March	6-Series F/L	Coupé, convertible, gran coupé	E+
March	M6 F/L	Coupé, convertible, gran coupé	E-S+
March	1-Series F/L	3-/5-door hatchback	C+
June	2-Series Gran Tourer	FWD MPV 7-seater	C-MPV+
July	3-Series, M3	Saloon/estate F/L	D+
October	X5 eDRIVE	SAV	SUV+
October	X1*	Compact SAV* (FWD/AWD)	C-SUV+
October	7-Series	Saloon*	L+
	Mini		
April '15	John Cooper Works	high performance version	B++
October	Clubman	5-door hatch	B+

(*) 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

BMW – P&L by division (1Q14-FY15E)

(EUR m)	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15E	4Q15E	FY15E
Revenue										
Automotive	**16,559**	**18,504**	**18,142**	**21,968**	**75,173**	**18,893**	**21,650**	**20,174**	**23,101**	**83,818**
Motorcycles	472	528	370	309	1,679	567	622	407	268	1,864
Financial Services	4,890	5,155	5,221	5,333	20,599	6,058	6,154	6,109	4,544	22,865
Other[1]	2	2	2	2	7	2	1	2	0	5
Eliminations	-3,688	-4,283	-4,135	-4,951	-17,057	-4,603	-4,492	-4,282	-4,901	-18,278
Group	**18,235**	**19,906**	**19,600**	**22,661**	**80,401**	**20,917**	**23,935**	**22,409**	**23,012**	**90,274**
EBIT										
Automotive	**1,580**	**2,161**	**1,697**	**1,806**	**7,244**	**1,794**	**1,819**	**1,674**	**1,879**	**7,166**
Motorcycles	64	55	27	-34	112	115	112	55	-25	257
Financial Services	465	459	456	376	1,756	555	503	495	393	1,946
Other	10	16	31	14	71	40	94	0	16	150
Eliminations	-29	-88	45	7	-65	17	-3	-20	-74	-80
Group	**2,090**	**2,603**	**2,256**	**2,169**	**9,118**	**2,521**	**2,525**	**2,204**	**2,189**	**9,440**
EBIT margin (%)										
Automotive	**9.5**	**11.7**	**9.4**	**8.2**	**9.6**	**9.5**	**8.4**	**8.3**	**8.1**	**8.6**
Motorcycles	13.6	10.4	7.3	-11.0	6.7	20.3	18.0	13.5	-9.3	13.8
Financial Services	9.5	8.9	8.7	7.1	8.5	9.2	8.2	8.1	8.6	8.5
Group	**11.5**	**13.1**	**11.5**	**9.6**	**11.3**	**12.1**	**10.5**	**9.8**	**9.5**	**10.5**
Financial Income										
Automobiles	**63**	**89**	**-267**	**-243**	**-358**	**-160**	**25**	**-100**	**-115**	**-350**
Motorcycles	-1	-1	-1	-2	-5	-1	0	-1	-3	-5
Financial Services	-5	-1	-1	-26	-33	4	-7	-1	-46	-50
Other	47	9	32	-5	83	-63	50	10	3	0
Eliminations	-28	-39	-6	-25	-98	-32	-11	-10	53	0
Group	**76**	**57**	**-243**	**-301**	**-411**	**-252**	**57**	**-102**	**-108**	**-405**
Pre-tax profit										
Automotive	**1,643**	**2,250**	**1,430**	**1,563**	**6,886**	**1,634**	**1,844**	**1,574**	**1,764**	**6,816**
Motorcycles	63	54	26	-36	107	114	112	54	-28	252
Financial Services	460	458	455	350	1,723	559	496	494	347	1,896
Other	57	25	63	9	154	-23	144	10	19	150
Eliminations	-57	-127	39	-18	-163	-15	-14	-30	-21	-80
Group	**2,166**	**2,660**	**2,013**	**1,868**	**8,707**	**2,269**	**2,582**	**2,102**	**2,081**	**9,035**
Pre-tax margin (%)										
Automotive	**9.9**	**12.2**	**7.9**	**7.1**	**9.2**	**8.6**	**8.5**	**7.8**	**7.6**	**8.1**
Motorcycles	13.3	10.2	7.0	-11.7	6.4	20.1	18.0	13.3	-10.4	13.5
Financial Services	9.4	8.9	8.7	6.6	8.4	9.2	8.1	8.1	7.6	8.3
Group	**11.9**	**13.4**	**10.3**	**8.2**	**10.8**	**10.8**	**10.8**	**9.4**	**9.0**	**10.0**
Less tax charge										
Automotive	**534**	**753**	**499**	**579**	**2,365**	**551**	**596**	**527**	**575**	**2,249**
Motorcycles	20	17	8	-11	34	37	37	17	-9	82
Financial Services	143	143	141	98	525	175	147	153	132	607
Other	23	20	38	-32	49	-6	50	5	-49	0
Eliminations	-16	-44	13	-36	-83	-4	3	13	-53	-41
Group	**704**	**889**	**699**	**598**	**2,890**	**753**	**833**	**716**	**596**	**2,897**
Profit after tax										
Automotive	**1,109**	**1,497**	**931**	**984**	**4,521**	**1,083**	**1,248**	**1,047**	**1,189**	**4,567**
Motorcycles	43	37	18	-25	73	77	75	37	-19	170
Financial Services	317	315	314	252	1,198	384	349	341	215	1,289
Other	34	5	25	41	105	-17	94	5	68	150
Eliminations	-41	-83	26	18	-80	-11	-17	-43	32	-39
Group	**1,462**	**1,771**	**1,314**	**1,270**	**5,817**	**1,516**	**1,749**	**1,387**	**1,485**	**6,137**
Tax rate (%)										
Automotive	**32.5**	**33.5**	**34.9**	**37.0**	**34.3**	**33.7**	**32.3**	**33.5**	**32.6**	**33.0**
Motorcycles	31.7	31.5	30.8	30.6	31.8	32.5	33.0	31.5	32.5	32.5
Financial Services	31.1	31.2	31.0	28.0	30.5	31.3	29.6	31.0	37.9	32.0
Group	**32.5**	**33.4**	**34.7**	**32.0**	**33.2**	**33.2**	**32.3**	**34.0**	**28.6**	**32.1**

Source: Company data and CGI estimates

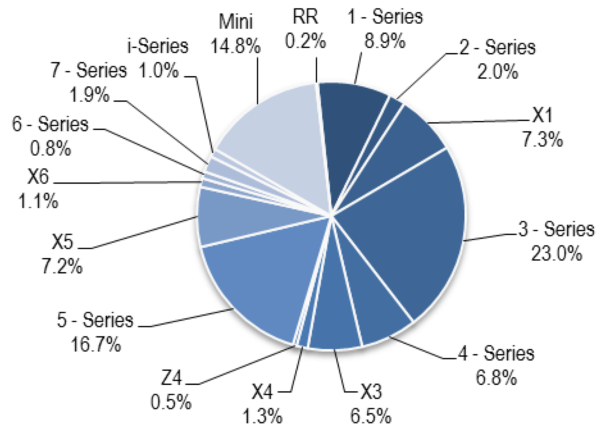
Automotive segment – 3Q/FY15E

BMW – Auto - results, deliveries and production (1Q14-FY15E)

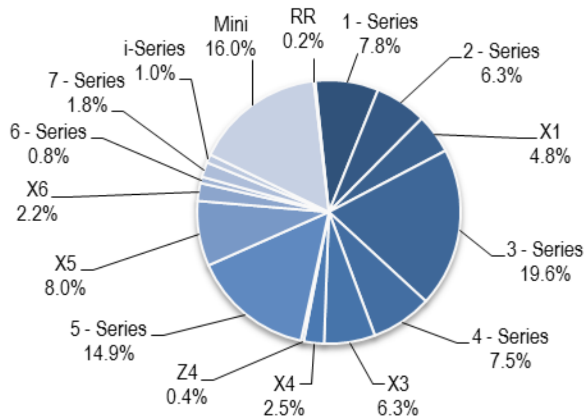
	1Q14	2Q14	3Q14	4Q14	FY14	1Q15A	2Q15	3Q15E	4Q15E	FY15E
(EUR m)										
Revenue	**16,559**	**18,504**	**18,142**	**21,968**	**75,173**	**18,893**	**21,650**	**20,174**	**23,101**	**83,818**
% change yoy	4.1	1.7	5.5	13.7	6.4	14.1	17.0	11.2	5.2	11.5
Gross profit	**3,119**	**3,758**	**3,301**	**3,774**	**13,952**	**3,385**	**3,654**	**3,301**	**4,915**	**15,255**
Gross margin (%)	18.8	20.3	18.2	17.2	18.6	17.9	16.9	16.4	21.3	18.2
EBIT[1]	**1,580**	**2,161**	**1,697**	**1,806**	**7,244**	**1,794**	**1,819**	**1,674**	**1,879**	**7,166**
EBIT margin (%)	**9.5**	**11.7**	**9.4**	**8.2**	**9.6**	**9.5**	**8.4**	**8.3**	**8.1**	**8.6**
Net financial result	63	89	-267	-243	-358	-160	25	-100	-115	-350
- China JV net profit share	225	201	170	60	658	128	120	95	40	420
Pre-tax profit	**1,643**	**2,250**	**1,430**	**1,563**	**6,886**	**1,634**	**1,844**	**1,574**	**1,764**	**6,816**
Unit revenue (%-yoy)	-4.2	-3.5	-0.3	2.0	0.0	5.5	8.9	4.0	1.2	3.4
Cons. unit revenue (%-yoy)	-0.7	-0.2	2.8	5.4	2.0	6.6	7.7	2.5	0.7	9.0
Units ('000)										
Deliveries[3]	**487.0**	**533.2**	**509.7**	**588.1**	**2,118.0**	**526.7**	**573.1**	**545.1**	**610.8**	**2,255.6**
% change yoy	8.7	5.3	5.8	11.5	7.9	8.1	7.5	6.9	3.9	6.5
Deliveries – cons. comps[2]	**424.5**	**463.2**	**439.0**	**515.3**	**1,842.1**	**454.5**	**503.0**	**476.5**	**537.8**	**1,971.8**
% change yoy	4.8	1.9	2.6	7.8	4.4	7.1	8.6	8.5	4.4	7.0
Production	**519.9**	**552.8**	**545.9**	**547.0**	**2,165.6**	**556.3**	**557.0**	**567.7**	**609.7**	**2,290.6**
% change yoy	7.8	6.3	5.0	12.9	7.9	7.0	0.8	4.0	11.5	5.8
Over-production	**32.9**	**19.6**	**36.2**	**-41.1**	**47.6**	**29.6**	**-16.1**	**22.7**	**-1.2**	**35.0**

Note: 3Q13 retail sales were announced on October 12th. (1) In BMW accounts, EBIT refers to 'profit before financial results' and thus also excludes results from equity accounted investments. (2) See tables for retail sales by model and markets pp.9-10. Source: Company data and CGI estimates

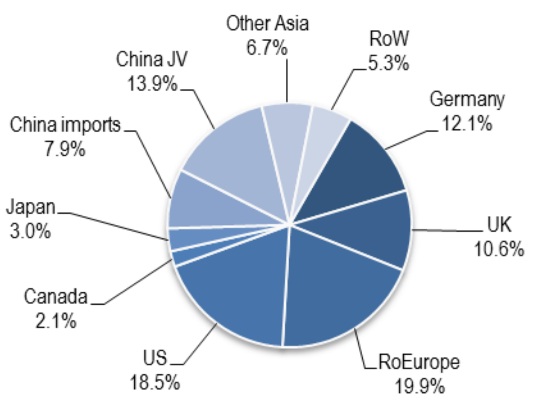
BMW – Model-mix retail sales[1] (3Q14)



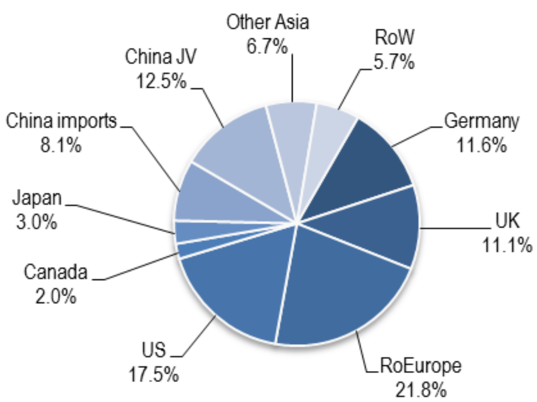
BMW – Model-mix retail sales[1] (3Q15)



BMW – Geographic split retail sales (3Q14)



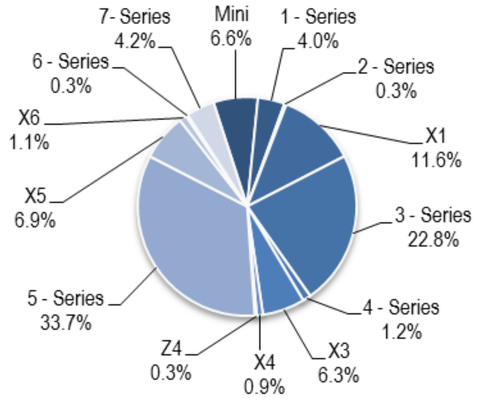
BMW – Geographic split retail sales (2Q15)



(1) Incl. BBA sales in China. Source: Company data and CGI calculations

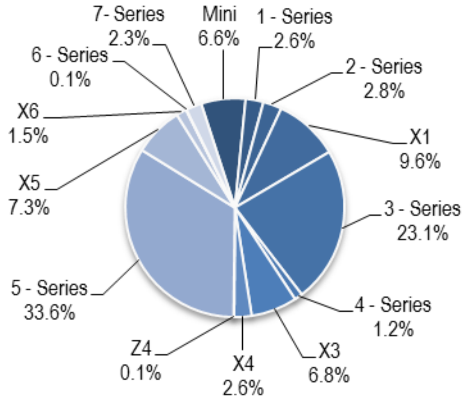
(1) Incl. BBA sales in China. Source: Company data and CGI calculations

BMW – Model-mix mainland China (3Q14)



Source: Company data and CGI calculations

BMW – Model-mix mainland China (3Q15)



Source: Company data and CGI calculations

BMW – Mainland China – sales & production (1Q14-FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15E	4Q15E	FY15E
Units ('000)										
China sales	**108.1**	**117.3**	**111.0**	**120.2**	**456.7**	**115.1**	**115.7**	**111.9**	**120.4**	**463.1**
Imports	45.6	47.3	40.4	47.5	180.8	42.9	45.0	44.0	47.4	179.3
Sale of local products	**62.5**	**70.0**	**70.6**	**72.8**	**275.9**	**72.2**	**70.1**	**68.6**	**73.0**	**283.8**
Import ratio (%)	*42.2*	*40.3*	*36.4*	*39.5*	*39.6*	*37.3*	38.9	39.3	39.4	38.7
%-change										
China sales	**25.4**	**21.0**	**8.4**	**13.3**	**16.6**	**6.4**	**-1.4**	**0.8**	**0.2**	**1.4**
Imports	6.3	4.9	-17.0	-15.9	-6.4	-6.0	-5.0	8.9	-0.1	-0.9
Sale of local products	**44.3**	**35.1**	**31.4**	**46.5**	**39.0**	**15.5**	**0.1**	**-2.9**	**0.3**	**2.9**

Source: Company data and CGI estimates.

BMW – Automotive CF (1Q14-FY15E)

(EUR m)	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15E	4Q15E	FY15E
Net profit	**1,109**	**1,497**	**931**	**1,563**	**4,521**	**1,083**	**1,248**	1,047	1,764	4,567
Depreciation	**935**	**1,001**	**1,178**	**1,116**	**4,230**	**1,083**	**1,103**	1,024	1,120	4,330
Depr /chage leased prods.	-6	12	5	4	15	3	0	8	-1	10
Gross CF	**2,038**	**2,504**	**2,120**	**2,104**	**8,766**	**2,169**	**2,348**	**2,082**	**2,308**	**8,907**
Change in provisions	327	-142	79	770	1,034	144	-68	24	200	300
Other	695	-119	-366	-35	175	431	371	-52	-350	400
CF from operations	**3,060**	**2,249**	**1,822**	**2,839**	**9,975**	**2,744**	**2,654**	**2,043**	**2,158**	**9,607**
WCR	-918	-889	-181	1,436	-552	-914	354	-890	950	-500
CF- operating activities	**2,142**	**1,360**	**1,646**	**4,275**	**9,423**	**1,830**	**3,008**	**1,161**	**3,108**	**9,107**
Capital expenditure	-1,227	-1,321	-1,407	-2,066	-6,021	-785	-1,398	-1,467	-2,321	-5,971
Other	-202	257	161	-31	185	-912	536	326	-150	-200
CF - investment activities	**-1,429**	**-1,064**	**-1,246**	**-2,097**	**-5,836**	**-1,697**	-862	-1,141	-2,471	-6,171
Free CF	**713**	**296**	**400**	**2,178**	**3,587**	**133**	**2,146**	**20**	**637**	**2,936**
Net inv. in marketable sec	*219*	*-196*	*-122*	*-7*	-106	927	-649	-478	100	-100
***Adj. FCF*[1]**	***932***	***100***	***278***	**2,171**	**3,481**	**1,060**	**1,497**	**-458**	**737**	**2,836**
Dividends	0	-1,707	0	0	-1,707	0	-1,904	0	0	-1,904
Other application	-1,279	1,051	-1,621	-3,293	-5,142	-5,552	2,249	480	1,863	-960
Net debt increase/-decrease	566	360	1,221	1,115	3,262	5,419	-2,491	-500	-2,500	-72
Net cash (calculated)	**6,631**	**6,271**	**5,050**	**3,935**	**3,935**	**-1,484**	**1,007**	**1,507**	**4,007**	**4,007**
Intra-group net receivables	6,365	5,215	7,040	10,288	10,288	16,521	12,588	-	-	-
Net sales - BMW definition	**12,996**	**11,486**	**12,090**	**14,223**	**14,223**	**15,037**	**13,595**	-	--	

Source: Company data and CGI estimates.

BMW Auto – Retail sales by model series (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15E	4Q15E	FY15E
Units ('000)										
- 1 - Series	50.2	47.6	45.2	47.0	190.0	41.5	44.5	45.9	48.6	180.5
- 2 – Series[1] (incl. Active Tourer)	2.6	8.5	10.0	20.0	41.0	27.9	36.4	45.8	67.9	178.0
- X1	43.3	36.1	37.4	39.7	156.5	30.4	27.8	24.0	39.8	122.0
- 3 – Series[2] (incl. GT)	116.7	119.6	116.8	127.1	480.2	107.3	112.1	112.3	129.3	461.0
- 4 – Series	17.7	29.3	34.8	37.7	119.6	36.5	42.8	34.8	23.4	137.5
- X3	40.1	42.7	33.2	34.9	150.9	30.5	35.9	33.7	35.7	135.8
- X4	0.0	0.4	6.8	14.5	21.7	13.9	14.2	12.8	14.1	55.0
- Z4	3.0	3.2	2.4	2.2	10.8	2.5	2.0	1.7	1.7	7.9
- 5 – Series[2] (incl. GT)	91.6	102.0	84.9	94.6	373.1	88.6	85.6	84.6	88.1	346.9
- X5	31.0	37.3	36.7	42.4	147.4	40.2	45.7	39.8	40.8	166.5
- X6	9.2	8.9	5.4	6.9	30.2	9.6	12.5	10.7	6.5	39.3
- 6 - Series	8.2	5.5	4.5	5.8	24.0	7.0	4.4	3.8	6.4	21.6
- 7 - Series	12.7	13.7	9.9	12.2	48.5	8.8	10.5	5.9	9.3	34.4
- i3	2.0	3.4	5.1	7.3	17.8	6.6	5.9	8.0	6.2	26.8
BMW brand	**428.3**	**458.1**	**433.1**	**492.2**	**1,811.7**	**451.6**	**480.5**	**463.7**	**517.6**	**1,913.4**
Mini brand	**57.9**	**74.0**	**75.6**	**94.7**	**302.2**	**74.3**	**91.6**	**80.5**	**92.0**	**338.4**
Rolls-Royce	**0.9**	**1.1**	**0.9**	**1.2**	**4.1**	**0.8**	**1.0**	**0.8**	**1.2**	**3.8**
Group	**487.0**	**533.2**	**509.7**	**588.1**	**2,118.0**	**526.7**	**573.1**	**545.1**	**610.8**	**2,255.6**
%-change yoy										
- 1 - Series	-6.9	-14.6	-15.3	-7.0	-11.0	-17.2	-6.6	1.4	3.5	-5.0
- 1 & 2 – Series	-2.1	0.5	3.4	32.6	8.2	31.6	44.1	65.9	74.1	55.2
- X1	14.8	-12.8	0.0	-11.5	-3.0	-29.6	-23.0	-35.7	0.1	-22.0
- 3 – Series	6.7	-6.8	-8.8	-5.5	-4.0	-8.0	-6.3	-4.3	2.2	-4.0
- 3 & 4 – Series	22.9	16.0	17.6	11.0	16.4	7.0	4.0	-3.2	-7.2	-0.2
- X3	10.9	2.2	-7.8	-19.5	-4.1	-23.9	-15.9	1.5	2.3	-10.0
- Z4	0.8	-24.5	-22.8	-13.4	-16.0	-15.9	-36.7	-30.0	-24.7	-27.0
- 5 – Series	6.8	8.4	-6.8	-1.6	1.7	-3.3	-16.0	-0.4	-6.8	-7.0
- X5	13.8	46.8	43.4	46.2	37.4	29.7	22.8	8.3	-3.7	13.0
- X6	-6.2	-3.5	-34.9	-27.8	-17.6	4.7	41.3	100.4	-5.8	30.0
- 6 - Series	33.2	-29.7	-29.1	-21.5	-13.4	-15.2	-19.9	-10.0	6.0	-10.0
- 7- Series	2.3	-6.8	-35.4	-9.8	-13.4	-30.5	-23.2	-40.8	-24.3	-29.0
BMW brand	**12.3**	**8.3**	**6.9**	**10.5**	**9.5**	**5.4**	**4.9**	**7.0**	**5.2**	**5.6**
Mini brand	**-12.5**	**-10.4**	**0.2**	**17.2**	**-0.9**	**28.4**	**23.8**	**6.4**	**-2.8**	**12.0**
Rolls-Royce	**39.7**	**28.6**	**8.0**	**-9.5**	**11.9**	**-12.9**	**-7.7**	**-6.3**	**-2.4**	**-7.0**
Group	**8.7**	**5.3**	**5.8**	**11.5**	**7.9**	**8.1**	**7.5**	**6.9**	**3.9**	**6.5**
Share (%)										
- 1 - Series	10.3	8.9	8.9	8.0	9.0	7.9	7.8			0.0
- 2 - Series	0.5	1.6	2.0	3.4	1.9	5.3	6.3	8.4	8.0	8.0
- X1	8.9	6.8	7.3	6.8	7.4	5.8	4.8	8.4	11.1	7.9
- 3 - Series	24.0	22.4	22.9	21.6	22.7	20.4	19.6	4.4	6.5	5.4
- 4 - Series	3.6	5.5	6.8	6.4	5.6	6.9	7.5	20.6	21.2	20.4
- X3	8.2	8.0	6.5	5.9	7.1	5.8	6.3	6.4	3.8	6.1
- X4		0.1	1.3	2.5	1.0	2.6	2.5	6.2	5.8	6.0
- Z4	0.6	0.6	0.5	0.4	0.5	0.5	0.4	2.3	2.3	2.4
- 5 - Series	18.8	19.1	16.7	16.1	17.6	16.8	14.9	0.3	0.3	0.3
- X5	6.4	7.0	7.2	7.2	7.0	7.6	8.0	15.5	14.4	15.4
- X6	1.9	1.7	1.1	1.2	1.4	1.8	2.2	7.3	6.7	7.4
- 6 - Series	1.7	1.0	0.9	1.0	1.1	1.3	0.8	2.0	1.1	1.7
- 7 - Series	2.6	2.6	1.9	2.1	2.3	1.7	1.8	0.7	1.0	1.0
- i3	0.4	0.6	1.0	**1.2**	**0.8**	**1.3**	**1.0**	1.1	1.5	1.5
BMW brand	**87.9**	**85.9**	**85.0**	**83.7**	**85.5**	**85.7**	**83.8**	**1.5**	**1.0**	**1.2**
Mini brand	**11.9**	**13.9**	**14.8**	**16.1**	**14.3**	**14.1**	**16.0**	**85.1**	**84.7**	**84.8**
Rolls-Royce	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.1**	**0.2**	**14.8**	**15.1**	**15.0**
Group	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Note: 3Q15 retail sales were announced on October 12th (1) 2-Series incl. Active Tourer since 3Q14; (2) 3-Series incl. 3-Series GT since 3Q13; (3) 5-Series incl. 5-Series GT. Source: Company data and CGI estimates

BMW Auto – Retail sales by region (1Q14 – FY15E)

	1Q14	2Q14	3Q14	4Q14	FY14	1Q15	2Q15	3Q15E	4Q15E	FY15E
Units ('000)										
- Germany	62.5	71.8	63.8	74.3	272.3	64.6	73.2	63.2	79.5	280.5
- UK	46.5	49.7	54.2	54.7	205.1	53.5	57.3	60.4	58.4	229.7
- Other Europe	105.2	110.5	99.2	122.2	437.2	116.7	123.1	118.9	127.9	486.7
Europe	**214.2**	**232.0**	**217.2**	**251.2**	**914.6**	**234.8**	**253.6**	**242.6**	**265.8**	**996.9**
- US	81.2	100.3	95.0	120.5	397.0	91.5	107.9	95.5	121.9	416.8
- Canada	8.2	9.3	10.5	10.2	38.3	7.9	12.5	10.9	11.2	42.5
North America	**89.5**	**109.6**	**105.5**	**130.7**	**435.2**	**99.4**	**120.5**	**106.4**	**133.1**	**459.3**
- Japan	**18.9**	**11.7**	**15.4**	**18.0**	**64.0**	**17.1**	**13.5**	**16.5**	**19.7**	**70.2**
- Mainland China	108.1	117.3	111.0	120.2	456.7	115.1	115.7	111.9	120.4	463.1
- o/w imports	*45.6*	*47.3*	*40.4*	*47.5*	*180.8*	*42.9*	*45.0*	*44.0*	*47.4*	*179.3*
- o/w JV	*62.5*	*70.0*	*70.6*	*72.8*	*275.9*	*72.2*	*70.7*	*67.9*	*73.0*	*283.8*
- Other Asia	31.5	34.3	34.4	37.4	137.6	34.5	41.3	36.5	35.9	144.8
Asia	**158.6**	**163.3**	**160.8**	**175.7**	**658.4**	**166.7**	**170.4**	**164.9**	**176.1**	**678.1**
Rest of World	**24.8**	**28.3**	**26.2**	**30.6**	**109.8**	**25.8**	**28.6**	**31.2**	**35.8**	**121.3**
World	**487.0**	**533.2**	**509.7**	**588.1**	**2,118.0**	**526.7**	**573.1**	**545.1**	**610.8**	**2,255.6**
World – cons. comps.	**424.5**	**463.2**	**439.0**	**515.3**	**1,842.1**	**454.5**	**502.3**	**477.1**	**537.8**	**1,971.8**
%-change yoy										
- Germany	-1.4	2.5	9.1	10.3	5.1	3.4	2.0	2.6	7.0	3.0
- UK	1.8	1.9	3.3	29.5	8.4	15.1	15.3	11.4	6.9	12.0
- Other Europe	7.2	-0.2	5.7	12.7	6.3	10.9	11.4	17.3	4.7	11.3
Europe	**3.4**	**1.1**	**6.0**	**15.2**	**6.4**	**9.6**	**9.3**	**11.7**	**5.8**	**9.0**
- US	2.7	6.6	6.0	5.8	5.4	12.6	7.1	1.1	1.2	5.0
- Canada	-7.6	0.3	13.0	-0.6	1.3	9.0	22.0	3.2	9.5	11.0
North America	**1.6**	**6.1**	**6.6**	**5.2**	**5.0**	**12.3**	**8.5**	**1.3**	**1.8**	**5.5**
- Japan	26.2	-27.1	-1.1	2.1	-0.3	-9.4	15.3	7.4	9.5	9.7
- China	**25.4**	**21.0**	8.4	13.3	16.6	6.4	-1.4	0.8	0.2	1.4
- o/w imports	*6.3*	*4.9*	*-17.0*	*-15.9*	*-6.4*	*-6.0*	*-5.0*	*8.9*	*-0.1*	*-0.9*
- o/w JV	*44.3*	*35.1*	*31.4*	*46.5*	*39.0*	*15.5*	*1.0*	*-3.8*	*0.3*	*2.9*
- Other Asia	8.7	15.4	8.0	16.3	12.1	9.4	20.1	6.2	-4.0	5.2
Asia	**21.8**	**14.4**	**7.3**	**12.7**	**13.8**	**5.1**	**4.3**	**2.6**	**0.2**	**3.0**
Rest of World	**9.0**	**-8.2**	**-6.8**	**3.4**	**-1.3**	**0.1**	**6.4**	**15.9**	**18.1**	**10.5**
World	**8.7**	**5.3**	**5.8**	**11.5**	**7.9**	**8.1**	**7.5**	**6.9**	**3.9**	**6.5**
World – cons. comps.	**4.8**	**1.9**	**2.6**	**7.8**	**4.4**	**7.1**	**8.5**	**8.6**	**4.4**	**7.0**
Share (%)										
- Germany	12.8	13.5	12.5	12.6	12.9	12.3	12.8	11.6	13.0	12.4
- UK	9.5	9.3	10.6	9.3	9.7	10.2	10.0	11.1	9.6	10.2
- Other Europe	21.6	20.7	19.5	20.8	20.6	22.2	21.5	21.8	20.9	21.6
Europe	**44.0**	**43.5**	**42.6**	**42.7**	43.2	44.6	44.3	44.5	43.5	44.2
- US	16.7	18.8	18.6	20.5	18.7	17.4	18.8	17.5	20.0	18.5
- Canada	1.7	1.7	2.1	1.7	1.8	1.5	2.2	2.0	1.8	1.9
North America	**18.4**	**20.6**	**20.7**	**22.2**	20.5	18.9	21.0	19.5	21.8	20.4
- Japan	3.9	2.2	3.0	3.1	3.0	3.3	2.3	3.0	3.2	3.1
- China	22.2	22.0	21.8	20.4	21.6	21.9	20.2	20.5	19.7	20.5
- o/w imports	*9.4*	*8.9*	*7.9*	*8.1*	*8.5*	*8.1*	*7.8*	*8.1*	*7.8*	*7.9*
- o/w JV	*12.8*	*13.1*	*13.9*	*12.4*	*13.0*	*13.7*	*12.3*	*12.5*	*12.0*	*12.6*
- Other Asia	6.5	6.4	6.8	6.4	6.5	6.5	7.2	6.7	5.9	6.4
Asia	**32.6**	**30.6**	**31.6**	**29.9**	31.1	31.6	29.7	30.3	28.8	30.1
Rest of World	**5.1**	**5.3**	**5.1**	**5.2**	5.2	4.9	5.0	5.7	5.9	5.4
World	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
World – cons. comps.	**87.2**	**86.9**	**86.1**	**87.6**	**87.0**	**86.3**	**87.7**	**87.5**	**88.0**	**87.4**

Note: 3Q15 retail sales were announced on October 12th. Source: Company data and CGI estimates

Financial Services – summary (1-3Q13-1H15)

BMW – Financial Services (1-3Q13-13Q14)

(EUR m)	1-3Q13	4Q13	FY13	1Q14	2Q14	1H14	3Q14	1-3Q14	4Q14	FY14	1Q15	2Q15	1H15
Financial Operations[1]													
Business volume	**83,028**	**-**	**84,347**	**85,181**	**-**	**87,534**	**-**	**91,802**	**-**	**96,390**	**104,348**	**-**	**104,734**
Growth (%)	4.5	-	12.1	3.1	-	6.0	-	10.6	-	29.0	22.5	-	19.6
FS (total assets)	**91,125**	**-**	**92,330**	**64,260**	**-**	**68,875**	**-**	**38,901**	**-**	**106,316**	**114,174**	**-**	**114,718**
Group (total assets)	136,613	-	138,368	146,431	-	155,288	-	164,018	-	154,803	166,090	-	164,647
FS asset share (%)	**66.7**	**-**	**66.7**	**43.9**	**-**	**44.4**	**-**	**23.7**	**-**	**68.7**	**68.7**	**-**	**69.7**
FS asset growth (%)	4.4	-	11.6	-29.1	-	-24.3	-	-57.3	-	27.8	77.7	-	66.6
Equity	**8,080**	**-**	**8,407**	**5,383**	**-**	**6,276**	**-**	**8,499**	**-**	**9,357**	**10,232**	**-**	**9,618**
Leverage (Assets/equity) (x)	**11.3**	**-**	**11.0**	**11.9**	**-**	**11.0**	**-**	**4.6**	-	11.4	11.2	-	11.9
Contract portfolio[1]													
Number of contracts outstanding	**4,048,821**	**-**	**4,130,002**	**4,170,318**	**-**	**4,218,318**	**-**	**4,260,436**	**-**	**4,359,572**	**4,419,817**	**-**	**4,500,056**
Dealer financing													
Contracts outstanding (#)	314,517	-	336,234	334,983	-	330,181	-	327,985	-	354,144	348,349	-	353,551
Managed business volume	**12,291**	**-**	**13,110**	**13,155**	**-**	**13,311**	**-**	**13,713**	**-**	**14,710**	**15,719**	**-**	**15,584**
Customer financing													
Retail portfolio (#)	**3,734,304**	**-**	**3,793,768**	**3,835,335**	**-**	**3,888,137**	**-**	**3,932,451**	**-**	**4,005,428**	**4,071,468**	**-**	**4,146,505**
Retail share (%)	92.2	-	91.9	92.0	-	92.2	-	92.3	-	91.9	92.1	-	92.1
- Est. loan share – RP (%)	67	-	66	68	-	66	-	67	-	65	65	-	66
- Est. leasing share - RP (%)	33	-	34	32	-	34	-	33	-	35	35	-	34
Alphabet Fleet	**524,612**	**-**	**535,528**	**534,869**	**-**	**541,977**	**-**	**537,355**	**-**	**555,349**	**563,394**	**-**	**572,764**
Fleet share - retail portfolio (%)	14.0	-	14.1	13.9	-	13.9	-	13.7	-	13.9	13.8	-	13.8
Leasing portfolio (EUR m)[1]													
Leasing portfolio (group)[2]	**25,434**	**-**	**25,914**	**26,125**	**-**	**26,865**	**-**	**28,395**	**-**	**30,165**	**32,506**	**-**	**32,680**
Growth (%)	5.5	-	12.1	4.5	-	6.1	-	11.6	-	31.2	24.4	-	21.6
Leasing portfolio (FS)[2]	**29,353**	**-**	**30,230**	**30,464**	**-**	**31,396**	**-**	**33,129**	**-**	**35,366**	**38,049**	**-**	**38,162**
Growth (%)	7.2	-	16.7	6.0	-	7.4	-	12.9	-	36.6	24.9	-	21.6
Implied margin (%)	15.4	-	16.7	16.6	-	16.9	-	16.7	-	17.2	17.1	-	16.8
New retail business													
New retail contracts (EUR m)	**29,464**	**9,777**	**39,241**	**9,228**	**10,263**	**19,491**	**10,485**	**29,976**	**11,342**	**41,318**	**11,789**	**12,837**	**24,626**
%-change	10.9	-3.3	7.0	0.6	-1.6	-0.6	6.3	1.7	16.0	5.3	27.8	25.1	26.3
Nr. retail contracts signed	**1,104,527**	**366,858**	**1,471,385**	**348,072**	**380,842**	**728,914**	**382,786**	**1,111,700**	**397,413**	**1,509,113**	**384,565**	**416,961**	**801,526**
%-change	12.8	1.3	9.7	2.3	-1.9	0.0	1.8	0.6	8.3	2.6	10.5	9.5	10.0
Loan share (%)	66.7	64.5	66.2	67.6	66.6	66.4	67.2	66.7	61.4	65.3	64.6	66.6	65.9
Loan (%-change)	**12.8**	**1.1**	**20.7**	**4.4**	**-3.7**	**0.1**	**1.8**	**0.6**	**3.0**	**1.2**	**5.6**	**12.2**	**9.0**
Leasing share (%)	33.3	35.5	33.8	32.4	33.4	33.6	32.8	33.3	38.6	34.7	35.4	33.4	34.2
Leasing (%-change)	**12.8**	**1.8**	**27.6**	**-1.9**	**1.7**	**0.0**	**1.9**	**0.6**	**18.0**	**5.2**	**20.6**	**4.4**	**11.9**
FS penetration of retail car sales[3,4]													
Group													
Leasing & financing (%)	**45.0**	**41.0**	**44.0**	**40.5**	**41.3**	**40.9**	**43.6**	**41.8**	**41.4**	**41.7**	**44.9**	**45.3**	**45.1**
Leasing (%)	**21.8**	**20.6**	**21.5**	**19.4**	**21.6**	**20.5**	**22.0**	**21.0**	**20.6**	**20.9**	**21.8**	**20.6**	**21.2**
Financing (%)	23.2	20.4	22.5	21.1	19.7	20.4	21.6	20.8	20.8	20.8	23.1	24.7	23.9
US													
Leasing & financing (%)	**70.9**	**60.9**	**68.4**	**70.3**	**63.9**	**67.1**	**67.4**	**67.2**	**54.8**	**64.1**	**77.7**	**69.3**	**73.5**
Leasing (%)	**41.9**	**39.1**	**41.2**	**49.3**	**48.3**	**48.8**	**48.5**	**48.7**	**40.7**	**46.7**	**55.1**	**44.1**	**49.6**
Financing (%)	29.0	21.8	27.2	21.0	15.6	18.3	18.9	18.5	14.1	17.4	22.6	25.2	23.9
Cost of risk[3]													
Credit loss ratio (%)	**0.39**	**0.67**	**0.46**	**0.41**	**0.41**	**0.41**	**0.38**	**0.40**	**0.80**	**0.50**	**0.33**	**0.35**	**0.34**
Profit (EUR m)													
EBIT (FS)	**1,308**	**335**	**1,643**	**465**	**459**	**924**	**456**	**1,380**	**376**	**1,756**	**555**	**503**	**1,058**
EBIT (group)	6,035	1,951	7,986	2,090	2,603	4,693	2,256	6,949	2,169	9,118	2,521	2,525	5,046
EBIT (FS/group) (%)	21.7	17.2	20.6	22.2	17.6	19.7	20.2	19.9	17.3	19.3	22.0	19.9	21.0
PBT (FS)	**1,314**	**325**	**1,639**	**460**	**458**	**918**	**455**	**1,373**	**350**	**1,723**	**559**	**496**	**1,055**
PBT (group)	6,024	1,889	7,913	2,166	2,660	4,826	2,013	6,839	1,868	8,707	2,269	2,582	4,851
PBT (FS/group) (%)	21.8	17.2	20.7	21.2	17.2	19.0	22.6	20.1	18.7	19.8	24.6	19.2	21.7
Earnings (FS)	**884**	**884**	**1,112**	**317**	**315**	**632**	**314**	**946**	**314**	**1,112**	**384**	**349**	**733**

(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. Source: Company data and CGI calculations.

Group estimates 2015E-17E

BMW group – P&L by division (2010-17E)

BMW – P&L by division (2010-17E)								
(EUR m)	2010	2011	2012	2013	2014	2015E	2016E	2017E
Revenue								
Automotive	**54,137**	**63,229**	**70,208**	**70,629**	**75,173**	**84,945**	**91,969**	**97,360**
Motorcycles	1,304	1,436	1,490	1,504	1,679	1,880	1,975	2,073
Financial Services	16,617	17,510	19,550	19,874	20,599	22,865	23,551	24,257
Other	4	5	5	6	7	5	5	5
Eliminations[1]	-11,585	-13,359	-14,405	-15,955	-17,057	-18,629	-20,134	-21,312
Group	**60,477**	**68,821**	**76,848**	**76,058**	**80,401**	**91,067**	**97,365**	**102,383**
EBIT								
Automotive	**4,355**	**7,477**	**7,599**	**6,657**	**7,244**	**7,942**	**8,829**	**9,347**
Motorcycles	71	45	9	79	112	179	186	195
Financial Services	1,201	1,763	1,558	1,643	1,756	1,906	1,956	2,006
Other	-41	-19	58	44	71	0	0	0
Eliminations[1]	-475	-1,248	-949	-437	-65	-50	-100	-150
Group	**5,111**	**8,018**	**8,275**	**7,986**	**9,118**	**9,977**	**10,871**	**11,397**
EBIT margin (%)								
Automobiles	**8.0**	**11.8**	**10.8**	**9.4**	9.6	9.4	9.6	9.6
Motorcycles	5.4	3.1	0.6	5.3	6.7	9.5	9.4	9.4
Financial Services	7.2	10.1	8.0	8.3	8.5	8.3	8.3	8.3
Group	**8.5**	**11.7**	**10.8**	**10.5**	**11.3**	**11.0**	**11.2**	**11.1**
Financial Income								
Automotive	**-468**	**-654**	**-429**	**-96**	**-358**	**-450**	**-400**	**-300**
Motorcycles	-6	-4	-3	-3	-5	-5	-5	-5
Financial Services	13	27	3	-4	-33	-50	-50	-50
Other	86	-149	-55	120	83	0	0	0
Eliminations[1]	117	145	12	-90	-98	0	0	0
Group	**-258**	**-635**	**-472**	**-73**	**-411**	**-505**	**-455**	**-355**
Pre-tax profit								
Automotive	**3,887**	**6,823**	**7,170**	**6,561**	**6,886**	**7,492**	**8,429**	**9,047**
Motorcycles	65	41	6	76	107	174	181	190
Financial Services	1,214	1,790	1,561	1,639	1,723	1,856	1,906	1,956
Other	45	-168	3	164	154	0	0	0
Eliminations[1]	-358	-1,103	-937	-527	-163	-50	-100	-150
Group	**4,853**	**7,383**	**7,803**	**7,913**	**8,707**	**9,472**	**10,416**	**11,042**
Pre-tax margin (%)								
Automobiles	**7.2**	**10.8**	**10.2**	**9.3**	9.2	8.8	9.2	9.3
Motorcycles	5.0	2.9	0.4	5.1	6.4	9.2	9.1	9.2
Financial Services	7.3	10.2	8.0	8.2	8.4	8.1	8.1	8.1
Group	**8.0**	**10.7**	**10.2**	**10.4**	**10.8**	**10.4**	**10.7**	**10.8**
Less tax charge								
Automotive	**1,280**	**1,832**	**2,453**	**2,153**	**2,365**	**2,472**	**2,782**	**3,076**
Motorcycles	20	12	22	25	34	55	58	61
Financial Services	446	1,053	545	527	525	566	629	645
Other	-22	-37	-5	68	49	0	0	0
Eliminations[1]	-114	-384	-323	-200	-83	-25	-51	-76
Group	**1,610**	**2,476**	**2,692**	**2,573**	**2,890**	**3,068**	**3,417**	**3,706**
Profit after tax								
Automotive	**2,607**	**4,991**	**4,717**	**4,408**	**4,521**	**5,020**	**5,647**	**5,971**
Motorcycles	45	29	-16	51	73	118	123	129
Financial Services	768	737	1,016	1,112	1,198	1,290	1,277	1,311
Other	67	-131	8	96	105	0	0	0
Eliminations[1]	-244	-719	-614	-327	-80	-25	-49	-74
Group	**3,243**	**4,907**	**5,111**	**5,340**	**5,817**	**6,404**	**6,998**	**7,337**
Tax rate (%)								
Automotive	**32.9**	**26.9**	**34.2**	**32.8**	**34.3**	**33.0**	**33.0**	**34.0**
Motorcycles	30.8	29.3	366.7	32.9	31.8	31.8	32.0	32.0
Financial Services	36.7	58.8	34.9	32.2	30.5	30.5	33.0	33.0
Group	**33.2**	**33.5**	**34.5**	**32.5**	**33.2**	**32.4**	**32.8**	**33.6**

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

Automotive segment – 2015E-17E

BMW – Automotive profitability (2010-2017E)

	2010	2011	2012	2013	2014	2015E	2016E	2017E
Retail sales ('000)	**1,461.2**	**1,669.0**	**1,845.2**	**1,963.8**	**2,118.0**	**2,255.6**	**2,381.0**	**2,513.6**
Change (%)	13.6	14.2	10.6	6.4	7.9	6.5	5.6	5.6
Retail sales–cons. comps ('000)	**1,407.5**	**1,574.6**	**1,704.0**	**1,765.3**	**1,842**	**1,972**	**2,088**	**2,197**
Change (%)	13.3	11.9	8.2	3.6	4.4	7.0	5.9	5.3
Division (EUR m)								
Revenue	54,137	63,229	70,208	70,629	75,173	83,818	89,161	94,289
Gross profit	9,434	13,065	13,683	12,858	13,952	15,255	16,584	230
'EBIT'	**4,355**	**7,477**	**7,624**	**6,657**	**7,244**	**7,166**	**8,024**	**8,675**
Financial result	**-468**	**-654**	**-429**	**-96**	**-358**	-350	-350	-350
- o/w China JV NP share	98	164	271	398	658	420	450	500
Pre-tax profit	**3,887**	**6,823**	**7,195**	**6,561**	**6,886**	**6,816**	**7,674**	**8,325**
Margin (%)								
Gross profit	17.4	20.7	19.5	18.2	18.6	18.2	18.6	0.2
'EBIT'	**8.0**	**11.8**	**10.9**	**9.4**	**9.6**	**8.6**	**9.0**	**9.2**
PBT	7.2	10.8	10.2	9.3	9.2	8.1	8.6	8.8
Per vehicle (EUR)[1]								
Revenue/vehicle (EUR k)	38.5	40.2	41.2	40.0	40.8	37.2	37.4	37.5
EBIT/vehicle	3,094	4,749	4,474	3,771	3,933	3,177	3,370	3,451
Change (%)								
Revenue/vehicle	9.3	4.4	2.6	-2.9	2.0	4.2	0.5	0.5
OP/vehicle	-1550.9	53.5	-5.8	-15.7	4.3	-7.6	5.8	2.7

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

BMW – Cash flow automotive segment (2010-17E)

(EUR m)	2010	2011	2012	2013	2014	2015E	2016E	2017E
Net profit	**2,607**	**4,991**	**4,717**	**4,408**	**4,521**	**4,567**	**5,142**	**5,494**
Depreciation	**3,762**	**3,564**	**3,679**	**3,745**	**4,230**	**4,330**	**4,430**	**4,530**
Depreciation leased products	5	29	23	109	15	10	10	10
Gross Cash Flow	**6,374**	**8,584**	**8,419**	**8,262**	**8,766**	**8,907**	**9,582**	**10,034**
Increase in provisions	869	577	267	373	1,034	300	300	300
Other	1,280	539	100	-200	175	400	-100	-100
CF from operations	**8,523**	**9,700**	**7,545**	**8,435**	**9,975**	**9,607**	**9,782**	**10,234**
WCR	-374	-1,590	1,622	1,015	-552	-500	-500	-500
CF- operating activities	**8,149**	**8,110**	**9,167**	**9,450**	**9,423**	**9,107**	**9,282**	**9,734**
Capital expenditure	-3,183	-3,565	-5,074	-6,575	-6,021	-5,971	-5,771	-5,571
Other	-2,358	-2,160	-456	-913	185	-200	-200	-200
CF -Investment activities	**-5,541**	**-5,725**	**-5,530**	**-7,488**	**-5,836**	**-6,171**	**-5,971**	**-5,771**
Free CF	**2,608**	**2,385**	**3,637**	**1,962**	**3,587**	**2,936**	**3,311**	**3,963**
Net inv. marketable sec.	*1,863*	*781*	*172*	*537*	*-106*	*-100*	*-100*	*-100*
Adj. FCF	***4,471***	***3,166***	***3,809***	***2,499***	**3,481**	**2,836**	**3,211**	**3,863**
Dividends	-197	-852	-1,508	-1,640	-1,707	-1,904	-2,101	-2,232
Other application	1,718	-1,686	55	250	-5,142	-960	-577	-1,431
Net debt increase/-decrease	-4,129	153	-2,184	-572	3,262	-72	-633	-300
Net cash (calculated)	**4,594**	**4,441**	**6,625**	**7,197**	**3,935**	**4,007**	**4,640**	**4,940**
Intra-group net receivables& adj.	*6,692*	*7,947*	*6,702*	*4,930*	*10,288*	-	-	-
Net cash - BMW definition	***11,286***	***12,388***	***13,327***	***12,127***	***14,223***	**-**	**-**	**-**

Source: Company data and CGI estimates

BMW Auto – Retail sales by model series (2010-17E)

	2010	2011	2012	2013	2014	2015E	2016E	2017E
Units ('000)								
- 1 - Series	196.0	176.4	226.8	213.6	190.0	180.5	188.7	193.4
- 2 – Series[1]	-	-	-	-	41.0	178.0	180.0	170.0
- X1	100.0	126.4	147.8	161.4	156.5	122.0	155.0	182.9
- 3 - Series[2]	399.0	384.5	406.8	500.3	480.2	461.0	428.7	420.2
- 4 - Series				14.8	119.6	137.5	145.8	151.6
- X3	46.0	117.9	149.9	157.3	150.9	135.8	129.0	135.5
- X4	-	-	-	-	21.7	55.0	52.0	51.0
- Z4	24.6	18.8	15.2	12.9	10.8	7.9	7.1	6.4
- 5 – Series[2]	238.5	332.5	359.0	346.7	373.1	346.9	412.9	491.3
- X5	102.2	104.8	108.5	107.2	147.4	166.5	158.2	150.3
- X6	46.4	40.8	43.7	36.7	30.2	39.3	42.5	40.3
- 6 - Series	5.8	9.4	23.2	27.7	24.0	21.6	21.8	20.7
- 7 - Series	65.8	68.8	59.2	56.0	48.5	34.4	48.2	65.1
- i3	-	-	-	0.3	16.1	21.4	30.0	35.0
- i8	-	-	-	-	1.7	5.4	5.0	5.0
BMW brand	**1,224.3**	**1,380.4**	**1,540.1**	**1,655.1**	**1,811.7**	**1,913.4**	**2,004.9**	**2,118.6**
Mini brand	**234.2**	**285.1**	**301.5**	**305.0**	**302.2**	**338.4**	**372.3**	**390.9**
Rolls-Royce	**2.7**	**3.5**	**3.6**	**3.6**	**4.1**	3.8	3.9	4.1
Group	**1,461.2**	**1,669.0**	**1,845.2**	**1,963.8**	**2,118.0**	**2,255.6**	**2,381.0**	**2,513.6**
% change								
- 1 - Series	-9.7	-10.0	28.6	-5.8	-11.0	-5.0	4.5	2.5
- 2 - Series	-	-	-	-	-	333.7	1.1	-5.6
- X1	1076.5	26.4	16.9	9.2	-3.0	-22.0	27.0	18.0
- 3 - Series	0.5	-3.6	5.8	23.0	-4.0	-4.0	-7.0	-2.0
- 4 - Series	-	-	-	-	710.0	15.0	6.0	4.0
- X3	-17.3	156.4	27.1	5.0	-4.1	-10.0	-5.0	5.0
- X4	-	-	-	-	-	153.6	-5.5	-2.0
- Z4	8.0	-23.5	-18.9	-15.6	-16.0	-27.0	-10.0	-10.0
- 5 - Series	35.5	39.4	8.0	-3.4	1.7	-7.0	19.0	19.0
- X5	15.0	2.6	3.5	-1.2	37.4	13.0	-5.0	-5.0
- X6	11.4	-12.0	7.0	-16.0	-17.6	30.0	8.0	-5.0
- 6 - Series	-32.4	60.7	146.8	19.4	-13.4	-10.0	1.0	-5.0
- 7 - Series	24.9	4.5	-13.9	-5.4	-13.4	-29.0	40.0	35.0
- i3	-	-	-	-	NM	33.3	40.2	16.7
- i8	-	-	-	-	-	207.3	-6.5	0.0
BMW brand	**14.6**	**12.8**	**11.6**	**7.5**	**9.5**	**5.6**	**4.8**	**5.7**
Mini brand	**8.1**	**21.7**	**5.8**	**1.2**	**-0.9**	**12.0**	**10.0**	**5.0**
Rolls-Royce	**170.6**	**30.5**	**1.0**	**1.5**	**11.9**	**-7.0**	**3.0**	**5.0**
Group	**13.6**	**14.2**	**10.6**	**6.4**	**7.9**	**6.5**	**5.6**	**5.6**
Share (%)								
- 1 - Series	13.4	10.6	12.3	10.9	9.0	8.0	7.9	7.7
- 2 - Series	-	-	-	-	1.9	7.9	7.6	6.8
- X1	6.8	7.6	8.0	8.2	7.4	5.4	6.5	7.3
- 3 - Series	27.3	23.0	22.0	25.5	22.7	20.4	18.0	16.7
- 4 - Series	-	-	-	0.8	5.6	6.1	6.1	6.0
- X3	3.1	7.1	8.1	8.0	7.1	6.0	5.4	5.4
- X4	-	-	-	-	1.0	2.4	2.2	2.0
- Z4	1.7	1.1	0.8	0.7	0.5	0.3	0.3	0.3
- 5 - Series	16.3	19.9	19.5	17.7	17.6	15.4	17.3	19.5
- X5	7.0	6.3	5.9	5.5	7.0	7.4	6.6	6.0
- X6	3.2	2.4	2.4	1.9	1.4	1.7	1.8	1.6
- 6 - Series	0.4	0.6	1.3	1.4	1.1	1.0	0.9	0.8
- 7 - Series	4.5	4.1	3.2	2.9	2.3	1.5	2.0	2.6
- i3	-	-	-	0.0	0.8	0.9	1.3	1.4
- i8	-	-	-	-	0.1	0.2	0.2	0.2
BMW brand	**83.8**	**82.7**	**83.5**	**84.3**	**85.5**	**84.8**	**84.2**	**84.3**
Mini brand	**16.0**	**17.1**	**16.3**	**15.5**	**14.3**	**15.0**	**15.6**	**15.6**
Rolls-Royce	**0.2**	**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**

(1) 2-Series incl. Active Tourer since 3Q14; (2) 3-Series incl. 3-Series GT since 3Q13; (3) 5-Series incl. 5-Series GT. Source: Company data and CGI estimates

BMW Automobile – Retail sales by region (2010-2017E)

	2010	2011	2012	2013	2014	2015E	2016E	2017E
Units ('000)								
- Germany	267.2	285.3	287.4	259.2	272.3	280.5	288.9	297.6
- UK	154.8	167.5	174.5	189.1	205.1	229.7	236.6	243.7
- Other Europe	369.3	405.7	403.5	411.2	437.2	486.7	526.2	552.5
Europe	**791.2**	**858.4**	**865.4**	**859.5**	**914.6**	**996.9**	**1,051.7**	**1,093.8**
- US	266.6	306.3	348.5	376.6	397.0	416.8	429.3	442.2
- Canada	31.7	35.0	37.7	37.7	38.3	42.5	44.2	45.9
North America	**298.3**	**341.3**	**386.2**	**414.4**	**435.2**	**459.3**	**473.5**	**488.1**
- Japan	43.6	47.7	56.7	64.2	64.0	70.2	70.9	71.6
- China	169.0	233.6	327.3	391.7	456.7	463.1	495.5	535.2
- o/w imports	*115.3*	*139.2*	*186.2*	*193.2*	*180.8*	*179.3*	*202.1*	*218.8*
- o/w JV	*53.7*	*94.4*	*141.2*	*198.5*	*275.9*	*283.8*	*293.4*	*316.4*
- Other Asia	73.7	94.2	109.4	122.7	137.6	144.8	152.4	165.9
Asia	**286.3**	**375.5**	**493.4**	**578.7**	**658.4**	**678.1**	**718.8**	**772.7**
Rest of World	**85.3**	**93.8**	**100.1**	**111.2**	**109.8**	121.3	137.0	158.9
World	**1,461.2**	**1,669.0**	**1,845.2**	**1,963.8**	**2,118.0**	**2,255.6**	**2,381.0**	**2,513.6**
World – cons. comps	**1,407.5**	**1,574.6**	**1,704.0**	**1,765.3**	**1,842.1**	**1,971.8**	**2,087.6**	**2,197.2**
% change								
- Germany	-0.1	6.8	0.7	-9.8	5.1	3.0	3.0	3.0
- UK	12.9	8.2	4.2	8.4	8.4	12.0	3.0	3.0
- Other Europe	3.4	9.8	-0.5	1.9	6.3	11.3	8.1	5.0
Europe	**3.9**	**8.5**	**0.8**	**-0.7**	**6.4**	**9.0**	**5.5**	**4.0**
- US	10.1	14.9	13.8	8.1	5.4	5.0	3.0	3.0
- Canada	9.5	10.3	7.7	0.0	1.3	11.0	4.0	4.0
North America	**10.1**	**14.4**	**13.2**	**7.3**	**5.0**	**5.5**	**3.1**	**3.1**
- Japan	6.1	9.2	19.0	13.3	-0.3	9.7	1.0	1.0
- China	86.7	38.2	40.1	19.7	16.6	1.4	7.0	8.0
- o/w imports	*146.2*	*20.8*	*33.7*	*3.8*	*-6.4*	*-0.9*	*12.7*	*8.3*
- o/w JV	*22.9*	*75.8*	*49.5*	*40.6*	*39.0*	*2.9*	*3.4*	*7.8*
- Other Asia	42.9	27.8	16.1	12.3	12.1	5.2	5.2	8.9
Asia	**56.3**	**31.1**	**31.4**	**17.3**	**13.8**	**3.0**	**6.0**	**7.5**
Rest of World	**21.6**	**9.9**	**6.8**	**11.1**	**-1.3**	**10.5**	**12.9**	**16.0**
World	**13.6**	**14.2**	**10.6**	**6.4**	**7.9**	**6.5**	**5.6**	**5.6**
World – cons. comps.	**13.3**	**11.9**	**8.2**	**3.6**	**4.4**	**7.0**	**5.9**	**5.3**
Share (%)								
- Germany	18.3	17.1	15.6	13.2	12.9	12.4	12.1	11.8
- UK	10.6	10.0	9.5	9.6	9.7	10.2	9.9	9.7
- Other Europe	25.3	24.3	21.9	20.9	20.6	21.6	22.1	22.0
Europe	**54.1**	**51.4**	**46.9**	**43.8**	**43.2**	**44.2**	**44.2**	**43.5**
- US	18.2	18.4	18.9	19.2	18.7	18.5	18.0	17.6
- Canada	2.2	2.1	2.0	1.9	1.8	1.9	1.9	1.8
North America	**20.4**	**20.5**	**20.9**	**21.1**	**20.5**	**20.4**	**19.9**	**19.4**
- Japan	3.0	2.9	3.1	3.3	3.0	3.1	3.0	2.8
- China	11.6	14.0	17.7	19.9	21.6	20.5	20.8	21.3
- o/w imports	*7.9*	*8.3*	*10.1*	*9.8*	*8.5*	*7.9*	*8.5*	*8.7*
- o/w JV	*3.7*	*5.7*	*7.7*	*10.1*	*13.0*	*12.6*	*12.3*	*12.6*
- Other Asia	5.0	5.6	5.9	6.3	6.5	6.4	6.4	6.6
Asia	**19.6**	**22.5**	**26.7**	**29.5**	**31.1**	**30.1**	**30.2**	**30.7**
Rest of World	**5.8**	**5.6**	**5.4**	**5.7**	**5.2**	**5.4**	**5.8**	**6.3**
World	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
World – cons. comps.	**96.3**	**94.3**	**92.3**	**89.9**	**87.0**	**87.4**	**87.7**	**87.4**

Source: Company data and CGI estimates

Group Overview 2010-17E

BMW – overview (2010-17E)

Ordinary share price (EUR)	93.09							
Market capitalisation (EUR bn)[1]	60.00							
No of shares (m)[2]	654.7							
	2010	**2011**	**2012**	**2013**	**2014**	**2015E**	**2016E**	**2017E**
Values per share (EUR)								
EPS	**4.93**	**7.45**	**7.75**	8.10	8.83	9.32	9.93	10.49
CFPS	7.20	11.19	5.05	14.78	5.28	16.88	17.79	18.66
BVPS	39.23	39.69	46.66	54.31	57.05	51.29	57.76	63.82
DPS - ordinary shares	1.30	2.30	2.50	2.60	2.90	3.20	3.40	3.60
Free CFPS	3.89	2.02	5.42	2.93	5.35	4.38	4.94	5.91
Stock market ratios (x)								
P/E	18.9	12.5	12.0	11.5	10.6	10.0	9.4	8.9
P/CF	13.0	8.3	18.5	23.3	17.7	5.5	5.2	5.0
P/BV	2.2	2.1	2.0	1.7	1.6	1.8	1.6	1.5
P/revenue	0.99	0.87	0.78	0.79	0.75	0.67	0.63	1.93
Dividend yield (%)	1.4	2.5	2.7	2.8	3.1	3.4	3.6	3.9
Free CF yield (%)	4.2	3.8	5.8	3.1	5.7	4.7	5.3	6.3
EV (EUR bn)	55.6	53.8	52.5	51.6	54.0	55.2	55.2	58.3
EV/ revenue – industrial (%)	100.3	83.2	73.3	71.5	70.2	64.4	60.5	60.5
EV/EBITDA - industrial	6.7	4.8	4.6	4.9	4.6	4.7	4.3	4.3
Group P&L (EUR m)								
Revenue[1]	60,477	68,821	76,848	76,058	80,401	90,274	95,227	100,034
Gross profit	10,915	14,545	15,494	15,274	17,005	18,055	19,236	20,507
EBIT	**5,111**	**8,018**	**8,275**	**7,986**	**9,118**	9,440	10,144	10,810
EBIT, full R&D	5,420	8,255	8,316	7,311	8,687	9,095	9,877	10,524
EBITDA	5,999	11,672	11,991	11,841	13,441	13,880	14,684	12,961
Profit before tax	**4,853**	**7,383**	**7,803**	**7,913**	**8,707**	9,035	9,739	10,405
Net profit	3,243	4,907	5,111	5,340	5,817	6,137	6,537	6,904
Less dividends	852	1,508	1,640	1,707	1,904	2,101	2,232	2,364
Retained profit	2,391	3,399	3,471	3,633	3,913	4,036	4,305	4,540
CF – automotive segm. (EUR m)								
CF from operations	3,019	8,667	7,545	8,435	9,975	9,607	9,782	10,234
Working capital	-943	-1,590	1,622	1,015	-552	-500	-500	-500
CF from operating activities	**2,076**	**7,077**	**9,167**	**9,450**	**9,423**	**9,107**	**9,282**	**9,734**
Capital expenditure (incl. R&D)	-428	-3,565	-5,074	-6,575	-6,021	-5,971	-5,771	-5,571
Other	-14	-2,160	-456	-913	185	-200	-200	-200
Free CF after investment	**1,634**	**1,352**	**3,637**	**1,962**	**3,587**	**2,936**	**3,311**	**3,963**
BS - automotive segm. (EUR m)								
Net cash/-debt	4,594	4,441	6,625	7,197	3,935	4,007	4,640	4,940
Intra-group receivables	5,690	6,404	5,862	4,460	8,583	-	-	-
Net cash (BMW definition)	11,286	12,388	13,327	12,127	14,223	-	-	-
SHFs	23,993	26,154	28,202	30,909	31,045	45,597	50,477	55,616
Profitability and financial ratios (%)								
Gross profit margin	18.0	21.1	20.2	20.1	21.2	20.0	20.2	20.5
EBIT margin	8.5	11.7	10.8	10.5	11.3	10.5	10.7	10.8
Adj. EBIT margin - full R&D	9.0	12.0	10.8	9.6	10.8	10.1	10.4	10.5
Pre-tax profit margin	8.0	10.7	10.2	10.4	10.8	10.0	10.2	10.4
Tax rate	33.2	33.5	34.5	32.5	33.2	32.1	32.9	33.7
Net profit margin	5.4	7.1	6.7	7.0	7.2	6.8	6.9	6.9
Pay-out ratio	30.9	30.9	32.2	32.1	32.8	34.3	34.2	34.3
Return on equity	16.1	24.3	23.5	23.1	23.5	23.9	25.2	25.5
Automotive segment								
Unit sales ('000)	1,461.2	1,669.0	1,845.2	1,963.8	2,118.0	2,255.6	2,381.0	2,513.6
% change	13.6	14.2	10.6	6.4	7.9	6.5	5.6	5.6
Revenue (EUR m)[3]	54,137	63,229	70,208	70,629	75,173	83,818	89,161	94,289
% change	23.8	16.8	11.0	0.6	6.4	11.5	6.4	5.8
EBITDA (EUR m)	8,117	11,041	11,278	10,304	10,836	11,012	8,035	8,695
Margin (%)	15.0	17.5	16.1	14.6	14.4	13.1	9.0	9.2
EBIT (EUR m)	4,355	7,477	7,599	6,657	7,244	7,166	8,024	8,675
Margin (%)	8.0	11.8	10.8	9.4	9.6	8.6	9.0	9.2
Profit before tax (EUR m)	3,887	6,823	7,170	6,561	6,886	6,816	7,674	8,325
Margin (%)	7.2	10.8	10.2	9.3	9.2	8.1	8.6	8.8

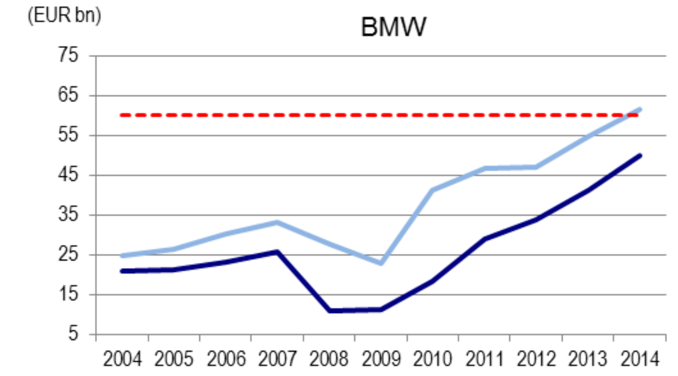
(1) All classes of shares. (2) 602.0m ordinary and 53.6m preferred. Source: Company data and CGI estimates

BMW shares – valuation

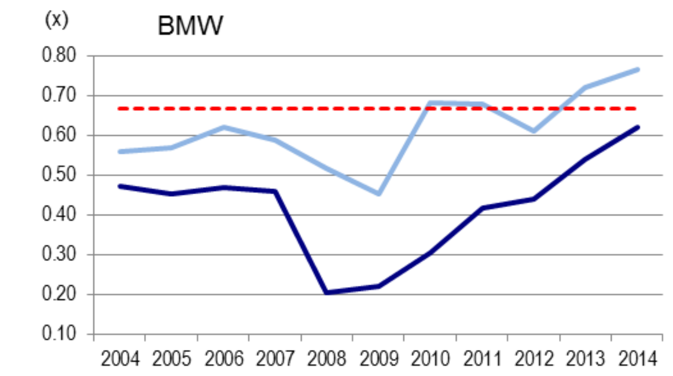
Investment opinion - BUY

At EUR 93, BMW shares are valued at 8.9x 2017E earnings, implying a 17% discount to the 5-year high historic valuation of 10.6x. This is inconsistent with the implication that our FY17E EPS estimates of EUR 10.49 are 41.6% higher than the 5-year average of EUR 7.41. A valuation in line with the 5-year high historic valuation of 10.6x implies a share price of EUR 111.26 at YE17E and time-discounted (yield of 10-year Bund), a target price of EUR 110 at YE16E and a 19% upside potential for BMW shares.

BMW – Market capitalisation – historic range (2004-14) vs. current valuation



BMW – Price/revenue – historic range (2004-14) vs. current valuation (2015E)



BMW – Historic valuation (2002-14)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	5-yr avg '10-'14	10-yr avg '05-'14
EPS (EUR)	**3.00**	**2.89**	**3.33**	**3.33**	**4.38**	**4.78**	**0.49**	**0.31**	**4.93**	**7.45**	**7.75**	**8.10**	**8.83**	**7.41**	**5.04**
P/E -high	15.8	10.6	11.3	12.0	10.6	10.6	86.4	115.9	13.1	9.9	9.5	10.5	10.8	10.6	13.1
P/E-low	9.3	7.3	9.6	9.6	8.1	8.3	34.5	56.8	5.8	6.0	6.9	7.9	8.8	6.9	8.9
P/E-average	**13.1**	**9.1**	**10.4**	**10.8**	**9.4**	**9.5**	**60.4**	**86.4**	**9.5**	**8.0**	**8.2**	**9.2**	**11.5**	**9.1**	**11.3**

Source: Company data and CGI estimates

BMW – Current valuation (2004-2016E)

		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E	2015E	2016E	2017E
BMW EPS (EUR)		**3.33**	**3.33**	**4.38**	**4.78**	**0.49**	**0.31**	**4.93**	**7.45**	**7.75**	**8.10**	**8.83**	**9.32**	**9.93**	**10.49**
Current BMW PE (x)		**28.1**	**28.0**	**21.3**	**19.5**	**NM**	**NM**	**18.9**	**12.5**	**12.0**	**11.5**	**10.6**	**10.0**	**9.4**	**8.9**
% vs. 5-yr high	**(10.6x)**	**163**	**162**	**100**	**83**	**NM**	**NM**	**77**	**17**	**13**	**8**	**-1**	**-6**	**-12**	**-17**
% vs. 5-yr low	(6.9x)	305	304	208	182	NM	NM	174	81	74	66	53	45	36	29
% vs. 5-yr average	(9.1x)	211	211	137	117	NM	NM	110	39	34	28	17	11	4	-1
% vs. 10-yr high	(13.1x)	113	113	62	48	NM	NM	44	-5	-9	-12	-20	-24	-29	-32
% vs. 10-yr low	(8.9x)	213	212	138	118	NM	NM	111	40	34	28	18	12	5	-1
% vs. 10-yr average	(11.3x)	149	148	89	73	NM	NM	68	11	7	2	-6	-11	-17	-21

Source: Company data and CGI estimates

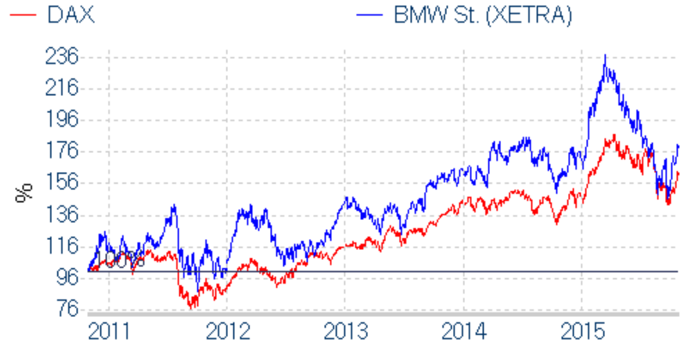
BMW – Valuation summary

Current share price	Current P/E 2017E	Target P/E 2017E	Implied price YE 2017E	Target price YE 201E	Potential TP vs. current price
EUR 93.09	**8.9x**	**10.6x**	**EUR 111.62**	**EUR 110**	**18.7%**

Close 10.30.2015 Source: Company data and CGI estimates

BMW – share price (- 5 years)

BMW vs. DAX 30 Index (- 5 years)



Short-term technical outlook positive

Chart technical view by Carlo R. Besenius

BMW shares short-term technical outlook is positive. All short-term technical indicators are rising, such as RSI, MACD. BMW shares are trading above their 20-and 50-day moving averages, and the next levels of minor resistance around EUR 93 and EUR 96 should not prevent BMW shares to test their 200-day moving average around EUR 98.

From a chart-technical point of view, we see BMW shares move back towards EUR 118 levels in the coming 3 - 6 months.

Carlo R Besenius, CEO & Head of Global Strategy
cbesenius@cg-inv.com
office: +(352) 26 25 86 40
mobile: +(352) 691 106 969
Luxembourg/Europe

Steve Gluckstein, Global Strategist
sgluckstein@cg-inv.com
office: 212 939 7256
mobile: 732 768 8843
New York, NY, USA

Sabine CJ Blümel, Head of Global Automotive Research
sblumel@cg-inv.com
office: +44 (7785) 301588
London, UK

Marc Peters, Head of Global Industrial Strategy
mpeters@cg-inv.com
office: +(352) 26 25 86 40
mobile: +352 621 36 44 50
Luxembourg/Europe

Feliks Lukas, Director of Industrial Consulting
flukas@cg-inv.com
office: 212-939-7256
New York, NY, USA

Allison M Cimon, Director of Sales & Technology
amcimon@cg-inv.com
office: 646 228 4321
Boston, MA, USA

Gary Schieneman, Director,
Global Accounting and Finance
gschieneman@cg-inv.com
office: 917-868-6842
New York, NY, USA

Jennifer Crisman, COO
jcrisman@cg-inv.com
office: +(352) 26 25 86 40
Luxembourg/Europe