Dealer Principal	New Vehicle Sales	Marketing	Used Vehicle Sales	Service	Parts & Accessories		Administration
Bulletin No:	Date:	Accessories & Lifestyle Manager			Phone: 03 9264 4102		
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BMW Group Australia Dealer Bulletin Aftersales



BMW Performance Parts



Background

The history of BMW has always been closely linked to the racetrack. Since the 1930s, BMW cars have been notching up victories on the most challenging circuits the world over.

Many of the technological breakthroughs created to win the most exciting and prestigious races in the world of motorsport have been systematically applied to our road cars over time. BMW engineers have gone to great lengths to create the perfect synthesis between premium driving comfort and uncompromising performance. Today, an increasing market interest in sports performance is reflected in an increased demand for performance accessories. This trend is also reflected in the BMW community, which is hardly surprising given how discerning BMW drivers are when it comes to dynamic performance. This trend presents us all with immense opportunities

To capitalise on this opportunity, BMW has created a new range of products - **BMW Performance** - a new and separate line within the Genuine BMW Accessories range.

BMW Performance blends eye-catching design and powerful dynamics with enhanced quality and safety features, making it the only choice for drivers looking to individualise their cars and enhance performance dynamics. BMW Performance includes a range of aerodynamic, power train, chassis, and interior parts. Unlike BMW M vehicles, which are sold as a complete car, BMW Performance parts can be purchased and installed individually.

Brand Positioning

Dynamic, challenging, sporty and innovative – the core values embodied by BMW Performance are reflected in every detail of every part. BMW Performance delivers fascinating, appealing and well-engineered products to enhance vehicle agility and performance.

They highlight BMW's commitment to providing outstanding driving dynamics and pushing back the boundaries of technology. As a new, separate product line, this range will open up accessories volume potential and pave the way for a continued increase in the conquest rate among all new 1 Series buyers.

Target group.

The ultimate expression of a passion for the extraordinary.

BMW Performance is perfect for BMW owners who are passionate about performance and high-end technology. They are young or young-at-heart BMW drivers who want their car to reflect their dynamic outlook on life.

These drivers are not only looking for race track performance under the hood, they also place a great deal of value on exterior styling, image and personalisation.

The majority of customers are 'on the up' in the lives and careers, and while they may not have the funds to invest in a BMW M model, they are willing to invest in accessories that will help to express their desire for success.

This target group ranges in age between 25 and 50, is mainly male, and is typically willing to sacrifice a certain amount of comfort for increased driving dynamics and the ability to create a vehicle that exudes individuality and driving superiority.

BMW Performance Launch Strategy

BMW Performance and the BMW 1 Series Coupé – the perfect match.

The BMW 1 Series Coupé (E82) has been selected as the preferred launch car for BMW Performance Parts because it is positioned as the sporty flagship model of the 1 Series range, as such, perfectly aligns with the spirit and positioning of BMW Performance.

This approach will enable us to benefit from branding synergies with regard to the positioning and the target group. Both target groups comprise young, or young-at heart, affluent enthusiasts with modern lifestyles and consumer habits. E82 prospects like to try out new things and be one step ahead of the crowd. They are fascinated by new technologies and see their cars as an indispensable part of their flexible lifestyle. Their enthusiasm for BMW is matched by their appreciation of style and performance. And like the BMW Performance target group, E82 drivers are keen to stand out from the crowd.

In April 2008, BMW Group Australia will launch the 1 Series Coupe and Convertible models to the dealer network at Phillip Island International Raceway. With this picturesque backdrop and challenging environment, what better opportunity than to capitalise on these dynamic surrounds in order to unveil the BMW Performance Parts range.

BMW Performance Parts will form an integral part of the E82/E88 launch and will add strong support to the existing E87 range.

BMW Performance Parts offer the perfect range of products to enhance our customer's needs, whilst giving you a means of countering any challenges concerning competitor product that customers may pose during the sales process.



BMW Performance Parts Range

BMW Performance meets the quality, innovation, engineering and safety standards that BMW drivers have grown accustomed to. Customers know they can rely on a perfect fit to deliver the best possible enhancement to the performance of their car.

Parts from any other manufacturer would simply be a compromise. Because BMW Performance Parts are Genuine BMW Accessories, they enjoy the same BMW Warranty coverage as all other Genuine BMW Parts & Accessories.

Customers get the performance they want together with the peace of mind they've come to expect from our premium brand.

The BMW Performance Parts range is split into four key categories:

- Aerodynamic components,
- Power train,
- Chassis and suspension parts
- Interior and exterior fittings.

Aerodynamic & Carbon Components

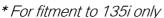
BMW Performance Aerodynamic Kit BMW Carbon Products

- Front and rear aerodynamic bars
- Side sills
- Carbon front spoilers
- Carbon boot and roof spoilers
- Carbon Mirror caps

Chassis and Drive Line Components

BMW Performance Brakes*

- Front axle includes perforated and slotted front discs
- 6 spot aluminium front calipers in BMW Performance yellow with ferric grey BMW Performance word mark
- 2 spot rear callipers in BMW Performance yellow with ferric grey word mark







BMW Performance Double Spoke Styling 269 Alloy Rim

- 18" one piece Alloy rim
- Exclusive two-tone colour with BMW Performance work mark
- Largest available wheel for E8x series
- Must be fitted with Bridgestone
 Potenza RE050A tyres





BMW Performance Carbon Fibre Strut Brace

- Increases the structural rigidity of the body
- Unbelievably lightweight, extremely strong construction
- Available for 120d, 130i.
 (For 135i, must be fitted in conjunction with BMW Performance Air Intake).

BMW Performance Air Intake

- Based on the standard air box with the internal airflow path re-routed.
- Reduced pressure drop and improved airflow
- Greatly improved induction sound
- BMW Performance word mark on carbon fibre cover

BMW Performance Shift Kit

- 25% shorter shift travel
- More precise gear shift
- Ergonomic design
- Black alcantara & aluminium finish





BMW Performance Sport Seat

- Motorsport design available in leather or alcantara
- Monocoque design provides a reduction on total weight
- Integrated side airbag
- BMW Performance word mark on backrest
- Designed & manufactured by Recaro

BMW Performance Steering Wheel

- Sports wheel in leather and alcantara
- Integrated multi-function display at the
- top centre of the wheel:
 - o Lateral gearshift LED's
 - Electronics in wheel rim can display:
 - o Stop watch
 - o Race stop watch with 1/100sec
 - o Race stop start function
 - o Quarter mile stop watch function
 - o Engine & oil temperature data
 - o Gearshift display

BMW Performance Carbon Interior Trim & Stainless Pedal







BMW Performance Carbon Interior

- Carbon fibre trims for the dashboard, centre console, ashtray lid, front & rear doors / rear side trim panel & rear console
- Each piece is hand made and incorporates 7 individual layers of polyester resin
- The unmistakable look of carbon fibre can not be replicated by any other product
- Enhances the high tech look of the car and increases the overall level

BMW Performance Aluminium Pedals and Footrest

- Lightweight but durable design
- Aluminium pedals give the foot well a sporty more dynamic appearance

BMW Performance Parts Materials

In order to assist you to most effectively sell and support the BMW Performance Parts range we have produced a BMW Performance Parts Product Argumentor for dealership internal use.

The argumentor will be a detailed guide to everything that is BMW Performance Parts and will provide you with comprehensive details on each element of the range.

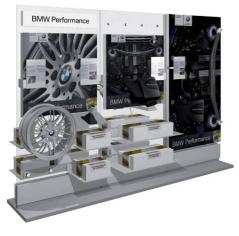
Along with the Product Argumentor there will also be a customer brochure along with a BMW Performance Parts Configurator CD Rom.

Details of these materials will be issued on a separate bulletin shortly.

BMW Performance Parts Shop System

In accordance with the new Indoor Communication System being rolled out to all dealership showrooms in the coming months, a new range of BMW Performance Parts modules will be available to complement the showroom displays so that the complete range of BMW Performance Parts can be displayed in the appropriate manner

Full details of the variety of shop systems available for BMW Performance Parts can be discussed on a dealer by dealer basis, in conjunction with your overall Accessories & Lifestyle requirements in line with your ICS. showroom upgrade.





Summary

BMW Performance Parts have been engineered with the core BMW Brand values or Sporty, Dynamic and Innovative, in mind and have also been manufactured to meet all the exacting safety standards that BMW customers have come to expect.

The BMW Performance Parts range provides customers the opportunity to enhance the performance and styling of their 1 Series in a way never before possible with Genuine BMW Accessories and will ensure that BMW customers get the performance they want together with the peace of mind they have come to expect from BMW Accessories.

Best Regards,