

Media Information
15 December 2017

BMW Group announces construction of new proving ground in the Czech Republic

Company's first development location in Eastern Europe
Testing of ground-breaking technologies, such as electrification, digitalisation and automated driving
Investment in three-digit-million € range
Several hundred new jobs
Commissioning of 500-hectare area planned for early next decade

Munich/Prague. Representatives of the BMW Group, the Czech government and the Karlovary Vary region announced construction of a new proving ground today in Prague. The roughly 500-hectare property will be developed in Sokolov in the Karlovary Vary region, close to the German border town of Waldsassen and about two-and-a-half hours' drive from the BMW Group's main development site, the Research and Development Centre (FIZ), in Munich. The new BMW Group proving ground, which will create several hundred jobs, is slated to go into operation early in the next decade. Total investment will be in the three-digit million-euro range.

Dr. Herbert Grebenc, BMW AG, Human Resources, Senior Vice President Real Estate Management, Corporate Security, stated at the announcement in Prague: "The BMW Group is at the vanguard of technology. As an innovation driver, we aim to offer customers the best, most emotional mobility experience and create digital connections between people, vehicles and services. At the planned proving facility in Sokolov, we will continue to advance ground-breaking topics, such as electrification, digitalisation and automated driving – for example, through safety-testing for assistance systems."

The BMW Group's existing facilities in Aschheim, near Munich, Miramas (France) and Arjeplog (Sweden) no longer have sufficient capacity to meet testing requirements. The company has therefore spent the past months exploring possible strategic locations in Germany and neighbouring countries. Dr. Herbert Grebenc explained the decision to locate in the Czech Republic, as follows: "We found the ideal conditions and grounds we need for vehicle testing in Sokolov. Opening our first development location in Eastern Europe will create new opportunities and marks a milestone in the history of our company. Working with the property owner Sokolovská uhelná and all political representatives has been extremely positive so far and is based on mutual trust."



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Tomáš Hüner, Czech Minister of Industry and Trade, said at the announcement in Prague: “The government of the Czech Republic and the BMW Group are preparing a joint cooperation agreement on the investment announced today by the BMW Group in construction of a new proving ground for future vehicle technologies in the Karlovy Vary region. The government will deal with the draft of the specialized aspects of that declaration soon. The Ministry of Industry and Trade welcomes investments of this kind, which create highly-skilled and specialised jobs and bring high added value for the Czech economy.”

Jana Vildumetzová, President of the Karlovary Vary region, underlined the importance of the new BMW Group proving ground for her region: “The plans of such a major investor as the German automobile manufacturer, the BMW Group, are very important to the Karlovary Vary region. Our region is one of three in the Czech Republic undergoing structural change. There is a lack of research, development and innovation and we are struggling with a shortage of jobs. The district of Sokolov will see a gradual decline in mining in the future and people there will be looking for new challenges. By creating several hundred jobs through construction of a proving ground for automated driving, we are opening a new chapter in the continued development of our region. This will open up attractive new employment opportunities in development and related areas for the people of Sokolov and the entire region. This project comes at exactly the right time and we will do everything we can to ensure that the Karlovary Vary region is a strong partner for the company and provides full support throughout its implementation.”

Karel Kučera, CEO of CzechInvest, highlighted the significance of the investment for the Czech Republic: “Today marks the successful conclusion of two-and-a-half years of negotiations, involving more than 200 people from various departments and institutions at national and regional level on the Czech side. The new BMW Group proving ground is a showcase for investments with high added value, which the Czech Republic now represents and which have been a goal of CzechInvest in recent years.”

**New development campus in Unterschleißheim –
40 BMW 7 Series test vehicles for highly and fully-automated driving**

The company already announced in December 2016 that it would be concentrating its development expertise in vehicle connectivity and automated driving at a new campus in Unterschleißheim near Munich. Upon final completion, more than 2,000 staff will work at the new location in areas from software development to road-testing with the aim of

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developing the next steps towards fully-automated driving. Agile teams working in close proximity – especially for decision-making – define the new work structures. In 2017, to coincide with the opening of the campus, a total of 40 BMW 7 Series test vehicles for highly and fully-automated driving on motorways and in urban settings have been built and tested. These vehicles have been deployed at Intel (USA), Mobileye (Israel) and BMW Group (Munich) locations.

BMW Group in the Czech Republic

The BMW Group sales network in the Czech Republic comprises 14 dealerships. The company has operated a sales office in Prague since June 2006. In the first ten months of 2017, the BMW Group delivered 6,985 BMW and MINI brand vehicles (+18%) to customers in the Czech Republic. Total BMW and MINI sales for 2016 reached 7,013 units (+7.7%). Last year's top-selling models included the BMW X5 (14.3%), the BMW 5 Series (10.9%) and the BMW X1 (10.4%).

The BMW Group also supports major cultural activities in the Czech Republic, including the International Film Festival in Karlovy Vary and the International Music Festival in Český Krumlov.

Timeline – BMW Group proving grounds

1971	BMW Group opens measurement facility in Aschheim near Munich
1986	BMW Group opens testing ground in Miramas, southern France
2006	BMW Group opens testing centre in Arjeplog, northern Sweden (about 55 km south of the Arctic Circle)
since Sept. 2015	Under a temporary rental agreement, the BMW Group uses sections of Hof-Plauen Airport for vehicle tests (incl. testing of driver assistance systems).

Current photo material from the press conference to announce the construction of new proving ground in the Czech Republic can shortly be found under <http://www.pressconferenceprague.bmwphotos.de/>.

Corporate Communications

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The BMW Group

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. As a global company, the BMW Group operates 31 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2016, the BMW Group sold approximately 2.367 million cars and 145,000 motorcycles worldwide. The profit before tax was approximately € 9.67 billion on revenues amounting to € 94.16 billion. As of 31 December 2016, the BMW Group had a workforce of 124,729 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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