

Media Information  
15 December 2017

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## **Statement**

**Dr. Herbert Grebenc**

**BMW AG, Human Resources, Senior Vice President Real  
Estate Management, Corporate Security**

**Press conference: announcement of the construction of a  
new proving ground in Sokolov, Czech Republic  
Prague, 15 December 2017**

Minister Hüner,  
Governor Vildumetzová,  
Honoured representatives of Sokolovská uhelná,  
Ladies and Gentlemen,

Welcome to today's press conference.

I am delighted to be here today in beautiful Prague – dobrý den!

Dobrý den, vážené dámy, vážení pánové. Je pro mne velkou ctí, že tu dnes mohu být s vámi a že Vás mohu přivítat při tak výjimečné události.

Děkujeme, že jste si udělali čas a jste tu s námi!

[„Good day, Ladies and Gentlemen. It is a great honor for me to be with you today and to welcome you to such an exceptional event. Thank you for taking your time and being with us!”]

The BMW Group has made a home for itself in the Czech Republic since 2006. Since then, we have also had a sales office here in Prague, headed by you, Mr Hölzl. I can tell you: Today marks a new milestone in our relationship with your country.

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Ladies and Gentlemen,

The automotive industry is in the midst of a fundamental shift, in which electrification and digitalisation are the two main “game changers”. Over the next decade, they will transform our industry.

Ten years ago – well ahead of the competition – the BMW Group anticipated this “iconic change” and put forward a clear strategy. We call the driving forces of future mobility “ACES”: Automated, Connected, Electrified and Services.

These are the four core elements of our Strategy NUMBER ONE > NEXT, which provide us with a roadmap for the future. We are evolving more and more into a tech company. With the four ACES, we are in a strong position to move forward.

Many others are convinced, too: On autonomous driving, we have joined forces with key players, like Intel, Mobileye, Delphi and Continental. Our test fleet is now driving on public roads in Germany, Israel and the US.

As an innovation driver, we aim to offer customers the best, most emotional mobility experience and create digital connections between people, vehicles and services.

The next step, highly-automated driving, will make driving safer, more convenient and more efficient.

From the BMW 7 Series across the whole range, many BMW models already use partially-automated assistance systems every day. They have been taking care of

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lane-keeping and longitudinal control on the motorways, for example, since 2015 – at speeds up to 210 km/h.

The car of the future will be even more intelligent, and able to drive itself.

As you may know, the BMW Group plans to introduce its first highly and possibly fully-automated series-production model, the BMW iNEXT, in 2021. As I'm sure you can imagine: Preparations for this innovative flagship are already well underway.

In fact, we have been working on highly-automated driving since 2000. Our first test vehicle drove down the A9 autobahn, between Munich and Nuremberg, back in 2011, without any intervention from the driver.

Ladies and Gentlemen,

Today, we are on the threshold of automated driving. This means making massive investments in our future.

We will be shaping part of this future right here in the Czech Republic: to be exact, in Sokolov, about 40 kilometres from the German border.

Establishing our first development location in Eastern Europe will open up new opportunities. It marks a milestone in the history of our company.

There are three questions that shed light on why the BMW Group has decided to build a new proving ground in the western Czech Republic:

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First: Why do we need a new proving ground?

Second: What will the BMW Group be doing there?

And, last but not least:

Why are we specifically investing in Sokolov?

In answer to the first question: We need a new proving ground as the BMW Group model range continues to expand through electrification – and to face the growing demands of future technologies, such as digitalisation and automated driving.

Our test tracks in Miramas in the south of France; Arjeplog in northern Sweden; and Aschheim, outside of Munich, have already reached their capacity limits.

Let me give you an example: A series-ready automated customer vehicle needs about 240 to 250 million test kilometres. 90 per cent can be tested virtually, using simulations. But the remaining 10 per cent – about 25 million kilometres – still comes from road tests. That's why it's time for a new proving ground.

Ladies and Gentlemen,

The second question: What does the BMW Group actually plan to do at the ground – which's commissioning is planned for the start of the next decade?

First, a few figures: The BMW Group is investing an amount in the three-digit-million-euro range and will create several hundred new jobs. These are jobs that will further advance ground-breaking topics, such as electrification, digitalisation and automated driving.

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One area we will be focusing on in Sokolov is safety-testing for assistance systems, including rear-impact and repeat braking situations and situations with cross-traffic – scenarios we have all encountered on the roads.

In other words: collision avoidance.

As you can see, we have big plans!

So, last but not least: Why are we building the new proving ground in Sokolov – and not somewhere else?

First of all, I would like to take this opportunity to say thank you – also on behalf of the BMW Group Board of Management.

Minister Hüner, Governor Vildumetzová, thank you for the tremendous support we have received from the Czech Government and the region of Karlovy Vary. Thanks to the outstanding cooperation with political representatives at both federal and state level, we were able to finalise the location of the new proving ground in record time.

Mr Kučera, I would also like to mention the strong backing our project received from CzechInvest. Many thanks to you and your team for your active support!

Ladies and Gentlemen,

The BMW Group is not just creating jobs in the region; this investment marks the start of a long partnership.

We carefully considered a total of 82 potential locations – before we ultimately committed to Sokolov.

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Mr Pöpperl, Mr Štěpánek, Mr Rokos, the BMW Group is acquiring this land from your company, Sokolovská uhelná. I would also like to thank you and your company for your personal commitment and tireless efforts to bring people together. Your work has paved the way for your region to transition from lignite mining to high-tech. You played an important part in helping us move forward quickly with this project.

The first tests will get underway at the roughly 500-hectare ground in Sokolov by early in the next decade. Good transport connections to our main development facility in Munich and the topography of the terrain make Sokolov the ideal location.

Ladies and Gentlemen,

As I mentioned at the start of my speech, today represents an important milestone in our relationship with your country. Let us commemorate this special day together. On behalf of the BMW Group, I can say that we are already looking forward to the next exciting steps in this project.

Budoucnost se děje již nyní. Těší mě, že jsme její součástí, je vzrušující podílet se na ní.

[„The future is happening right now. I'm delighted that we are part of it, it is exciting to participate on it.”]

Thank you for your attention.