

Communiqué de presse n°2540
10 Juillet 2018

BMW Group and Great Wall Motor sign joint venture agreement for MINI electric vehicles in China

- Signing during Sino-German Summit with Chinese Premier Li Keqiang and German Chancellor Angela Merkel
- 50:50 joint venture with Great Wall Motor
- Further step in the growth and electrification of MINI brand
- No plans for additional sales organisation in China
- Krüger: New level of cooperation between China and Germany

Munich. The BMW Group and the Chinese manufacturer Great Wall Motor today signed an agreement to produce MINI electric vehicles through a new joint venture based in China. During the Sino-German Summit in Berlin attended by China's Premier Li Keqiang and Germany's Chancellor Angela Merkel, the BMW Group and Great Wall Motor committed to found a new joint venture, "Spotlight Automotive Limited", for the development and production of electric vehicles in China. As well as MINI electric vehicles, the joint venture will also produce electric vehicles for Great Wall Motor. The establishment of the new company is subject to approval from the relevant Chinese authorities and the completion of business registration procedures. The joint venture will be located in Jiangsu Province, where both partners will together create a new state-of-the-art production facility.

The production of future battery-electric MINI vehicles in China, the world's largest market for electromobility, is a key element of MINI's continued strategic development within the BMW Group's Strategy NUMBER ONE > NEXT. Today's move follows the "letter of intent" signed with Great Wall Motor on 23 February 2018. It is another significant step towards the electrified future of the MINI brand, coming in addition to start-of-production next year of the first battery electric MINI at the brand's main plant in Oxford.

"Today's signing represents a new level of cooperation between China and Germany," said Harald Krüger, Chairman of the Board of Management of BMW AG, during the signing ceremony. "This strategic partnership is a clear win-win for

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the BMW Group and Great Wall Motor, enabling us to contribute to China's ambitious plans to ramp-up new energy vehicles and reduce emissions in the mobility sector," elaborated Krüger.

The joint venture agreement was signed by Wei Jianjun, Founder and Chairman of Great Wall Motor, and Klaus Fröhlich, Member of Board of Management BMW AG for Development. "The strengths and expertise of both companies complement each other well," said Fröhlich. "Our experience as a pioneer and leader in the field of electrification, coupled with Great Wall Motor's proven track-record in efficient industrialisation, enables us together to drive the growth of the largest e-mobility market in the world," Fröhlich continued. "With our joint approach, we can quickly scale up production and increase efficiency in the highly competitive segment of compact electric vehicles."

"Today's signing opens a new chapter in Sino-German cooperation," stated Wei Jianjun. "Great Wall Motor and the BMW Group share a commitment to promote new energy vehicles. With the combined strength of both partners, our new joint venture will accelerate the uptake of electric vehicles," Wei continued.

The BMW Group is firmly committed to continuing the successful cooperation with the established sales structure and channels in China and has no plans to set up an additional sales organisation in China for future MINI electric vehicles from this joint venture. The joint venture's activities will focus on the development, procurement and production of electric vehicles for the Chinese market.

As announced yesterday, the BMW Group will also further expand its highly successful BMW Brilliance Automotive (BBA) joint venture in China with its partner, Brilliance. In recent years, BBA has become a cornerstone of the BMW brand's success in its largest market. Around 560,000 BMW brand vehicles were delivered to customers in China in 2017 – more than in the next two largest markets, the US and Germany, combined. Two-thirds of all BMW vehicles sold in China last year were produced by BBA. In 2017, China was MINI's fourth-largest

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market, with around 35,000 units delivered. This underlines the brand's additional global potential, which will now be significantly supported through the joint venture with Great Wall Motor.

The successful strategy behind the continuing expansion of the BMW Group's global production network obeys a clear rule: production follows the market. This means that increasing production in our largest markets does not lead to a corresponding decrease in production in other plants, but rather the reverse. For example, although BMW production in China and the USA increased significantly between 2007 and 2017, production in Germany during that time also grew by almost a quarter, to around 1.15 million vehicles a year. A similar expansion strategy could therefore accelerate development of the MINI brand significantly, without questioning the BMW Group's commitment in the UK, where the company has made significant investments.

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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. The BMW Group production network comprises 30 production and assembly facilities in 14 countries; the company has a global sales network in more than 140 countries.

In 2017, the BMW Group sold over 2,463,500 passenger vehicles and more than 164,000 motorcycles worldwide. The profit before tax in the financial year 2017 was € 10.655 billion on revenues amounting to € 98.678 billion. As of 31 December 2017, the BMW Group had a workforce of 129,932 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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