

Media Information

09 July 2012

- Check against delivery -

**Statement Harald Krüger
Member of the Board of Management of BMW AG
Press Meeting BMW Group /
Visit by Business Secretary, Dr. Vince Cable
MINI Plant Oxford, 09 July 2012**

Good morning, everybody! A very warm welcome to you all.

It is my great pleasure to be with you here today, and it's a special privilege to welcome our distinguished guest –
Business Secretary, Dr. Vince Cable.

Thank you, Dr. Cable, for being with us here today.
We very much appreciate your continued interest in our business activities and your support of our manufacturing operations here in the UK.

I am particularly delighted to be here at our Oxford plant today.
The Oxford plant has made such an enormous contribution to the ongoing global success of the MINI brand since the BMW Group launched the new MINI in 2001. Just as Bavaria is the centre of the BMW world, so the UK is, and indeed will remain, the hub and the heart of MINI.

On April 1st of this year I became the responsible board member for MINI, Rolls-Royce, Motorrad and Group Aftersales.

That is something I'm very proud of. I also have to confess that:
MINI has been making my heart race since I was a little boy.

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Back in 1998, when I was working in strategic planning in the Production division, I strongly advocated the development of the “New MINI”. And in 2001, I got to test-drive one of the very first of the new MINIs right here in Oxford.

From 2003 to 2006, I was Director of Engine Production at Hams Hall. One of my tasks was the ramp-up and production of MINI engines , beginning in 2006. That was when we created the MINI Production Triangle.

During that time, my family and I lived in Oxford. We felt very much at home here and have many fond memories of those days.

Today, MINI is one of the automotive industry’s fastest-growing brands: MINI has become a truly global success and is gaining new fans every day.

We are well aware that this is only possible with

- the very positive development of the Oxford plant, which has established itself as a key player in the BMW Group’s international production network and
- the vital contributions being made by our plants in Swindon and Hams Hall.

The BMW Group brought the new MINI onto the market in 2001.

By 2002, the first full year of production, we had already sold 144,000 cars – which exceeded our expectations at that time by far.

MINI has grown steadily ever since. This year – ten years on – we will double that figure.

And the BMW Group has every intention to continue this growth:

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We currently have more than 1,500 dealers in over 100 markets. We aim to expand our MINI family from six current models to ten. And we are in the fortunate position of having more ideas for MINI than we can currently realise.

As I'm sure you'll remember, three years ago MINI celebrated its 50th birthday. Over the last decade, the BMW Group has gone from strength to strength. One of our greatest successes has been to develop MINI into a global brand. We are very proud - together with our colleagues here in UK - of this achievement.

MINI will continue to expand its market position in the future and conquer new markets all around the world.

We have big plans for MINI.

In fact, I would like to share some news with you today:

A year ago, with Prime Minister David Cameron, the BMW Group announced that the company would invest 500 million pounds in our UK MINI production network by 2014.

Today, we are increasing that amount:

From now until 2015 the BMW Group will invest a further 250 million pounds here in the UK.

This all adds up to a total of 750 million pounds by 2015!

This investment is good news for all our employees in the UK and shows the BMW Group's clear commitment to the UK as a vital manufacturing base.

Where is our investment headed?

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It will go into all three plants:

- Oxford – to prepare for the production of our new MINI generation and additional MINI derivatives.

And also the modernisation of our production equipment:
in body construction, paint shop and assembly.

- Swindon – for example, for the modernisation of our presses and
- Hams Hall – for production equipment for a completely new generation of engines.

We will continue to produce the core and high-volume MINI models here in Oxford and utilise the plant's full capacity.

As I already mentioned, we have very ambitious growth plans for MINI. They will exceed the production volume we can handle here at the Oxford plant.

The extra volume and the complexity of new model lines mean additional flexibility and production capacity is needed within a short time frame. The BMW Group is therefore considering how best to meet the ever-growing customer demand for MINI.

One option is to establish a satellite production operation at NedCar in The Netherlands. We are in contact with NedCar regarding potential contract manufacturing.

This additional production capacity means even more flexibility for MINI volume beyond our maximum capacity in Oxford.

NedCar would be a good partner for us. A glance at the map shows the relative geographical proximity to our plants here in the UK would offer significant benefits in terms of logistics.

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Over the medium to long term, we aim to focus on two production locations for MINI: the UK and The Netherlands.

At the same time, we at the BMW Group will continue to develop our established, and important, cooperation with our strategic partner Magna Steyr in Austria.

This development would create the opportunity for extra volume for our engine plant in Hams Hall and our pressings operations in Swindon as well as for our UK-based MINI suppliers.

One thing remains certain: Oxford, with its experienced and highly-skilled team, will remain the international hub and centre of excellence for MINI manufacturing.

Oxford is to MINI what Munich is to BMW.

Oxford is, and will remain, the “heart of MINI”.

Next year, the Oxford plant will celebrate its 100-year-old success story. It can look back on an impressive past – and, I can promise you, with everything we have planned for MINI – it can also look forward to a great future.

Thank you.