

Press Release

December 16, 2013, **DO NOT RELEASE BEFORE: 3:00 p.m.****Groundbreaking ceremony for new BMW Group plant in Brazil**

Start of operations scheduled for 2014, productive capacity of up to 30,000 units annually – Investment of approx. 200 million euros, 1,300 new jobs

Araquari/Munich. Today, the BMW Group has hosted an official function to celebrate the groundbreaking for a new plant in Brazil. The event took place at the new plant grounds in Araquari, Santa Catarina with participation of Michel Temer, the Vice President of the Federative Republic of Brazil, Raimundo Colombo, Governor of Santa Catarina and Ludwig Willisch, Head of Region Americas, BMW Group.

First BMW Group automotive plant in South America

Ludwig Willisch explained during the event: 'With the construction of our plant in Araquari, we are strengthening our commitment to Brazil and adding a further milestone in the BMW Group's long-term growth strategy. Brazil has one of the world's fastest growing major economies and is a market with tremendous potential for the future.'

Harald Krüger, Member of the Management Board of BMW AG, responsible for Production, commented in Munich: 'Today, we are laying the cornerstone for the BMW Group's first automotive plant in South America. The new plant in Brazil will be an important element in our international production network and will make a significant contribution to the BMW Group's profitable and globally balanced growth. Our strategic principle of "production follows the market" has previously proven effective in markets such as the US and China and will also ensure our success in Brazil as an important future market.'

Balanced growth strategy

The BMW Group aims at achieving balanced growth in all markets and on all continents. Fast-growing emerging markets such as Brazil, Russia, India and Korea play a vital role in this effort. By adding a new plant in Brazil, the BMW Group is further expanding the global production network, which will in future comprise 29 production and assembly sites in 13 countries on four continents.

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The start of operations at the new plant is scheduled for the fall of 2014. The production infrastructure is going to comprise a body shop, a paint shop and an assembly facility.

Over the course of the next few years, more than 200 million euros will be invested in the plant, resulting in a productive capacity of up to 30,000 vehicles annually. The production portfolio is supposed to comprise the following models: MINI Countryman, BMW 1 Series 5-door model, BMW 3 Series Sedan, BMW X1, and BMW X3. The setup of the new site will entail approx. 1,300 new jobs; 60 new employees are already on board.

Further jobs will be created within the supplier network of the new plant. For production activities in Araquari, the BMW Group is planning to source numerous components locally. This is why the company aims at building close ties with Brazilian suppliers early on.

The latest BMW Group production site is located in Araquari, a town in the southern Brazilian state of Santa Catarina. This allows the BMW Group to draw on the structures established in Joinville, located about 20 kilometers north of the new plant. At Joinville's Perini Businesspark, the BMW Group is presently setting up a training center for the new plant. The centerpiece of this facility is an assembly line for training purposes, which is in keeping with the global BMW Group production standards.

BMW Group: Strong commitment to the Brazilian market

At the event celebrating the start of construction of the new plant in Araquari, the BMW Group presented further novelties for Brazil: As of now, the BMW 320i ActiveFlex is available to customers; it is the world's first engine with turbo charger and direct injection specifically designed for the flexible use of either ethanol or petrol. This innovative combination of the BMW TwinPower Turbo

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and the BMW ActiveFlex technology was exclusively developed for the Brazilian market. The BMW 320i ActiveFlex is the first premium car offered in Brazil that is based on a flexible fuel concept and thus gives drivers full freedom of choice with regard to the fuel they prefer to use. At the same time, the new model provides the high-performance characteristics typical of a BMW engine and the sheer driving pleasure associated with it.

Another premiere was the presentation of the BMW i3 in Brazil. The BMW Group's first fully electric vehicle, which has recently been launched in Europe, will be available in Brazil from summer 2014 on.

As early as 1995, the BMW Group founded its National Sales Organization, followed in 1999 by the setup of a Financial Sales Company for Brazil. Since 2009, the company has been building motorcycles at Manaus, Brazil.

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About the BMW Group

The BMW Group is the leading premium manufacturer of automobiles and motorcycles in the world with its BMW, MINI and Rolls-Royce brands. As a global company, the BMW Group operates 28 production and assembly facilities in 13 countries and has a global sales network in more than 140 countries.

In 2012, the BMW Group sold about 1.85 million cars and more than 117,000 motorcycles worldwide. The profit before tax for the financial year 2012 was euro 7.82 billion on revenues amounting to euro 76.85 billion. At 31 December 2012, the BMW Group had a workforce of 105,876 employees.

The success of the BMW Group has always been built 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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