



Media Information
19 May 2017

EMBARGO:

**05:00 a.m. Munich time
11:00 a.m. Shenyang time**

- Check against delivery -

Dr. Nicolas Peter

Member of the Board of Management of BMW AG, Finance

Oliver Zipse

Member of the Board of Management of BMW AG, Production

**Grand Opening of BMW Brilliance Automotive (BBA) Plant
Dadong Northern Extension**

Shenyang, China, 19 May 2017

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*Dr. Nicolas Peter, Member of the Board of Management of BMW AG,
Finance*

Dear Vice-Governor He,
Mayor Jiang,
Mr. Yu Kai,
Chairman Qi,
Chairman Wu,
Distinguished Guests,

It is a tremendous honour and a pleasure to be here with you today. Just a few weeks ago, I spent a couple of days in Beijing. It's been six years, since I was in Shenyang, and it is amazing how much has changed here in recent years. I hope this will be the first of many visits over the coming years!

China is a very special market for us. It is our largest single market, accounting for over 20% of our global sales volume. In 2016, we sold over 516.000 BMW, MINI and Rolls-Royce models here. I am certain 2017 will be another successful year, thanks to our broad product line-up and 14 new models that we will bring to the Chinese market over the course of the year.

Ladies and Gentlemen,

The BMW Group has deep roots in China. It has been more than 20 years since we opened our first representative office in Beijing. 2003 marked the start of our fruitful partnership with Brilliance.

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Three years ago we renewed our partnership ahead of plan. This once again underlines the trust and the strong ties between the BMW Group and China.

Our three plants in Shenyang symbolise the success story of our BMW Brilliance Automotive joint venture. BMW Brilliance Automotive has invested almost 4.8 billion euros in our plants in Shenyang since 2009. This reaffirms our long-term commitment to the Chinese market.

The BMW 5 Series is one of the most important models for the BMW Group. We developed the long-wheelbase version specially for the Chinese market back in 2006 – and it has proved extremely popular ever since. Worldwide, the BMW 5 Series is the leader in its segment. In China, the 5 Series was the top-selling car in the premium segment last year.

Our product line-up is tailored to the needs of our Chinese customers. People here appreciate this. The most recent example of the success of this strategy is the X1 long-wheelbase and the new 1 Series Sedan.

The Chinese government is also a pioneer in the field of electrification: It actively supported electro-mobility from a very early stage. China is already the largest market for alternative drive systems. We currently offer five electrified models in China – from the BMW i3 to the BMW 7 Series Plug-in Hybrid to the locally-produced hybrid variant of the BMW X1. We are therefore continuing to expand our local expertise in this area. BMW Brilliance Automotive will open a high-voltage battery centre in Shenyang later this year.

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Our strong local presence is vital to our continued business success. The active support of the local government has made a lot of things possible and paved the way for our joint success. Our involvement here and the depth of value creation also benefit the region. Our BBA joint venture has created more than 16,000 jobs and made a valuable contribution to the further development of the city of Shenyang and the entire province of Liaoning.

We are proud of the milestones we have achieved together with our Chinese suppliers and dealers. The BMW Group is at home in China. I would like to take this opportunity to thank the local government and authorities and our long-standing partners at Brilliance for our outstanding cooperation over the years. Together with you, I look forward to beginning the next chapter in the successful story of our company, the region and the BMW 5 Series in China.

Together, we will continue our journey forward and shape the future of premium mobility in China.

Thank you.

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*Oliver Zipse, Member of the Board of Management of BMW AG,
Production*

Ladies and Gentlemen,

Just over one year ago, we opened our New Engine Plant in Tiexi.

With the ability to fit every locally produced car with a locally produced engine, we further strengthened our commitment to Shenyang and to China. And today, we again have reason to celebrate:

The opening of the new northern extension of Plant Dadong reflects the great dynamics that drive China forward.

The new Plant Dadong will contribute to the attractiveness of the Liaoning Province by adding further real value creation. And it will of course help the BMW Group to fulfil the rising demand of Chinese customers for premium BMW vehicles.

The BMW Group follows a clear approach with its localization strategy: Production follows market demand.

In Shenyang, you can see this strategy turn into reality. Since the start of our production in Dadong in 2003, we have continuously increased our capacities in line with the enormous growth of the premium car market.

And our local production is well prepared for further market growth.

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Including both new and existing facilities, the total capacity of Plant Dadong and Plant Tiexi combined reaches up to 450,000 units per year – with further potential in the future.

We are also expanding the portfolio of our locally produced models. In January, we started production of our fifth model in China: the China-exclusive BMW 1 series sedan in Plant Tiexi.

This is where we also produce the BMW 2 Series Active Tourer, the BMW X1 long-wheel base and the BMW 3 Series Sedan.

Here, in Plant Dadong, we are now producing the latest generation of Long-wheel base BMW 5 Series Sedans – in state-of-the-art facilities.

The new expansion also enables us to add a sixth model to our local line-up: We are preparing for the production of the BMW X3 in Dadong. This will further deepen the integration of our Shenyang plants into our worldwide production network.

In the coming years, we have three global launches at the BMW Group. That means: launching the same model in different plants and countries in short succession. These three models are the new BMW 5 Series, the new BMW X3 and the next generation BMW 3 Series. Our Chinese plants will be part of all of these global launches.

The new BMW 5 Series features highly innovative technologies, including advanced lightweight design and extensive use of sensors for driver assistance systems.

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For a successful product launch, the team from Plant Dadong cooperates closely with our team at Plant Dingolfing in Germany, where the BMW 5 Series was initially launched. Both plants benefit much from the mutual exchange of experiences.

This is especially true for the use of the latest digital applications. To give you just one example: The vehicle identification number of each unique BMW 5 Series Sedan is connected to its components, as well as working sequences and machines throughout the production process.

Through automated data analysis on our Internet of Things platform, operators can now easily access the data of all aspects of production.

Ladies and Gentlemen,

Today's opening of Plant Dadong underlines the industrial dynamics of China. The new north section is the result of the comprehensive knowledge and latest technologies of the BMW production system.

I would like to thank our Joint Venture partner Brilliance, the project team and all involved authorities for the realization of this site. Once more, Shenyang is home to an outstanding and state-of-the-art production facility. And we will continue to invest in our highly innovative production sites in China. Our next project is already underway:

The remodelling of the southern section of Plant Dadong. Once finished, it will give us even greater flexibility and more potential for growth. In China, our next step is always just around the corner. Thank you.