



Press release
15 June 2018

Opening of the new Shanghai Research & Development Center as part of BMW's Innovation Day China.

Shanghai/Munich. Today opened the newly BMW Group Shanghai R&D Centre as part of BMW's Innovation Day China. The event showcased BMW's latest developments in the areas of innovation, digital services, autonomous driving and automotive design. Following the opening of the Beijing R&D Centre and the laying of the foundation stone for phase II of the Shenyang High-Voltage Battery Centre in May 2018, the new R&D Centre in Shanghai marks another milestone for BMW's "In China, for China" R&D strategy, illustrating how the BMW Group has further enhanced the R&D network in China.

With China leading the way for innovation worldwide, the BMW Group values the country's importance as a driver of innovation and will continue to increase its R&D investment there. "China has a world-class infrastructure, abundant skills and strong support from the government. As one of the most vibrant cities in China, Shanghai is in touch with the latest trends and represents the cutting edge of technology and innovation. It has become the spearhead of innovation for BMW's R&D network in China and an incubator for future technologies. The Shanghai R&D Centre will focus on autonomous driving, digital services and futuristic design, and will expand collaboration with leading high-tech companies. With its team of experienced and talented professionals, the Shanghai R&D Centre will bring more and more innovative technologies to Chinese customers," said Mr Jochen Goller, President & CEO, BMW Group Region China.

Collaboration with local high-tech companies, building an innovative ecosystem.

At today's BMW Innovation Day local innovation and technology companies joined the event, sharing views with BMW R&D specialists and demonstrating their innovative achievements. The Technology Office China has been working with Chinese high-tech companies on open innovation projects covering the four aspects of ACES (Automated, Connected, Electrified and Shared) since 2016, with the aim of building a future mobility ecosystem in China. Dr Martin Sautter, Senior Vice President, Research and Development Centre BMW, BMW China

Company
Bayerische
Motoren Werke
Aktiengesellschaft

Postal address
BMW AG
80788 München

Telephone
+49-89-382-57185

Internet

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Services Ltd., presented awards to four Chinese start-ups for their outstanding achievements in the quest for future mobility solutions.

In the words of Dr Sautter: “As a premium automotive manufacturer with over 100 years of history, innovation is an intrinsic part of BMW’s DNA. It is a key topic in China’s new era of development and also the driving force behind the car industry’s shift towards ACES. OEMs are playing an active role in creating the future mobility solutions and BMW is no exception to this. China has become a global driver of innovation and will be at the forefront of innovation at BMW. We collaborate with local technology and innovation companies, providing them with a platform for open innovation. This is a win-win partnership, as BMW implements the resulting innovations in its future products and services.”

Four functions of Shanghai R&D Centre for cutting-edge mobility innovation in the future.

The new Shanghai R&D Centre is located on the Puxi side of the city. It comprises four departments focusing on future mobility trends and innovative design: Technology Office China; Digital Products & Services and Digitalization Customer Interface; Connected and Automated Driving Lab; Designworks Shanghai Studio. It covers over 2,500 m² and features an open and flexible working environment that inspires employees and improves cooperation. The R&D team is made up of over 200 technical specialists and designers. More than 90% are Chinese. They come from diverse scientific backgrounds: big data, robotics, AI, human machine interface, mechanical engineering, business model development and economics. All the departments of the Shanghai R&D Centre work with other BMW R&D departments around the world as part of a collaborative effort to transform the BMW Group into a high-tech mobility service company.

The department for Digital Products & Services develops and operates BMW Connected and other digital services in China with the aim of creating a comprehensive mobility ecosystem. BMW Connected seamlessly integrates vehicles into their users’ digital lives via multiple touchpoints, such as the iPhone and Apple Watch. It is powered by the BMW Open Mobility Cloud, a highly flexible,

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cloud-based system. With BMW Connected, mobility extends beyond the vehicle. BMW is committed to building a comprehensive mobility ecosystem and providing intelligent, seamless and personalised mobility services for customers. BMW Connected also uses the Tmall Genie smart voice assistant and Baidu smart speaker to provide home-to-vehicle services.

BMW Connected was launched in China in December 2016 and now has over one million customers and counting.

The **Connected and Automated Driving Lab** has its sights set on safer, more convenient and smarter future mobility solutions. It develops autonomous driving in China based on customer requirements, technological developments, technical standards and government regulations. Around 60 engineers in China are working on the core technologies behind autonomous driving – such as high-definition maps, sensors and perception, driving strategy and vehicle control, interfaces with on-demand mobility services and prototypes – as well as regulatory issues. In May 2018, BMW became the first OEM to obtain an autonomous driving road testing licence in China. As of June 2018, about 200,000 kilometres (125,000 miles) of simulated testing and nearly 30,000 kilometres (18,500 miles) of road testing had been carried out in China.

As one of the first automotive manufacturers worldwide to develop autonomous driving technology, the BMW Group has already amassed more than 10 years of R&D experience and created a solid foundation. In China, BMW has been working on the development of autonomous driving since 2014. China has one of the most complex traffic infrastructures and driving behaviour patterns in the world. Localised R&D for autonomous driving forms a crucial basis for perfecting the technology. In 2017, BMW started Level 4 autonomous driving trials with a fleet of 40 test vehicles on roads around the world, and the number of test vehicles will increase to 80 in 2018. Road safety has always been a top priority for BMW and it plans to complete 200 million kilometres (125 million miles) of testing globally prior to the mass production of autonomous vehicles.

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The **Technology Office China in the Shanghai R&D Centre** joins California and Tokyo as the third technology office. It focuses primarily on three main areas – Megacity Mobility China, Open Innovation and Customer Car Data Analytics China. One of their most important projects is the Open Innovation Network, which is building an innovation ecosystem in China. This network covers Beijing, Shanghai, Hangzhou, Shenzhen and Hong Kong, and conducts joint research projects with partners such as universities, start-ups and technology companies.

Designworks Shanghai Studio, along with the studios in Munich and Los Angeles, forms a global future-oriented creative consultancy that offers strategic services to clients in auto and other industries to foster innovation and business growth. With a multicultural team, an organic work organization and a multi-disciplinary capability, the Shanghai Studio has become a strategic partner for its clients by jointly tailoring design projects and foreseeing the future opportunities of the market.

“China remains a key market for the BMW Group and Designworks, and continues to grow in importance. The region provides a unique platform for design inspiration; from its rapid speed of change, advancements in technology and digitization, as well as its overarching spirit of optimism,” said Adrian van Hooydonk, Senior Vice President BMW Group Design. “By building first-hand experience and understanding of this marketplace, it allows us to create strong and highly relevant solutions for our Chinese customers, as well as giving us the opportunity to infuse this knowledge back into our teams and projects across the world.”

100 years of innovation DNA, building a solid local R&D network.

Innovation is in BMW’s DNA and acts as the driving force for the brand’s sustainable development. Over the past century, the company has always focused on innovation as a means of developing future mobility. The global BMW R&D network encompasses 13 cities in five countries (Germany, USA, Japan, South Korea and China). China has the largest R&D network in the BMW Group outside Germany.

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The BMW Group is committed to investing in and leading the way into the future. In 2017, total R&D investment increased by 18.3%, hitting €6.108 billion and accounting for 6.2% of annual revenue. With the ongoing upgrades to its R&D network in China, the BMW Group will keep increasing its innovative capacity for future mobility, accelerating its transformation into a high-tech mobility service company.

In the event of enquiries please contact:

Nadja Horn, Press Spokesperson Connectivity & Digital Services
BMW Group Innovation and Design Communications
Phone.: +49 89 382 57185, e-mail: nadja.horn@bmwgroup.com

Benjamin Titz, Head of Innovation and Design Communications
BMW Group Innovation and Design Communications
Phone.: +49 89 382 22998

Internet: www.press.bmwgroup.com

E-mail: presse@bmw.de

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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