

Media Information  
3 August 2017

- Check against delivery -

**Statement**  
**Harald Krüger**  
**Chairman of the Board of Management of BMW AG**  
**Conference Call Interim Report to 30 June 2017**  
**3 August 2017, 10:00 a.m. CEDT**

Good morning, Ladies and Gentlemen!

I'd like to begin by saying a few words about yesterday's forum in Berlin between Federal and State Government officials and the automobile industry.

The meeting was an important step. We support the initiative and are investing in the Sustainable Urban Mobility fund.

State-of-the art diesels will definitely play an important role in future mobility, as well. Yesterday, this was clearly acknowledged. Modern efficient diesel engines ensure lower CO2 emissions. On average, BMW Group diesel vehicles emit 40% less NOX than the German average, as reported by the Germany Federal Environment agency in April 2017. This is also true for both our Euro 5 and Euro 6 vehicles.

We are driving the transition to sustainable mobility as hard and fast as possible. That's why we will grant vehicle owners across the EU an environmental bonus of up to 2,000 euros, depending on the model.

This applies to owners of diesel vehicles that meet Euro 4 standards or less, when they trade in their vehicle and purchase a new BMW or MINI. The replacement must be either a BMW i3, a plug-in hybrid or a Euro 6-standard vehicle with CO2 emissions of up to 130 grams per kilometer (in the NEDC).

Media Information

3 August 2017

Date

Subject

Statement by Harald Krüger, Chairman of the Board of Management  
of BMW AG, Conference Call Interim Report to 30 June 2017

Page

2

In addition, we are offering an optimisation of the exhaust-treatment system for 225,000 of the Euro 5 models currently on the road in Germany, at no extra cost to the customer, of course.

As I emphasized again yesterday:

BMW Group vehicles are not rigged for testing purposes. This has been confirmed by the results of relevant official investigations at the national and international level. And our customers can continue to rely on this.

The BMW Group initiated the change to sustainable mobility at an early stage. Currently we have more than 150,000 electrified vehicles on the road.

But it's also clear that sustainable mobility requires cooperation - within our industry and with partners from other areas. The automotive industry will continue to play a key role for growth, innovation and jobs in our country. And I can assure you - the BMW Group will also continue to drive innovation in sustainable mobility.

And now, I would like to move on to our daily business – and the strategic challenges and opportunities that remain the focus of our efforts and innovations, regardless of current developments.

There are two topics I would like to address in more detail:

What did we achieve in the first half of 2017?

1. Which steps have we already taken under Strategy NUMBER ONE > NEXT?
2. In the first six months, we continued the successful business development of recent years.

Media Information

3 August 2017

Date

Subject

Statement by Harald Krüger, Chairman of the Board of Management  
of BMW AG, Conference Call Interim Report to 30 June 2017

Page

3

Our sales figures and Group earnings once again reached new all-time highs:

We delivered more vehicles than ever before in a six-month period. Total deliveries of BMW, MINI and Rolls-Royce vehicles exceeded 1.2 million. This underlines the strong appeal of our brands and our models. The BMW brand alone delivered more than one million vehicles. The main growth drivers were the BMW 7 Series and the BMW X models. We expect the new BMW 5 Series, including the Touring and plug-in hybrid variants, as well as the long wheelbase version in China, to provide further momentum. In autumn, these will be followed by the third generation of the very popular BMW X3 – which will also be available for the first time as an M Performance model.

MINI sales also reached a new half-year high. The new Countryman has been well received by the markets.

Rolls-Royce sales were lower than last year. In the ultra-luxury segment, political and economic uncertainties in a number of regions have dampened consumer spending. We presented the new Phantom, “the Pinnacle of Luxury” to the world just a few days ago in London. Reactions have been very positive.

BMW Motorrad remains on track for growth, with record deliveries. As previously announced, BMW Motorrad aims to deliver more than 200,000 BMW motorcycles and scooters by 2020. This year alone, BMW Motorrad fans will be able to choose between 14 new and revised models – including the new R NineT Pure and Racer models.

Group pre-tax earnings climbed to a new all-time high of more than 6 billion euros – due to positive business development as well as valuation effects from the first quarter.

Media Information

3 August 2017

Date

Subject

Statement by Harald Krüger, Chairman of the Board of Management  
of BMW AG, Conference Call Interim Report to 30 June 2017

Page

4

For the 29th consecutive quarter, our EBIT margin in the Automotive Segment remains within our target range of 8 to 10 per cent.

The global automotive market reported only slight growth in the first half of the year. Individual markets are developing unevenly. In this case, we benefit from our balanced distribution of sales across Europe, Asia and the Americas.

We have established a strong sales network and production base in all these regions. We are a reliable local partner and understand our customers' needs.

Our sales figures for the first half-year produced the following picture: In Europe, sales were slightly higher. China posted double-digit growth. In the US, our sales decreased slightly in a declining overall market.

As a global company, the BMW Group is confronted with many risks on the international auto markets. Examples include the impact of Brexit and the political situation in the Middle East.

Nevertheless, we have set ourselves ambitious goals for the financial year 2017: We are targeting a slight increase in deliveries and Group earnings before tax, both of which should reach new all-time highs. At the end of the first six months, we are well on our way to achieving our goals for the year. The BMW Group intends to remain the leader in the premium segment and grow profitably. For us, however, it is more important to be in our target corridor than to grow strongly in volume. We are making further strategic decisions to strengthen our innovative capabilities and our core business.

That brings me to the second topic: Which steps have we taken under Strategy NUMBER ONE > NEXT?

## Media Information

3 August 2017

Date

Subject

Statement by Harald Krüger, Chairman of the Board of Management  
of BMW AG, Conference Call Interim Report to 30 June 2017

Page

5

I have always emphasised that electro-mobility is currently our clear priority. The mood is becoming increasingly positive.

In the first half of the year, we sold more than 42,500 electrified cars. That is around 80 per cent more than in the same period last year. This includes models from our BMW i family, our BMW iPerformance vehicles and the new MINI Countryman Plug-In Hybrid, available since June.

We are the market leader in plug-in hybrids in the premium segment. The sales curve for the pure electric BMW i3 shows a clear upward trend. Sales increased by more than 50 per cent year-on-year. There are plenty of announcements being made in our industry at the moment. We are creating facts. We have more electrified vehicles on the roads than any of our established competitors. Our customers can currently choose from nine electrified models. Thanks to the growing desirability and our broad range of electrified drive trains, I am very confident that: We will deliver 100,000 electrified vehicles this year. We are expanding our offering to all brands and segments. In this way, we are already embarking on the second wave of electrification. Many customers have already reserved the BMW i8 Roadster, which launches next year. I am sure the all-electric BMW X3 will also be a hit with many customers from 2020.

Production of the first fully-electric MINI will get underway in 2019 at our British plant in Oxford, where most of our MINI 3-Door cars are built. MINI customers will then be able to choose between three drive train variants: combustion engine, plug-in hybrid in the Countryman and electric drive train in the MINI Hatch.

In Germany, Lower Bavaria is home to our Dingolfing and Landshut plants – it is our centre of competence for electro-mobility. Dingolfing will also build our new technology flagship, the BMW iNEXT. At the IAA in Frankfurt, we will present a very exciting surprise.

Media Information

3 August 2017

Date

Subject

Statement by Harald Krüger, Chairman of the Board of Management  
of BMW AG, Conference Call Interim Report to 30 June 2017

Page

6

We are strengthening Germany's status as a manufacturing location for e-mobility. We aim to provide our customers worldwide with emotional and comprehensive sustainable mobility solutions – and we are enabling our locations to achieve this: We currently produce electrified models at ten international locations. Going forward, nearly all of our plants will be able to build vehicles with combustion engines, plug-in hybrids and all-electric models on a single production line. This makes us extremely flexible in how we respond to demand.

Autonomous driving is our second major area of activity – and we are making rapid progress in this area, as well. We have been working with Intel and Mobileye for the past year. We have also been able to recruit new and renowned partners for our platform, like Delphi and Continental. This year, the first engineers from the BMW Group, Intel and Mobileye will move into our development campus outside of Munich.

We want to offer all our customers the right options for their own individual mobility needs. This year and next, we will launch around 40 new and revised models. This will be the biggest model offensive in our history. The BMW 8 Series Concept Vehicle provides a glimpse of the near future. This highly emotional vehicle underlines our claim to leadership in the luxury segment.

Ladies and Gentlemen,  
modern societies need mobility. The car is, for many people, an essential element of their everyday lives. It makes our lives easier and more flexible. Digitalisation opens up new possibilities to take individual mobility to a new dimension: electric, connected and autonomous. We are pushing ahead with all of these topics as part of Strategy NUMBER ONE > NEXT. We are combining operational excellence in our core business with profitability and fresh thinking. This is our roadmap for our future success. Thank you!