

Media Information
31 July 2018

BMW Group to expand production network in Europe

- New plant for BMW models to be established near Debrecen, Hungary
- Investments of approximately €1 billion
- Full range of drive types from a single production line
- Krüger: “Decision for new plant reaffirms perspective for global growth”

Munich. The BMW Group continues to expand its production network in Europe, with a new facility to be built in Hungary, close to the town of Debrecen. It will come at an investment of approximately €1 billion, offer capacity of up to 150,000 units a year and create over 1,000 new jobs.

“The BMW Group’s decision to build this new plant reaffirms our perspective for global growth. After significant investments in China, Mexico and the USA, we are now strengthening our activities in Europe to maintain a worldwide balance of production between Asia, America and our home continent,” said Harald Krüger, Chairman of the BMW AG Board of Management. “Europe is the BMW Group’s largest production location. In 2018 alone we are investing more than €1 billion in our German sites to upgrade and prepare them for electric mobility.”

Oliver Zipse, BMW AG Board Member for Production, added: “In the future, every BMW Group plant in Europe will be equipped to produce electrified as well as conventional vehicles. Our new plant in Hungary will also be able to manufacture both combustion and electrified BMW models – all on a single production line. It will bring greater capacity to our worldwide production network. When production commences, the plant will set new standards in flexibility, digitalisation and productivity.”

Europe is the most important market for the BMW Group. In 2017 it accounted for almost 45 percent of all vehicle sales, with 1.1 million units sold. Up to the end of June 2018, the BMW Group grew in many markets across the continent, with vehicle deliveries totalling more than 560,000 units – a year-on-year rise of 1.2 percent.

Media Information

Date 31 July 2018

Subject BMW Group to expand production network in Europe

Page 2

The latest decision to develop the production network follows the BMW Group's strategic principle of balanced global growth and represents the next logical step in the implementation of BMW Group Strategy NUMBER ONE > NEXT.

Competitive production site in Europe

Debrecen is the ideal place for the BMW Group to expand its production network. It was chosen primarily for its very good infrastructure, suitable logistics connections and proximity to the established supplier network. The qualified personnel in the local area were another key advantage. Besides the team at the plant itself, numerous jobs will be created with suppliers and service providers, both within the grounds of the new facility and across the local region.

The BMW Group has been operating a representative office in Hungary since 2004 and enjoys long-standing, positive relations with suppliers in the country. Last year materials and services worth €1.4 billion were purchased in Hungary.

The plant in Debrecen will set new standards in digitalisation, sustainability and flexibility. In addition, it will be a technology leader, with innovative solutions for automation, state-of-the-art assistance systems and flexible logistics applications. In keeping with the BMW Group's principle of the highly flexible production system, the new facility will manufacture conventionally as well as electrically powered vehicles, all on a single production line.

Note:

More information about the plant is available now at <https://www.bmwgroup-plants.com/debrecen/en.html> (English) and <https://www.bmwgroup-plants.com/debrecen/hu.html> (Hungarian). The website offers details of contacts in Purchasing and information on submitting job applications.

Media Information

Date 31 July 2018

Subject BMW Group to expand production network in Europe

Page 3

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The BMW Group production network

Strong customer demand and the launch of new models resulted in very high capacity utilisation for the BMW Group's production network in 2017. With 2,505,741 vehicles produced for the BMW, MINI and Rolls-Royce brands, production volumes reached a new all-time high. This figure included 2,123,947 BMW, 378,486 MINI and 3,308 Rolls-Royce units. The company's German plants, which produced more than one million vehicles, are responsible for roughly half of production volumes.

With its unparalleled flexibility, the leading-edge production system is in excellent shape for the future. Based on Strategy NUMBER ONE > NEXT, it is characterised by a high level of efficiency and robust processes. The BMW Group's production expertise represents a decisive competitive advantage and contributes to the profitability of the company and its sustainable success.

Quality and speed of reaction are key factors in the BMW production system, as well as flexibility. Digitalisation, standardised modular concepts and intelligent composite construction testify to the high level of expertise within the production network. At the same time, the production system offers a very high level of customisation and allows customer specifications to be modified up until six days before delivery.

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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