BMW Group

Corporate Communications

Statement

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Innovation Days Efficient Dynamics 2010
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Good evening, Ladies and Gentlemen, and welcome once again to the BMW Welt.

You probably know that recently we had our Annual General Meeting. And we were able to tell the owners of our company that:

First: The BMW AG reports **positive financials** – despite the persistently difficult economic conditions.

Second: We continue to **invest** in **future technologies** to guarantee individual mobility.

Third: For the first time ever, BMW is the **world's most valuable automotive brand**, with a brand value of 21.8 billion US dollars. This was confirmed by this year's brand ranking, carried out every year by the international market research firm Millward Brown.

All of us here at the BMW Group are very proud of this recognition. But this is not the only reason why I am sharing with you the key messages announced at the AGM. As we are about to start our **Innovation Days Efficient Dynamics,** I can also comment on how the division Development has contributed to this success.

The innovations applied in our products make all the difference. They allow our company to tap new growth potential. **Innovations are inscribed in our DNA, and this is not going to change.**

One of the greatest innovations is Efficient Dynamics. Our goal is to maximize performance and minimize fuel consumption at the same time. And this is not only achieved by increasing the efficiency of combustion engines, but also by developing hybrid drives and e-cars.

At past Innovation Days, you have seen and tried out many different aspects of Efficient Dynamics. The focus has primarily been on innovations that **enhance the efficiency of the vehicle itself.**

And successfully so. Just consider the facts:

- In Europe, our BMW and MINI vehicles have an average fuel consumption of 5.9 litres per 100 kilometres. This accords to **average carbon emissions of only 150 grams per kilometre** for the fleet.
  These low emissions are achieved despite a superior performance of 170 hp or 125 kW on average.

- 25 BMW and 8 MINI models have maximum emissions of 140 g CO_2 per km. Ten models even run below 120 g CO_2 per km.

This is what BMW is known for – and it is what you and our customers expect from us. No automaker in Europe has reduced their average fleet emissions more than the BMW Group.

Our customers recognize this accomplishment, and this is a further incentive for us. As a premium manufacturer, our intention is to do more than just build the best and most efficient vehicles. By acting responsibly, we want to have a share in **shaping the future of mobility.**

The BMW brand stands for dynamics and sporting flair, but increasingly also for **efficiency and sustainability.**

Today, the BMW Group is **the world's most sustainable automaker.** We are currently the industry leader in the Dow Jones Sustainability Index for the fifth consecutive time.

The sustainability study **Sustainalytics** has recently confirmed that the BMW Group also **ranks first among the DAX-30 companies**. That means we are the vanguard, even beyond industry limits.

And we are going to stay the course – along the entire **value chain.**

This value chain also comprises comprehensive road tests: test drives at different temperatures, in particularly hot or cold countries. We sell our products worldwide, so **each vehicle** has to work perfectly **in each climate zone**.

During my time as a product line manager for the large model series, I acquired a good impression of the great logistical effort needed for these tests. Not only were people and cars brought to Arjeplog in Sweden, to Namibia or to Death Valley in the US, but also a huge number of measuring devices, spare parts and tools.
Cars are tested and adjusted down to the smallest detail**, until our engineers are convinced that the vehicle is good enough for the discerning customer.**

Such a test might take several weeks. And under such extreme climate conditions, fantasies of being a test driver literally melted away.

So it was obvious that running these tests close to the FIZ competence centre would have many advantages. The **development process** would become **much more efficient**.

- We could significantly reduce transport distances and times;
- fewer prototypes could be used for more tests;
- and the process of readjusting details would become easier and faster.

This is why we have invested in a new building, located in the vicinity of the FIZ and the new aerodynamics tunnel. This new **Energy and Environmental Test Centre** is equipped with:

- three thermal wind tunnels – a climate wind tunnel, a thermal wind tunnel and an environmental wind tunnel,
- as well as two test chambers – one for high altitudes and one for low temperatures.

The new test centre is able to simulate the majority of all test scopes that deal with cold, heat, sun, rain, snow, barometric pressure, humidity and wind. These tests used to be carried out on roads all over the world. Here it takes a mere **eight hours** for a car to pass through **all the world's climate zones** at one spot. And very realistically at that.

When we planned the test centre, a top priority was to guarantee **ecologically sustainable operations**. The sophisticated concept of the cooling system, outstanding insulation and brake energy recovery on the roller dynamometers and in the ventilation system are only a few examples of the implemented features.

Future test scopes were also considered in methods development. I am talking about tests with hybrid vehicles and e-cars.

Naturally, the test chambers are not only suitable for cars, but can also be used for our **BMW motorcycles**. After all, **premium applies to all our brands and products.**

But the fact is: If you want to demonstrate that you can swim, you have to get into the water. Basically the same applies to cars. So we will not be able to do without real road tests in the future. We want to make absolutely sure that all individual components are in perfect alignment. **Ultimately, our customers make up their minds about our cars on the road.**

The BMW Group has invested around **130 million Euros** in setting up the Energy and Environmental Test Centre.

This has been a worthwhile investment in many respects:

1. It is a commitment to Munich as a research and production location.
2. It will strengthen our technology lead with regard to Efficient Dynamics.
3. Our customers stand to benefit.
4. And our employees have ideal conditions for their work on the test track and in test chambers.

The workshops scheduled for tomorrow will give you an idea about **Efficient Testing** and demonstrate the significant improvements we have achieved in our products and processes. And in our short sound design workshop, you will even be able to hear how much we have improved.

I can promise that we have some fascinating experiences in store for you.

At this point, I will hand over to Dr. Hans Rathgeber who will tell you a bit more about the test centre and tomorrow's agenda.

I wish you an interesting evening and an exciting day tomorrow! Thank you.