

Media Information  
28 May 2018

## **BMW Brilliance Automotive expands battery factory in China**

Major increase in capacity

Production of batteries for fully-electric BMW iX3 from 2020

BMW iX3 to be integrated into existing production structures

**Munich.** The BMW Group continues to drive the expansion of electro-mobility as part of its Strategy NUMBER ONE > NEXT. To achieve this, the company is adapting its production structures to growing demand for fully and partially electrified vehicles. Just seven months after opening its battery factory in China, the BMW Brilliance Automotive (BBA) joint venture today laid the foundation for a comprehensive expansion of the plant. At the “High-Voltage Battery Centre Phase II”, BBA will produce the new, more powerful batteries of the fifth-generation BMW eDrive technology for the fully-electric BMW iX3. Starting in 2020, the BMW iX3 will be built at the neighbouring BBA plant Dadong.

Oliver Zipse, member of the Board of Management of BMW AG, responsible for Production: “Today, we break ground for the next stage of our electric model offensive. In this regard, we further increase the capacity of our local battery production. This enables us to follow the increasing demand for electro mobility in China.”

China is the BMW Group’s largest single market and the pacesetter for e-mobility worldwide. With six electrified models currently available, the BMW Group offers Chinese customers the widest range of options in the premium segment. In 2017, the BMW Group more than doubled its sales of electrified vehicles in China from the previous year and expects this growth to continue in 2018. Earlier this year, production of the new BMW 5 Series Plug-in Hybrid got underway at the BBA plant Dadong. Expansion of the battery factory underlines the BMW Group’s commitment to China.

### **Production of fully-electric cars to be integrated into existing structures**

The BMW Group is the pioneer in electromobility. The company’s Leipzig plant began building the fully-electric BMW i3 in 2013. Today, the BMW Group produces cars with combustion engines on the same lines as plug-in hybrids at ten locations worldwide. Three battery plants in Germany, the US and China supply local production of electrified vehicles

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with batteries. In the future, production of fully-electric vehicles will also be integrated into existing manufacturing structures.

Oliver Zipse: “Maximum utilisation of plant capacity is a priority for us. That is why we are designing our production system so that we can build models with a fully or partially electric drive train or combustion engine on the same assembly line.”

In addition, two enhanced flexible vehicle architectures will be suitable for all drive forms, thereby reducing complexity in production. This gives the BMW Group maximum production flexibility and enables it to respond quickly to market and customer demands worldwide. It also ensures optimal utilisation of production capacity, avoids high investments and creates job security.

### **The BMW Brilliance Automotive (BBA) joint venture**

The BBA Brilliance Automotive joint venture was founded in 2003. Over the past 15 years, it has become one of the most successful premium automobile manufacturers in China, encompassing production and sales of BMW automobiles in China, as well as local development tasks. In 2017, the BBA automotive plants in Tiexi and Dadong produced almost 400,000 vehicles for the Chinese market – an increase of around 30% year-on-year. The maximum capacity of the two plants will reach 520,000 units per year from 2019.

Since 2009, the joint venture has invested more than 52 billion RMB (approx. 6.7 billion euros) in the BBA plants, and employs more than 16,000 people.

In 2014, the BMW Group and Brilliance China Automotive Holdings Ltd. extended their joint venture contract early and laid the foundation for deepening the successful cooperation. The extended contract is valid for ten years (from 2018 to 2028).

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If you have any questions, please contact:

**Corporate Communications**

Sandra Schillmöller, Communications BMW Group Production Network

Telephone: + 49 89 382-12225

[Sandra.Schillmoeller@bmwgroup.com](mailto:Sandra.Schillmoeller@bmwgroup.com)

Frank Wienstroth, Head of Communications BMW Group Production Network

Telephone: + 49 89 382-54459

[Frank.Wienstroth@bmw.de](mailto:Frank.Wienstroth@bmw.de)

Media website: [www.press.bmwgroup.com](http://www.press.bmwgroup.com)

Email: [presse@bmw.de](mailto:presse@bmw.de)

**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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