

Media Information
24 May 2012

BMW Group expands activities in China

Second plant opened with partner Brilliance in Shenyang

Further increase in capacity if needed

€ 500 million additional invest in local sites

Joint venture engine plant starts production

Tiexi most sustainable vehicle plant in China

Tiexi/Munich. BMW AG and its joint venture partner, Brilliance China Automotive Holdings Ltd., are today opening the most sustainable automobile production facility in China and one of the most innovative and flexible automobile production facilities worldwide.

“With our second plant in Shenyang, we will increase our capacity in China to 200.000 vehicles. Together with our partner Brilliance we will further invest € 500 million in China, thus preparing for future growth”, said Norbert Reithofer, Chairman of the Board of Management of BMW AG, at the official ceremony to mark the opening of the company’s second automobile plant in China in the city of Tiexi on Thursday. “With this investment we will increase total capacity of both plants to 300.000 units per year over the medium term. Due to our flexible production structure we will be able to produce up to 400.000 vehicles depending on market development”, stated Reithofer.

This brings the two partners’ total investment in Chinese locations to around € 1.5 billion since 2009, the year the company announced it would build a second plant.

“China is one of the BMW Group’s top three markets worldwide and offers tremendous potential for growth, especially in the premium segment”, continued Reithofer. BMW AG has been producing BMW 3 Series and 5 Series models for the Chinese market with its long-standing joint venture partner, Brilliance, in Shenyang since 2003. The opening of the second vehicle plant in China will expand the range of locally-produced models to include the BMW X1. Production of the long-wheelbase version of the BMW 3 Series will also begin in Tiexi over the coming weeks.

Friedrich Eichiner, member of the Board of Management of BMW AG, Finance, explained at the opening ceremony in Tiexi: “Building a new plant in Tiexi was the next logical step in meeting growing demand in the Chinese market. As a global company, we aim for balanced, sustainable growth – in established markets and in emerging growth regions.”

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Engine plant starts production in Shenyang

The two partners have also begun producing 2.0 litre four-cylinder petrol engines at a third location in Shenyang. The engine plant has an initial capacity of 200,000 engines, which will increase in line with the expansion of the two automobile plants. The launch of engine production will allow the joint venture's two production locations in Dadong and Tiexi to be supplied locally. "The opening of the only engine manufacturing facility outside of Europe is a major step for BMW Brilliance Automotive and underlines our commitment to the growth market of China," explained Friedrich Eichiner.

Over the next few years, more than 2,000 new jobs will be added to the roughly 8,000 already created in Shenyang. In conjunction with the enlargement of production capacities a further 500 jobs will be created.

The opening of the two plants expands the company's global production network to 29 locations in 14 countries.

BMW Group forecasts new sales record in China for 2012

China was one of the BMW Group's largest markets worldwide in the first four months in 2012, with 107,211 vehicles sold (+35%). The company remains confident for the year as a whole: "We expect sales in China to grow at a double-digit rate once again in 2012 and to achieve record deliveries," added Reithofer. In addition to the start of BMW X1 production in Tiexi, the ramp-up of the long-wheelbase version of the new BMW 3 Series in the second half of the year will generate further momentum for sales. Last year, the BMW Group sold 233,630 vehicles in China – an increase of 37.7%. The BMW Group retail network expanded from 210 to 290 dealerships over the course of 2011.

Tiexi most sustainable vehicle plant in China

The new vehicle plant in Tiexi sets the standard for the production of premium automobiles in China and worldwide. It is the result of extensive experience and innovation at other plants within the BMW Group's globe-spanning production network. It combines a particularly high concentration of state-of-the-art technologies to set new sustainability standards for resource-efficient production of automobiles. More than sixty different measures for resource-



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efficient production optimise energy and water consumption, as well as the amounts of waste, process wastewater and solvent emissions produced. Since the paint shop provides significant leverage for conserving resources during the production process, the Tiexi plant will incorporate one of the most cutting-edge, resource-efficient paint shops in the world. To ensure sustainable energy generation the site will be supplied with wind power.

Creative network

Besides extending its production and sales network, the BMW Group is also expanding its international creative network with two new innovation centres in the Chinese metropolis of Shanghai. The BMW Group subsidiary DesignworksUSA opened a studio in Shanghai in April 2012 to establish a base in one of the world's fastest-growing consumer goods markets. Located in the same building as DesignworksUSA, the new Connected Drive Lab will develop future-oriented Connected Drive functions in the areas of convenience, infotainment and safety that are specially geared towards Chinese customers.

More information on the BMW Group in China can be found at www.press.bmwgroup.com

IMPORTANT for TV and online media:

Highlights of the plant opening will be available in near-real-time at <http://www.press.bmwgroup.com> and <http://www.thenewsmarket.com>.

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The BMW Group

The BMW Group is one of the most successful manufacturers of automobiles and motorcycles in the world with its BMW, MINI, Husqvarna Motorcycles and Rolls-Royce brands. As a global company, the BMW Group operates 29 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2011, the BMW Group sold about 1.67 million cars and more than 113,000 motorcycles worldwide. The profit before tax for the financial year 2011 was euro 7.38 billion on revenues amounting to euro 68.82 billion. At 31 December 2011, the BMW Group had a workforce of approximately 100,000 employees.

The success of the BMW Group has always been built 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. As a result of its efforts, the BMW Group has been ranked industry leader in the Dow Jones Sustainability Indexes for the last seven years.

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