MEDIA RELEASE

**EMBARGO: 13H00 (CAT AND 12H00 CET) ON MONDAY, 16 NOVEMBER 2015**

New era for BMW South Africa’s Plant Rosslyn.

* **BMW Group invests more than R3 billion in new state-of-the-art facilities for Plant Rosslyn.**
* **Additional estimated R3 billion for suppliers, launch costs and training of associates.**
* **Plant Rosslyn to produce the next generation BMW X3 in the coming years.**
* **BMW South Africa to contribute to the global success story of BMW X models.**
* **BMW 3 Series Sedan to be allocated to other plants in the BMW Group production network.**

**Rosslyn, Pretoria** – The BMW Group today reaffirmed its long term commitment to South Africa by announcing that it will invest a total of R6 billion at its Rosslyn Plant in Pretoria in the coming years. The investment, one of the biggest in the local automotive industry, will enable Plant Rosslyn to produce the next generation of the BMW X3, which will be sold locally and exported to various countries.

The production of the next generation BMW X3 at Plant Rosslyn will replace the BMW 3 Series Sedan, which will now be allocated to other plants within the global BMW production network. BMW Plant Spartanburg in South Carolina, USA, will also continue to produce the next generation BMW X3.

“The potential for Africa as a future market for exports as well as the newly reviewed Automotive Production and Development Programme (APDP) enables South Africa to play a significant role in the manufacturing industry and production of high quality cars. This is evident in the J.D. Power Platinum Plant Quality award we received earlier this year. Our passion for perfection at BMW Plant Rosslyn has demonstrated that we are highly competitive within the global BMW production network both in terms of cost of production and quality. We are excited about the future prospects of Plant Rosslyn and cannot wait to start with the production of the next generation BMW X3. We believe there is an opportunity to increase the localisation of components when we start producing this car,” said Mr Tim Abbott, Managing Director of BMW Group South Africa.

More than three billion Rands (R3bn) will be invested in new state-of-the-art facilities and operations of the plant. An additional R3bn will be for suppliers, launch costs and training of associates.

“At the BMW Group, we constantly evaluate our plant allocation to ensure it reflects and accommodates market demand. With the decision to produce the next generation of the BMW X3 in Rosslyn we strengthen the position of South Africa in our global production network. It also follows our strategy that production follows the market. We will continue to adapt the BMW Group to meet future challenges,” says Mr Oliver Zipse, Chairman of BMW Group South Africa and Member of the Board of Management of BMW AG responsible for Production.

Dr Ian Robertson, Member of the Board of Management of BMW AG responsible for BMW Sales and Marketing, and a previous Managing Director of BMW Group South Africa, says that the BMW X models have proved to be very desirable, ever since the BMW X5 founded the Sports Activity Vehicle segment in 1999. “These vehicles now represent some of the most successful model ranges in the BMW line-up, accounting for 28% of our total global sales. This realignment of production at Plant Rosslyn is in response to the continuing growth of the SAV segment worldwide and we will be expanding the X-range in the coming years, building the new X7 in Spartanburg, USA.”

Minister of Trade and Industry, Mr Rob Davies, says that the investment is testament to the important partnership that exists between business and government as well as the role that business is playing in the development of the economy. “We are excited at the prospect of BMW Rosslyn plant as home to the next generation of the BMW X3. For us this is a boost to our industrial policy objective of positioning South Africa as a manufacturing hub for high valued consumer products. A few days ago we announced the findings of our mid-cycle review of the APDP, which reaffirmed our commitment to providing continued support to the automotive industry for the short to medium term and trust that this provides the industry with policy certainty necessary for long term investment planning. As we change production of the BMW 3 Series Sedan programme, it is our expectation that the new generation X3 programme will make a telling contribution to the long term development of the sector through higher production volumes, local value addition and inclusion of previously excluded groups in the sector.”

**Plant Rosslyn, the heart of the BMW Group in South Africa.**

Production at BMW Plant Rosslyn dates back to 1968, when Praetor Monteerders began assembling cars, utilising BMW engines and drive-trains fitted to Hans Glas sheet metal pressed and shipped from Dingolfing in Germany.

In 1973, BMW AG took over full shareholding and established BMW Group South Africa (Pty) Ltd with BMW Plant Rosslyn becoming the BMW Group’s first manufacturing facility outside of Germany.

Since then, the BMW Group has been a major investor in South Africa and its people, with BMW Plant Rosslyn moving from a limited vehicle-production plant that merely assembled vehicles with a few customisation possibilities for the local market, to a world-class plant, capable of producing highly customised cars for customers across the globe.

For example, the BMW Group was the first OEM to adjust its production model to capitalise on exports, before the finalisation of the Motor Industry Development Plan (MIDP) in 1999. Similarly, the BMW Group was the first OEM to announce a new investment in South Africa before the finalisation of this plan’s replacement, the APDP in 2009.

During this period, Plant Rosslyn’s production of the BMW 3 Series and the BMW Group’s investment in South Africa has increased substantially with each new generation as well.

This is especially true after the introduction of a fully-fledged export programme in 1999:

* With the third generation BMW 3 Series (E36), Plant Rosslyn produced around 92,000 units from 1994 to 1998 or around 19,000 cars per year.
* The fourth generation BMW 3 Series (E46) was built between 1998 and 2005 and Plant Rosslyn was responsible for approximately 269,000 units or around 38,500 cars per year.
* The fifth generation BMW 3 Series (E90) ended production with around 342,000 units or around 49,000 cars per year, having been built from 2005 to 2012.
* Since the start of production of the sixth generation BMW 3 Series (F30) in 2012, around 200,000 units have been built at Plant Rosslyn.

Therefore, since 1999, BMW Group South Africa has grown its overall production volume significantly while its production of cars for export markets has quadrupled.

In 2014, BMW 3 Series Sedan production volume at Plant Rosslyn increased by 1,6% to 68,721 (2013: 67,662) while exports increased by over 17% to a record 61,735 units. This mass export secured BMW South Africa’s position as the country’s leading exporter of premium vehicles. For 2015, production of around 70,000 units is projected.

BMW Group South Africa directly and indirectly employs over 42,000 people (3,000 associates at the plant and at the national sales organisation, 4,000 dealer staff and more than 35,000 first-tier supplier employees). In April this year, BMW Group South Africa was named the number one employer in the automotive industry for the second consecutive year in the Universum Most Attractive Employer Awards for 2015. In addition, for the third consecutive year, the South African Graduate Employers Association (SAGEA) Graduate Recruitment Awards, bestowed the honour of Employer of Choice in the Automotive Industry to BMW South Africa in June 2015. The company’s Graduate Development Programme remains highly favoured among graduate trainees

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**The BMW Group**

With its three brands BMW, MINI and Rolls-Royce, the BMW Group is the world’s leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. As a global company, the BMW Group operates 30 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

In 2014, the BMW Group sold approximately 2.118 million cars and 123,000 motorcycles worldwide. The profit before tax for the financial year 2014 was approximately € 8.71 billion on revenues amounting to € 80.40 billion. As of 31 December 2014, the BMW Group had a workforce of 116,324 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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