

Media Information
5 May 2016

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**Statement
Harald Krüger
Chairman of the Board of Management of BMW AG
Press Conference
THE NEXT 100 YEARS Beijing
“Iconic Impulses. The BMW Group Future Experience”
Ullens Center for Contemporary Art, Beijing
5 May 2016, 11:00 a.m. local time**

Distinguished guests,
Ladies and Gentlemen,
ni men háo!

I am delighted to be back in China. Every time I come here, I am reminded what a truly fascinating country this is. China has an immensely rich past – but is clearly focused on tomorrow, looking ahead towards an exciting future. This is something we share. The BMW Group is celebrating its centenary this year. It has always looked ahead, constantly challenging itself, convinced that: The best way to predict the future is to shape it. Our ties with China go back a long way and we are strongly committed to this market: we are here to stay! This is underlined by the scale of our investment:

- In just seven years, we have invested a total of over 22 billion renminbi in our plants in Shenyang.
- Taking both plants together, we aim to increase our production capacity to 400,000 units over the long-term.
- We now produce four models locally and this will increase to six in the next few years.
- Early this year, we opened our new 3- and 4-cylinder engine plant in Shenyang.
- Capacity is geared to the production volumes of the two automotive plants and now stands at up to 300,000 units per year.

Media Information

5 May 2016

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
THE NEXT 100 YEARS Beijing

Page

2

- It is a major milestone for our production in China that we will be able to equip all of our locally produced cars with locally produced engines.
- We are also building up our local supplier base. In just six years, we have increased the number of suppliers in China six fold: from 150 to 950.
- And together with our joint venture partner, Brilliance, we now have around 18,400 highly competent employees in China.

We are very proud of the success we have achieved together with our partner Brilliance and we are proud to be a part of the Chinese society. Since 2005, our sales have increased every year – as local production has gone up several gears. With BMW, BMW Motorrad, MINI and Rolls-Royce, we offer strong premium brands and products that win the hearts of our Chinese customers. Our growth shows that they greatly appreciate luxury, design and quality. China remains a market with huge potential and we will continue to invest here! China is now the BMW Group's largest single market – and its importance for us extends far beyond sales volume. Our commitment also includes an R&D office, a Designworks Studio and a ConnectedDrive Lab. These facilities help us to gain even deeper insights into what our Chinese customers want and how we can develop even stronger ties with China.

As we look ahead to the future – to the NEXT 100 Years – mobility will change dramatically through advances in technology and changes in customers' demands. Mobility is becoming versatile. Looking ahead to the next 100 years, the BMW Group will create ground-breaking and responsible solutions. Our vision is – for future mobility – to be effortless, available on demand and tailor-made for all our customers and for their individual needs.

In China – the share of post 90s in the Chinese car market was 15% in 2015 and this will increase to 45% in 2025. In other words: the next generation of customers were born into the digital age. Technology is becoming human.

Media Information

Date 5 May 2016

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
THE NEXT 100 YEARS Beijing

Page

3

Our technologies will learn to learn from people. And Connectivity is becoming second nature.

We aim to attract the young customers in China as they continue to grow in numbers. Our intelligent use of data will enhance our customers' lifestyle.

The premium compact car segment is experiencing fast growth here. So we will increase the share of compact cars in the BMW Group portfolio. In January, we launched the BMW 2 Series Active Tourer in China. We build this model in Tiexi. The all-new BMW X1 long wheelbase is another perfect illustration of our focus on the Chinese customer and our enduring commitment to the Chinese market. In addition, another small sedan will be locally produced in China soon. The concept car was shown at the Beijing Auto Show.

We see further potential for BMW Motorrad in China. Last year we doubled our sales here and in the next twelve months, we will be introducing a total of nine new models, including our all new 300 Series.

The BMW Group's vision for the future is sustainable production for sustainable mobility. We are genuinely committed to protecting the environment. We aim to be at the forefront of e-mobility by providing the most innovative products and services. From a very early stage, the Chinese government has supported and promoted electric mobility. This country has the potential to become the world's largest market for new energy vehicles. We truly appreciate local and national Government support of BMW's e-mobility.

The BMW i3 is listed in the "Catalogue of New Energy Vehicles Exempted from Purchase Tax". In 2016, we will offer an upgraded BMW i3 model. BMW offers the richest line-up of premium NEV products both imported and locally produced, and ranging from BEV to PHEV. We will extend our product line this year from four to six models. Part of our strategy for e-mobility is the

Media Information

Date 5 May 2016

Subject Statement Harald Krüger, Chairman of the Board of Management of BMW AG
THE NEXT 100 YEARS Beijing

Page 4

electrification of our whole fleet. Our new 7 series is the most innovative car in the luxury class.

This year in China we will launch two additional iPerformance models – the plug-in hybrid models of the new 7 Series and the X1.

Right now, the BMW Group is on the verge of making automated driving happen. Studies confirm that China will be a major market for highly automated driving (HAD). Chinese customers have:

- the highest level of acceptance
- the most desire to improve convenience, traffic flow and safety

Our cooperation with Baidu is the first joint project between a premium auto brand and a local IT partner on HAD in China. This collaboration underscores our commitment to the Chinese market, and embodies our R&D strategy, 'In China, For China'.

Ladies and Gentlemen, We have a clear vision: To be the leader in premium individual mobility – also in the next 100 years. In a moment, you will see how we imagine the future. Our BMW VISION NEXT 100 offers a vision of a new era in mobility – sustainable, connected and automated driving. This is the beginning of an exciting, new era – and China will be a vital part of it.

Xiexie Dajia! Thank you!