

BMW Group expands footprint in China with BMW Brilliance Automotive joint venture

- Long-term framework for expansion of BMW Brilliance Automotive (BBA) joint venture
- Signing in presence of Chinese Prime Minister Li Keqiang and German Chancellor Angela Merkel
- Further step in the growth of BMW brand in China
- BBA expands production capacity to over 500,000
- All-electric BMW iX3 from BBA intended for export
- Krüger: New chapter in the success of BBA

Munich. The BMW Group is expanding its footprint in China. In the presence of China's Prime Minister Li Keqiang and Germany's Chancellor Angela Merkel, the BMW Group and its partner Brilliance Automotive Group Holdings signed a long-term framework agreement to further expand their joint venture BMW Brilliance Automotive (BBA). BBA is increasing the capacity of its two local production facilities Tiexi and Dadong in Shenyang, Liaoning Province, to a total of 520,000 BMW brand vehicles in 2019. Furthermore, the all-electric BMW iX3 produced by BBA is planned for export to markets outside of China.

"Today's signing represents a new chapter in the success story of our BMW Brilliance Automotive joint venture," said Harald Krüger, Chairman of the Board of Management of BMW AG. "Our agreement sets a long-term framework for our future in China - a future involving continued investment, further growth and a clear commitment to the development and production of electric vehicles. The next chapter of our cooperation has the potential to go beyond our existing motto - in China, for China. The all-electric BMW iX3, produced by BBA from 2020, will find customers around the world," elaborated Krüger.

Around 560,000 BMW brand vehicles were delivered to customers in China in 2017 – more than in the next two largest markets, the US and Germany, combined. Two-thirds of all BMW vehicles sold in China were produced by BBA last year. Local production of the new BMW X3 in China started in May as scheduled and the ramp-up in the second half of the year is expected to further

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accelerate growth in the world's largest automotive market. The BMW X3 is the sixth BMW model localized in China.

“BBA is our cornerstone for the BMW brand’s sustained success in its largest market,” said Nicolas Peter, Member of the Board of Management of BMW AG responsible for Finance. “This year marks our joint venture’s 15th anniversary. The tremendous growth we have achieved over these years is only possible due to our strong and reliable partnership with Brilliance. Together we have set the foundation for future growth.”

“BMW Brilliance Automotive is a unique success story and stands out as an example of trusted partnership,” said Yumin Qi, Chairman, Brilliance Automotive Group Holdings. “This joint success is also driving the economic development of Liaoning province, adding jobs and prosperity to thousands of our associates in the region.”

In addition to the two automobile production locations, BBA also runs an engine plant, which includes a battery factory for the electrified BMW brand vehicles produced locally in Shenyang. This is the first battery factory operated by a premium automobile manufacturer in China. Local production of the BMW iX3, the first all-electric core model of the BMW brand, will start in 2020 in Shenyang. The BMW iX3 is also intended for export to markets outside of China.

Today BBA already employs over 800 professionals in its R&D facilities, three-quarters of whom are Chinese. In total, BBA employs more than 16,800 associates. Since 2009, BMW Brilliance Automotive has invested more than 52 billion RMB in its plants in Shenyang. The 2 millionth BMW produced in China rolled off the production line in January 2018.

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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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