

Press release  
9 December 2014

## **BMW Group takes steps to initiate a generational change at the head of the Board of Management and Supervisory Board**

Harald Krüger to become Chairman of the Board of Management in May 2015

Dr. Norbert Reithofer proposed to succeed as Chairman of the Supervisory Board

Prof. Joachim Milberg to take leading role in the BMW Group's worldwide CSR activities and charitable foundations

Klaus Fröhlich appointed to Board of Management with responsibility for Development

**Munich.** At its meeting today, the Supervisory Board of BMW AG took the first steps to initiate a generational change at the head of the company's Board of Management and Supervisory Board. Harald Krüger will become Chairman of the Board of Management effective the end of the Annual General Meeting on 13 May 2015. The current Chairman of the Board of Management, Dr. Norbert Reithofer, will be put forward for election to the Supervisory Board at the 2015 Annual General Meeting. Moreover, the Supervisory Board expressed its support for the proposal that Dr. Reithofer – subject to his election to the Supervisory Board – be elected to the position of Chairman of the Supervisory Board after the 2015 Annual General Meeting.

The current Chairman of the Supervisory Board, Prof. Joachim Milberg, will step down as a member of the Supervisory Board effective the end of the 2015 Annual General Meeting. This move enables a generational change also at the head of this body. Once his mandate on the Supervisory Board is ended, Prof. Joachim Milberg will take on a leading role connected with the BMW Group's worldwide CSR activities and charitable foundations.

"The automotive industry is undergoing a fundamental shift. Those who want to play an active role in shaping tomorrow's mobility need constantly to find viable solutions to future challenges. The BMW Group plans to maintain its leading role in the premium segment. To achieve this, we have to hand over responsibility to



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the next generation at an appropriate time,” explained Prof. Milberg on Tuesday, after the Supervisory Board meeting in Munich.

### **Generational change ensures continuity and strategic vision**

On Tuesday, the Supervisory Board meeting chaired by Prof. Milberg – in agreement with the Nomination Committee and shareholders holding in aggregate more than 25 percent of the voting rights in BMW AG – requested the current Chairman of the Board of Management, Dr. Reithofer to stand for election to the Supervisory Board at the Annual General Meeting on 13 May 2015.

“With today's decision and recommendation for the positions of Chairman of the Board of Management and Chairman of the Supervisory Board, we have taken the first steps for a generational change, which combines the need for continuity and experience with the creative energy of the younger generation,” commented Stefan Quandt, Deputy Chairman of the Supervisory Board, after the meeting. “We are convinced that this combination will be a decisive factor for the future success of the BMW Group – in the interests of customers, employees and shareholders alike.”

Manfred Schoch, Chairman of the General Works Council and Deputy Chairman of the Supervisory Board, stated in Munich, “The excellent spirit of cooperation between the Works Council and company management represents a long tradition at the BMW Group and is one of the underlying reasons for our success. We want to maintain this relationship through the generational change and thus play a continuing role in jointly shaping the BMW Group's future.”

The designated Chairman of the Board of Management, Harald Krüger (49), joined BMW AG in 1992, following completion of his degree in mechanical engineering, and has been a member of the board since 1 December 2008



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when he was given responsibility for Human Resources. On 30 June 2012, he took over responsibility for MINI, Motorrad, Rolls-Royce and Aftersales BMW Group. Since 1 April 2013, he has been responsible for Production at the BMW Group.

Dr. Reithofer (58) joined BMW AG in 1987 and has been a member of the Board of Management since March 2000. He was responsible for Production until September 2006, when he became Chairman of the Board of Management of BMW AG. In this capacity, he played a key role in spearheading the company's new strategic direction through Strategy Number ONE. This included the successful expansion of the BMW Group's product and service portfolio, significantly larger international sales and production networks and a firm commitment to electromobility in the form of the innovative brand, BMW i.

In the words of Prof. Milberg, "During his time as Chairman of the Board of Management, Mr. Reithofer has raised the BMW Group's performance to new heights, extended the company's lead in the premium segment and, at the same time, taken steps to ensure that the company is strategically prepared for the future. All of these achievements deserve genuine appreciation."

The Chairman of the Supervisory Board, Prof. Milberg (71), has accompanied BMW AG's progress over the past two decades in various functions. He joined BMW AG in November 1993 as board member responsible for Production. In February 1999, Prof. Milberg was appointed to the position of Chairman of the Board of Management of BMW AG. He was elected to the Supervisory Board in May 2002 and became its Chairman in May 2004. The Supervisory Board extended Prof. Milberg's mandate as Supervisory Board Chairman most recently in May 2013.

With immediate effect, Klaus Fröhlich (54) is the new member of the Board of Management with responsibility for Development. This appointment was also

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decided at today's meeting of the Supervisory Board. Klaus Fröhlich has been with the BMW Group since 1987, during which time he has held various executive management functions. Most recently, he was in charge of the Small and Mid-sized Series Product Line. His predecessor on the board, Dr. Herbert Diess, has left the company of his own accord.

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**The BMW Group**

With its BMW, MINI and Rolls-Royce brands, the BMW Group is the world's leading premium manufacturer of cars and motorcycles and provider of premium financing and mobility services. It operates internationally with 30 production and assembly plants in 14 countries and a global sales network with representation in more than 140 countries.

During the financial year 2013, the BMW Group sold approximately 1.963 million cars and 115,215 motorcycles worldwide. The profit before tax for 2013 was € 7.91 billion on revenues amounting to approximately € 76.06 billion. At 31 December 2013, the BMW Group had a workforce of 110,351 employees.

Long-term thinking and responsible action have long been the foundation of the BMW Group's success. Constant striving for ecological and social sustainability along the entire value-added chain, full responsibility for our products and an unequivocal commitment to preserving resources are prime objectives firmly embedded in our corporate strategies.

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