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**BMW Manufacturing Announces Study to Convert Landfill Gas to Hydrogen.**

Groundwork begins on sustainable pilot project to use methane gas from local landfill as source of hydrogen fuel.

**Spartanburg, S.C. – July 25, 2011…**BMW Manufacturing announced today the launch of the first phase of an integrated program of work with the intent to validate the economic and technical feasibility of converting landfill gas into hydrogen. If successful, the follow-up phases of the project will provide infrastructure for using this hydrogen to fuel the company’s entire fleet of material handling equipment.

The first phase of this million dollar, multi-phase project will be funded by SCRA (South Carolina Research Authority). A unique collaboration of partners from various government energy agencies and other public and private sponsors will work together on future phases. The project team will include BMW, Advanced Technology International (a subsidiary of SCRA), the Gas Technology Institute, Ameresco, Inc., and the South Carolina Hydrogen and Fuel Cell Alliance.

This project expands upon BMW’s commitment to sustainable energy development. Since 2003, methane gas has been collected, cleaned and compressed from a local landfill and used to power more than 50% of the BMW plant’s total energy requirements. In 2009, the company invested $12 million in its landfill gas program to further improve overall efficiency. Implementation of the program has reduced CO2 emissions by about 92,000 tons per year and saves about $5 million annually in energy costs.

In September 2010, BMW completed installation of a hydrogen storage and distribution area within the existing Energy Center at its North American manufacturing plant in South Carolina. The company is using hydrogen fuel cells to power nearly 100 material handling vehicles in the plant’s new 1.2 million square foot assembly facility that produces the new BMW X3 Sports Activity Vehicle. Success of this new project will allow BMW to transition from the pilot-scale system into a full-scale system capable of supporting the largest single-site deployment of fuel cell material handling equipment in the world.

“This project allows testing of valuable technology to determine if using locally-sourced hydrogen in our fuel cell equipment can provide the necessary performance needed to expand our hydrogen fuel cell fleet,” said Josef Kerscher, President of BMW Manufacturing. “In the spirit of continuous improvement, we are always pursuing additional, sustainable methods of capturing renewable energy, including our existing source of landfill gas.”

“This landfill gas-to-hydrogen project at BMW will seek to demonstrate a first-of-its-kind solution that will serve as a model for other private sector companies,” said SCRA CEO Bill Mahoney. “Projects like these further the Knowledge Economy of South Carolina, and I am delighted to be working, together with our partners, to launch this important project on the grounds of a major South Carolina manufacturer. I am confident that this solution to combine renewably-generated hydrogen with clean, efficient fuel cell technology will improve productivity, reduce environmental pollutants and relieve electrical power demand from the grid and am optimistic that it will be replicated nationally.”

In addition to using hydrogen to power material handling equipment, BMW is participating in two projects with the *US Department of Energy (DOE) to develop efficient storage of hydrogen for use in future motor vehicles.  Collaboration with the Lawrence Livermore National Laboratory on a project to produce and store cryo-compressed hydrogen is ongoing, as well as a DOE project to efficiently store hydrogen via a liquid organic carrier. These projects are part of a portfolio of innovative concepts that are intended to enable industry to achieve long range zero-emissions vehicles on the roads across America.*

**BMW Manufacturing Co., LLC**

BMW Manufacturing Co., LLC is a subsidiary of BMW AG in Munich, Germany and is the global producer of the BMW X3 and X5 Sports Activity Vehicles and X6 Sports Activity Coupe. In addition to the South Carolina manufacturing facility, BMW Group North American subsidiaries include sales, marketing and financial services operations in the United States, Canada and throughout Latin America; and a design firm and technology office in California. For more information on BMW Manufacturing, visit [www.bmwusfactory.com](http://www.bmwusfactory.com).

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## BMW Group In America

BMW of North America, LLC has been present in the United States since 1975. Rolls-Royce Motor Cars NA, LLC began distributing vehicles in 2003. The BMW Group in the United States has grown to include marketing, sales, and financial service organizations for the BMW brand of motor vehicles, including motorcycles, the MINI brand, and the Rolls-Royce brand of Motor Cars; DesignworksUSA, a strategic design consultancy in California; a technology office in Silicon Valley and various other operations throughout the country. BMW Manufacturing Co., LLC in South Carolina is part of BMW Group’s global manufacturing network and is the exclusive manufacturing plant for all X5 and X3 Sports Activity Vehicles and X6 Sports Activity Coupes. The BMW Group sales organization is represented in the U.S. through networks of 339 BMW passenger car and BMW Sports Activity Vehicle centers, 137 BMW motorcycle retailers, 107 MINI passenger car dealers, and 36 Rolls-Royce Motor Car dealers. BMW (US) Holding Corp., the BMW Group’s sales headquarters for North America, is located in Woodcliff Lake, New Jersey.

Information about BMW Group products is available to consumers via the Internet at: [www.bmwgroupna.com](http://www.bmwgroupna.com).

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