

BMW Group

U.S. Press Information

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The Carbon Age Begins – BMW Group / SGL Group Joint Venture opens the new Moses Lake Plant

- **Start of carbon fiber production for BMW i3 and BMW i8**
- **approximately \$100 million investment in Moses Lake joint venture plant**

Moses Lake, Washington - September 1, 2011 SGL Automotive Carbon Fibers (SGL ACF) – a joint venture of SGL Group and the BMW Group – today officially opened its new state-of-the-art carbon fiber manufacturing plant in Moses Lake, WA. The new facility is strategic for the manufacture of ultra light-weight carbon fiber reinforced plastics (CFRP) for use in the new BMW i vehicles.

The two parent companies will invest approximately \$100 million in their Moses Lake plant and create 80 new local jobs until 2013. In order to prepare the large scale production start of BMW i vehicles in 2013 it is important to start the carbon fiber manufacturing now. All electricity needed for the production of carbon fibers will come from readily available clean and renewable local hydropower.

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Thanks to the emission-free drivetrain and a value added chain designed to be sustainable all along the line, life cycle emission figures for the BMW i3 are at least a third lower than for a highly efficient combustion-engine car. If the BMW i3 is run on electricity from renewable sources, the figures improve by well over 50%.

Carbon fiber technology will fundamentally change the car industry, becoming increasingly important in the quest for lighter-weight materials to reduce fuel consumption and lower CO2 emissions. With the new SGL Automotive Carbon Fibers plant in Moses Lake, BMW Group and SGL Group are proving that sustainable innovations will provide for a cleaner individual mobility of the future.

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BMW i3 first car to have a Carbon Fiber Passenger Cell

The first vehicle to use the carbon fibers manufactured in Moses Lake will be the BMW i3, an all-electric car designed to meet the mobility needs of drivers in highly populated urban areas throughout the world. Driven purely by electric power to meet the demands of sustainable and emission-free mobility, the BMW i3 embodies an intelligent form of urban transportation and commuting. Previously known as the Megacity Vehicle, the BMW i3 will be the first BMW with the innovative LifeDrive architecture. The Life module part of the design is the passenger compartment made from high-strength, extremely lightweight carbon fiber-reinforced plastic (CFRP). The use of this high-tech material across large sections of the car ensures the Life module is remarkably light helping to improve the BMW i3's range and performance.

Sustainable Plant with Room to Grow

In line with BMW and SGL's leading roles in sustainable business operations, the decision to build the carbon fiber plant in Moses Lake was based primarily on the availability of clean, renewable hydropower and competitive energy costs in the state of Washington. The entire supply chain - ecological, social and economic - has been aligned. The manufacture as well as processing of the carbon fibers and carbon fiber composites will be achieved with careful consideration for environmental resources and processes have already been developed to recycle carbon fibers and downstream composite materials.

The Moses Lake plant covers 60 acres of land with the option to purchase additional land for future growth. The plant will initially run two carbon fiber lines, each with an annual capacity of 1,500 metric tons. After a year of design work with ground-breaking in July 2010, SGL Automotive Carbon Fibers completed the new Moses Lake Facility in April 2011 after only ten months of construction.

The Moses Lake carbon fibers will be processed into lightweight carbon fiber fabrics at the second joint venture site in Wackersdorf, Germany. The carbon fiber reinforced plastic (CFRP) parts and components will be produced from these fabrics at the BMW plant in Landshut, Germany. The new BMW i3 will be manufactured from these parts at the BMW Group plant in Leipzig, Germany.

Dr. Norbert Reithofer, CEO and Chairman of the Board of Management of BMW AG:

"About a month ago we presented the first concept cars being launched under our new sub-brand, BMW i. The BMW i3 and the BMW i8 are cars like no other. With their purpose built design they will set new standards for clean individual mobility of the future. Carbon fibers are a key construction material for the automotive industry of the 21st century and will change the way we develop and build cars."

Robert Koehler, CEO, SGL Group:

"The manufacture of carbon fibers is a core business for SGL Group and together with our partner BMW Group; we will ensure that carbon fibers play a ground-breaking role in lightweight automotive construction. This new greenfield facility in Moses Lake is a milestone in the use of carbon fibers for large scale production in the automotive industry. This significant investment further underlines our commitment to the U.S., where we already operate carbon fiber and composite part facilities."

Christine Gregoire, Governor, State of Washington:

“What a great day for Moses Lake and the entire state of Washington. We worked incredibly hard to bring this partnership to Washington State, and I couldn’t be happier to join in the grand-opening celebration. Not only does this partnership create much-needed, good-paying jobs, it opens up new possibilities and solidifies our state’s position as the leading innovator in the green-energy market place. I am confident carbon fiber is the way of the future, and with SGL Automotive Carbon Fibers in Washington State, we will be the premier location for this in-demand product.”

Andreas Wuellner, Managing Director SGL Automotive Carbon Fibers:

“The facility has been erected in only ten month and will be the most cost efficient carbon fiber plant using modern technologies.”

Dr. Joerg Pohlman, Managing Director SGL Automotive Carbon Fibers:

“We received great support from the local authorities of Grant County and Moses Lake, and this was instrumental in being able to move this project ahead so quickly. Big Bend Community College helped to qualify applicants for our facility and this has been very helpful in starting the production at a high level of quality and efficiency.”

The BMW Group

The BMW Group is one of the most successful manufacturers of automobiles and motorcycles in the world with its BMW, MINI and Rolls-Royce brands. As a global company, the BMW Group operates 25 production and assembly facilities in 14 countries and has a global sales network in more than 140 countries.

During the financial year 2010, the BMW Group sold 1.46 million cars and more than 110,000 motorcycles worldwide. The profit before tax for 2010 was euro 4.8 billion on revenues amounting to euro 60.5 billion. At 31 December 2010, the BMW Group had a workforce of approximately 95,500 employees.

Long-term thinking and responsible action have long been the foundation of the BMW Group’s success. Striving for ecological and social sustainability along the entire value-added chain, taking full responsibility for our products and giving an unequivocal commitment to preserving resources are prime objectives firmly embedded in our corporate strategies. For these reasons, the BMW Group has been sector leader in the Dow Jones Sustainability Indices for the last six years.

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

About SGL Group – The Carbon Company

SGL Group is one of the world's leading manufacturers of carbon-based products. It has a comprehensive portfolio ranging from carbon and graphite products to carbon fibers and composites. SGL Group's core competencies are its expertise in high-temperature technology as well as its applications and engineering know-how gained over many years. These competencies enable the Company to make full use of its broad material base. SGL Group's carbon-based materials combine several unique properties such as electrical and thermal conductivity, heat and corrosion resistance as well as high mechanical strength combined with low weight. Due to the paradigm shift in the use of materials, there is a growing demand for SGL Group's high-performance materials and products from an increasing number of industries. Products from SGL Group are used predominantly in the steel, aluminum, automotive, chemical and glass/ceramics industries. However, manufacturers in the semiconductor, battery, solar/wind energy, environmental protection, aerospace and defense industries as well as in the nuclear energy industry also figure among the Company's customers.

With 45 production sites in Europe, North America and Asia as well as a service network covering more than 100 countries, SGL Group is a company with a global presence. In 2010, the Company's workforce of around 6,300 generated sales of €1,382 million. The Company's head office is located in Wiesbaden/Germany.

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Journalist note: Information about BMW Group and its products in the USA is available to journalists on-line at www.bmwgroupusanews.com and www.press.bmwna.com.

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