

BMW Group

U.S. Press Information

For Release: **March 28, 2014 1:00pm EDT / 10:00am PDT**

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BMW Group Expands its Commitment in the USA

Commits US \$1 Billion investment by 2016; Extends X family with new BMW X7; Increases plant capacity 50% up to 450,000 vehicles; Creates 800 new jobs; Starts production of the new BMW X4; Celebrates 20 years of production in the USA

Spartanburg, South Carolina – March 28, 2014 1:00pm EDT/10:00am

PDT... Celebrating 20 years of production in the USA, Dr. Norbert Reithofer, Chairman of the Board of Management, BMW Group, today announced plans to invest US\$ 1 billion in the company's South Carolina plant: "We will expand the plant's annual production capacity by 50% up to 450,000 vehicles by the end of 2016. Today's capacity is around 300,000 vehicles. This investment will also create an additional 800 jobs, increasing the total workforce to 8,800 on site."

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At the event held at the plant, Dr. Reithofer was joined by U.S. Secretary of Commerce, Penny Pritzker; South Carolina Governor, Nikki Haley; BMW Group Board member for Production, Harald Krüger; and President of BMW Manufacturing, Plant Spartanburg, Manfred Erlacher.

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BMW X7 to be built at Plant Spartanburg

The additional investment will be used to increase capacity, which is necessary to meet strong global demand for BMW X models. “Plant Spartanburg was built to enhance and expand the BMW line-up, underscoring the BMW Group commitment to the United States” said Dr. Norbert Reithofer. “In addition to the X3, X5, X6, and the new X4, we are today announcing another all-new, larger X model to be manufactured exclusively at this plant for our world markets: the X7.”

Harald Krüger, Board of Management member for Production explained the important role of the US for the BMW Group production strategy: “The BMW Group strives for a good balance of growth among all markets and continents. The Spartanburg plant is an important building block in our international network of 28 production and assembly facilities in 13 countries today and makes a vital contribution to profitable, globally-balanced growth.”

He continued: “Our US plant is the best example of our successful strategy of ‘production follows the market’. The state of South Carolina has supported us as a valuable and reliable partner throughout our 20-year involvement in the region – making the United States our second home.”

BMW Group in Spartanburg: largest U.S. automobile exporter

Norbert Reithofer: “We are expanding BMW Plant Spartanburg as our center of competence for production of BMW X models and broadening our product portfolio. This expansion means Spartanburg will have the largest production capacity of any plant in our global production network. This plant already exports, on average, 70% of its annual production with a 2013 value of more than US\$ 7.5 billion which, according to the U.S. Department of Commerce, makes BMW the largest U.S. vehicle exporter to non-NAFTA countries.”

Since production began 20 years ago, in 1994, the Spartanburg plant has produced over 2.6 million vehicles for BMW customers around the world. Currently the BMW X3, X5, X5 M, X6 and X6 M are all produced at the plant. The event also celebrated the start of production of the all-new BMW X4. In the near future, a plug-in hybrid version of the BMW X5 will also be produced here.

BMW Group economic impact on South Carolina

In addition to its large-scale capital investments, a new study just released by the Moore School of Business at the University of South Carolina, reports that the BMW Group has a US\$ 16.6 billion annual impact on the state economy. Its presence in South Carolina supports more than 30,000 jobs throughout the state.

The study found that for every job created at the BMW plant, an additional three jobs are created elsewhere in South Carolina through the economic multiplier effect.

“This is the fifth expansion since production began 20 years ago and represents another major investment,” said Manfred Erlacher, President and CEO of BMW Manufacturing. “The increase in annual capacity, the number of models produced, and the number of jobs on site, reinforce the major role BMW is playing in the region’s economic vitality through technological innovation, environmental stewardship, and development of a highly skilled workforce.”

In 2013, a total of 297,326 vehicles were manufactured in Spartanburg, with 1,100 vehicles currently produced per working day. Total employment at the site reached 8,000 in March 2014.

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, 139 BMW motorcycle retailers, 119 MINI passenger car dealers, and 35 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.

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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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