

Media Information
7 September 2017

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Statement
Harald Krüger
Chairman of the Board of Management of BMW AG
Preview IAA 2017
7 September 2017

Good morning, Ladies and Gentlemen!

For a century now, the BMW Group has demonstrated that it is willing to evolve – to set new ideas in motion. Technological leadership is part of our DNA. That's why we are here today – to talk about what the BMW Group has planned for the future.

There are two main topics I would like to address:

1. The radical change in our business environment.
2. And, electro-mobility.

Regarding the first topic:

The automotive industry is in the midst of a fundamental change – that is clear. I'd like to begin by saying that the success of the BMW Group has always been based on long-term thinking. For decades, we have been working on the development of more efficient and alternative drive trains. In 2007 we launched Efficient Dynamics. On the way to an emission-free future, we will continue to optimize combustion engines.

In many of the current discussions, the customer's needs are often ignored: Customer demand cannot be forced. Customer needs must be anticipated and met. Therefore, we do not advocate driving bans and quotas. We believe in convincing offers with modern, efficient and emotional vehicles. The challenge at

Media Information

Date 7 September 2017

Subject Statement Harald Krüger, Chairman of the Board of Management of BMW AG
IAA Preview 2017

Page 2

hand is that industry, government and NGOs work together on realistic solutions and timeframes. Only so, can we achieve the requirements for sustainable, emission-free mobility – and deliver attractive solutions for our customers.

The BMW Group is a company with both tradition and vision. Around a decade ago, we anticipated the “iconic change” and we put forward a clear strategy – far ahead of our competitors. We have clearly taken major steps in this transformation. Because: When the rules of the game change, we want to be the ones rewriting them.

We call the driving forces of future mobility the ACES: Automated, Connected, Electrified, and Services – specifically, mobility services. These are key elements of our corporate strategy, NUMBER ONE > NEXT, our roadmap for the future. The BMW Group is becoming more and more a “tech company” – and we are in an excellent position to move forward with the ACES. Many others are convinced too: Major players such as Intel, Mobileye, Delphi and Continental have joined forces with us to shape the future of automated driving. Our test fleet is now on the roads in Germany, Israel and the US – making daily trips.

That brings me to my second topic. As a pioneer in e-mobility, we began testing our MINI E fleet worldwide back in 2008. Valuable know-how was integrated into our first fully-electric production car, the BMW i3, the “original”. It’s been the world’s top-selling electric car in its segment since its launch in 2013. We are successfully transferring BMW i’s technologies to our core models.

And today, we are very proud to offer customers the broadest range of electrified premium cars worldwide. This fall, we will have ten electrified vehicles available: nine electrified cars and our fully-electric C evolution.

Media Information

7 September 2017

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
IAA Preview 2017

Page

3

This year, we will deliver 100,000 electrified vehicles to customers. By the end of 2017, there will be a total of more than 200,000 BMW Group electrified vehicles on the road.

What are our plans for the future?

Sustainable growth and profitability play a key role in shaping our future. We deliver on our promises: For seven consecutive years, our EBIT margin in the Automotive Segment has remained within our target range of 8-10 percent. At the same time, we have been taking major steps in transforming our company. As part of NUMBER ONE > NEXT, we aim to substantially increase our sales and revenues in the luxury class. The BMW X7 and 8 Series both play an important part in this. Furthermore, the BMW Concept X7 demonstrates it is perfectly possible to combine a large sports activity vehicle with an electric drivetrain. Our strong commitment to e-mobility is underlined in NUMBER ONE > NEXT. We will be increasing the share of electrified models across all brands and model series. And, yes, that also includes the Rolls-Royce brand and BMW M vehicles.

Furthermore, we are currently gearing all BMW Group plants towards e-mobility. In the future, we will be able to equip all our models with every drive train. Two flexible vehicle architectures and a flexible production network will allow us to respond quickly and efficiently.

Let me make one thing very clear: In e-mobility, the BMW Group will also be the leading provider in the premium segment. By 2025, we will offer 25 electrified vehicles – 12 will be fully-electric. Today, and at the IAA, you will see the concept vehicle for the first series electric MINI, for release in 2019. As we have announced, we will be introducing the first BMW core model – the X3 – as a BEV in 2020. Going forward, all fully-electric BMWs will belong to BMW i. This also applies to the X3. We have also announced the BMW iNEXT – our next innovation spearhead – for 2021.

Media Information

7 September 2017

Date

Subject Statement Harald Krüger, Chairman of the Board of Management of BMW AG
IAA Preview 2017

Page 4

At this year's IAA, we will unveil another significant milestone in our roadmap for e-mobility. It is a vision of how we imagine a four-door, fully-electric vehicle between the i3 and i8. It is a vision we want to realize in the foreseeable future. And a further step in our commitment to sustainable mobility.

Ladies and Gentlemen,

We believe in the mobility of the future – an individual mobility that is connected and emission-free. Modern society needs mobility. For many people, a car is a vital component of their everyday lives. We take our responsibility to society, our customers, our employees, and the environment seriously. That is why we are working hard and fast on the shift towards sustainable mobility.

Thank you.

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