

Media Information  
4 May 2018

- Check against delivery -

**Statement**  
**Harald Krüger**  
**Chairman of the Board of Management of BMW AG**  
**Conference Call Interim Report to 31 March 2018**  
**4 May 2018, 10:00 a.m. CEDT**

Good morning, Ladies and Gentlemen!

The first quarter of 2018 continued to build on our successful 2017 financial year. And the BMW Group remains the world's most profitable car company in the world. This underscores our core philosophy: We continue to chart our own course – even in a volatile environment. Our Strategy NUMBER ONE > NEXT provides a clear direction for shaping future mobility.

We have once again set the bar even higher with our goals for the current financial year. We are targeting:

- a slight increase in automotive deliveries and a new all-time high.
- Group earnings before tax at the same high level as last year, and
- an EBIT margin in the Automotive Segment within our target range of 8 to 10 percent.

After the first three months, we are right on track:

- For the first time, we delivered more than 600,000 vehicles in a first quarter.
- Our BMW, MINI and BMW Motorrad brands all achieved new first-quarter sales highs.
- We made gains in all major market regions: Asia, including China; Europe, including Germany; and the Americas, including the US.
- Our EBIT margin in the Automotive Segment is at the high end of our target range, at 9.7 percent.

At the same time – and we believe this is crucial – we are continuing to invest in our future. We are tackling several key areas at the same time.

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1. We will continue to expand the electrification of our portfolio.
2. We will be launching various new models.
3. We are accelerating our autonomous driving activities.

First, a few words about electrification:

I have often said that: The e-mobility growth curve is exponential. This is confirmed by our sales figures for the first quarter of 2018 compared with the first three months of last year:

- Between January and March, we sold over a third more electrified vehicles.
- Sales of our BMW iPerformance plug-in hybrids are up more than 40 percent.
- Our MINI Countryman with plug-in-hybrid drive train is also in strong demand.
- In the US, demand for BMW i, BMW iPerformance and MINI Electric vehicles increased by an impressive 78 percent during this period.

I have stated our goal for the full year very clearly: We aim to sell at least 140,000 electrified vehicles this year. Our new models will help us achieve this: I am talking, of course, about the BMW i8 Roadster and the revised BMW i8 Coupé, which will be launched in May. Both come with the fourth generation of the BMW eDrive technology for plug-in hybrids. This enhances significantly their electric range. You already know that we plan to offer 25 electrified models by 2025 – 12 of them pure electric.

You can already see what lies ahead, this year. We will be presenting three all-electric concept vehicles:

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- Our new technology flagship, the BMW iNEXT.
- The BMW i4 as a four-door coupé, and
- the first fully-electric vehicle of our core brand will be the BMW iX3, which I presented in China this April.

All these vehicles will go into series production over the next few years. The BMW iNEXT combines the key technologies for future mobility. Its innovative design brings these technologies to life. It serves as a modular kit and an innovative enabler for all our future vehicles within the Group. We are building the iNEXT and i4 here in Germany – in Dingolfing and Munich, respectively. On the one hand, we are clearly strengthening relevant technologies for future mobility at our home base in Germany.

On the other, we are focusing on China as it is the world's biggest market and a real driving force in e-mobility. Through this, we are sending a strong signal for sustainable mobility in China: From 2020, we will be producing our first fully-electric BMW – the iX3 – in Shenyang, which will be the start of using pure electric drivetrains within our core brand. The iX3 will be the first to use our fifth-generation electric drivetrains. Our customers in China already have six electrified models to choose from. And they also have access to the world's largest network of public charging points. By the end of this year alone, there will be 80,000 ChargeNow charging points in more than 100 cities.

We also plan to build pure electric MINI vehicles in China in the future. For this reason, we have signed a letter of intent with Great Wall Motor to create a second joint venture in China. And we will continue to work successfully with our joint-venture partner, BBA, which is now in its 15th year.

Now, we will be adding another local model – the new BMW X3. Starting in the summer, this model will also be produced in China, as well as in Spartanburg, in the US, and Rosslyn, South Africa, to meet worldwide high demand.

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The X3 brings the number of BMW models produced in China to six. With our local partners, the long-term focus is on creating a win-win situation for everyone.

China has signalled plans to eliminate tariffs and to open its auto market further. Global thinking and global acting are what have made the BMW Group successful. Our business approach has always been based on: free trade and open markets. Customs duties and trade barriers only divide the world into regions and are not conducive towards global prosperity and worldwide economic development. That is why we will continue to advocate for customs duties to be dismantled.

Let's move on to my second point: New models.

We are now in Phase II of our model offensive – where the focus is on luxury and the X family. We earn high margins in this segment. Our offensive will receive a major boost over the coming months from:

- The new BMW X2.
- The new X4.
- The BMW 8 Series Coupé – which launches the 8 Series range, with a total of six models.
- Model updates to the 3 and 5 door MINIs and the MINI Convertible, and
- The new Rolls-Royce Phantom.

Earlier this year I made it a point to meet with our dealers in the US and China. We showed them our new models for the coming months. The dealers in both countries were extremely pleased and could hardly wait to have these new models in their showrooms. These new models offer growth opportunities for the dealers and for our company. For us, new products and new technologies go hand in hand.

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And that brings me to my third point: Autonomous driving.

In April, we officially opened our Autonomous Driving Campus, outside Munich. We intend to play a leading role in autonomous driving. And safety remains the absolute priority for us in this technological advancement. Our iNEXT, which we will launch in 2021, will be fully electric and completely connected. It will not only be partially autonomous, but also completely safe. The iNEXT will be followed by a whole range of additional highly-automated models. For this reason, we are combining all our expertise in vehicle connectivity and automated driving at the new campus. We will also be introducing new forms of collaboration in a highly flexible working environment, designed for quick decision-making.

Our new campus is further proof that: The customer is at the center of all that we do. To build a base of 100 million active customers by 2025, we will need a complete ecosystem that provides an all-round service to fulfill all our customers' demands and needs. To strengthen our mobility services, we are combining our activities in this area with those of Daimler AG. The planned joint venture will combine both on-demand mobility offerings on an equal footing. Together, we will define the development of services and digitalisation in our industry. We want to take our customers' experience of premium mobility beyond the vehicle.

Ladies and Gentlemen, as you can see: We take a clear holistic approach towards bringing future mobility into the lives of our customers. And I remain confident that the BMW Group will be in the forefront of these future advancements within our industry and beyond. This is the message I will share with our shareholders at our Annual General Meeting in a fortnight, and that 2018 is set to become another record year – the ninth in a row to be exact.

Thank you.

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**Consumption and Emission Data.**

BMW i8 Coupé:

Fuel consumption in l/100 km (combined): 1.8

CO2 emissions in g/km (combined): 42

Power consumption in kWh/100 km (combined): 14.0

BMW i8 Roadster:

Fuel consumption in l/100 km (combined): 2.0

CO2 emissions in g/km (combined): 46

Power consumption in kWh/100 km (combined): 14.5

BMW X2:

Fuel consumption in l/100 km (combined): 6.2-4.5

CO2 emissions in g/km (combined): 142-119

BMW X3:

Fuel consumption in l/100 km (combined): 8.4-5.0

CO2 emissions in g/km (combined): 193-132

BMW X4:

Fuel consumptions in l/100 km (combined): 9.0-5.4

CO2 emissions in g/km (combined): 209-142

MINI 3 door:

Fuel consumption in l/100 km (combined): 6.0-4.8

CO2 emissions in g/km (combined): 138-109

MINI 5 door:

Fuel consumption in l/100 km (combined): 6.2-4.8

CO2 emissions in g/km (combined): 141-110

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## MINI Convertible:

Fuel consumption in l/100 km (combined): 6.3-5.2

CO2 emissions in g/km (combined): 144-118

## MINI Cooper S E Countryman ALL4:

Fuel consumption in l/100 km (combined): 2.3-2.1

CO2 emissions in g/km (combined): 52-49

Power consumption in kWh/100 km (combined): 14.0-13.2

## Rolls-Royce Phantom:

Fuel consumption in l/100 km (combined): 13.9

CO2 emissions in g/km (combined): 318-319

The fuel consumption, CO2 emissions, power consumption and operating range figures were determined according to the European Regulation (EC) 715/2007 in the version applicable. The figures refer to a vehicle with basic configuration in Germany and the range shown considers the different sizes of the selected wheels/tyres and the selected items of optional equipment.

Further information on official fuel consumption figures and specific CO2 emission values of new passenger cars is included in the following guideline: 'Leitfaden über den Kraftstoffverbrauch, die CO2-Emissionen und den Stromverbrauch neuer Personenkraftwagen' (Guideline for fuel consumption, CO2 emissions and electric power consumption of new passenger cars), which can be obtained free of charge from all dealerships and at <https://www.dat.de/en/offers/publications/guideline-for-fuel-consumption.html>.