

- Check against delivery –

**Statement****Harald Krüger****Chairman of the Board of Management of BMW AG****Conference Call Interim Report to 31 March 2019****Tuesday, 7 May 2019, 10:00 a.m. CEDT**

Good morning, Ladies and Gentlemen!

At the BMW Group, we are always moving forward – with our sights set on the future. Our actions are geared towards the long term. We continue to resolutely chart our own course.

Two areas will be crucial for us:

1. Strengthening our core business, and
2. Moving forward with important future projects.

I would like to say a few words about each. First, on our core business.

We are currently focusing here on three key areas:

- Our model and technology offensive 2.0.
- Targeted expansion of our market presence, and
- Our internal programme: Performance NEXT.

In 2019, we aim to lead the global premium segment once again, with our three brands, BMW, MINI and Rolls-Royce. We also want to increase our market share.

And we certainly did that in the first quarter.

We delivered more than 605,000 vehicles to customers. That is our ninth consecutive best start into a year. We are also doing well compared with our competitors.

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In March, we beat the trend, recording sales growth in several key markets, including the US and China. We also posted the most dynamic first-quarter growth of any premium car company in China, our largest single market. In Europe, we maintained the same level as last year. And, in the US, we were number one in the premium segment in the first quarter.

Our core BMW brand, Rolls-Royce and BMW Motorrad all reported their best-ever first quarter. The BMW X models and new 8 Series, as well as the Rolls-Royce Cullinan, proved especially popular.

Our product momentum remains extremely strong:

At BMW alone, customers can look forward to 21 new or updated models this year. There will also be new models from MINI and BMW Motorrad. Fresh on the market are the BMW 3 Series, the Z4, the X5, the X7 and the 8 Series Coupé. The new 7 Series, with its new design language and highly innovative infotainment and driver assistance systems, is already a hit with customers. It will be followed later this year by the new 1 Series in the compact class.

In the luxury segment, we are gradually realising our strategic goal of significantly increasing sales and revenues. The 8 Series Convertible and Gran Coupé are ready for market launch. Many customers are eagerly ordering the new X7. The incoming orders – both for markets overseas as well as Europa – are exceeding all of our expectations.

As part of our model offensive, we will continue to introduce sustainable drive technologies across the fleet – as set out in our Strategy NUMBER ONE > NEXT. In the first quarter alone, we sold more than 27,000 electrified vehicles. And, by the end of this year, we will have half a million electrified vehicles on the roads.

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In Europe, our percentage of electrified vehicles delivered is three times the industry average. In 2018, we were the market leader for electrification in both Europe and Germany – not just in the premium segment, but in the market as a whole.

We plan to maintain a leading position going forward – both in Europe and worldwide.

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Over the long term, drive trains with hydrogen fuel cells will offer greater local emission-free range, with very short refuelling times. These will complement our battery-electric vehicles. Every customer has different needs and every market different business conditions. We can only achieve the flexibility needed for fully sustainable mobility around the world by staying open to different technologies. We are fully committed to this approach.

We expect various drive forms to continue to exist alongside one another. Our customers appreciate the wide range of models and drive trains we offer.

This year, we will again be targeting new all-time highs, with:

- slight growth on the automotive side, and
- solid growth at BMW Motorrad.

More attractive models will be released over the next few months in all segments. We therefore expect to see stronger sales in the second half of the year.

The BMW Group is global in every respect.

In 2019, we will be targeting growth in all major regions. To achieve this, we are strengthening our presence in the markets and expanding capacity where needed. Our goal remains the same: to balance global production between Europe, Asia and the Americas.

In the Americas region, we will open our Mexico plant in June. This production facility will set new standards for productivity and sustainability:

- Most of the plant's power will come from a solar system on the grounds and is 100 percent CO<sub>2</sub>-free.
- The vehicle painting process does not produce any wastewater. The water used is processed and recycled.

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We are creating more than 1,000 skilled jobs in San Luis Potosí. In 2015, we launched our successful dual training model at the plant. Since then, we have trained nearly 250 young Mexicans for their future careers.

Ladies and Gentlemen,

Our core business is also about looking inwards: We are constantly optimising our processes and structures – so that we can align ourselves for the diverse tasks of the future. In 2017, we launched our company-wide Performance NEXT programme. We are working hard to become more efficient, more profitable and much faster. Nothing is off limits. We are leaving no stone unturned.

Our goal is to make structural efficiency improvements throughout the entire value chain.

We are already implementing many of our decisions – and are now stepping up our efforts in all areas. By the end of 2022, these improvements will save us more than 12 billion euros.

Let me give you a few concrete examples:

1. We are leveraging significant synergies and efficiencies in indirect purchasing and material and production costs.
2. We are reducing complexity in our vehicles – wherever it makes sense to do so.
3. We are shortening the development process for new models by up to a third.
4. We are using digital simulations on a much wider scale: By 2024, as many as 2,500 costly prototype vehicles will no longer be needed.
5. On the product side, up to 50 percent of our current drive-train variants will be discontinued as we transition to flexible vehicle architectures from 2021 on. We will focus on what customers want the most.

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6. There will be no successor to the BMW 3 Series Gran Turismo.
7. At our Annual Accounts Press Conference, we announced that the size of our workforce will remain about the same as last year. We met this goal in the first quarter.

All these measures will have a positive impact extending well into the next decade.

That brings me to my second point: Future projects.

We are a driving force for sustainable, connected and autonomous mobility. Step by step, we are gradually creating the necessary conditions for highly automated and fully autonomous driving.

In March, we opened our data centre with the high-performance D3 platform. With an initial storage capacity of around 240 petabytes, it eclipses anything we have had in this area in the past.

On the product side, the iNEXT is scheduled for launch in 2021. For the first time, we are combining electric and Level 3 highly-automated driving with high-end connectivity and a digitalised interior. All in one vehicle.

What this means for customers is: A completely new experience of mobility and everyday driving qualities, with an electric range of more than 600 kilometres.

In 2021, we will put a pilot fleet of 500 BMW iNEXT vehicles with Level 4 and 5 functionality on the roads. The necessary technical requirements and changes to international regulations and liability laws are currently in progress.

One thing will not change: Customer safety remains our absolute priority.

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We do not use any technology in series-production vehicles until we have completely mastered it. Together with Daimler, we want to develop next-level technology for autonomous driving. This should be available in our models from 2024 on.

We are also already working with Daimler to expand our mobility services – because future mobility will not be possible without corresponding services. Customers expect a 360-degree approach to all their individual needs.

This is the starting point for our new NOW family.

Our mobility powerhouse YOUR NOW will provide customers solutions for all their mobility needs: From individually-owned cars to ride-hailing, to car sharing and a wide range of other services. Our joint venture is currently made up of five vertical business entities, with a solid base of 60 million customers.

Ladies and Gentlemen,

2019 will be another challenging year. Our environment remains volatile and dominated by uncertainty.

Nevertheless, we will continue our positive business development – as we systematically prepare for the technological challenges of the future. We clearly see ourselves as one of the driving forces.

With our Strategy NUMBER ONE > NEXT, we will continue to set the course for long-term profitable growth as a technology leader in our industry and beyond.

Thank you.

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**Consumption and emission data:**

**BMW 330e Sedan:** Fuel consumption combined: 1.7 l/100 km; Electric power consumption combined: 15.4-14.8 kWh/100 km; CO<sub>2</sub> emissions combined: 39 g/km\* (provisional figures)

**BMW 745e Sedan:** Fuel consumption combined: 2.3 – 2.1 l/100 km; Electric power consumption combined: 15.6 – 15.1 kWh/100 km; CO<sub>2</sub> emissions combined: 52 – 48 g/km

**BMW 745Le Sedan:** Fuel consumption combined: 2.3 – 2.2 l/100 km; Electric power consumption combined: 15.7 – 15.6 kWh/100 km; CO<sub>2</sub> emissions combined: 53 – 50 g/km

**BMW 745Le xDrive Sedan:** Fuel consumption combined: 2.6-2.3 l/100 km; Electric power consumption combined: 16.3-15.8 kWh/100 km; CO<sub>2</sub> emissions combined: 59-52 g/km

**BMW X3 xDrive30e:** Fuel consumption combined: from 2.4 l/100 km; Electric power consumption combined: 22.7 kWh/100 km; CO<sub>2</sub> emissions combined: from 56 g/km\* (provisional figures)

**BMW X5 xDrive45e:** Fuel consumption combined: 2.1 l/100 km; Electric power consumption combined: 23.0 kWh/100 km; CO<sub>2</sub> emissions combined: 49 g/km\* (provisional figures)

**Rolls-Royce Cullinan:** Fuel consumption combined: 15.0 l/100 km; CO<sub>2</sub> emissions combined: 341 g/km

The figures for fuel consumption, CO<sub>2</sub> emissions and power consumption are calculated based on the measurement methods, CO<sub>2</sub> emissions and power consumption stipulated in the current version of Regulation (EU) 2007/715. This information is based on a vehicle with basic equipment in Germany; ranges take into account differences in wheel and tyre size selected as well as optional equipment.

Power consumption, emissions figures and ranges have been calculated based on the new WLTP test cycle and adapted to NEDC for comparison purposes, dependent on the tyre format selected. In these vehicles, different figures than those published here may apply for the assessment of taxes and other vehicle-related duties which are (also) based on CO<sub>2</sub>-emissions. These figures are provisional.

For further details of the official fuel consumption figures and official specific CO<sub>2</sub> emissions of new cars, please refer to the "Manual on fuel consumption, CO<sub>2</sub> emissions and power consumption of new cars", available at sales outlets, from Deutsche Automobil Treuhand GmbH (DAT), Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen and at <http://www.dat.de/angebote/verlagsprodukte/leitfaden-kraftstoffverbrauch.html>.