

Statement

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Member of the Board of Management of BMW AG, Finance

International Press Launch of BMW 5 Series

Lisbon, 28 November 2016

Ladies and Gentlemen,

I, too, would like to welcome you here today. I hope you enjoyed a comfortable and – above all, sporty – ride in our new BMW 5 Series.

The 5 Series is the ultimate business sedan. For many years, it has been the undisputed leader of its segment and is an absolute success story. Even last year, which was the final year of its lifecycle, it was the clear leader in its segment. Since launching the first 5 Series more than 40 years ago, we have sold over 7.9 million units.

The current 5 Series is the most successful to date, with 56% more sales than its predecessor already. This achievement is due not least to the success in China of the long wheelbase version.

Our expectations of its successor are high as well – and our order books are filling up very nicely. The seventh-generation 5 Series will be launched simultaneously all over the world. The only exception will be China, where it will reach dealers in the middle of the year. Europe and the US each account for about one third of all 5 Series Sedan sales – not including the long wheelbase version.

To launch the new model, the BMW Group has invested several hundred million euros in the plant at Dingolfing. The flexibility we have within our global production network will allow us to meet the strong customer demand we are expecting. For the first time, our 5 Series Sedan will be produced in part by our long-standing contract partner Magna Steyr in Graz.

The new BMW 5 Series is a true athlete. It's up to 100 kilograms lighter than its predecessor, and the outer shell is made almost entirely of aluminium. Our engineers have also reduced fuel consumption considerably. The BMW 540i, for instance, offers 10% more performance with 11% less fuel consumption – a truly convincing statistic.

One of the reasons for the 5 Series' enduring success is the extensive range of engines. Within a month of its market launch, customers will be able to choose between seven engine variants, with four, six and eight cylinders, and a hybrid model. From the sportiest M Performance version to the electrified iPerformance 5 Series, the newcomer will meet the full spectrum of customers' needs. The M Performance 5 Series, for example, delivers 340 kW/462 hp and sprints from standstill to 100 km/h in just four seconds. The plug-in hybrid BMW 530e iPerformance combines average fuel consumption of a mere 1.9 litres with an electric range of 50 kilometres.

The M and iPerformance vehicles flank the core model - and demonstrate the spectrum of the brand. The breadth of our range allows us to meet the various needs of our individual customers.

Ladies and Gentlemen,

You will no doubt have tested the sporting credentials of the 5 Series very thoroughly today – but I also hope you found the time to try out the new information and assistance systems. The connected services and broad range of driver assistance systems make the new BMW 5 Series utterly unique – and not just in its own segment. After the popular BMW 3 Series, the 5 Series is the best-selling BMW of all and our top fleet and business vehicle.

It is not only sporty but also specially tailored to meet the wishes and needs of business customers. Important office functions can be seamlessly integrated, for example. For the first time, the 5 Series has a touch user interface that has been

specially optimised for use in cars. The pads display real-time content and can be arranged as desired. The touch controls are complemented by a further enhanced speech-control system, and gesture controls have also been extended in the 5 Series. A high-resolution Head-Up Display with 3D images and 70% more screen space completes the control concept.

Our aim with the new BMW 5 Series was to make mobility simple and flexible. And we wanted connectivity to help make everyday life easier. As soon as the new 5 Series connects with the driver's mobile phone, the launch screen, called BMW Connected Onboard, presents the customised information they need.

It combines relevant details, such as appointment times, with the current traffic situation and flags possible delays. It even provides weather information for the driver's destination. Our vehicles specifically address the needs of individual customer groups. The Microsoft Exchange function, for example, provides business customers with seamless, secure access to their emails and schedules in their company accounts.

By 2021, we – the BMW Group – aim to make reliable autonomous driving a reality. Partially automated functions are already enhancing safety and comfort today. But in the future, they will be consolidated to form a single package, the BMW Personal CoPilot. The new 5 Series represents an important step in this direction. Its electronic systems support the driver with acceleration, braking and steering and assists with lane-changes and avoiding hazards on the road.

In addition, the new BMW 5 Series warns you if you are about to enter the motorway in the wrong direction or fail to yield to priority traffic. It also warns you when you are approaching cross-traffic and brakes in an emergency.

The parking assistance systems have also been enhanced, and the BMW 5 Series now offers remote-controlled parking. In addition, the Auto Start/Stop function now

works on the basis of the specific route or traffic conditions. This means the engine only turns off when it makes sense to do so – such as when you pull up to a roundabout or are in start-stop traffic.

As you can see, the new BMW 5 Series covers all technological focus areas from Strategy Number ONE > NEXT. Its success forms the basis for our journey into the future. And now, allow me to give you a short update on our latest business developments. The current year has been positive for the BMW Group: by the end of October, we had sold over 1.94 million vehicles of all three brands. That's 5.8% more than last year.

As business continues to develop this year, we are once again expecting record sales, revenues and profits. And as we confirmed in our third-quarter telephone conference, our ambitious targets for 2016 remain firmly in place.

Our assumptions, however, are based on stable political and economic conditions. If uncertainty increases around the world, our forecasts may be affected. Meanwhile, the BMW Group continues to benefit from its strategy of a global balance of sales. In Europe, vehicle deliveries developed well in the first ten months of this year, and we expect the trend to continue.

Key markets in the region have seen growth rates in high single or even double figures. Across Europe, sales were up by 10.0%, at more than 897,000 units. As our main sales region, Europe accounts for over 46% of our total global volume. We expect the rising growth rates of recent months to normalise next year on a high level. The Chinese market is also developing better than expected. Demand for our X models remains particularly high, and 3 and 5 Series sales are up on last year despite their lifecycles. Next year, we expect the new 5 Series to add a further boost to our sales, along with other locally manufactured models.

In the US, the premium segment continued to decline in October. In a competitive market, sales of BMW and MINI vehicles were down on last year's high levels. The BMW Group remains committed to its maxim of profitable growth – a premise that will continue to guide our actions over the coming months.

Ladies and Gentlemen,

I've told you quite a lot about the new BMW 5 Series. It combines sportiness with the comfort our business customers greatly appreciate. And it is the most successful business sedan in its segment. Next year, the new 5 Series will be a key driver of our sales growth. Additional impetus will come from the new X1 – its full momentum will become apparent in 2017. The new MINI Countryman will also have a positive effect.

Over the coming years, we will be rejuvenating our model range significantly. This, too, will provide for further impetus, already in 2017. Overall, our core business is strong. At the same time, we are making the investments we need to ensure a viable future for the BMW Group.

Over the next couple of years, our Research & Development costs will be high – because we are working at full speed to implement our Strategy Number ONE > NEXT. This includes the further electrification of all model series of our core brand. We already have the most extensive range of electric vehicles in the premium segment. And three years after the launch of the BMW i3, we have already put more than 100,000 electrified BMW models on the roads.

Seven models are already available as plug-in hybrids or all-electric vehicles. And in 2017, our range of PHEVs is set to grow, with the MINI Countryman and BMW 5 Series joining the line-up. An important component of our new strategy is autonomous driving. In October, we announced our plans to establish a development centre in the Munich area specially dedicated to autonomous driving.

The BMW Group is well prepared for the challenges of the future. We continue to rely on our strong, profitable core business. At the same time, we are consistently driving future technologies forward.

Ladies and Gentlemen,

The new 5 Series sets standards in technology and design. As you know, design is the number one factor influencing customer choice. And now, please welcome Marc Michael Markefka to tell you more.

Thank you very much.