

Media Information
7 November 2017

- Check against delivery -

Statement
Harald Krüger
Chairman of the Board of Management of BMW AG
Conference Call Interim Report to 30 September 2017
7 November 2017, 10:00 a.m. CET

Good morning, Ladies and Gentlemen!

Our priority is the long-term perspective. For this reason, we are investing substantially in all relevant future areas of mobility. At the same time, we are maintaining a balance between the key indicators: sales growth, profitability and investment.

We showed the direction we are taking the company at this year's Motor Show in Frankfurt: To become a technology company for premium mobility and services. Our current focus is on e-mobility and autonomous driving.

In both of these areas, we are concentrating and expanding expertise at our home base in Germany. From here, we will drive the transformation of our industry with our innovations. All our actions for the future are built on a strong foundation of sustained profitability. That is what differentiates us from new and established competitors in the automotive sector. In a complex environment, we continue to chart our own course.

Ladies and Gentlemen,

There are two topics I would like to focus on today:

1. Our business development for the current year.
2. Our progress in implementing Strategy NUMBER ONE > NEXT.

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Let's start with our performance.

What did we achieve in the period between January and September 2017?

- Group pre-tax earnings climbed to nearly 8.5 billion euros.
- For the 30th consecutive quarter, our EBIT margin in the Automotive Segment remains within our target range of 8 to 10 per cent.
- At Group level, the EBT margin for the year to the end of September stood at 11.7 per cent.

These figures show that: Our products and services are in strong demand. More than 1.8 million customers bought a BMW Group vehicle in the year to the end of September. Our BMW, MINI and BMW Motorrad brands each reported new all-time nine-month highs:

- BMW: more than 1.5 million vehicles.
- MINI: more than 270,000 vehicles.
- BMW Motorrad: more than 127,000 motorcycles and maxi-scooters.
- Rolls-Royce sold 2,343 cars and, therefore, did not match last year's level. As you know, the Phantom did not have full availability this year.

At the Annual Press Conference in March, I announced the biggest model offensive in our history: 40 new and revised BMW, MINI and Rolls-Royce models this year and next. We are delivering on this!

For the BMW brand, we are renewing and expanding our highly successful X family.

- The third generation of the BMW X3 will be available as of mid-November. For the first time, we will be offering an M Performance

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version. From spring of next year, the X3 will also be produced in South Africa and, from summer 2018, in China. China is by far the most important market for this model, alongside the US.

- The BMW X2 will follow in 2018. Its new and individual look breaks the mould. This model is not just new; the X2 is also different - and it is incredibly cool. We are sure that it will appeal to young trendsetters.
- At the end of 2018 the BMW X7 will go into production. We presented the concept vehicle at the IAA. This vehicle will strengthen our offering in the luxury class. With its large surfaces and sharp lines, it also provides a glimpse of our future design.

We have sold a total of more than 5.4 million X models since 1999. X models currently account for more than a third of BMW sales. We will continue this success story with our new and additional X models.

From November, the BMW M5 will complete the new BMW 5 Series range. BMW's fastest series-production model offers all the benefits of a business sedan. With individual vehicles like the new BMW 6 Series Gran Turismo, we will also occupy important niche markets and win over new customer groups. This model will also be launched this month. The new Z4 Concept has been very well received by the media. We will be presenting the series-production model next year.

We highlighted the full range of the MINI brand at the Frankfurt Motor Show. From the sportiest MINI of all time, the John Cooper Works GP Concept, to the MINI Electric Concept. As an urban brand, MINI has always been destined for e-mobility. This is demonstrated by the first MINI plug-in hybrid. We have sold more than 2,700 electrified Countryman cars since June.

At Rolls-Royce, delivery of the new Phantom will begin in January 2018. We already have a large number of pre-orders. The eighth generation of the

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Phantom is the pinnacle of luxury. Every detail can be customised to the owner's individual taste.

At BMW Motorrad, the new K 1600 B and new G 310 GS are now available, following the wave of new models in spring. Our model offensive with all brands is part of our Strategy NUMBER ONE > NEXT.

That brings me to my second point: Our progress in implementing Strategy NUMBER ONE > NEXT.

In e-mobility, we are concentrating on three main areas:

1. Electrification of our line-up.
2. Expansion of charging infrastructure.
3. Enabling our production network.

With electrification, we are already ramping up phase two:

- Right now, there are more than 180,000 electrified BMW Group vehicles on roads all over the world.
- At the end of October, I was at Plant Leipzig to celebrate the production of 100,000 BMW i3 cars.
- In the year to the end of September, we sold a total of more than 68,600 electrified vehicles. This was more than in the whole of 2016 and reflects an increase of over 64 per cent.
- This means we are on track to meet our goal of selling 100,000 vehicles with electrified drive trains this year.
- BMW remains the clear number one in plug-in hybrids in the premium segment. The new BMW 5 Series iPerformance is especially popular. In some markets, it accounts for a third of BMW 5 Series Sedan sales.

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- We will offer 25 electrified models in 2025; 12 of them pure electric.

Our BMW i family will become even better with the introduction of attractive new models:

- We have added another variant for the i3 – the sporty BMW i3s.
- This will be followed by the emotional BMW i8 Roadster as a plug-in hybrid in 2018.
- Our BMW i Vision Dynamics will take e-mobility to a new dimension, with a range of up to 600 kilometres. The media has been very positive about this four-door Gran Coupé.

To enable the wide-scale rollout of e-mobility, we are working to expand charging infrastructure:

- We have formed a joint venture with other manufacturers to create a rapid-charging infrastructure across Europe.
- ChargeNow is currently the world's largest public charging service. By the end of 2017, customers will have access to more than 130,000 charging points.

The technological shift towards sustainable mobility is not proceeding at the same pace and with the same intensity in all regions of the world. That is why we are also aligning our global production network to this development. We are creating flexible architectures and using modular construction kits. This will give us the flexibility to build electric drive trains, plug-in hybrids and efficient combustion engines at our plants, based on demand, from 2020.

Germany plays a key role for us as a manufacturing location for e-mobility:

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- The BMW i Vision Dynamics will be built at our Munich plant.
- Our new technology flagship, the BMW iNEXT, will be manufactured in Dingolfing.

Our second major focus topic, in addition to electrification, is autonomous driving. We are also making rapid progress in this area:

- At our campus in Unterschleißheim, near Munich, our first 500 employees are already working together with colleagues from Intel and Mobileye.
- Other strong partners – Fiat Chrysler Automobiles, Delphi, Continental and Magna – are helping enhance our open platform for autonomous driving.

Leaps in technology demand appropriate structures – and, not least, a future mindset among all employees.

- With the expansion of our FIZ Research and Innovation Centre in Munich, we will have an innovative working environment for 5,000 employees by 2019.
- We recently launched our new project “FIZ Future”, which will create completely new working environments there by 2050. We are already using new work methods – such as SCRUM or lean development in development and business IT – to support our transformation into a high-tech company and boost our profitability.

Ladies and Gentlemen,

After the first nine months of the current financial year, we are confident of meeting our targets for 2017. We are targeting new all-time highs for deliveries

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and Group earnings before tax. In the Automotive Segment, the EBIT margin should remain within our target range.

However, it is also clear that the business environment is still marked, to a large extent, by volatility and uncertainty. In all markets, there is fierce competition for every customer and every leasing contract. And on the political side, there are many unknowns: The outcome of the Brexit negotiations between the European Union and the UK; further developments in the Middle East - just to name a few.

And from the new German government, we would welcome open and constructive discussions regarding important future topics. It is in all our interests to enable Germany to pioneer new technologies.

In talking to analysts and investors at the Frankfurt Motor Show, we received a lot of positive feedback on Strategy NUMBER ONE > NEXT and our model offensive. People recognise that we are tackling the relevant challenges and coming up with viable solutions. The price of BMW common stock has reflected this over the past few weeks.

I firmly believe that: The BMW Group will not just be part of the industry's transformation. We will lead it. That is the expectation we have set ourselves. That is why we have increased the pace with e-mobility and autonomous driving.

And we will continue to take a global, long-term view. We remain committed to free and fair global trade: It guarantees prosperity and progress. No one should underestimate the capabilities of our company, nor our commitment to the next phase of the auto industry's development. We remain profitable. We are highly flexible. We are taking advantage of all opportunities. We are leading the way in new technologies.

This is how we are creating the future. Thank you!

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Consumption and Emission Data.

- BMW X3 M40i: fuel consumption combined: 8,4 – 8,2 l/100 km; CO₂ emissions combined: 193 – 188 g/km
- BMW M5: fuel consumption combined: 9,9 l/100km; CO₂ emissions combined: 231 g/km
- BMW i3s: electric power consumption combined: 14,3 kWh; CO₂ emissions combined: 0 g/km
- MINI Cooper S E Countryman ALL4: fuel consumption combined: 2,3 – 2,1 l/100 km; CO₂ emissions combined: 52 – 49 g/km; Electric power consumption combined: 14,0 – 13,2 kWh/100 km
- Rolls-Royce Phantom: fuel consumption combined: 13,9 l/100km; CO₂ emissions combined: 318 g/km

Fuel consumption figures based on the EU test cycle, may vary depending on the tyre format specified.

Further information on official fuel consumption figures, specific CO₂ emission values and the electric power consumption of new passenger cars is included in the guideline "Guideline for fuel consumption, CO₂ emissions and electric power consumption of new passenger cars", which can be obtained from all dealerships, from Deutsche Automobil Treuhand GmbH (DAT), Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen and at <http://www.dat.de>.