

Media Information
16 May 2019

- Check against delivery -

Statement

Harald Krüger

Chairman of the Board of Management of BMW AG

99th Annual General Meeting of BMW AG

Munich, Olympic Hall, 16 May 2019, 10.00 a.m.

Maintaining our stance.

Leading the way.

Taking responsibility.

To all our shareholders,

Here in the Olympic Hall and those watching online, a very warm welcome!

I would also like to welcome our associates and all our other guests.

This is our 99th Annual General Meeting – an impressive number!

We have had our ups and downs, but we have always held our own.

- We have constantly reinvented ourselves.
- We have revolutionised our industry and
- We have made our customers mobile through our innovations.

Recently, there has been some public debate regarding the question of ownership of BMW. There is only one thing I have to say about that:

I am very happy that you are all here today: You are the shareholders of the BMW Group. I think we can all agree that your company is a clear example of the social market economy at work. We chart our own course – also in the face of headwinds and in times of uncertainty. You can rely on this!

Last year's sales figures speak for themselves:

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Media Information

16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

2

- Every 13 seconds we sold a BMW, MINI or Rolls-Royce somewhere in the world: 2.5 million vehicles in total.
- A BMW motorcycle was sold every three minutes – adding up to a total of 165,000 units.
- An electrified vehicle was delivered to customers every four minutes – 142,000 in total.
- Every minute, 19 people in Europe used our car-sharing service. Our DriveNow cars drove more than 100 million kilometres: a third of those all-electric.

I would like to thank all of our customers worldwide for placing their trust in us!

What do these sales figures mean in financial terms?

- 9.8 billion euros is the second-highest Group earnings in our history.
- Our Group EBT margin was above ten percent.
- Both BMW Motorrad and Financial Services once again made a strong contribution.
- We invested almost 6.9 billion euros in research and development. More than ever before: Investment is the only way to secure the future.

Numbers are hard facts – but they can also tell an emotional story.

I am very impressed with how much commitment and hard work have gone into these figures.

You – our BMW associates – are passionate about everything you do. You create asset value, day in, day out.

- You develop and test: in the wind tunnel, in the desert and on ice.
- You calculate and you programme.

Media Information

16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

3

- You negotiate with suppliers.
- You work closely with our dealers.
- But, above all else, you build fantastic vehicles! You give more and more people joy.

We have led the premium segment for the past 15 years – and, for this, I would like to say a big thank you to all of you!

Ladies and Gentlemen,

Diversity is our strength. People from more than 150 countries work together at the BMW Group – all pulling together in one direction to move the company forward.

- Just a few years ago, we were still just a manufacturer of cars and motorcycles.
- Today, we are a provider of premium mobility and services.
- And by 2025, we aim to be a leading tech company for premium mobility. This is our goal, because digitalisation allows us to offer our customers so much more: from individual services to autonomous driving.

Our approach is based on Strategy NUMBER ONE > NEXT, which creates a new foundation for the company:

- Technologically.
- In our relationships with customers.
- And in our processes, structures and working methods.

That is a lot of work – but we are a very strong team. I would now like to show that you are investing in the right company. Start the film, please!

Media Information

Date 16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

4

Dear Shareholders,

You heard it from our employees and from our customers: BMW is a strong family!

We have proved many times in the past that challenges are opportunities.

In difficult times, we stand together and we hold our ground.

Take the diesel debate, for example: We did not engage in deception. This has also been confirmed by the Munich Public Prosecutor's Office regarding the software fault. We provide our customers with clean and highly efficient diesel technology that meets all legal requirements.

Then, there's the WLTP. We implemented the new testing standards early, without making a fuss – because that is part of our culture. We are maintaining our position once again right now, faced with the European Commission's antitrust proceedings.

Antitrust activities generally refer to secret agreements – for instance, over prices or sales territories – that place customers at a disadvantage. But that was certainly not the case here: Our objective was lawful coordination of industry positions. Our engineers have always developed the most innovative solutions. The fact that the first diesel in Europe to receive Euro 6 certification was a BMW – long before this was legally required – is a good example of this.

Our position is very clear: The allegations brought by the European Commission are unfounded and we will use all legal means to defend ourselves against these charges, if needed. It is important to fight for what you believe. That is my opinion.

Media Information

16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

5

We were nevertheless required to recognise a provision of 1.4 billion euros in the first quarter, which naturally affected our earnings. However, on the operational side, we remain on track for the full year.

I am certain that we can continue our successful development – especially now that our model offensive is bearing fruit. Our sales made a good start to the year, with more vehicles delivered to customers in the first quarter than ever before.

We are also gaining market share:

- In the US, we are number one in the premium segment, and
- In China, we are outpacing all other premium manufacturers.

This positive trend continued in April. However, we also recognise the enormity of the task that lies ahead – of creating sustainable and digitalised mobility: We are concentrating all our efforts on this, with the following approach:

1. We offer customers a diverse range of products and services.
2. Our actions are market-based.
3. We continue to refine our business model.

I would like to say a few words on these points.

Dear Shareholders,

For us, diversity is about having a mix of technologies. At this point, no one can reliably predict how quickly electromobility will progress, or which drive train will prevail. Our entrepreneurial approach means making decisions for the long term that are always focused on the customer. Our customers are telling us quite clearly that they want a choice of models and drive trains. There are two benefits to having a variety of drive trains: We can fulfil our customers' wishes and comply

Media Information

Date 16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

6

with CO₂ regulations worldwide. For more than ten years now, we have been realigning the BMW Group to focus on sustainable mobility.

Since 2007, we have implemented Efficient Dynamics measures across the fleet.

- Since 2013, our fully electric BMW i3 has been produced in Leipzig. Many people say it is the most environmentally-friendly car in the world.
- In 2014, we released our first plug-in hybrid: the BMW i8.
- In 2017, we sold more than 100,000 electrified vehicles in a single year for the first time.
- In 2018, that figure increased by another 40 percent. To put it clearly: We are the market leader in vehicles charged from the socket in both the European Union and Germany, and currently offer no fewer than ten electrified models.

We create facts, Ladies and Gentlemen, and now we are picking up the pace once again. Take a look at our new electric-model offensive:

- This year, the fully electric MINI.
- Next year, the BMW iX3.
- And, in 2021, the BMW i4 and iNEXT.

However, not everyone has the opportunity nor the desire to drive fully electric at this point in time. That is why we offer plug-in hybrids with both a combustion engine and an electric drive train. I drive a plug-in hybrid myself. Here in the city, I can get around emission-free, and drive economically over long distances as well. That's good news for the environment, as reputable studies show. I can tell you, e-mobility is also a lot of fun, virtually silent with amazing acceleration.

Media Information

Date 16 May 2019

Date

Subject Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Subject

Page 7

Page

2019 is our year of the plug-in hybrid, with the BMW 3 Series, the X3, X5 and the 7 Series. They all come with our fourth-generation battery and electric engine technology, with an extended electric range up to 80 kilometres.

As you all know, we like to set ourselves very ambitious goals.

- By the end of 2019, we aim to have over 500,000 plug-in hybrids and electric models on roads worldwide.
- By 2025, we will have more than 25 electrified models – half of them pure electric.

I'm sure you would also like to hear what is going on with fuel cells – another area we are developing further with our partner, Toyota. Drive trains with hydrogen fuel cells are characterised by their extended range, short refuelling times and zero emissions.

There is never just one perfect solution for every demand, so different drive technologies will continue to coexist – and we are using flexible platforms to enable this.

Ladies and Gentlemen,

I do not believe it would be wise, from a business perspective, to put all our eggs in one basket. The decisive thing is: We are capable of taking whatever action is needed and highly flexible in all technologies. That is the BMW way.

We have no desire to tell our customers what to do. We want to convince them – with perfect products and services for their lives. A climate-neutral society is certainly a goal worth aspiring to, and something we all need to invest in. We have a responsibility to hand over a world worth living in to our children – and, as a father of three children myself, this is something I take very seriously.

Media Information

16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

8

At the BMW Group, we always consider the interests of all our stakeholders – customers, employees, shareholders and society as a whole. Let me give you an example from the world of e-mobility: Battery cells require certain raw materials, like cobalt, which is used in high-voltage batteries in electric vehicles.

We ask:

- Where does the cobalt come from?
- Is it mined and processed under ethically responsible conditions?

To answer these questions, we are making our supply chain transparent and even going a step further: From 2020, for the first time, we will buy our own cobalt for new vehicle projects directly from mines in Australia that we have already inspected ourselves – with plans to do the same in Morocco. For me, that is another example of taking responsibility.

Dear Shareholders,

With such a diverse range of products, it is always a pleasure for me to show you our latest models and I would like to do so now. Our product momentum remains extremely strong, with 21 new or updated BMW models to look forward to this year alone. The X5 and the Z4 were launched very recently, just like the BMW 3 Series standing right here in front of you. Luxury is very important to many customers. We therefore aim to increase sales and revenues significantly in this segment. Our highly profitable models today will help us finance the mobility of the future.

- The new 7 Series impresses with its outstanding design and new digital technologies.
- Many customers have been waiting for the new X7, and we have received a lot more pre-orders than expected.

Media Information

16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

9

- The 8 Series Coupé is also off to a good start. It will now be joined by the Convertible and Gran Coupé, as well as the M models.
- Our Rolls-Royce luxury brand posted gains of almost 50 percent in the first quarter alone – largely due to the new Cullinan.

We also have a model offensive in the compact class. Deliveries of the new BMW 1 Series will get underway by the end of the year. In spring 2020, we will launch the totally new BMW 2 Series Gran Coupé. I think young people will find its striking design especially appealing.

Our model offensive 2.0 is designed to excite customers, as we target another all-time sales high for 2019.

Ladies and Gentlemen,

The second topic I wish to address is our markets. We are gaining new customers and market share in the three major regions of the world, with a specific strategy for each region.

Let's take a look at Asia, with our largest single market, China.

I visit China on a regular basis – a country where BMW has a very strong reputation, as a brand and as an employer. For the seventh consecutive year, the BMW Group has been recognised as the “Best Chinese Employer of the Year”. We do not take this honour for granted. It is something we are very proud of. China remains a growth market – and we continue to grow in China and with China.

With our plants in Shenyang, we will soon be able to produce up to 650,000 vehicles a year locally. As of this year, we are building seven BMW models in China. Our joint venture with Brilliance is a win-win situation – and has been so for more than 15 years. For this reason, we are stepping up our partnership and

Media Information

16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

10

have extended our contract until 2040. We will also be increasing our stake in the joint venture to 75 percent in 2022.

What President Li Keqiang promised is now being delivered by the Chinese government. China is driving electro mobility. We are supporting this process with two important decisions:

- First of all, we will build fully electric MINI vehicles in China and have signed a new joint venture agreement with Great Wall for this purpose.
- Second, from 2020, we will produce the first fully electric BMW, the iX3, in Shenyang and export it from there to the rest of the world.

Let's move on to the Americas, where the United States is the key market. Local value creation is an expectation of the US government. We provide almost 70,000 jobs in the US, both directly and indirectly: The Spartanburg facility, which opened 25 years ago, is our largest plant worldwide. By the end of 2018, we had invested around nine billion dollars, with another 600 million planned up to 2021. We are strengthening the American economy:

- On the one hand, BMW is the largest exporter of cars from the US by value.
- On the other, more than 70 percent of our purchasing activities in the NAFTA region are in the US – making it our second-largest purchasing market.

As this shows, we remain committed to the US as our second home.

We are also expanding our sphere of activity on the American continent. Our new plant in San Luis Potosí in Mexico will open in June – with young employees we have been training on site for the past three years.

Media Information

Date 16 May 2019

Subject Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page 11

Now, let's move on to Europe. A united Europe has benefitted us a great deal over the years and we naturally seek to give something back in return. We employ more than 110,000 people in Europe and most of our plants are located here: in Germany, Austria and the UK – and, in the future, also in Hungary.

Of course we comply with the European Union's strict regulations. By 2020, we will have reduced the CO₂ emissions of our new vehicle fleet by at least 50 percent compared to 1995. We also intend to meet the targets for 2030 – as you would expect from your company.

Although Brexit remains a source of uncertainty, we are prepared for all possible scenarios. We are sending a clear signal by building the fully electric MINI in Oxford.

Globality needs roots – and ours are here in Munich, in Bavaria, in Germany: The motherland of mobility. Actions speak louder than words, so let me give you a few examples, just for Bavaria.

1. Our next generation of electric cars, the i4 and the iNEXT, will be built in Munich and Dingolfing respectively.
2. Research has been underway at our Autonomous Driving Campus in Unterschleissheim for a year now.
3. This year will see the opening of our Battery Cell Competence Centre in Munich.
4. We have also set up our own Data Centre near Munich.

These examples underline the tremendous potential we see here in Germany for a new kind of mobility. This is where we invent the technologies that transform mobility worldwide – as a global company with roots in Bavaria. Wherever we are in the world, our commitment is for the long term: We actively contribute to value creation in those regions. Public officials from Dingolfing, Leipzig and

Media Information

16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

12

Regensburg, Spartanburg, Shenyang and Rosslyn, always tell me how much that is appreciated.

Ladies and Gentlemen,

We are systematically refining our business model for digitalisation, and that is the third topic I would like to talk about today.

We have been offering services for about ten years now. The first milestone was our successful NOW family. Today, customers expect an all-round service, tailored to their needs. To provide this, we launched our joint venture with Daimler AG in February.

This is YOUR NOW:

- Five business units for all forms of mobility.
- A single source for all services for more than 60 million customers already.
- And soon the whole world of mobility will be available through an app on your smartphone.

In addition to services, autonomous driving will be another major area of future activity where both companies also have extensive know-how. Together, we want to develop technologies for the next generation of automated driving. We will use it in our models as of 2024. We have signed a Memorandum of Understanding.

Ladies and Gentlemen,

Your company has long been a pioneer in highly automated and autonomous driving. The latest proof of this is right in front of you: the BMW iNEXT Vision Vehicle. This will be our next major milestone – setting trends and standards for

Media Information

16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

13

future models across all our brands. Let's see a few impressions of it. Start the film, please!

You'll be able to buy the iNEXT from 2021.

In the same year, we will also be launching a test fleet of 500 iNEXT vehicles on the roads – all of them fully autonomous and already capable of Level 4. And autonomous driving can do so much more: For one thing, there will be virtually no more accidents. That, in itself, is reason enough to research and invest in this technology! We are analysing possible critical driving situations – on the road and through virtual simulation: 240 million test kilometres in total so far. That's equivalent to driving around the earth 6,000 times.

We also take a holistic approach to safety: protecting our customers from hackers and safeguarding their data and privacy. To summarise in one sentence: Safety is our absolute priority. That is what differentiates your company from others.

Dear Shareholders,

The BMW Group is an investment of yours.

What is also important to you, no doubt, is the dividend and our share price.

For 2018, we are proposing our second-highest dividend ever:

- 3.50 euros per share of common stock, and
- 3.52 euros per share of preferred stock.

A total of 2.3 billion euros.

Media Information

Date 16 May 2019

Date

Subject

Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page

14

The development of the BMW share price reflects our long-term thinking. From 10 May 2009 to 10 May 2019, it gained 158 percent in value. You have therefore received an average dividend yield of more than five percent.

Ladies and Gentlemen,

The following topics were important to me today:

First, your company offers a diverse range of products and technologies – because that is what our customers worldwide want on the road to sustainable mobility.

Second, your company will continue its profitable growth. Our global balance of production is a real advantage – especially in the midst of the current trade disputes. That is why we pursue a specific strategy for each of the main market regions.

Third, your company is successfully transforming into a tech company and forging head with autonomous driving, with the iNEXT as our new innovation flagship for the entire company.

Ladies and Gentlemen,

We are proud of the fact that you continue to stand by us. Your company remains strong – through both calm and stormy times.

We are maintaining our stance.

We are leading the way towards the future.

We are taking our responsibility seriously.

We are driving the mobility of tomorrow.

We are proud to have you at our side.

Thank you for your attention.

Media Information

Date 16 May 2019

Subject Statement Harald Krüger, Chairman of the Board of Management of BMW AG
99th Annual General Meeting of BMW AG

Page 15

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; CO₂ 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; CO₂ 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; CO₂ 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; CO₂ 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; CO₂ 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; CO₂ emissions combined: 49 g/km* (provisional figures)

Rolls-Royce Cullinan: Fuel consumption combined: 15.0 l/100 km; CO₂ emissions combined: 341 g/km

The figures for fuel consumption, CO₂ emissions and power consumption are calculated based on the measurement methods 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 CO₂-emissions. These figures are provisional.

For further details of the official fuel consumption figures and official specific CO₂ emissions of new cars, please refer to the "Manual on fuel consumption, CO₂ 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>.