

From Phil Horton, Director, Motorrad UK

E-mail Customer.Service@bmw.co.uk

Recipient Attn: Prospective Owners of the new BMW S 1000 RR

Date June 13, 2019

Subject **S 1000 RR Order Status and Production Delays**

Dear: Mr Sam 

I am writing to you today to update you on the above topic; a topic that is as disappointing and frustrating for BMW Motorrad UK and its Retailers as it is for yourself.

First, please let me apologise on behalf of BMW for the extensive delay that you have had to endure so far. Secondly, please excuse the lack of personalisation on this letter which is due to the fact that your data is at this stage held by your Retailer and not BMW itself.

Unfortunately, I'm sorry to have to inform you that BMW's Plant Berlin continues to experience ongoing production delays with this brand new model. These delays are the result of supply chain issues and the nature of these delays mean that confirming expected delivery dates is very challenging.

To put the topic in context, in advance of the new bike's 1 June launch UK Retailers were holding several hundred confirmed orders, over half of which were placed in or before the last quarter of 2018; as at today we have delivered to UK customers less than ten bikes! In addition, last Friday we were informed that worldwide RR production in Berlin will virtually cease through June and July, while the plant builds the backlog of May's production. Therefore, even the August and September delivery dates that many UK customers were given in good faith by their Retailer may not now be met. In fact, as we currently cannot obtain a guarantee that high volume production will definitely re-commence in August, there is still a small risk that we may not even deliver every one of the currently held orders this year.

The 'supply chain issues' referred to above apparently centre around a single component provided by a third party that has not been able to provide acceptable quality on 100% of parts supplied. As you would expect, Plant Berlin will simply not build bikes that in any way do not meet BMW's exacting standards, hence the very slow rate of production so far.

Separately, in the UK we face an additional issue in that over 80% of our orders are for the top of the range M Sport specification while the factory currently has a maximum capacity of 35-40%.

We understand the anticipation for this model is extremely high and can only reassure you we are working as hard as possible in the background to achieve the earliest possible delivery date for you. I can also confirm that as bikes are received in the UK they will continue to be allocated as fairly as possible based on retailer order date.

In recognition of the further disappointment this announcement will cause we would like to offer you a £500 Retailer Credit which can be used towards servicing, parts ,accessories or BMW rider wear and which will be available upon collection of your ordered S 1000 RR.

Once again, please accept my apologies for the massive inconvenience and frustration caused by the delay you are experiencing and thank you in advance for your continued patience and loyalty to the BMW Motorrad brand.

Yours faithfully



Phil Horton
Director, Motorrad UK