Ladies and Gentlemen,

Good morning from my side! I would like to give you an update on our financials. But I will keep it short so that you have enough time to ask questions.

The BMW Group closed the third quarter with a positive performance, despite the difficult conditions. Group net profit was positive for both the third quarter and the first nine months. This is in line with our targets, which were based on a decline in sales of 10 to 15% for the year as a whole.

This brings me to the status of the BMW Group in the third quarter.

The global economic downturn had a negative effect on the third quarter.

The BMW Group continued to feel strong pressure from the competition. We expect that price discipline will return when the market recovers.

We improved our cost position even further in the third quarter. Our strict cost management and profitability measures enabled us to make progress and increase efficiency. We reduced our fixed costs substantially. Our measures to lower our variable costs and especially concerning our cost of materials are taking effect.
A large number of measures are being taken to improve profitability right now. And they have already started to provide benefits. Thanks to these measures, we are confident that we will emerge from the crisis in the black and with a solid financial basis.

This proves that we are tackling our efficiency goals with resolve. This is how we are getting fit for the future.

As announced in August, we changed our focus in terms of financial management. This was in response to more stable conditions on the capital and sales markets.

We funded the second tranche of our German pension obligations in the third quarter. This caused our liquidity reserves to drop. As of September 30, our liquidity position totaled 9.9 billion euros. At the end of June, it amounted to 11.9 billion euros. We are aiming for about 9 billion euros in liquidity by the end of the year.

Net financial assets in the Automobiles segment were reduced accordingly. As of September 30, they amounted to 7.8 billion euros. This was after more than 10 billion euros in the first half.

Intra-group receivables decreased in the third quarter. Compared to the second quarter, they dropped by 800 million euros to 5.6 billion euros. The Automobiles segment’s receivables from financial services declined by 1.2 billion euros to just under 3 billion euros.

The capital markets experienced further relief. This is reflected in our lower credit spreads. At 100 basis points, they fell to the lowest level since August 2008. Refinancing costs are attractive because interest rates are currently low.
As planned, we ramped up production again in the third quarter. This was due to production startups for new models. As a result, net current assets rose marginally. In a nine-month perspective we gained 1.6 billion Euros from the reduction of working capital and changes in other items.

Net of the funding of about 1.9 billion euros for pension obligations and marketable securities, free cash flow in the Automobiles segment amounted to a positive 417 million Euros in the first nine months. Including this adjustment, we thus continue to aim for a positive free cash flow for the full year.

Now, let’s turn to the segment reporting.

EBIT generated by the Automobiles segment in the third quarter was slightly negative at -76 million euros. For the first nine months, it amounted to -358 million euro.

For seasonal reasons, EBIT in the Motorcycles segment amounted to -3 million euros in the third quarter. As of September, the segment had a positive EBIT of 51 million euros.

The Motorcycles segment suffered a sales decline of 8.4% compared to the same quarter last year. But the company increased its market share although the market shrank on the whole. It was reduced by nearly one-third.

The development of the Financial Services segment should be highlighted. Despite the difficult market, it continued to perform well. In the third quarter, it achieved a profit before tax of 94 million euros. As of September, Financial Services had an EBT of 247 million euros.
The business volume was down by 2.6% to 59 billion euros. Leased products were down more than 2 billion euros from the beginning of the year. In contrast, receivables from sales financing were up about 511 million euros.

The segment's risk situation was unchanged from the second quarter.

The used car market continues to display an inconsistent development. The UK and US used car markets experienced a strong recovery. But the situation on Continental European markets remains tight. This is due to national support measures and the German scrappage program.

We expect that the used car markets will remain difficult and will continue to display an inconsistent development.

As before, the positive and negative effects on the risk provision offset each other. There were no further burdens from unplanned risk provisions.

The situation in terms of credit risk is similar. The credit loss rate for the first nine months was slightly lower than for the first half. We remain cautious and do not expect this to lead to a short-term improvement.

As Mr. Reithofer announced earlier, we are aiming for a positive Group profit for 2009 as a whole. This will be driven by our resolute cost and financial management. We benefited from the company's very good financial position in the last few months of the crisis.

But we still expect the global economy to remain volatile and difficult. This does not rule out the possibility of individual markets displaying a positive, dynamic development – like China, for example.

Over the short term, any recovery will probably be marginal.
In the fourth quarter, we will benefit from the startup of new, competitive models such as the X1 and the 5 Series GT.

We will benefit from the revamp of our portfolio, which will be implemented soon. This will happen on three levels:

- Our product portfolio will become younger. This will make it much more attractive.
- Our measures to reduce the cost of materials are having a positive effect on the new models.
- And third, this will put us in a position to optimize our price and competitive position once again.

The resulting momentum should lead to an improvement in earnings next year. We will take advantage of the start of the market’s recovery to improve our pricing.

Next year, we will strengthen our profitability by taking numerous measures. Economic analysts expect markets to recover over the medium to long term. If this happens, we will benefit, thanks to our attractive range of vehicles. Our 2012 targets remain unchanged: Achieve an EBIT margin of 8 to 10% in the Automobiles Segment and ROCE of more than 26%. We are working hard and optimizing all areas necessary to achieve this goal.

Thank you for your time!