Ladies and Gentlemen!

Over the first six months of 2010, our business performance has improved to show a positive, dynamic development. This is why we raised our forecast for 2010 on July 13th:

- We plan to sell over 1.4 million cars – 10 percent more than in 2009.
- We aim at improving our pre-tax profit significantly above the 2009 level.
- In the automobile segment, we expect to post an EBIT margin of over five percent.

Where do we stand following the first six months of the current business year?

- We have generated a positive profit before tax of 1.8 billion Euros. This result is considerably above the same period in 2008 and about on par with the result achieved in the first two quarters of 2007.
- Group net profit stood at 1.1 billion Euros.
- EBIT in the automobile segment was clearly positive at 1.6 billion Euros.
- We also generated an adjusted free cash flow in the automobile segment of around 1.2 billion Euros.

This year offers a threefold benefit that comes from the following:
First: the economic recovery in some markets.
Second: the new attractive products that are in great demand.
And third: the substance and efficiency enhancements that our company has achieved by continuing to focus on implementing strategy Number ONE.

To the first point:

Some key markets like China and North America are growing. The same is true of India, Brazil and several markets in Europe. We have benefitted from the economic upswing in these markets. At present, this applies mainly to China.

In the first six months of the current business year, we managed to double our sales volume as the overall Chinese automobile market improved by 50 per cent. China remains a market with potential. It is presently the third most important market for our company, in terms of retail:

- We are currently building a new plant in Tiexi. The start of production is scheduled for 2012.
- We are expanding our dealership network.
- And we will give 50 MINI E cars to Chinese customers for test purposes this year.

With regard to the BMW Group's business, it is nevertheless important to me to emphasize:

- We are not solely relying on China.
- We are a company that acts and operates globally.
• We are active in all relevant markets.
• And we want to be successful in all these markets.

As the world’s leading premium car manufacturer in terms of sales, we are aiming at a balanced business performance between Europe, Asia and the Americas. In other words: We want to grow on all continents, in large and small markets alike.

Naturally, we are pleased about the additional tailwind the economic upswing in some countries is providing us. However, as we aim to achieve sound and sustainable growth in an uncertain environment, success will primarily depend on our own performance and our own strengths:

• as a driver of innovation
• as a company with an obtainable vision for the future
• as a company that offers attractive products.

On to the second point:

Our models are attractive more than ever. This applies to all models, irrespective of the segment. Let me give you some examples for the first half of the year:

• Over 30,700 BMW 7 Series were delivered to customers, making the 7 Series the clear segment leader.
• The new BMW 5 Series Sedan sold 25,000 units in the three and a half months since its market launch.
• Over 68,600 customers bought a BMW X5 or X6.
• More than 46,700 customers chose a new BMW X1.
• We delivered 199,000 BMW 3 Series and more than 103,000 BMW 1
All in all, worldwide sales of BMW, MINI and Rolls-Royce in the first six months of the current business year stood at over 696,000 cars and exceeded last year’s period by 13 percent.

At the same time BMW Motorrad improved significantly: Sales of the BMW brand rose by 21 percent to about 57,000 units in the first half of the year – bucking the trend in the motorcycle market. Because most motorcycle markets are still in decline.

Our Financial Services segment is growing as well. As you know, we have restructured and realigned our Financial Services division.

Now, a few more highlights about what’s to come:

In the second half of 2010 we are launching attractive new models:

- The Chinese market entry of the new 5 Series Sedan long version is scheduled for September.
- The 5 Series with all-wheel drive will be launched shortly.
- The 5 Series model range will soon be complemented by the 5 Series Touring.
- The second generation of the BMW X3 will be available starting this fall.
- MINI’s new highlight is the Countryman that has just been presented to the international media in Hamburg – and has received positive feedback.
- With the model update of the MINI, the Clubman and the MINI Convertible, our customers can choose from a newly revised MINI

• And we have never sold more Rolls-Royce motor cars in a six-month period than in 2010.
There is one thing we never lose sight of: Irrespective of a particular drive system or number of cylinders – we will always offer our customers the best performance with the best engine efficiency. This is what sheer driving pleasure is all about. This is the promise that every customer has with our premium brands.

And finally, my third point:

With the implementation of our Strategy Number ONE, we have set the foundation to ensure the successful development of our company over the long term.

This is primarily due to our innovative strength. Let me give you two examples:

- The increased application of modules is bearing fruit. Initial effects have been achieved with the new BMW 5 Series model range. And each new model series will increase the economies of scale.
- Our three brands demonstrate our ability to develop and launch premium brands – from the small-car to the ultra-luxury segment – and at the same time to strengthen their respective brand value. You can be sure that we will pursue the same approach with our new sub-brand. Under the new label, we will gradually offer a full range of low-emission cars – starting with the Megacity Vehicle. This is in our DNA as the world’s most sustainable car company.

Our key figures for the first six months of the year demonstrate that we have taken a major step toward reaching our profitability targets for the year 2012.
However, we are definitely aware of the fact that this is not the time to sit back and relax. We have not yet achieved our target – neither for the business year 2010 nor for the following years.

But be assured: The Board of Management as well as the managers and employees will stay on track to make our vision for 2020 become a reality.