Dear Shareholders,
Dear Employees,
Distinguished Guests,
Ladies and Gentlemen –

This is the 90th Annual General Meeting of BMW AG.

- We continue to build on the special cultural tradition of BMW;
- We are a truly global enterprise, yet the spirit of the BMW Group remains deeply rooted here in Bavaria and in Germany;
- We think ahead and focus on the future in everything we do;
- Above all of these qualities, however, we value our proven abilities to change course, adapt, and reinvent.

This is essential in challenging times, in challenging markets and in a challenging environment. Our success and your success depend upon it.

- This company has potential for change, which we need for our future. From the very beginning this company has stood for mobility.
- And now, we are reinventing mobility – step by step.

Both of these enable us to set the course for the long-term, profitable growth of the BMW Group.

We do so by ourselves, as an independent entity owned by you. And I hope that you, dear Shareholders, will continue to accompany us on this journey.
We believe in ourselves and in our future success. And I am confident that you feel the same, Ladies and Gentlemen.

On behalf of my colleagues on the Board of Management, welcome to our Annual General Meeting. I also extend a warm welcome to all investors and viewers following this event on the Internet.

In 2009 the world was in a state of shock.

The economic and financial crisis was a major challenge – in economic, political and social terms, a litmus test for our entire, globalized world. And not easy for any of us.

The economic crisis required us to redouble our efforts and draw on our full potential. And the BMW Group emerged with unimagined strength.

- We acted with speed and determination, implementing actions early on in order to offset the effects of the crisis.
- At the same time – and this is a vital point – we continued to invest in our future.

Very few car manufacturers generated positive results in 2009. Your company, Ladies and Gentlemen, is one of them. And more than that:

- The BMW Group continues to be the world’s leading premium manufacturer in terms of sales volume.
- The BMW Group is the world’s most sustainable automaker. For the fifth consecutive year, the renowned Dow Jones Sustainability Index has ranked our company at the top of its list.
- The BMW Group is also the World’s Most Admired Company in the automotive segment. This is based on a survey of top managers and business experts worldwide, conducted by Fortune Magazine and Hay Consulting.
The BMW brand is the world’s most valuable automotive brand. According to the international market research firm Millward Brown, the brand value of BMW stands at over 21.8 billion US dollars.

In the new Brand Social Currency Study, conducted by the Vivaldi Partners consultancy and Lightspeed Research, BMW was named number one among 60 well-known brands. The evaluation is based on the strength of the connection between a brand and its customers.

And last but not least: BMW is the most prestigious brand among Generation Y. Generation Y refers to the young people born between the late 1970s and the year 1994 in the U.S. This consumer group has an annual spending capacity of 200 billion dollars – and the most prestigious brands to this young generation are BMW and Chanel.

These are the many superlatives we achieved in 2009. This does not sound like our glass is half empty – this sounds like a positive future.

You, our shareholders, have stood by us. Your commitment means a lot to us – even more so in challenging times. On behalf of the Board of Management and the entire BMW Group workforce, I thank you for your loyalty and your trust.

We understand that you participated in our performance in 2009. The Board of Management and the Supervisory Board propose that you issue the net profit for the fiscal year 2009 as a dividend, in the amount of 197 million Euros. At 30 cents per ordinary share and 32 cent per preferred share, the dividend maintains the 2008 level.

In our strategy Number ONE, we laid out specific profitability targets for the year 2012. And we continue to pursue them.

The positive development of BMW ordinary shares reflects our determined focus on the future:
• On the last trading day of the year, BMW ordinary shares were traded at 47 percent above their price at the end of 2008.

• From the beginning of 2010 to last Friday’s close on 14 May 2010, BMW ordinary shares have increased by more than 20 percent, preferred shares even by around 18 percent. In the same time period, the German DAX rose by 1.7 percent, the industry index Prime Automobile by around 11 percent.

We have demonstrated once again that BMW stock is a sound, long-term investment. And a safe one at that.

That is remarkable, especially in times of economic crisis. We concentrated upon our strengths, our determination and did not reach out for governmental aid. It goes without saying that we benefited from the measures taken by the government to support the workforce, however we also had to deal with the burden of the scrappage schemes.

As a company, we think ahead and focus on the long-term in everything we do. Our customers, the public and also the capital markets understand and appreciate this approach. During the economic crisis, this support for our approach fueled us with the confidence and strength we needed.

Today I can present to you – as well as to my colleagues on the Board of Management and many employees who have come here today – a positive result for the fiscal year 2009. Here are the key points:

• In 2009, we posted a positive pre-tax result of 413 million Euros on the group level. We exceeded the 2008 level by 17.7 percent. Herbert Quandt, who would have celebrated his 100th birthday next month, safeguarded BMW’s independence when he became the company’s major shareholder 50 years ago. Since then, this company has always generated positive results – if you exclude the Rover result in 1999. This tradition entails an obligation. So it has
been important to us to keep our company on track, especially so during the economic crisis.

- Our 2009 group revenues stood at approximately 50.7 billion Euros, down 4.7 percent from the previous year.
- We posted a net profit of 210 million Euros. This is 36.4 percent below the 2008 level.
- Despite the crisis, our customers worldwide bought a total of 1.29 million vehicles. This means that we delivered about 10 percent fewer cars than the year before. But let’s not forget that in 2008 we had reached the second-best result in the company’s history.
- Last year, we sold 87,300 BMW motorcycles. Compared to the previous year, business was down by 14 percent. During the same time, however, the world motorcycle market BMW Motorrad is involved with declined by more than 30 percent. In important motorcycle markets – such as the UK, Italy, France, Spain and the US – we were able to increase our market share. The motorcycle season starts in spring. So this is the right time for us to launch our many new BMW models in the segments Enduro, Tourer, Urban, Sport and HP, which give us a great foundation for further growth in the motorcycle market.
- In this post-crisis period, there is no need for me to elaborate on the importance of a prudent and responsible cash management. At the end of 2009, our liquid assets stood at 9.4 billion Euros. This puts us in a solid position. We have always been able to secure favorable financing conditions, in large part due to our credibility. And let me emphasize that our refinancing demand solely results from the leasing and loan business of the Financial Services division.

Ladies and Gentlemen,
Behind the key financials of the year 2009 there are the day-to-day accomplishments of over 95,000 employees.

Our staff has achieved a lot. They have weathered an extremely difficult and volatile climate in our business environment – thanks to their expertise, motivation and
creativity. They have understood and accepted that the crisis required us to make tough decisions, including the temporary introduction of short-time work at some plants as well as further cost-saving measures across the Group.

Many of our employees are here today. I am sure that I am speaking for you as well, dear Shareholders, when I say: I thank all employees at all locations worldwide for their great achievements.

We introduced a new compensation system – in close coordination with the Works Council, as Professor Milberg has already mentioned.

The fact is:
- The average total salary of our staff is still in the top third compared to the industry average.
- Our employees and executives will continue to benefit from the success of our company going forward. The prerequisites have been clearly defined. If conditions are met, we will be well ahead of our competitors.

This is further incentive for us. Because we create a win-win-win situation:
- the company benefits,
- our employees benefit,
- and you as our shareholders benefit, as well.

We want to become even more profitable! This is what we expect of ourselves. It’s what I promised you. And our focus has not changed at all.

Profitability is one pillar of our strategy Number ONE. To that end, our 2012 profitability targets constitute an important milestone. As early as this year we are taking major steps toward reaching these targets:
- We expect a Group result significantly above the 2009 level.
• In the automobile segment, we plan to post an EBIT margin in the lower one-digit percentage range.
• We want to achieve sales growth in the sound one-digit percentage range, to over 1.3 million cars.
• At the same time, we are pressing ahead with our internal cost reduction program, across the company.

What gives us the confidence to think that we will actually accomplish all this? Our business has developed positively in the first quarter of 2010:

• We have posted a pre-tax result of 508 million Euros. This is almost 100 million more than the 2009 result for the entire year.
• Our net profit is 324 million Euros, up approximately 110 million from the total year 2009.
• And we have achieved a significant sales increase in the first three months of the year as well. With over 315,000 cars sold, we are up almost 14 percent from the same period last year. And the positive trend has continued all through April.

We have good reason to be proud. Even critical media acknowledge this.
• “BMW picks up pace again” was the headline in Stuttgarter Zeitung.
• “BMW staging a successful comeback” – in Financial Times Deutschland.
• And Süddeutsche.de wrote “BMW leaves the crisis behind”.

Many markets are recovering much more quickly than anticipated, however there are still numerous risks that might prolong a complete recovery. In Europe we are confronted with the financial problems of Greece. The European Union is doing its utmost to stabilize the Euro through massive intervention programs. We see that the crisis is not over yet.

We remain cautious. The media and the analysts understand this.
But remaining cautious will not keep us from planning ahead. Our future starts now – this year, in 2010. We are entering the next implementation stage of our strategy Number ONE: What will we do to be successful in the long term?

This future is right here in front of your eyes, Ladies and Gentlemen:

- Just look at the new BMW, MINI and Rolls-Royce models showcased here.
- Have a look at our sustainability exhibition.
- And for now, please turn your attention to this car by my side: We call it BMW Vision EfficientDynamics.
  - It is a full-fledged sports car with 356 hp,
  - a zero-to-one hundred time of 4.8 seconds, and
  - a top speed of 250 km/h – electronically regulated.

This is how future sustainable mobility will look.

- This BMW Vision EfficientDynamics has a fuel consumption of 3.76 liters per 100 kilometers.
- We have combined different new drive systems: a completely new three-cylinder turbo diesel and two innovative electric drives positioned at the two axles.
- In hybrid mode, the car emits only 99 grams of CO$_2$ per kilometer; in the fully electric mode it is even less: 50 grams of CO$_2$.

No matter where we have presented the BMW Vision EfficientDynamics: People all over the world just love it. The design works to enhance the technology's appeal. If you ask me, it has worked very well.

We have given Efficient Dynamics a face. The message is: Sustainable mobility can be at least as exciting as conventional mobility – if you get the best engineers and the best designers together to develop the best result.
Even today, elements of BMW Vision EfficientDynamics are in each BMW model. EfficientDynamics continues to be our competitive edge. Let me rephrase that for the younger generation: Efficient Dynamics stands for Sheer Driving Pleasure 2.0.

Today, our European fleet’s average carbon emissions are 150 grams per kilometer. This corresponds to a fuel consumption of 5.9 liters per 100 kilometers. A clear statement. These low emission values are achieved despite an average performance of 170 hp or 125 kW. This is another thing that sets us apart from competitors. Our customers will always experience sheer driving pleasure.

We want to reduce our global fleet’s carbon emissions by at least another 25 percent between 2008 and 2020. Our new models and drive technologies will support these efforts.

BMW, MINI and Rolls-Royce are launching a total of 17 new and updated models between October 2009 and December 2010.

The BMW X1 has significantly exceeded even our own ambitious expectations: Since its introduction last fall, we have delivered more than 36,000 units to customers. Among these customers are plenty of younger people for whom BMW was not a serious option before.

The BMW 3 Series Coupe and the 3 Series Convertible have been completely revised.

The same is true for the BMW X5.

In March 2010 we launched BMW’s new CO₂ Champion – the BMW 320d EfficientDynamics Edition. A long name for a highly efficient car: A fuel consumption of 4.1 liters per 100 km and 109 grams of CO₂ per kilometer. And the best is: At 163 hp, it is dynamic to the core.

Good news for all MINI fans: The MINI family continues to grow.
September will mark the launch of the MINI Countryman. It is our offering for those customers who are looking for a bit more MINI. It is all about the number four here:

- The Countryman is the first MINI with four-wheel drive,
- four doors,
- four individual seats, and
- about four meters in length.

Another two new models will follow suit: the MINI Coupe and the MINI Roadster.

In the first four months of this year, MINI sales have soared again and are up 10 percent compared with the prior-year period. MINI is and will remain the original. MINI has an easily recognizable face, a unique history and well over 1.5 million fans worldwide. With MINI, we have successfully established premium in the small car segment. And MINI is self-confident enough to handle competition.

In the upper luxury segment, we started the global introduction of the Rolls-Royce Ghost at the beginning of the year. Rolls-Royce sales are also on the rise: In the first four months of the year, 408 automobiles were delivered to customers, 100 percent more than in the same period last year.

But in my opinion, the highlight of the year is most definitely the new BMW 5 Series. The new BMW 5 Series Sedan has received extremely positive feedback from the media. And our customers have obviously been waiting for it. We have received considerably more orders than planned.

The new BMW 5 Series epitomizes our entry into a new dimension. The BMW 5 Series will be a key driver of sales, image and profit for the BMW Group. We always knew that we had to become significantly more efficient with production, starting with this model.

So, for the first time, we increased the number of production modules used in the manufacture of the new BMW 5 Series.
We are also entering into a new dimension in terms of fuel efficiency. Just take the new 520d as an example:

- 5 liters of diesel per 100 kilometers
- carbon emissions of 132 grams per kilometer
- 184 hp.

These figures describe the world’s most efficient luxury sedan.

We have achieved a lot with Efficient Dynamics:

- The most fuel efficient BMW 7 Series today uses about 7 liters of fuel.
- The most efficient 5 Series, 5 liters.
- For the most efficient BMW 3 Series, we are currently at about 4 liters.
- So I am sure, you can guess where we are headed for the 1 Series.

Our goal is sustainable mobility.

And we are getting closer – with:

- our hybrids,
- our electric vehicles, and
- our Megacity Vehicle.

A few weeks ago, we launched two BMW hybrids, the X6 and the 7 Series. So our state-of-the-art BMW ActiveHybrid technology has made the leap into series production. Our top priority is the large model series because this is where the savings potential is greatest.

As early as next year, the new BMW 5 Series will also be available as a full hybrid. And we are anticipating the hybridization of further models series, such as the BMW 3 Series. We also work with modules in this field, choosing the most suitable hybrid solution for the respective model.
The public perceives hybrid as a sign of eco-friendliness, despite the fact that diesel engines are often much more efficient. In Japan, for instance, the government has adopted a proposal to offer tax credits for hybrid vehicles. This has had a phenomenal effect on the market. Sales of hybrid vehicles have skyrocketed. If you don’t have a hybrid in your portfolio, soon you might not be selling any cars in Japan at all.

Our idea of future mobility also includes electricity.

BMW builds on an impressive tradition of developing electrically powered cars:

- Back at the 1972 Olympic Summer Games hosted here in Munich, a BMW e-car was used. The BMW 1602 was a support vehicle for the marathon and the race walking competitions.
- In 1991, we showcased the electric-car E1 at the International Motor Show in Frankfurt.
- And there were also BMW 3 Series e-cars used for test purposes in the 1980s and 90s.

Now, the time is ripe for the broad-based application of this technology. We have taken the initiative. Our global field test with the MINI E is a great success. Today, there exists an international MINI E community.

Our customer Tom Moloughney from New Jersey has already covered more than 25,000 miles or 40,000 kilometers with his MINI E. And he writes about it in his blog. Our customer Hudson Ledwon says about his experiences with the MINI E:

“I have driven about 5,000 kilometers in Berlin over the course of a good six months. I am fascinated by new technologies. And as I like to share good things with others, I also lend my MINI E to my friends. The fastest feedback came from a friend who texted me: So great! I want one too.”

In our latest annual report, we introduce some test drivers.

We asked all MINI E drivers about their experiences with e-mobility in everyday use:
• On its suitability: More than 90 percent of all regular mobility requirements were met by the MINI E.

• On its range: Drivers felt either slightly or not at all limited by its range.

• On charging it: Most drivers recharged the battery at home or at work – every two or three days on average.

• And last but not least, the test drivers agreed that they wanted to use environmentally friendly electric power.

So, what conclusions can we draw from their response?

• Many enthusiastic customers for e-mobility already exist today.

• We will not have to wait until conditions are ideal for e-mobility, with a network of electric fillings stations in place, etc. We can implement e-mobility today.

E-mobility has a future. However, we need global standards. And we need partners such as electricity suppliers and politics.

We are taking action. This year we are launching our MINI E fleet in France and China. Next year, the BMW brand will also provide customers with an electric car test fleet. These cars will be built at our Leipzig plant.

Experiences gained with e-mobility will be applied to the development of our Megacity Vehicle.

The Megacity Vehicle will be the BMW Group’s first series-produced electric vehicle. It has been made to fit the specific mobility demands of urban environments, with an electric drive.

We have decided that

• this innovative vehicle will be launched in 2013 as a BMW sub-brand;
and it will be built here in Germany.

Leipzig will become our Competence Center for E-Mobility in Production. Two Bavarian sites, Wackersdorf and Landshut, will be involved in this project as well.

We keep investing in Germany as a production location – particularly in the field of future oriented high-tech. That is BMW.

The assignment we have given ourselves from the very beginning is: To develop a Megacity Vehicle that will be a zero-emission vehicle. And it will be sustainable throughout its entire lifecycle. Simply put: We are on the verge of revolutionizing vehicle production.

We aim to set new standards – for example in the field of light-weight construction. We will apply carbon and carbon-reinforced materials at a scope unprecedented in series vehicle production.

You all know that we have entered into a joint venture with SGL Carbon – a strategic step forward in our commitment. We will build a joint carbon fiber plant in the US, investing 100 million Dollar for the first stage alone. The energy supply needed to produce the carbon fiber comes from natural hydropower. This is why we are establishing our plant in Washington State. Conditions there are perfect.

Another strategic cooperation is the one established with SB Limotive. This cooperation gives us access to high-performance lithium-ion batteries for our Megacity Vehicle.

As I see it, these are all different aspects of the same thing: Ushering in the future of mobility. Just name one competitor who tackles the topics of future mobility and sustainability so comprehensively.
I am convinced that a company's global footprint will gain importance. When it comes to economic success, a company's social reputation will increasingly become a make-or-break issue. In all these aspects, the BMW Group is leading the way.

So, what do we want to achieve next? This is what we showed in our sustainability campaign “What’s next?”. I am sure some of you have seen the ads in the German key media.

Dear Shareholders –

We are establishing the strategic foundation for our future success. To this end, we are tapping into new growth potential for the BMW Group.

Two examples:

1. **Sales of drive systems**: In the US, we have entered into an exclusive partnership with Carbon Motors Corp., a manufacturer of patrol cars and security vehicles. From 2013 to 2019, we are planning to deliver over 240,000 high-efficiency diesel engines for US patrol cars. Carbon Motors wants to provide police forces and other authorities with cars that combine minimum carbon emissions and maximum performance. Our high-efficiency drives will reduce the fuel consumption of American law enforcement vehicles by 40 percent and carbon emissions by 30 percent.

2. **Growth in the small car segment**: In the future, we will record growth both in the large and small vehicle classes. The small car segment in particular is expected to improve. This represents a global trend. Buyers in this segment also demand premium products. Our success with MINI is proof of that. Another advantage of this segment is that it allows us to turn young customers into fans of our brands, people who will continue to buy our cars throughout their lives. All the more reason for us to offer new models in the small car segment in the future – at MINI and at BMW.

You don’t have to be a car expert to understand that the cost structures in the
small car segment are quite different from those in the upper vehicle classes. This is what we are preparing for. Because we intend to grow profitably in this segment as well. We are developing a joint architecture for front and all-wheel drives. Which means that, in the future, there will be BMWs with front-wheel drive in the lower vehicle classes.

Before getting started, we asked owners of BMW 1 Series cars: How important is a rear-wheel drive in your BMW? Contrary to the larger vehicle classes, the vast majority of the 1 Series drivers responded that they were not concerned at all whether their car had a front or rear-wheel drive, as long as it was a BMW. Customers trust us. And this is what matters.

BMW remains a sport-inspired brand. And the BMW Group a high-performance focused company that thrives with fair competition and new challenges.

The same applies to sports: In the top class of yacht racing, Team BMW ORACLE Racing recently won the world’s oldest sports trophy – the America’s Cup.

And we are involved in the Olympic Games:

- BMW is the automobile partner of the 2012 Olympic Summer Games in London. Thanks to Efficient Dynamics, the BMW Group has been chosen to supply the cars for the next Olympic Games.
- BMW also acts as a National Supporter to Munich and Garmisch-Partenkirchen, assisting them with their bid for the 2018 Winter Games. Obviously, if the Olympic Games take place in our backyard we will be a part of it. The 2018 Olympic Games are designed to be a sustainable event. The BMW Group is a company that acts sustainably. So these two are a great match.

BMW does not only represent top-class sports. Cultural commitment is an equally important issue:
Our BMW Art Cars are popular with art lovers and car lovers, alike. The 17th BMW Art Car is designed by Jeff Koons. It is scheduled to celebrate its world premiere at the Centre Pompidou in Paris on June 1.

Ladies and Gentlemen –

With our strategy Number ONE we pursue a vision: In 2020, we will be the leading provider of premium products and premium services for individual mobility.

This vision shows: Premium is our business and this will not change.

There are many aspects to premium. We are convinced that premium is an obligation to accept responsibility – as a corporate citizen and as an employer:

• Despite the crisis, we recruited almost 300 university graduates in Germany last year.

• More than 1,000 young people started their training with BMW AG. We are keeping this trend in numbers for 2010, as well.

• Only three weeks ago, the Board of Management has decided to increase this year’s number of new hires from our original planning. We will recruit 650 university graduates worldwide, 420 of them in Germany. We will continue to get the right qualifications on board to guarantee our future success.

• We are also involved in supporting teenagers who cannot find an apprenticeship position due to their below-average school performance. The BMW Group offers these young people a so-called qualification training year that precedes an apprenticeship.

• We have also set up a junior executive program to guarantee our future supply of talented managers. The focus of this program is on gaining international experiences, developing leadership competences, and forming a solid understanding of economic and social principles.

The BMW Group is a global company.
• We want to understand our customers in different markets even better. To be able to do this, we need international management.
• We want to increase the number of women in expert and leadership positions. The share has already risen significantly in the past few years.
• Despite the tight budget situation, we will step up our investment in executive and employee training.

Strategy Number ONE is the navigation system that ensures the realization of our vision.

The strategy will only work if all executives and employees understand and support it. We are all very emotional when it comes to our cars. We have to muster the same enthusiasm for our strategy. We have to keep at it, with our minds and our hearts.

This is why we entered uncharted waters last year – and implemented some highly creative and unorthodox approaches. We took our strategy Number ONE “on tour” to some of our sites. More than 7,000 managers have participated so far. From board member to foreman – all across divisions and hierarchies – people have taken time to understand how they connect with the strategy. We have discussed and questioned things.
We have stirred participants’ passion and emotions, and in so doing, built a sense of a new era. We have become a better and stronger team.

2009 was an exceptional year – for the automotive industry and for the whole world.

I was very impressed with the willingness to perform and adaptability everyone at the BMW Group demonstrated. We have joined hands and established a solid foundation that marks a new beginning in our long-term path toward continued success.

Individual mobility is our business and our passion. Your company, dear Shareholders, is shaping future mobility. This requires entrepreneurial foresight and creativity. All of our
employees accept these challenges and are committed to continue delivering breakthrough solutions.

We build upon our tradition and at the same time embrace innovation. This is inscribed in our genes.

Ladies and Gentlemen –
The BMW Group has an exciting future.

Thank you very much for your attention!