Ladies and Gentlemen,

Good morning from my side as well.
In the third quarter, we were able to build on our highly successful second quarter. We continue to lead the premium segment with our young and attractive product line-up.

BMW Group revenue and earnings also continued their positive development: Third-quarter revenues rose by almost 4% year-on-year to more than 16.5 billion euros.

Group earnings before taxes (EBT) reached more than 1.6 billion euros in the third quarter.

The Group’s net profit totalled roughly 1.1 billion euros.

Let’s take a look at the Automotive segment: We sold more than 399,000 new vehicles in the third quarter – 9% more than in the same period last year.

We made strong gains in Western Europe, Germany, North America and in Asia. In China, our third-quarter sales increased by 21% to more than 56,000 units. China therefore accounted for 14% of sales in the third quarter. Our sales were evenly distributed around the world. The segment EBIT amounted to more than 1.8 billion euros. The EBIT margin for the same period reached 11.9%.
We are now reaping the benefits of our profitability measures. Our efficiency continues to rise: The latest BMW and MINI models are better than their predecessors both in terms of profitability and pricing – thanks in part to lower manufacturing costs and better transaction prices.

The third quarter was impacted, as planned, by the ramp-up expenses for the new BMW 1 Series and the 3 Series Sedan. We expect much of the 500 million in additional costs to be incurred in the fourth quarter.

Demand for the first-generation BMW 1 Series declined less than expected before it was phased out. We were still able to achieve good prices on the market and faced lower charges.

In the third quarter, we produced almost 437,000 units in total. Our excellent capacity utilisation covered our fixed costs well.

We made further extensive investments – in the third quarter, our capital expenditure increased year-on-year. Capital expenditure for the full year will remain at the same level as last year. Our investment ratio will be lower than our targeted 7% of revenue.

Capital efficiency remains a priority – this also allows us to invest in the future and maintain our position as technology leader in the field of efficient drive trains.

We stepped up research and development once again in the third quarter. Despite the increase in revenues, our R&D ratio for the third quarter rose to about 5.0%, due to new development and vehicle projects. The R&D ratio for the full year will be at the lower end of our target range of 5-5.5%, thanks to efficient development processes and the positive revenue performance we anticipate.
The positive impact from currency was overshadowed by negative raw material prices in the third quarter. This led to a negative impact on earnings in the two-digit millions. We still expect these adverse effects to continue throughout the fourth quarter. However, the impact of currency effects and changes in raw material prices should largely offset each other over the full year.

Sustained demand in our overseas markets and the launch of the BMW 1 Series – combined with higher stocks of 3 Series models prior to their phase-out – produced an increase in inventories: Vehicles are now being shipped for fourth-quarter deliveries.

Working capital increased accordingly by about 300 million euros in the third quarter. Together with our increased capital expenditure, this had a dampening effect on free cash flow.

In the third quarter, free cash flow in the segment totalled 462 million euros. Adjusted for the cash-out of 249 million euros for the acquisition of ING Car-Lease, free cash flow in the Auto Segment was 711 million euros. For the period between January and September the unadjusted free cash flow was about three billion euros. We expect this positive trend to continue in the fourth quarter, with an increase in free cash flow for the full year to over three billion euros.

Ladies and Gentlemen,

The **Financial Services segment** also continued to experience dynamic growth.

We generated a pre-tax profit of 354 million euros in the third quarter – an increase of 11.3% year-on-year.
The segment contributed more than 1.5 billion euros to earnings in the year to the end of September.

Our business performance benefitted from sustained sales momentum on the auto markets and from profitable new business. Stable used-car prices and credit risks created a favourable business environment.

The credit loss ratio for the year to the end of September remained stable at 0.46% – 12 base points lower than the same period last year. In the third quarter – unlike the previous quarter – we did not need to adjust risk provisions, so there was no positive impact on earnings.

Our financing and leasing business continued to perform very well on account of our growing automotive business. We concluded more than 291,000 new contracts in total.

The penetration rate for the year to the end of September was slightly lower than for the same period last year. This was due to our financial services activities in China since early 2011. Financial Services leased or financed 41% of the new BMW Group vehicles delivered to retail customers. The penetration rate has remained virtually unchanged over the course of the year. Leasing contracts were concluded for 21% of the vehicles delivered, with financing agreements for a further 20%.

The business volume in balance sheet terms for the year to the end of September totalled nearly 72 billion euros. The increase of almost 9% since the end of last year is mainly due to the acquisition of ING Car Lease.

The EU Competition Commission approved the merger between ING Car Lease and our fleet management provider, Alphabet, in September of this year. The new company will operate in 18 countries, under the name Alphabet, and is now one of the top-five fleet management providers in Europe. The move has increased our fleet management portfolio to more than 460,000 contracts. We
believe Alphabet provides the ideal basis for further growth in modern mobility solutions and services, including e-mobility.

Ladies and Gentlemen,

We were able to make substantial gains in the **Motorcycles segment** despite a shrinking total market: With almost 29,000 deliveries to customers, business grew by 6.5% year-on-year. This increase in sales was primarily due to the BMW brand.

Our segment revenue of 334 million euros in this segment was almost 15% higher than in the third quarter of 2010. We have begun repositioning the Husqvarna Group to develop new and profitable business fields for the brand. This process had a negative impact on earnings in this segment.

The BMW Group continues to maintain a strong liquidity position. As per 30 September, we held 10.9 billion euros in cash and cash equivalents. We took advantage of favourable financing opportunities to increase our liquidity, in consideration of the acquisition of ING Car Lease.

We were also able to boost our liquidity buffer with a new credit line: We recently secured attractive terms for a five-year contract with renewal options from an international banking group. We now have a 6-billion-euro loan commitment we can draw upon if needed. These activities provide the BMW Group with a healthy liquidity base for dealing with potential uncertainty on the capital markets.
Ladies and Gentlemen,

On the whole, we expect positive business development to continue in the fourth quarter: The new BMW 1 Series launched in September will also contribute to that trend. In the fourth quarter, we anticipate additional costs from the market and production launch of our new products. We are also aware that economic conditions remain uncertain and subject to volatility.

However, we remain confident overall that we will be able to meet our guidance for 2011:

We expect to sell more than 1.6 million vehicles and achieve an EBIT margin of over 10% in the Automotive segment. At Group level, our pre-tax profit will be considerably higher than last year.

We expect the Financial Services segment to maintain its healthy business development.

We are continuing to implement our strategy rigorously. On the whole, we are confident, but also well aware of the risks. We expect to see continued volatility – due to the high level of national debt, the euro crisis and rising inflation. We will remain vigilant. We have explored various scenarios and made the necessary preparations.

Ladies and Gentlemen,

We are getting closer to 2012 – and the finishing line for the strategic goals we set back in 2007. We are currently in a comfortable position: Returns in the Automotive segment exceed our long-term EBIT margin range of 8-10%. We have worked hard to achieve this: The BMW Group has successfully implemented the key measures of its Strategy Number ONE and is more
profitable today than ever before. Our financial strength has increased dramatically.

We will continue to work on enhancing our efficiency and making ourselves more resilient to market fluctuations. We are also using today's profits from our operating business to shape the future of the company – with new technologies and innovative products to maintain our leadership in the premium automotive segment.

In this way, we are ensuring that the BMW Group will remain profitable and successful in the future.

Thank you.