Good morning, Ladies and Gentlemen!

We move people – and we always think and act globally, with a long-term focus. It is, of course, our responsibility towards our shareholders and stakeholders. It is also a key part of our corporate culture. With our Strategy Number ONE, we are aligning the BMW Group with two targets: to be profitable and to enhance long-term value in times of change. And this applies to technological, structural as well as cultural aspects of our company.

Since 2007, we have been implementing various initiatives in keeping with the strategy's four pillars:

- Growth
- Shaping the Future
- Profitability and
- Access to Technologies and Customers.

Today we are benefiting from our foresight. 2011 was the most successful business year to date in our corporate history.

- We achieved new record sales, revenues and earnings.
- Already in 2011, we exceeded our profitability targets laid out for 2012.
- We are once again the leading premium automaker in terms of sales and the most sustainable car company in the world.
We have a sound financial basis, which enables us to invest in future growth.

We deliver on our promises. As we see it, our success in 2011 is one step on our path towards the future. In 2016, BMW will be 100 years old. This is a historical milestone for our company. For all of us at the BMW Group, it is a responsibility and an obligation to ensure future success.

Nevertheless, we are facing tremendous challenges:

- The world continues to change at a rapid pace.
- In many countries, individual mobility remains a focus of political regulation and national industrial policy.
- The shift in society requires new mobility solutions.
- Volatility has long become a constant in our everyday business.
- Markets and consumers alike remain uneasy about the significant public debt and the Euro crisis.

Given these developments, we carried out a strategic review in 2011. All trends were evaluated and our strategy was accordingly adapted. Based on our findings, we are now looking far ahead again.

So what do we intend to achieve?

- More than two million cars sold in 2016.
- In the long term we aim to reach an EBIT margin in the Automotive Segment in the range of eight to ten per cent.
- Our clear vision for 2020 remains: to be the leading provider of premium products and premium services for individual mobility.
So, where do we stand with regard to the business year 2011?

We achieved

- Group revenues of 68.8 billion Euros.
- A pre-tax result of 7.4 billion Euros.
- A profit of 4.9 billion Euros.
- An EBIT margin in the Automotive Segment of 11.8 per cent.
- Our Motorcycle Segment contributed 41 million Euros to the Group result.
- And our Financial Services Segment accounted for 1.8 billion Euros.

These key figures are proof of our products’ desirability and the strength of our brands. For the first time ever, within one year about 1.67 million customers decided to buy a BMW, MINI or Rolls-Royce.

And this means: new record sales for all our brands.

- BMW: 1.38 million cars.
- MINI: Over 285,000 cars.
- Rolls-Royce: 3,538 cars. So we exceeded the previous record from 1978 and reached a new all-time high in Rolls-Royce’s 107-year history.
- Motorcycles: We sold more than 113,500 motorcycles of the BMW and Husqvarna brands. BMW Motorrad, winner of the “J.D. Power Motorcycle Competitive Information Study 2011”, is now the market leader in 15 countries.

In 2011, the BMW ordinary share held strong in a challenging and volatile environment and proved to be a sound long-term investment.
All in all, the share price developed better in 2011 than the German DAX. And since the beginning of 2012, it has increased in value by more than 30 per cent over the 2011 closing price. Our shareholders benefit from our positive business development in 2011. And so do our associates who participate in the employee share program.

At the Annual General Meeting, the Management Board and the Supervisory Board will propose to raise the dividend to two Euros and thirty cents per ordinary share and to two Euros and thirty-two cents per preferred share. This is the highest dividend we have ever paid.

This holds true for the employees’ profit-sharing program: All permanent staff at German locations will receive a bonus for 2011 that exceeds the previous record set in 2010. I am convinced that all associates will once again demonstrate peak performance in 2012. It will be a challenging year, and we will need to deliver once again.

That brings me to my next point: What are our goals for 2012?

It is uncertain whether the current economic conditions will continue.

Our expectations for 2012:

- New record sales on Group level.
- New all-time highs for all three car brands.
- A new record in pre-tax Group result.
- An EBIT margin in the Automotive Segment in the range of 8 to 10 per cent.

And we are off to a promising start. This is the best start to any year we have had. In January and February 2012, we delivered nearly 240,000 cars to
customers. Our product portfolio is young and attractive. Before the summer ends, BMW and MINI are going to launch 12 new models, including variants.

At BMW, 2012 is clearly the year of the new BMW 3 Series. The new Sedan arrived at dealerships in mid-February. For the first time, we launched a model at the same time in all markets. We are delighted with the media response. So far, the new 3 Series has come out first in all comparative tests against competitors worldwide. Our 3 Series has always been an Efficient Dynamics pioneer. The BMW 320d EfficientDynamics Edition is the new CO\(_2\) champion in its class: 163 horsepower, fuel consumption at 4.1 liters per 100 kilometers, 109 grams of CO\(_2\) per kilometer.

Efficient Dynamics is a success story. Efficient Dynamics makes our cars even more attractive and keeps their value at a high level for a long time.

We want to maintain and strengthen our lead in the future.

Let’s take a look back. What did we achieve in the first phase of Efficient Dynamics?

- In 1995, our fleet average in Europe was over 200 grams of CO\(_2\) per Kilometer.
- From 1995 until 2008, there was an agreement among EU car companies to reduce average CO\(_2\) emissions by 25 per cent across the fleet. We were the only car company in ACEA that fulfilled our promise. What’s more, we went beyond this goal, achieving a 27 per cent reduction.
- At present, the BMW Group fleet in Europe emits an average of 148 grams of CO\(_2\) per kilometer. At the same time, we increase performance – as the average of 173 horsepower shows.
Looking ahead at 2015, the EU has set a new CO$_2$ target of 130 grams per kilometer for all European cars. We are totally confident we will meet the target set for the BMW Group. Our new highly efficient engines and new models such as the new 3 Series will enable us to achieve these goals.

As well, the BMW ActiveHybrid models are another step in this direction. Our intelligent full-hybrid drive concept will be available in the new BMW 3 Series, the BMW 5 Series, as well as the updated BMW 7 Series.

Now we have a clear focus for the year 2020.

This year, the EU will discuss the planned regulations concerning the 95 grams CO$_2$ per kilometer average across the European car fleets for 2020. This is a significant challenge. Looking at the global situation, the U.S. government has already set new CO$_2$ targets for 2025. Our Efficient Dynamics technologies put us in a better position regarding these new regulations. Offering electric cars will also give us additional credits.

In order to reach all of these goals, we’re now starting on the second phase of Efficient Dynamics.

We want to maintain our product portfolio mix and continue offering our customers both large and small cars in the future. Because of this, we need new technologies to complement the fleet. Through Plug-in Hybrids and electric cars, such as the BMW i Family, we will make further progress significantly reducing CO$_2$ emissions across our fleet. In 2020, we will have reduced the BMW Group fleet’s CO$_2$ average by half.

To achieve these targets in Europe and worldwide, we will continue investing in
many areas. This includes developing innovative drive technologies and light-weight construction.

Let's move on to the next point: Does premium have a future?

Our activities are based on the following assumptions:

- Individual mobility will remain a basic human need.
- The number of wealthy individuals continues to increase globally. Naturally, this leads to stronger demand for premium mobility. Currently, growth in the premium segment exceeds that of the overall car market.
- Premium’s key strengths – quality, product substance, and design – will continue to be in high demand. We have been adding new attributes to the mix – such as efficiency, responsibility, and sustainability.
- The number of young drivers is increasing. According to a recent study of the Institute for the Automotive Industry, in Germany the share of 18- to 24-year-olds applying for a driver's license has risen to almost three out of four. Five years ago, the number was much lower.

Ladies and Gentlemen,

Premium is – and will remain – our business model.

We will continue to define premium and refine our business model accordingly.

Let me give you four examples:

1. Innovation and sustainable production.
3. Strategic alliances.
4. Safeguarding expertise.
First: Innovation and sustainable production

Our industry is experiencing a period of technological transition. We want to be both a pioneer and a driving force in this transition. Therefore, we are achieving this through two distinct and complementary paths: evolution and revolution. The further development of high-efficiency combustion engines and hybrid drives – this is what we consider evolution. Zero-emission mobility, combined with production and the innovative use of materials and new services – this is what we call revolution.

With our new BMW i family, we position ourselves as the leader of innovation in the field of e-mobility. We are the first car company to design mobility from the ground up around an electric powertrain. Our BMW i family will be the first cars made of carbon fiber in series-production. The power for the assembly of the BMW i3 and i8 at our Leipzig site will come from regenerative sources. We are convinced that sustainable mobility can only be created within sustainable structures.

This is one element of our premium promise.

Our business success will remain the foundation for our ecological and social activities in the future. For years, the BMW Group has been in top positions in all major sustainability rankings, including the Dow Jones Sustainability Index and the Carbon Disclosure Project. In our current ad campaign, our own associates show how we implement sustainability at all locations.

A new approach towards individual mobility creates a new opportunity to offer our customers a range of services. This applies especially to the generations that have grown up with social networks. In cooperation with research partners and cities, we are developing innovative services, giving young people in particular
access to our brands. More than 17,000 members to date take advantage of our “DriveNow” car-sharing project in Berlin, Munich and Düsseldorf. Further cities will follow. The acquisition of ING Car Lease Group has been another important step in designing attractive mobility solutions and services.

Second: Balanced market performance

Today, our market position in Europe, Asia and America is much more balanced than ten years past. This gives us a significant competitive advantage in light of volatile markets. We are now laying the foundation that will allow us to meet our growth targets laid out for 2016.

The BMW Group will define 2012 as the year in which we further extend our global footprint.

We will raise capacities in China, the US, South Africa and India. At the same time, we are evaluating potential locations in the BRIKT markets. In the five BRIKT countries – Brazil, Russia, India, Korea, Turkey – we have increased sales by 1,000 per cent in the past ten years.

When deciding on new locations, we always consider a long-term perspective. Basic conditions need to be met to ensure a win-win-situation for both the country and the BMW Group. Germany remains the backbone of our production. We are not outsourcing jobs abroad. In Germany, plant investment for 2011 and 2012 stands at two billion Euros.

Third: Strategic alliances

Future mobility has many elements. And we need to prepare for this. Let me give you three examples:
• In cooperation with the SGL Group, we opened a new production plant for carbon fibers in Moses Lake, USA, in 2011. At our Landshut plant, we have recently commissioned the first carbon fiber production. We have expertise using carbon fiber parts in automotive engineering. And we can draw on this competitive advantage in lightweight construction.

• Our joint venture with PSA Peugeot Citroën is right on track. Together with our partner, we are developing components in the field of electrification and hybridization.

• We intend to take basic research into lithium-ion technology to the next level in cooperation with Toyota Motor Corporation. At the same time, we will provide Toyota Motor Europe with high-efficiency diesel engines.

Strategic alliances are part of our Strategy Number ONE. These ensure access to technologies, pool expertise and generate cost savings.

Fourth: Safeguarding expertise

To achieve our goals for future mobility, we need the smartest minds and most suitable skills.

• This is why we are hiring new staff.
• This is why we are increasing the number of young people we train.
• And this is why we are increasing our investment in continuing education for employees.

In 2011, we hired more than 4,000 new associates. That way we ensure that we have relevant future skills at our disposal. This year, we have planned to bring on a similar number of new employees.
I view training young employees to be particularly important to our future success.

- During the economic crisis, we continued to train a significant number of young people.
- In late 2011, we actually raised the total number of apprentices to around 3,900.
- All apprentices who successfully completed their training in 2011 were offered a job with the BMW Group.

At the same time, we are investing in continuing education: In 2011, 87,000 associates participated in programs offered by our training academy. Our spending on training courses reached the highest level in seven years in 2011. Actually, it doubled within only two years. This is premium as well.

Last but not least, our business model for premium products and services also requires a flexible, high-performing organization. Last Thursday, the Supervisory Board announced a realignment of the Management Board. The new Management Board structure, beginning the first of April, 2012, will set the course for our company’s future development.

- By separating responsibilities for the brands BMW as well as MINI and Rolls-Royce, we are focusing on the dynamic growth and the autonomy of our brands.
- The current board members in charge of the Development and Purchasing divisions will change roles. This guarantees the best-possible use of experiences at the respective place in the value chain.
- And we brought in a seasoned executive with external expertise and new perspectives to join our Board. Ms. Milagros Caiña-Andree will start on July 1 of this year.
Ladies and Gentlemen,

What can our customers expect from us in 2012?

- The Geneva Motor Show provided the stage for the world premiere of the first ever four-door coupe in the history of the BMW brand: the BMW 6 Series Gran Coupe. This car is our vision of aesthetics and luxury in the premium segment of the top-range automotive market.
- The BMW X6 and our flagship model series, the BMW 7 Series, have been updated.
- BMW M is launching the BMW M6 Coupe and the BMW M6 Convertible.
- Our new BMW M Performance Models are geared toward customers looking for high performance for everyday use.

With the new MINI Roadster, the MINI Family now has six members. From the fall of 2012, MINI fans can look forward to the new special edition MINI Clubvan. This is the first lifestyle transport vehicle in the premium small car segment.

Rolls-Royce is about to launch the Phantom Series II in the second half of 2012, following the Phantom Series I from 2003. This means: updated design, new top technology and state-of-the-art networking services at Rolls-Royce.

You see, our product portfolio covers the entire range – from the premium small car segment to the ultra-luxury class and M models.

Ladies and Gentlemen,

Corporate success builds on many individual factors. As we see it, this includes growth, profitability and efficiency as well as social responsibility and acting sustainably. We owe our success in the business year 2011 to the committed
performance of our associates. So, on behalf of the entire Management Board, I would like to thank all our associates across the globe for their commitment and performance.

We continue to implement our Strategy Number ONE, which allows us to think and act globally and with a focus on the long term.

- We will continue to define what premium is.
- We will strive to be highly profitable.
- We will continue to design individual mobility for today and tomorrow.

This is the foundation on which we will build the future of our company as well as shape our industry. Everyone at the BMW Group will strive to achieve these goals with dedication and passion. This is BMW.

Thank you very much.