Ladies and Gentlemen,

Good morning from my side as well! The BMW Group has continued to strengthen its position as the world’s leading premium auto manufacturer. Despite a challenging sales environment in Europe and stronger competition, we made a successful start to the year. Our profitability for the first quarter of 2013 was within our target range. At the same time, we made important upfront investments to secure the future success of the company.

Now, let’s take a look at our business figures: The BMW Group expanded its leadership of the premium segment with a 5.3% increase in sales volumes.

Thanks to its attractive new models, our core BMW brand saw particularly strong growth – with gains of 7.0% on top of last year’s strong first quarter. The BMW 3 Series, 5 Series and 6 Series – as well as the X1 and the 7 Series Sedan – were all leaders in their respective segments.

Sales growth was evenly distributed worldwide. The BMW Group achieved the largest volume gains in Asia, and China, in particular. In China, our joint venture benefitted from the expansion of local production capacity. As a result, first-quarter deliveries of imported BMW vehicles were below last year’s high level. This will balance out over the course of the year.

The BMW Group also posted higher sales in North America, and especially the US – where the X models, in particular, generated stronger demand.
European sales improved year-on-year, after a weaker first quarter in 2012. European markets developed unevenly, and we expect to face further challenges on the continent over the course of the year. The ongoing euro crisis is unsettling consumers. As a result, competition in the markets has intensified. Nevertheless, in particular the BMW 1 Series and the BMW 3 Series performed very well.

Before I go into the details of our quarterly figures, I would like to point out a change in accounting.

The Group and Auto profit figures from last year were adjusted because we implemented changes in pension accounting in line with revised IAS 19. You will find more detailed information in the Notes to the Group Financial Statements under Note 3.

At **Group** level, revenues reached 17.55 billion €, with a pre-tax profit of 2 billion €. The pre-tax return on sales of the Group was 11.4%.

In the first three months of the year, the BMW Group forged ahead with product and technology development.

This led to an increase in the company’s headcount. By the end of the quarter, the BMW Group had 106,470 employees – roughly 600 more than at the end of 2012. Year-on-year, this resulted in higher personnel costs.

R&D expenditure totalled 988 million € in the first quarter. This represents an increase of 2% over the previous year, with an R&D ratio for the first quarter of 5.4% of revenue.
As previously announced, development costs for 2013 will be higher than last year. The expansion and renewal of our product portfolio and the development of low-emission and alternative drive technologies will be a focal point.

Our R&D ratio will probably slightly exceed our target range of 5.5% of revenues.

The BMW Group’s capital expenditure for the quarter totalled 1.21 billion € – twice as much as the same period last year.

Our investments in future technologies will enhance the company’s long-term competitiveness. At our Leipzig and Dingolfing sites, as well as in Landshut and Wackersdorf, the creation of our e-mobility production network proceeded according to plan. Pre-series production of the BMW i3 is now underway.

We also invested in adding and expanding capacity, and have been preparing for the production of new vehicles in our plants.

The capex ratio for the first quarter stood at 6.9% of revenue. As previously announced, we will exceed our target of below 7% over the full year.

As per March 31st, Group liquidity totalled almost 11 billion €. Our liquid asset position therefore remains solid.

Let’s move on to the **Automotive Segment**: The segment had revenues of more than 15.9 billion € in the first quarter – which was slightly below last year’s high level.

The segment EBIT for the first quarter totalled more than 1.58 billion €. This is 16% lower than the strong EBIT of the previous year. The EBIT margin for the segment was at the upper end of our target range, at 9.9%.
Stronger competition in Europe and a higher percentage of joint-venture models produced in China affected segment earnings.

As previously announced, our upfront investments in future projects, of around 1 billion €, will affect year-on-year earnings for the full year. The first quarter was impacted to a lesser share by this – and as a result, earnings development benefitted.

The aforementioned increase in capex dampened the development of Free Cashflow in the auto segment, which was 628 million €. As already announced, free cash flow will remain under 3 billion € for the full year, due to high investments to secure future success.

As per end of March, net financial assets in the Automotive Segment amounted to almost 14.1 billion €.

Now, I would like to talk about the **Financial Services** segment. This was a very successful first quarter for BMW Group Financial Services. The segment benefitted from our sales growth and concluded more than 340,000 new leasing and financing contracts with retail customers. This represents an 11.2% increase over the same period last year.

Pre-tax profit climbed to 449 million €, and the penetration rate – the percentage of new vehicles leased or financed by BMW Financial Services – reached 44.2% in the first quarter. This increase mainly stems from dynamic new business the United States, in China and in Germany.

Used-car markets have been largely stable in Germany, France, the UK and the US since the end of 2012, but remained weak in Southern Europe.
The market situation in Europe seems likely to remain this way for the rest of the year – but we have made preparations for this and are well prepared and covered for potential risks.

In the largest leasing market, the US, we expect used car prices to change little over the coming months.

Credit risks have remained mostly stable compared to last year in most markets. The situation is still difficult in the Southern European markets, and expectations remain very cautious. Here also, exposed and potential risks have been covered with corresponding provisions.

That brings me to the **Motorcycles segment**. The segment delivered more motorcycles in the first quarter than ever before. BMW Motorrad's motorcycle sales rose by 1.5% to more than 24,700 vehicles. Although European markets contracted, BMW Motorrad made gains in the US, Brazil and Japan.

The Motorcycles segment had revenues of 436 million €, almost matching last year's level. The segment EBIT reached a new high of 51 million €.

Deconsolidation of Husqvarna was completed in March. For the full year, we anticipate higher year-on-year sales for BMW Motorrad – mainly thanks to the maxiscooters now fully available and the new F 800 GT and R 1200 GS models.

Back to the **Group**: We are maintaining our guidance for 2013. The BMW Group is still targeting record sales this year. Stronger demand is forecast in the US, China and some emerging markets – but European markets are likely to shrink.

The BMW Group is sticking to its strategic course. Thanks to its financial strength, we are able to continue preparing for the future of our company and enhancing its competitiveness.
Innovation, future technologies and further internationalisation are the focus of our research and investment activities. In the second half of the year, we anticipate additional costs from the market launch and ramp-up of the BMW i3 and other new models.

Improving cost structures and efficiency still are of high priority. Our goal remains: profitable growth within our target margin range.

At Group level, consistent with the previous forecast, we aim to achieve a profit before tax on a similar scale to that reported in 2012.

This assumes that conditions do not worsen significantly. At this time, we are aware of the possibility of a further slowdown and declining car markets in Europe. A short-term recovery in the second half of the year seems unlikely. However, despite lasting uncertainty about the budget deficit, the US economy is expected to continue growing. Stable growth is forecast for China as well.

We are maintaining our target range of 8-10% for EBIT margin in the Automotive segment.

The target for the Financial Services segment is a return on equity of at least 18%.

At BMW Motorrad, we expect to see a positive trend in earnings.

The current volatility in the global market makes long-term forecasts challenging. The spread of the debt crisis in Europe, substantially slower growth in China, political hotspots as well as increasing regulation could affect our business more than we are able to predict today.
Due to economic challenges, the BMW Group does not expect tailwinds for its business in 2013. However, we benefit from a young and attractive vehicle portfolio and a clear strategic orientation. That is how we intend to maintain our leading position in the global premium segment.

Thank you.