Ladies and gentlemen,
Good morning from my side as well.

The BMW Group once again performed well in the third quarter. We are on the right track, both strategically and operationally. We will continue our efforts on preparing the company for the future.

Our target is to assure the long-term competitiveness of the BMW Group. That is more important than short-term profit. The Group’s profitability is fully in line with expectations. Our EBT margin of 10.6% for the third quarter was on par with that of last year. The Automotive Segment achieved an EBIT margin of 9.0% for the third quarter and 9.5% for the first nine months.

Sound profitability forms the basis for our extensive upfront investments. Our business environment has remained challenging, with the situation in the European markets no less difficult than before. With a few exceptions, the Western Europe auto market continues to decline – resulting in intense competition.

In Europe, BMW Group sales remained stable from last year – while our major US and Chinese markets, and many emerging markets, reported double-digit growth.

Thanks to our balanced global presence, the BMW Group was able to achieve healthy volume growth. Our retail sales of 1.436 million vehicles in the year to
the end of September represent an increase of 7.5% over the same period last year.

At 18.75 billion euros, third-quarter Group revenues were almost at the same level as the previous year. Growth in new leasing business led to higher inter-segment revenue eliminations – which caused revenue development to lag behind sales growth. More intense competition and negative currency conversion effects also curtailed revenues. Adjusted for currency effects, revenues would have been 4.4% higher year-on-year.

Group pre-tax earnings stood at 1.989 billion euros in the third quarter and reached 6.024 billion euros after the first nine months. While this is unchanged from the previous year, the same period of 2012 benefitted from a positive one-time effect of 124 million euros in the Financial Services Segment. Adjusted for this effect, pre-tax earnings would have risen 2% year-on-year.

The BMW Group is forging ahead with the development of new vehicle projects and alternative technologies – as we prepare for the future today. We are taking the strict CO2 requirements seriously, which will come into effect in the European Union and other markets in 2020. And we will continue to prepare the company to meet these ambitious targets.

Early preparation has served us well in the past. Our EfficientDynamics package has earned us a competitive edge since its introduction in 2007. Back then, we were the first car company to voluntarily implement efficiency measures across the fleet as standard.

In line with our strategy, we are also investing in expanding our production network and improving process efficiency. Strengthening our brands and further enhancing customer care are also continuously in focus. These areas require additional upfront investments of around 1 billion euros this year. This will mainly
affect the Automotive Segment and impact the fourth quarter to a significant extent.

R&D expenditure (HGB) for the first nine months rose to 3.2 billion euros. This represents an increase of 14% over the previous year. The R&D ratio for the year to the end of September stood at 5.8% of Group revenues – just above our target range of 5-5.5%. The R&D ratio for the full year will also be above this targeted range.

The BMW Group’s capital expenditure for the first nine months totalled 4.3 billion euros. Most of this sum was invested in capacity expansion, in new technologies and model ramp-ups. The capex ratio for the first nine months stood at 7.8% of revenues. As previously announced, we will exceed our capex target of below 7% of revenues over the full year.

This will enable the BMW Group to enhance its future competitiveness and secure its business model through targeted investments in its premium brands, its products and technologies. Investment levels and R&D expenditure will remain high next year: We expect 2013 and 2014 to be the peak years, with significant upfront investments in future projects. For the year to the end of September 2013, Group liquidity totalled more than 10.7 billion euros, giving us a solid financial position.

Let’s move on to the Automotive Segment – which bore the lion’s share of the upfront investments in future projects and the challenging conditions in the European markets I referred to before.

In the third quarter, segment revenues reached nearly 17.2 billion euros and remain almost unchanged year-on-year – although currency conversion effects dampened the revenue development. EBIT for the Automotive Segment totalled almost 1.55 billion euros – a decrease of 6.0% compared with the same period
of last year.

Despite the high level of investment in future projects and despite persistent challenges in the European markets, we still expect EBIT margin for the full year to remain within our target range of 8-10%.

The fourth quarter is traditionally impacted by higher costs and capex, with many projects billed at the end of the year. This effect will be significant in 2013 and feed through to the segment’s profitability. In addition, we will see ramp-up and marketing expenses for the new models set to boost sales next year.

After nine months, the positive business trends within the segment are reflected in a strong operating cash flow and a free cash flow of 2.45 billion euros. Despite the high level of capital expenditure in the fourth quarter, we still expect to generate a free cash flow below 3 billion euros for the full year. As per 30 September, net financial assets in the Automotive Segment amounted to 12.4 billion euros – and therefore remain at a very healthy level.

Ladies and gentlemen,

The Financial Services Segment continues to benefit from strong new business and attractive refinancing conditions. However, we are seeing slightly narrower margins, due to increasing competition. The strong demand for financial services and our positive operating performance have largely continued in the third quarter. For the same period, pre-tax profit amounted to 398 million euros – a decrease of 6.4% year-on-year.

The third quarter of 2012 benefitted from a positive effect of 46 million euros from end-of-lease business. Adjusted for this effect, quarterly earnings would have increased by 5.0%.
Financial Services leased or financed 45.0% of new BMW Group vehicles in the first nine months of 2013. This higher penetration rate is essentially due to growth in new business in the United States, where the premium segment continues to expand at a dynamic rate. The risk situation in the segment is largely unchanged from the previous quarter. Credit risks remain stable. And although the situation in the Southern European markets remains challenging, there are no signs of further deterioration.

There has been little change in residual value risks. Used-car prices remained stable in the Americas and Europe; while the Southern European markets have stabilised at a low level. Our proactive risk management makes the necessary provisions to cover potential market risks.

Let's take a look at our Motorcycles Segment. BMW Motorrad continued to defend its position in a declining market. While the motorcycles market contracted by 4.3% worldwide, the segment's retail sales for the year to the end of September climbed 8.4% to 93,154 units. New models in particular, such as the F 800 GT and the R 1200 GS, contributed to this sales growth. Segment revenues year to September rose 1.6% to reach a total of 1.23 billion euros.

The Motorcycles segment achieved an EBIT of 93 million euros for the first nine months – an increase of 13.4% from the previous year.

Ladies and gentlemen,
We expect Group sales development to remain largely positive for the rest of the year and are targeting single-digit sales growth for 2013 – despite weak Western European markets. Of course, we cannot rule out the possibility of a global downturn, with the associated risks for our business.

The Group is still targeting pre-tax earnings for the full year on a similar scale to that reported in 2012.
In the Automotive Segment, EBIT margin is likely to remain within our target range of 8-10%. The target for the Financial Services Segment is a return on equity of at least 18%. We also expect the positive business development in the Motorcycles Segment to continue.

The BMW Group is creating the necessary conditions to sustain its successful business. We are able to confirm our guidance for the full year – assuming that economic and political conditions do not worsen significantly. As I already mentioned, the fourth quarter will be impacted to a greater extent by capex and costs.

The BMW Group is in an excellent position for 2014: Our young and attractive product portfolio will provide new momentum in sales. Over the coming year, we will introduce quite a number of brand new models. We also expect this year’s new launches to generate growth in their first full year on the market.

There is currently no substantial improvement in the operational environment in sight. The economic forecast for the Eurozone is cautiously positive – although the situation in parts of Europe will remain challenging. Growth forecasts for the major emerging markets of Brazil, Russia and India have been lowered slightly. We remain confident about China and the US.

We will continue on our strategic course, working to strengthen our earning power and our competitiveness – and standing by our profitability targets. At the same time, we are making the high upfront investments needed to prepare the BMW Group successfully for the challenges of the future.

We will continue to take action and set new standards.

And we will continue to expand our leading position in the premium segment.
Thank you.