Ladies and Gentlemen!

Today, I will focus on five points:

1. The volatility and the development of the automotive markets.
2. Our investments in new plants.
3. Our profitability.
4. Our brands and new products.
5. Our forecast for the business year 2014.

Our business environment is and will remain affected by uncertainties.

- Political regulations continue to require further investment to reduce carbon emissions.
- Economies in the EU, as well as Japan, still have high public debt. In China, the overcapacities in the economy remain a risk for further development.
- And it is clear that global conflicts affect the overall economic and business situation.

At the same time, worldwide automotive markets are developing differently in the first nine months of 2014.

- The U.S. economy is stable right now. This means vehicle sales are continuing to go up.
- In Europe, new car registrations have also increased from the previous year. In Spain and Portugal, the car markets are picking up strongly. However, they still have a long way to go before matching the 2007 level.
Growth in the UK continues at a high level. Germany, France and Italy on the other hand are only gaining slightly.

- In Asia, both Japan and China are currently seeing an increase in new car registrations. In Japan, the growth rate stands at almost six percent – despite a recent VAT increase. China’s car sales are benefitting from the high demand from private consumers. However, due to certain policies, the world’s largest car market is on its way toward normalization.

- Some emerging markets are seeing consumer restraint. This of course affects everyone. By the end of September, our BMW Group sales declined by about 13 percent in Russia, and by about 17 percent in India. In Brazil, we sold almost as many BMWs and MINIs as during the same period last year. In countries like Malaysia, Indonesia and Turkey, our sales volumes are developing very positively.

Despite the various challenges we face, our strategic focus will remain unchanged: We will continue to strive for a balanced sales distribution between the major world markets.

Let me move on to my second point: We have always followed the strategy “Production follows the market”.

In Mexico, we will open a new production site in 2019. And our new BMW plant in Brazil recently started production, with the first BMW rolling off the assembly line on October 9th.

Building a new plant always requires long-term planning.

- In 1994, we opened our U.S. plant in Spartanburg. Since then, our sales in the country have quadrupled.
In 2003, we started production in China, in Shenyang. Since then, our sales in the country have increased by a factor of 20.

Our decision to further expand the plants in the U.S. and China was actively taken during the economic and financial crisis. This underscores our willingness to take calculated risks and invest in our future. And our new plants in Brazil and Mexico are going to add to the strength of our global production network in the long term as well.

Which brings me to my third point: Profitability.

As you know, we operate under clear key performance indicators. The most important one is our EBIT margin in the Automotive segment. Our target in this segment is within a range of 8 to 10 percent.

For the first nine months of the current business year, the EBIT margin in the Automotive segment actually stood slightly above our target range for profitability. In the first nine months, we recorded a pre-tax Group profit of over 6.8 billion euros. This is 13.5 percent up from the same period last year. The Group net profit increased to more than 4.5 billion euros.

These key figures are based on the high demand for our vehicles all over the world.

And now to my fourth point: We have strong premium brands: BMW, MINI, Rolls-Royce.

Proof of their strength are once again our sales figures for the period of January to September 2014.
Over one and a half million customers decided to buy a vehicle made by the BMW Group – more than ever before.

The BMW brand has maintained its leading position in the premium segment. The same is true of the BMW X5 as well as the BMW 3, 4 and 5 Series in their respective segments.

In July, we launched the new BMW X4 and the model update of the BMW X3. The new BMW 2 Series Active Tourer and the M variant of the BMW 4 SeriesConvertible followed in September. Rolls-Royce has begun delivery of the Ghost Series II.

At MINI, the model updates of the Countryman and Paceman came out in July. 55 years after the first Mini rolled off the assembly line, MINI is now offering a 5 door model as well. Less than two weeks ago, the new MINI Hatch 5 door arrived at the dealerships. So MINI has now set out to conquer the growing segment of five-door Hatchback as well – a sector about double the size of the three-door compact segment. All of these models are going to have a positive impact on our sales figures in the months to come.

And at the Paris motor show, we displayed that: We are going to offer a young and attractive portfolio in 2015 as well. The versatility of our brands and products reflects the desires and tastes of our customers all over the world.

The range includes the BMW X6 as well as the new BMW 2 Series Convertible. We will introduce an over-the-air update for the navigation system in our 2 Series Convertible. With BMW ConnectedDrive, navigation maps are automatically updated – up to four times a year. This means more convenience for our customers.
Our BMW i vehicles prove that we are innovative pioneers in sustainable mobility.

- In the past nine months of this year, we sold close to 10,200 units of our fully electric BMW i3. Since September, the i3 has now also been available in China.
- We delivered 341 units of our plug-in hybrid BMW i8 to customers between June and September. And we are seeing a surge in deliveries from month to month.

The gradual electrification of our vehicle fleet will allow us to continue to meet the tough CO\textsubscript{2} emission targets in Europe and around the world in the future. This year, we will reduce our European fleet's carbon emissions slightly from the previous year's level.

We view the changes in markets, trends and regulatory requirements as part of our business. These are challenges which spur us on and keep us more competitive. This also applies to new competitors from other sectors that consider the car as a platform for their own business models.

To my last point:

**Our forecast targets for the current business year:**

1. We aim to deliver over two million vehicles to our customers.
2. We aim to achieve a pre-tax Group profit significantly above the previous year.
3. And we aim to achieve an EBIT margin in the Automotive segment in the range of 8 to 10 percent.

This of course depends on a positive development of the global economy and the global car market, and a further stabilization of the economic situation in Europe.
Fact is: We will continue to invest in our future – in our global production network, in our people, and in future technologies, both in the car and in the industrialization process.

These are all elements of our strategy Number ONE that lead up to the year 2020. This will lead to profitable growth in the long term. This is what we expect of ourselves as the leader in our industry.

For 2014, our forecast remains unchanged: To deliver on our targets.

Thank you very much!