

16 November 2011

- Check against delivery -

Statement
Dr. Friedrich Eichiner
Member of the Board of Management of BMW AG,
Finance
Launch of the new BMW 3 Series
Barcelona, 16 November 2011, 9.00 a.m.

Ladies and Gentlemen,

On behalf of the BMW Group Board of Management, I would like to welcome you all to Barcelona. I'm sure you were impressed by the new BMW 3 Series Sedan yesterday.

This car comes from a long and successful tradition. We have delivered more than 12 million BMW 3 Series to customers since 1975. Every third BMW we sold last year was a BMW 3 Series, making it our brand's best-selling series worldwide: The 3 Series embodies BMW's defining characteristics – sportiness, dynamic performance and elegance – in the purest form.

First, let's take a quick look back over five generations of the BMW 3 Series: Each marks important progress and developments within the company.

1. The first-generation 3 Series had only two doors. Back in 1975, its sporty handling and the driver-oriented cockpit made the Sedan something quite special – a typical BMW.
2. In its second generation the BMW 3 Series diversified into new variants: A four-door model was introduced alongside the two-door version. This was followed in the Eighties by the Convertible, the M3, the Touring and the M3 Convertible. The BMW Group's first diesel and four-wheel-drive models were also released as 3 Series – variants we couldn't imagine being without today.



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3. In its third generation the BMW 3 Series expanded to include the Coupé and the Compact.
4. The fourth generation of the BMW 3 Series soon topped new vehicle registrations in Germany. No other car in its class had achieved this before.
5. The fifth generation of the BMW 3 Series is inseparable from Efficient Dynamics. This technology package, designed to substantially reduce fuel consumption and enhance performance, now comes as standard in all new BMW vehicles.

Five generations of the BMW 3 Series show how we have continually expanded our lead in the “Sporty Midrange” premium segment.

This is the starting point for the new 3 Series Sedan: Its aim is not just to build on the successful history of its predecessor, but to surpass it! That is what we expect of this car.

Yesterday you all had the chance to experience for yourselves what makes the new 3 Series Sedan unique. We want to set the benchmark: Our new Sedan offers technical features like no other competitor in this segment.

Thanks to EfficientDynamics, sportiness and efficiency is a good match. Besides highly-efficient engines, the 3 Series Sedan also features innovative, fuel-saving functions, such as:

- the Driving Experience Control with Eco Pro mode for even more efficient driving,
- Auto-Start-Stop function as standard
- eight-speed automatic transmission – which also boosts fuel economy.



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Its improved aerodynamics and lightweight construction also increase efficiency significantly: The new 3 Series Sedan is up to 45 kilos lighter than the previous model, despite larger dimensions and several extra features.

The new 3 Series Sedan is the first car in its class to be fully connected with the world around it as standard.

With BMW ConnectedDrive's driver assistance systems and communications options, the 3 Series Sedan offers the latest in safety, convenience and infotainment services. We are the first in this segment to offer the new Head-Up Display option with a full range of colours.

The interior of the new 3 Series Sedan has been redesigned offering high quality materials and ambience. There has also been a major design innovation: The new 3 Series Sedan is now available for the first time in three different packages or lines. This will offer even more possibilities for customisation.

- The "Sport line" emphasises the car's already sporty nature through dynamic design elements;
- The "Luxury line" brings a touch of added refinement to the 3 Series' elegant design; and
- The "Modern line" enhances the interior space by using lighter colours and high-quality natural materials.

In addition to these new lines, the new 3 Series Sedan will also be available with the M Sport Package – and, of course, without any lines or packages.

We have designed these lines with profitability in mind. We expect every second 3 Series to be ordered with lines.

In terms of efficiency, networking and design, the new 3 Series Sedan is more attractive than ever. We have ambitious goals: We aim to sell more 3 Series in even more countries around the world.



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The BMW 3 Series accounted for about a third of our total sales in 2010. This translates into excellent product momentum from next year on, with a considerably younger portfolio. As well, we will benefit from cost and efficiency optimizations.

Our aim is to sell about 10% more of the new 3 Series than the previous model. These gains should come mainly from new, additional derivatives.

We also see further volume potential among some of our established models. And that should make the new 3 Series segment leader once again.

For the BMW Group, the new 3 Series Sedan will be a truly global car. It is a perfect example of our global presence. People can buy the new 3 Series in 132 countries around the world.

We will launch this car on 11 February 2012. In some markets, the 3 Series sedan will reach dealerships a little later. In South Africa it will start in March. The 3 Series launch in China will happen in August.

We expect the new 3 Series Sedan to generate substantially higher sales in China in particular – where we are targeting our second-highest volumes worldwide. According to our forecasts, the US will remain the largest single market for the 3 series, while Germany is likely to be its third-largest market.

The new 3 Series Sedan marks a turning point for our company: The 3 Series reflects a new way of thinking, and is a prototype built from the efficient processes and structures we introduced as part of our successful Strategy Number ONE.

Thanks to our strategy we have become even more profitable. We have positioned ourselves to become more forward-looking and even acting more



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strategically. This enables us to better handle the complexity of our business. We have also strengthened our customer orientation and optimized quality. That is how we made such major progress in efficiency and costs.

Let me give you a few examples:

We managed to significantly reduce our procurement costs by cost-engineering and analysing our purchasing and supply chain.

We have lowered manufacturing costs for the new 3 Series Sedan by an average of net 7-9% from the previous model. This net figure also takes into account the new version's additional features.

Our developers have consistently used architecture standards and modular elements in the new 3 Series. We are sharing many of the same parts and components throughout the whole product portfolio and especially with the BMW 1 Series. Over its lifecycle, this improves quality and it generates considerable economies of scale for purchasing as well as efficiencies in development.

We expect the use of newly-developed modules and components to leverage further potential for reductions in manufacturing costs over the lifecycle of the 3 Series.

Its development and production involved lower one-off expenses than the previous model. This effect will be even more pronounced in the series' future derivatives – which we are able to develop at a much lower cost and with less investment.

Another factor contributing to greater efficiency is the lower cost of vehicle testing to the previous model. The use of virtual simulation and planning tools reduces these costs for the new 3 Series Sedan by an average of 30%.



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We have also reduced one-off expenses and investment in our plants by re-tooling existing equipment. To give you the Munich plant as example: We were able to reduce capex compared to the previous models by nearly 30%.

And this although we will build one additional derivative compared to the predecessor. The production equipment for the series is flexible enough to be used for all future derivatives. This allows us to respond promptly to product lifecycles and market fluctuations.

The use of process modules allows all 3 Series plants worldwide to use standardised production processes and it increases efficiency.

But the momentum comes not only from low costs. We will also raise the feature-adjusted price of the new 3 Series slightly from the previous version.

Let's stay on the subject of numbers: Coming to the end of my speech, I would like to give you the BMW Group's current status in numbers.

Two weeks ago, we published the figures of the best third quarter in our history. We have confirmed our 2011 guidance. This year, we are aiming for a new sales high – over 1.6mn. vehicles. October year on year we delivered 1.37 mn. Vehicles. With a sales increase by over 15% year on year we are on track.

We expect Record Group earnings before taxes to be considerably higher than last year, in fact. And we will achieve an EBIT margin of over 10% in the Automotive Segment as well as a RoCE of over 26%.

The second half year of 2011 will be 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 euros in additional costs to be incurred in the fourth quarter. We are confident overall for 2012, but we do recognise certain risks and expect



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to see continued volatility. We will certainly remain vigilant and will be able to react flexibly.

Now, Christopher Weil, our design expert, will give you some insights into the styling of the new 3 Series Sedan. After the presentations, we look forward to answering your questions.

I hope you enjoy your time with us. Thank you.