Ladies and Gentlemen,

We told you that we would fight for every customer and every cent. And you will see that this fighting spirit is now paying off.

In the first quarter of 2009, the BMW Group managed to stand its ground despite the significant challenges in the business environment:

- Our Group EBIT stood at minus 55 million Euros, an only slightly negative result. As we all know, at the beginning of 2008 the global economy was in a much better condition than it is today.
- Compared to the first quarter of 2008, our revenues declined by 13.4 percent—to 11.5 billion Euros.
- We managed to improve group liquidity again from the end of last year, to a new total of around 10 billion Euros.

We generated positive free cash flow. As you can see in our industry right now, a sound financial footing is the key to success in difficult economic times. Without liquidity, a company is not able to invest in its future.

- As of March, our deliveries on Group level decreased by around 21 percent. Despite this, we still outperformed the global premium segment. For the total year, we do not expect to match the high retail volume achieved in 2008.
We anticipate a decline of 10 to 20 percent for the whole global automotive market in 2009.

The figures show that it is much too early to give a definite forecast. You are familiar with the spring forecasts presented by the economic research institutes. Obviously, there seems to be no end in sight of this recession. The President of the German Institute for Economic Research (DIW) recently pointed out that longer-term forecasts did not make any sense due to the continuing uncertainty of the markets.

Therefore we will continue to act with the “here and now”.

What’s most important is that we make best use of this time to prepare our company for the business and economic upturn.

Allow me to pose the following three questions:

- What are we doing right now?
- Why have we chosen this approach?
- And: What is our outlook for the future?

First: How are we managing the current situation?

We are countering the economic crisis with a comprehensive set of measures:

- We continue to adjust production to correspond with demand. In the first quarter, we produced fewer units than we delivered. By the end of March, we had greatly reduced Group inventory. In other words: We act with foresight and do not waste money.
The efficiency enhancement program set out in our Strategy Number ONE is yielding positive results.

In the first quarter of 2009, we managed to reduce costs below the level of the respective quarter of 2008. However, we are not only optimizing our current cost structures. We are also creating the solid foundation for future profitability.

Currently we are benefiting from a more stable used-car market in the US and the UK. Mr. Eichiner will tell you more about that in a moment.

Let’s move on to my second point: Why have we chosen this approach?

Thanks to our strong liquidity position, we have plenty of room to maneuver, that is: to take strategic decisions and chart the course for the future—which gives us a competitive advantage.

Another important aspect is that we will be in a very strong position once the markets begin to experience an upturn.

Let’s take the US market as an example: We continue to believe in the great potential of this major car market.

This is why we are spending 750 million dollars on the expansion of our plant in Spartanburg.

This is why we are going to produce the X3 successor there.

This is why our American BMW dealerships plan to invest a total of 300 million dollars this year.

And we are benefiting from this commitment:
• For the very first time, the BMW brand outsold Lexus on the U.S. market in the first quarter of 2009.

• So since March, BMW has been the segment leader in the US, ahead of Lexus and Mercedes.

• We also increased our market share and recorded higher growth rates than the competition in the first three months of the year.

BMW continues to be number one in the global premium segment, and our lead over competitors is considerable. As of March, BMW’s share of the global premium segment stood at over 20 percent. We are making the most of these difficult times to improve our strategic position in key markets:

• We managed to retain our total market share in major markets. In some countries—such as Switzerland, the Netherlands, Austria and Russia—we were even able to improve slightly.

• In China, we increased retail by almost 14 percent in the first three months.

• In Germany, our first-quarter decrease in sales was lower than in other markets—minus 7 percent—despite the fact that we benefit very little from the scrapping program. Actually, we expect positive effects from the introduction of the new CO2-based motor vehicle tax as people will pay less tax on many BMW and MINI models. This is an additional purchasing incentive. Efficient Dynamics gives us a major competitive advantage here. Our average fleet consumption is only 5.9 liters per 100 kilometers. This is much less than the average fleet consumption of all other premium car companies, as well as Germany’s number one mass manufacturer.

With Efficient Dynamics, we not only contribute significantly in supporting
Germany to meet its ambitious environmental targets, but also in Europe and the rest of the world.

Our model line-up is more appealing than ever:

- The new BMW 7 Series is the segment leader in Europe. In March, our flagship model was also launched in the US and in Japan.
- As of March, sales of the BMW 1 Series decreased only slightly compared to last year’s reference period. This model is more strongly positioned than its competitors. The BMW brand’s new entry-level model, the 116d, was launched a few weeks ago.
- The revised BMW 3 Series Sedan, launched in 2007, is also more successful than its more recently launched competitors.
- Despite the economic crisis, sales of the BMW X5 and X6 remained more or less stable. 10 years ago, BMW’s X5 as the first SAV on the market redefined the entire SUV segment. In the first quarter of this year, our global sales of X5 and X6 vehicles were higher than those of comparable models by all other premium car companies combined.

We expect the new models due out this year to further stimulate growth. More than ever, they represent trendsetting design and our leadership in innovation:

- The new MINI Convertible was launched in March.
- And the new BMW Z4 arrives at the dealerships this Saturday. The initial media response has been very positive.
- In November, our X model series will be complemented by the BMW X1. This vehicle will help us address new customers and meet new demands.
• The same is true for the BMW 5 Series Gran Turismo, a contemporary interpretation of the sedan concept. Once again, this car is going to define a completely new segment. Its unique versatility will attract new customer groups.

• At the Shanghai Auto Show, we celebrated the world premieres of the BMW X5 and BMW X6 in their M versions. These are the first M models of the BMW X series and equipped with Efficient Dynamics. There is still demand for high-performance cars—provided they are efficient and fuel-economic. The considerable growth in sales of our M division—over 50 percent last year—is proof of this.

• Furthermore: This year, we are taking our achievements in the field of new technologies to a new level:
  o The fully-electric MINI E is being tested this year. Pilot projects are planned for the US, Germany and in the UK.
  o The BMW X6 and the new BMW 7 Series will be equipped with a hybrid drive.

Our strategic focus is always on the long term:

In the next few years in particular, we will benefit from the introduction of new models, including our three top-selling model series.

Just to give you an idea of what this entails: Between 2010 and 2012, we will update more than half of our entire product range.

Our product portfolio will be completely different from the current one.
And it could very well be to our advantage that these model changes of high-volume model series will be parallel to the expected economic recovery.

This leads directly to my third and last point:

What is our outlook for the future?

Due to the new models, our sales will gain even more momentum from 2010 on. Therefore, with these new models our profitability will improve through the reduction of manufacturing costs and better capital efficiency.

Our Strategy Number ONE includes specific growth and profitability targets for the year 2012.

Our project i team is a dedicated unit which develops new solutions for future sustainable mobility. The changing environment requires us and every car company to rethink the way we operate.

We are shaping our future. This makes change inevitable:

• Therefore, despite the steps for more efficiency, we decided to increase the training budget for executives.
• We have initiated a change process to further the spirit of looking ahead.

Our Strategy Number ONE gives all of us at the BMW Group the confidence and the fortitude to take on and overcome the current challenges we face. And this fighting spirit helps us to look beyond and prepare for the future.

We are convinced that we have set the right course. What we are doing now will pay off in the long term. Initial results can already be seen.
My colleagues and I will ensure that this company stays on course in the months to come.

Thank you very much.