Ladies and Gentlemen,

As you can see here: We are creating the future. And, we are on a path to profitable growth.

- In line with our strategy Number ONE, we moved the company’s strategic realignment forward during the 2009 economic crisis.

- We have sharpened our profile as a sustainable company.

- We have launched attractive new models.

- We have invested – in our sites, in new engine technologies and in future projects.

- We have cut costs significantly. Today, we are a leaner and more powerful company than ever before.

- We have created a new and emotional design language for our cars.

- Our technology package Efficient Dynamics is the best in the industry, combining maximum performance with minimum fuel consumption.

All these points demonstrate that we have approached the economic crisis as an opportunity and have capitalized on it.

In 2007, we set in motion our strategy Number ONE with a clear vision: In 2020, we will be the leading provider of premium products and premium
services for individual mobility. An important milestone in this effort is meeting our profitability targets for 2012.

In the current business year 2010, we will take an important step in reaching this milestone:

- We plan to post Group earnings significantly above the 2009 level.
- We expect growth in the solid one-digit percentage range by selling over 1.3 million cars.

Today I would like to highlight the following:

1.) What did we do to succeed in 2009?

2.) Why is the BMW Group on the right track towards future growth?

When we met here last year I told you that 2009 would be a transition year with two priorities:

- crisis management in the short term,
- and investing in our future success in the long term.

Today our fixed costs are lower than in 2005.

We also managed to cut material costs dramatically, thanks to our ability to increase scalability efficiencies in our processes. These changes have been implemented in collaboration with our suppliers and partners.

We have always made continuous quality improvement a priority. From our perspective, quality is a key aspect of our customer focus. As a premium car company, we constantly strive to improve standards.

Despite the economic crisis, we continued to invest in our future. First off, we
invested in new technologies such as hybrid- and electric-motors as well as Efficient Dynamics, an area in which we managed to extend our lead further.

We also have invested in our production plants, mainly in Germany, in the U.S. and China.

In November 2009, we announced our strong commitment to China as a production location. We are going to expand our capacities in Shenyang from a little over 41,000 to 100,000 units. Together with our partner, we will invest a total of almost 600 million Euros. As a result, we will be able to produce up to 300,000 cars at the Shenyang plant in the long term. In January and February 2010 alone, we doubled our sales volume in China compared to the previous year.

Customer focus is the core of our basic principles at the BMW Group. Chinese BMW owners mostly ride with a chauffeur. This is why, as early as this year, we will present a long version of the new BMW 5 Series exclusively developed for the Chinese market.

We took the right actions to steer the company successfully through a challenging year. You are already familiar with the key data:

- In 2009, we posted positive pre-tax Group earnings of 413 million Euros, up 17.7 percent from the previous year.
- All in all, we sold close to 1.29 million cars.
- We stood our ground as the world’s leading manufacturer of premium cars and further increased our market share in the premium segment.
• Our sales volume increased significantly in January and February 2010. Due to various model changes, March will be weaker than the previous months.

• A few remarks about BMW Motorrad: In 2009, we delivered a total of 87,300 BMW motorcycles to customers, down 14 percent from 2008. Current sales figures show an upward trend in sales – with an increase of almost 25 percent from February 2009.

Our shareholders and investors have remained loyal to us despite the difficult and volatile situation and we believe shareholders should share in our company’s performance. The Board of Management and the Supervisory Board will propose a dividend for the same amount as 2008 at the Annual General Meeting.

The positive development of BMW ordinary shares, which were traded 47 percent higher at year-end than in the beginning of 2009, demonstrates the confidence the capital market has in the company’s future. In 2009, we have once again showed that BMW stock is a sound, long-term investment.

Moving onto the second topic: Why is the BMW Group on the right track for future success?

We are really putting the pedal to the metal this year when it comes to new products. From October 2009 to December 2010, we will launch 17 new or updated BMW, MINI and Rolls-Royce models.

The new BMW 5 Series Sedan is the start of a new era for the BMW Group. The 5 Series is not only an image driver, but also a strong contributor to Group sales and revenue. It is with this new model that we were able to harness all the newly gained efficiencies in our production process and modular system. Next year, the 5 Series will also be available as a full hybrid.
In April this year, the first BMW hybrid models will come on the market. They represent the state-of-the-art BMW ActiveHybrid technology. In the future, we will select the optimal hybrid solution for each model from a modular system. Developing innovations is part of our DNA, and this is not going to change. Our innovative strength helps us tap new growth potential for the company. Again and again, we present our customers with new offerings.

In the future, we will generate growth both in the large model segments and in the compact and sub-compact model segments. We will launch more MINI and BMW models and variants – also in the small car segment. This segment is bound to grow further. And we will take advantage of this opportunity. We are exploring the possibility of developing a joint architecture for the front and four-wheel drive systems of these cars.

In other words: There will be front-wheel drive BMWs in the small class segment in the future. We all know that the cost structure in the small car segment is different from that of the larger model classes. We intend to grow profitably in this segment as well. Because there is one element that applies to the entire process chain: We will increasingly apply modular manufacturing kits to various models and brands. This approach enables us cut costs further – without compromising on top quality.

Ladies and Gentlemen,

Premium is also defined through sustainability. Customers are currently testing the MINI E for us. BMW will follow suit in 2011 with a customer test fleet based on the concept study “BMW Concept ActiveE”. This test fleet will be built at the Leipzig plant.

The average emission of our European new-car fleet is only 150 grams per kilometer, equaling a fuel consumption of 5.9 liters per 100 kilometers. And what's even more amazing is the performance our cars achieve with these
low emissions: 170 Horse Power or 125 kW. And we plan to reduce our fleet’s carbon emissions worldwide by at least another 25 percent between 2008 and 2020.

However, ecological responsibility as an automaker is only met if we maintain a sustainable production system as well. 2009 marked the fifth consecutive year that the BMW Group was named the world’s most sustainable automaker by the Dow Jones Sustainability Index.

BMW will continue to be a sport-inspired brand. We at the BMW Group continue to deliver maximum performance, tackle new challenges and sharpen our competitive edge.

Ladies and Gentlemen,

Growth will pick up in key automotive markets such as the US and China this year. Nevertheless, the effects of the crisis will persist and continue to define our business for quite some time. Although the competition will remain fierce, we at the BMW Group are all motivated and ready to rise to the challenge.

We have two priorities in 2010: Profitability and shaping our future.

Here is a perfect example: The BMW Vision Efficient Dynamics:

• This is sheer driving pleasure at 3.76 liters per 100 kilometers and 356 Horse Power.

• This is the sophisticated combination of different drive systems.

• This is future-oriented design and can only be made by BMW.

And you can be sure: Our Megacity Vehicle will also be fascinating.
This innovative car will be built at our Leipzig plant, our future Center for E-Mobility Production. Two Bavarian locations are also involved in this project:

- Wackersdorf will manufacture carbon fiber in a joint venture with the SGL Group.
- The carbon fiber will then be sent to the Landshut plant to be turned into CFK parts – from reinforced carbon fiber – for the Megacity Vehicle.

We consider carbon fiber a cutting-edge material for the auto industry. Our efforts will make sustainable mobility possible in urban environments. In line with our corporate philosophy, the energy demand for producing carbon fiber will come from hydropower. We are currently looking for a suitable location in North America to set up our joint venture plant.

Acting sustainably now will pay off in the future.

The BMW Group is clearly leading the way.

In early March, the BMW Group was ranked as the most admired automotive company in the world by Fortune Magazine.

You can be certain: We have a clear path forward. We will remain an independent company that takes a long-term approach and acts in the best interest of all stakeholders.

This year marks the turning point toward long-term profitability as we remain focused on achieving our 2012 targets.

Thank you very much!