Good morning, Ladies and Gentlemen!

Our cars and motorcycles are definitely trendsetters. Their design language and cutting-edge innovations are highly desired by our customers around the world.

As a result, we raised our forecast for the business year 2011.

So, what are our new targets?

- Record sales of over 1.6 million cars.
- A record pre-tax result on the group level, which significantly exceeds last year’s result.
- An EBIT margin in the Automobile Segment of more than 10 percent.
- A considerable increase in the result before taxes of the Financial Services segment.

Despite these positive figures, the economic environment is – and we expect it will continue to be – extremely volatile.

- Global risks continue to increase rather than decrease.
- There are concerns about the sizeable national debt of many countries. Political unrest in certain regions is also having a negative effect on economic conditions worldwide. Concerted action of the international community is required to be able to maintain the economic and financial strength worldwide as well as the stability of global currencies.
Markets in general and automotive markets in particular are showing a heterogeneous development.

And there’s another aspect for the BMW Group: In the second half of the year, production changeover from the first generation BMW 1 Series to the second generation will have an effect on our sales growth.

Currently, we are benefitting from:

- our attractive, young model portfolio;
- our strong market position in many countries; and
- from a variety of efficiency measures consistently implemented throughout our company.

The first six months of 2011 were the best half-year ever in our company’s history.

Never before have we sold more cars and more BMW motorcycles in the first two quarters of a year. Never before had we achieved a better result during this time period.

Here are some key financials for the first half of 2011:

- A pre-tax result of 4.5 billion Euros.
- A net profit on Group level of 3 billion Euros.
- An EBIT margin in the Automobile segment of 13.3 per cent.

We managed to grow in almost all automotive markets during the first six months of 2011. This is the best proof of:

- the quality of our cars, as well as
our innovative strength,
• trendsetting design and
• our highly efficient engines.

Let me offer some examples of our market strength:

• Global automotive markets are plus 6 per cent – BMW Group is plus 19.7 per cent.
• US car market plus 13 per cent – BMW Group plus 18 per cent.
• China plus 20 per cent – BMW Group plus 61 per cent.
• India plus 21 per cent – BMW Group plus 107 per cent.
• Brazil plus 7 per cent – BMW Group plus 69 per cent.
• UK minus 7 per cent – BMW Group plus 14 per cent.
• Japan minus 30 per cent – BMW Group plus 4 per cent.

All in all, the BMW Group delivered over 833,000 cars and over 64,000 motorcycles of the two brands BMW and Husqvarna in the first half of 2011.

This is due to our attractive product range:

• The new BMW 5 Series and the BMW X5 are market leaders in their respective segments.
• The BMW 7 Series, the BMW X3 and the BMW X1 also posted increases.
• The new BMW 6 Series Convertible has been available since spring. And the new 6 Series Coupe is coming this fall. The convertible has already enjoyed a very positive reception from the international media.
• The BMW 1 Series M Coupe was launched in May. And from fall on, we will also offer the BMW M5.
• Another launch scheduled for the fall is the new MINI Coupe.
In the Motorcycles Segment, we extended our BMW product range with the K 1600 GT and GTL in March, which are the first models with six-cylinder engines. Husqvarna has launched three new models this year so far, with a fourth to follow.

In July, we presented the new BMW 1 Series in Berlin.

The media response to the second generation of this BMW model series has been incredibly positive.

Starting in the fall, customers will be able to purchase the new BMW 1 Series. Remember, 70 percent of the first generation 1 Series customers previously owned a different brand of car.

At our last conference call I said: It is our responsibility to ensure the BMW Group's future success.

Last Friday, we set a new milestone:

The first two concept cars of our BMW i range celebrated their world media premiere in Frankfurt.

We remain confident that, in the future, e-mobility will be a choice for many customers.

Our belief is strengthened by the experiences of our customers who are testing e-mobility in everyday use: today with the MINI E; and soon with the BMW ActiveE.

Our subbrand BMW i stands for:
A new car architecture, designed from the ground up for e-mobility: Born Electric.
For visionary mobility services.
For inspiring design.
And for a new approach to premium mobility that is defined, among other things, by a highly sustainable value chain.

For us, BMW i is part of our long-term strategic alignment in keeping with our Strategy Number ONE.

This also comprises a wide variety of innovative services.

- They will help attract young customers to our brands
- and grow the image of our brands by adding new benefits.

These types of services are well received by customers – as “DriveNow”, our joint venture with Sixt, has shown.

Only a few weeks after its introduction, over 4,500 customers in Munich have used our car sharing service. We are planning to add e-cars to the fleet in the future.

Financial Services is expanding its service offering as well. The acquisition of ING Car Lease has strengthened Alphabet's fleet management at Financial Services.

BMW i demonstrates our ability to develop and implement new technologies by virtue of our own strength.

At our Leipzig plant, we will be hiring the first 100 employees for the production of the BMW i3 and BMW i8 over the course of the next few months.
And from 2013, we will be gradually taking new mobility concepts to market.

A major factor in these efforts will be our involvement in the Summer Olympic Games in London around this time next year.

BMW is the official automobile partner for the 2012 Olympic and Paralympic Games – providing 4,000 vehicles.

Our fleet for London will be as diverse as the competition at the Games itself:

- There will be 200 e-drive MINI E and BMW Active E cars as well as hybrid models and motorcycles.
- The lion’s share of the fleet will consist of high-efficiency diesel cars.
- Our London fleet will emit less than 120 Grams CO2 per kilometer on average.
- We will also provide our Pedelecs and 400 BMW Streetcruiser bicycles.

The BMW Group was selected for the London Games because of our comprehensible and sustainable approach to mobility. After all, we are the only automaker among the members of the Sustainability Club for the London Games.

This is all part of our premium claim.

Another aspect is: We listen. We want to understand what moves people. Together with our partners, we develop viable solutions for our future.

Today, we are opening the BMW Guggenheim Lab in New York City. This is our most comprehensive and most ambitious cultural cooperation to date.
Together with the renowned Solomon R. Guggenheim Foundation, we have created a platform for multi-disciplinary dialogue.

Experts from a variety of fields will come together to discuss creative and, most importantly, sustainable approaches for life in the world’s largest cities.

We want to learn from them and implement specific solutions. The BMW Guggenheim Lab will be in Berlin starting spring 2012.

Ladies and Gentlemen –

Our business development in the first half of 2011 shows that there are both risks and many opportunities.

The crucial point is:
We are taking advantage of these opportunities to shape the future of individual mobility in the premium segment.

Thanks to our business model, we are well prepared to do so.
We remain cautiously optimistic regarding the BMW Group’s continued development.

Thank you very much for your attention.