Good morning, Ladies and Gentlemen,

The BMW Group has a clear strategy up to 2020.

At our Annual Accounts Press Conference, I already talked about how we successfully implemented the first stage of our strategy in 2012.

Now, we are targeting our second major milestone for the year 2016. As we do so, we regularly adjust our assumptions to factor in current changes in our business environment. In 2016, we aim to sell over two million vehicles of our three brands, BMW, MINI and Rolls-Royce Motor Cars. BMW Motorrad and our Financial Services business will also continue to grow and contribute to the success of our company. At the same time, profitability is — and will remain — the basis for us to master the many different challenges facing the automotive industry.

One thing is clear: We aim to shape our future – through our own efforts as an independent company. We are still targeting an EBIT margin of between 8 and 10 per cent in the Automotive Segment over the medium term. We are aware this is an ambitious goal in light of the current conditions.

Our economic and political environment is becoming increasingly more uncertain and more volatile.

- Growth rates in China are a source of uncertainty, for instance,
- while the political situation in crisis regions remains unclear.
Also, Europe needs to find the right balance between its belt-tightening measures and growth. Like the experts, we expect the consolidation of public budgets to take several more years to be achieved.

All of these developments pose risks to the economy and consumer spending — and will affect our business performance.

As always, companies need the most reliable framework possible in order to plan for the future. But this can only be achieved with parameters that are based on sound analysis.

One example where this is clearly not the case is the recent proposal by the European Parliament to tighten CO\textsubscript{2} limits in Europe from 2025 on. This proposal was politically motivated and published without conducting any kind of technical feasibility study.

The EU’s 95-gram CO\textsubscript{2} target for 2020 is already impossible to meet without the use of alternative drive technology. The European Union must decide — as other countries have — whether or not it wants to combine reductions in emissions and fuel consumption with boosting incentives for technological advancements. It is hard to understand why alternative drive trains should only be credited with a factor of 1.5 in Europe – while the same drive train technology is credited with a factor of five in China and a factor of two in the United States.

This is not only counterproductive for the industrial base in Germany but also in Europe. And Europe is not currently in a strong enough position to isolate itself from global competition in this way. Automotive markets are already developing unevenly.

At a global level, forecasts call for moderate growth in the automotive market over the course of 2013. This total market growth will be driven by the strong
demand anticipated in the US, China and certain growth markets. In Europe, however, we expect to see a decline in new car registrations.

In the first three months of the year, the BMW Group made gains in all three major regions of the world – Europe, the Americas and Asia.

This shows that our efforts to achieve balanced growth continue to pay off. We focus closely on each individual market, no matter how big or small it may be. We are confident, therefore, that our positive track record will continue throughout the current financial year.

Our 2013 targets are as follows:

- New record sales at Group level.
- Group earnings before tax are expected to reach the previous year’s level. This assumes that global economic and political conditions do not worsen significantly.

So, where do we stand after the first quarter?

- We delivered over 448,000 cars to customers worldwide. This is the best result we have ever achieved in a first quarter.
- Our pre-tax result on the Group level stands at over 2 billion Euros. With this, the record level of the previous year was nearly reached.
- At 9.9 per cent, the EBIT margin in the Automotive Segment is at the upper end of our profitability range target of between 8 to 10 per cent.
- Group profit amounts to over 1.3 billion Euros. Again, we almost achieved the previous year’s record level.

At the BMW Group, our thinking and actions are always geared towards the long term. Our aim is to actively shape the individual mobility of tomorrow and ensure our company’s successful development.
Because the “Iconic Change” in the automotive industry has only just begun, we have a responsibility towards our shareholders and our associates to prepare the company as best we can for all of the changes that lie ahead.

We believe that now is the right time to invest in the future. This means investments in:

- Drive train technologies and new vehicle concepts;
- Existing and new locations;
- Our brands and sub-brands;
- New services and sales structures; as well as
- The qualification of our staff.

We will once again be making strategic recruitments this year.

- We are increasing staff numbers to capitalise on the Group’s planned growth.
- We are also strengthening our expertise, so that we have the know-how we need in key future areas – primarily: e-mobility and carbon fibre.

Accordingly, our workforce grew by about 5 per cent as of the end of the first quarter. We are firmly convinced that our investments today will benefit us tomorrow and beyond.

We offer our customers a broad range of young and attractive products – and will continue to do so in the future. This year, customers can also choose between eleven new models in different vehicle segments.

- March saw the successful launch of the revised BMW Z4.
- Another March launch was the Paceman, the seventh member of the MINI family.
- The new BMW M6 Gran Coupé will be in showrooms from May.
Mid-year, the new BMW 3 Series Gran Turismo will be available as the third variant of the current BMW 3 Series.

Then, in the second half of the year, we will launch the first model of our new 4 Series – the new BMW 4 Series Coupe.

Another major highlight towards the end of the year will come from Rolls-Royce – with the launch of the Wraith.

Looking ahead briefly to 2014: We have already shared a glimpse of what to expect – with two totally new vehicle concepts, the BMW Concept X4 and the BMW Concept Active Tourer.

Returning to this year: 2013 will be dominated by the start of series production of our ultra-sustainable BMW i family. Already this autumn, you will all be able to experience the fully-electric BMW i3 on the road. And it will be available to customers at the end of the year.

Many of you were at our Innovation Days in Leipzig. There, we gave you a behind-the-scenes look at BMW i:

- What efficiencies have we achieved in the production of BMW i models?
- How do we conserve resources on a large scale?
- What is our 360-degree approach to ensure customer satisfaction — from crash tests to insurance coverage?

After the event, many media reports and experts expressed the same sentiment about the BMW Group: That we are creating a new and unique driving experience for the future. We see this as both motivation and obligation.
As a multi-brand company devoted exclusively to premium mobility, we are refining our BMW, MINI and Rolls-Royce brands with new models and technologies to fit the times.

We are confident that BMW i will offer the most viable solutions for e-mobility.

We will continue to capitalise on our strong global position and profits and to invest in the company’s future.

We have set a clear course for our continued success – up to 2016, and beyond that, to 2020.

Thank you for your attention.