Good morning, Ladies and Gentlemen,

Today more than ever before, our industry is undergoing dramatic change. New technologies, business fields and service offerings for customers are opening up new perspectives and growth opportunities. This fundamental transformation requires innovative strength, flexibility and new ways of thinking. But most of all, it requires the determination to act. It’s a question of finding the right balance between Evolution and Revolution – and being innovative in both.

Three days ago, we showed you what we mean by Revolution when we unveiled the BMW Group’s first all-electric vehicle in New York, Beijing and London – simultaneously. With the BMW i3 we are tailoring Sheer Driving Pleasure to suit the needs of cities and megacities in the 21st century. For us, the BMW i3 is just the first step in the Revolution. The next step comes in 2014. That’s when our BMW i8 plug-in hybrid, with a three-cylinder petrol engine, reaches the market.

So what makes BMW i a game-changer in the automotive industry?

- The BMW i3 was designed around an electric powertrain.
- The BMW i3 consists of a unique vehicle concept that comprises a Life module and a Drive module.
- In BMW i3 production, resources are used efficiently. Powered by energy generated from wind and water, i3 production is venturing into entirely new territory.
- The BMW i3 is our response to the ever tougher CO2 requirements set by many countries around the world.
• It’s also a solution for increasing regulations facing individual mobility in many large cities.

• The BMW i3 is premium through and through. And premium is – and always will be – at the heart of what we do at the BMW Group.

One daily newspaper here in Germany wrote the following about the BMW i3: “Ultimately, the BMW i3 seems so well-balanced. It’s as if the last 125 years in the auto industry have merely been paving the way for this truly emotional yet totally sensible car.” A British newspaper said this about the i3: “Judged on its innovative style alone, which is refreshingly modern and unlike any other car on sale today … at long last an electric car that is desirable.”

Positive media responses like these will start the process of people overcoming their reservations about electric mobility. The BMW i3 is a true BMW. And it drives like a true BMW. It reaches the European market in November of this year. And that’s when our customers will get to enjoy its unique driving experience.

For us, the decision to enter the world of electric mobility was made with our long-term business success in mind. It’s part of our strategy that will take us to 2020.

Our development work on future drive systems is guided by a clear maxim: intelligent spectrum. The same is true of our path towards zero emissions mobility: For urban areas, we have the electric BMW i3. For slightly longer distances we have our plug-in hybrids – such as the BMW i8. And for long distances we are looking into solutions such as fuel-cell-powered electric motors. In the future, options like this will offer short refuelling times and enable long distance travel with zero emissions. In terms of technologies, we are of course cooperating with the Toyota Motor Corporation. Here, too, we believe purpose-built vehicle architecture is the right approach for a series vehicle in the future. This is the same as our BMW i family today.
And then, of course, there is Evolution. We continue to enhance the efficiency of our conventionally powered vehicle range with our Efficient Dynamics programme. Since 1995, the BMW Group has reduced its fleet CO2 emissions faster than any other European car company. At the moment, our customers can choose between 36 models with 120 g CO2 per kilometre or less. Our fleet average currently stands at 138 g CO2 per kilometre. By 2020, the EU has set an average of 95 g CO2 per kilometre.

That means: We must continue investing in the electrification of our vehicles. But in order to do so, we need to remain profitable. We want to continue our success in the current business year. Our goals for 2013 are as follows:

- New record sales at Group-level.
- A pre-tax profit similar to the previous year’s level.
- An EBIT margin for the automotive segment within our stated target range of 8 to 10 percent.

These targets reflect what we mean by “premium”.

After the first six months of 2013, we remain on track to achieve our goals for the year as a whole. However, our forecast assumes that global economic and political conditions do not worsen significantly.

Where do we stand after the first six months?

- In the first half of 2013 we sold more than 954,000 vehicles around the world. That’s up 6 percent on figures for the first half of 2012. We sold more BMW, MINI and Rolls-Royce vehicles than ever before in this period.
- Pre-tax profits reached more than €4 billion – which is very similar to what we achieved in the same period last year.
Net profit rose to more than €2.7 billion.

The EBIT margin in our automotive segment currently stands at 9.8 percent – at the upper end of the 8 to 10 percent profitability range we are aiming for.

However, business and political conditions remain uncertain and highly volatile. Our sales figures reflect this fact, and their development was uneven: In America and Asia sales were up in the first half of this year. In Europe sales remain at a similar level to last year’s.

Conditions remain challenging in a number of European markets. A tougher economic climate means tougher competition – in the premium segment as elsewhere. We are countering these challenging developments with attractive new models.

Besides the forthcoming all-electric BMW i3, what can our customers look forward to in the second half of this year?

- The updated BMW 5 Series
- The new BMW X5.
- The BMW 4 Series Coupé.
- And the Rolls-Royce Wraith.

Ladies and Gentlemen,

At the BMW Group, we have always taken a long-term approach. That’s why we are making some major investments right now to ensure we continue our success in the future.
These investments are focused on new technologies, facilities, new models and innovative mobility services. The investments will keep us strong as an innovator and secure market share as well as secure jobs in the future.

We are making these decisions with careful consideration. We prioritise our projects according to how much they secure the future success of the BMW Group. This gives us the ability we need to realise ground-breaking ideas like BMW i. Meanwhile, in our core business, we continue to promote evolutionary advances.

- 2013 and 2014 will see 25 new models reach the market. Ten of them are completely new.
- In the fifteen years between 2005 and 2020, our model range will have tripled in size.
- In 2014 BMW Motorrad will also enter the world of electric mobility – with the BMW C Evolution electric scooter. At the same time, we are refocusing BMW Motorrad on urban mobility.
- In 2014 the BMW Active Tourer BMW will come to the market. It will be the first BMW with front wheel drive.
- MINI and BMW will introduce modular three and four-cylinder petrol and diesel engines, allowing us to benefit from economies of scale.

All this goes to show that: Our business is becoming increasingly complex. The markets are becoming more volatile and the political arena is more demanding than ever.

But at the BMW Group: Challenges are what drive us. We intend to remain industry leader. That’s why we are ushering in a new era of mobility – with BMW i. Clearly: We plan to continue being the architects of our own future. That’s what makes BMW premium. Thank you very much.