Ladies and Gentlemen,

Good morning from me as well. The BMW Group enters the final quarter with strong financial figures. We have set the right course: After the first nine months, we are on track to meet our guidance for the full year. We achieve our business goals and at the same time, invest strongly in the future. Both in our automotive business and at Group level, we increased our earnings for the first nine months. The EBIT margin in the Automotive Segment for the year to the end of September stood at 9.1%. Group earnings before tax climbed 9.6% to 8.48 billion euros.

Deliveries worldwide grew by 3.7% up to the end of September. We are targeting profitable growth and an optimal balance between sales volume and earnings in all regions. In China, we did well with both our BBA joint venture and imported vehicles. Sales in Europe increased slightly in the first nine months of the year. In the US, the auto market contracted further in the year to the end of September. We remain 100 percent committed to our principle of profitability before volume.

Our goals for the full year remain ambitious. One of our key high-volume models, the new BMW X3, will be launched in the fourth quarter. Furthermore, the new BMW 5 Series is now fully available. The revised model of our successful BMW i3 and the sporty i3s will also strengthen our broad line-up of electrified vehicles starting in November.
Our strategy is successful.

- We are taking advantage of the momentum from our attractive product portfolio and the flexibility of our global presence.
- At the same time, we are making our core business even more efficient.
- We are taking complexity out of our product and service offering for our customers
- And we sharpen our focus on the essential.

This will enable us to pursue our goal of being a leader in important future technologies.

Ladies and Gentlemen,

Let’s take a look at our financial figures in detail.

Group revenues for the third quarter were on a par with last year, at 23.42 billion euros, despite being dampened somewhat by currency headwinds. Revenues for the first nine months climbed 5.0% to 72.67 billion euros. As announced earlier, higher R&D costs in the third quarter slowed earnings growth, compared with the first half of the year. Group pre-tax earnings for the third quarter totalled 2.42 billion euros. The figure for the first nine months increased by 9.6% to 8.48 billion euros. Despite high upfront investments, the EBT margin for the third quarter was 10.3%. Therefore the BMW Group remains one of the most profitable vehicle manufacturers worldwide.

We continue to make the necessary preparations for the challenges our industry will face in the future. The company invested a total of 2.82 billion euros in equipment and products in the first nine months of the year. This represents a significant increase of over 800 million euros compared to the previous year. The capex ratio stood at 3.9%.

Research and development expenditure for the first nine months increased to 4.06 billion euros, surpassing last year’s figure by over 700 million euros. As announced, the R&D ratio for the year to the end of September rose to 5.6%.
We recently opened our new campus for autonomous driving near Munich. Here, up to 2,000 engineers will be working on future mobility. In addition, we are investing around 400 million euros for the expansion of our research and innovation centre FiZ. By 2019, around 5,000 employees will be working in this creative environment. We are also continuing to forge ahead with electromobility: We now offer customers a total of nine electrified models: battery-electric or plug-in hybrid. The BMW 5 Series and the MINI Countryman are two additional high-volume models with plug-in hybrid drivetrains we have just successfully launched. And further projects are in the pipeline.

This shows: The BMW Group is on the leading edge in the field of electromobility. We have the broadest range of electrified vehicles in the premium segment. Moreover, we are systematically investing in increasing the flexibility of our production network and expanding charging infrastructure.

Ladies and Gentlemen,

That was an overview of the Group’s performance.
Let’s take a closer look at our Automotive Segment. In the third quarter, the BMW Group sold more than 590,000 BMW, MINI and Rolls-Royce vehicles. Sales were therefore 1.2% higher. Between January and September, deliveries increased by 3.7% to 1.81 million vehicles. In the first nine months, segment revenues rose by 2.3% to 64.71 billion euros. Third-quarter revenues totalled 21.04 billion euros. Revenue development was dampened slightly by currency headwinds. In the third quarter, Automotive EBIT – earnings from our operating business – stood at 1.75 billion euros. The EBIT margin for the same period was 8.3%.

As previously announced, high expenditures for research and development and strategic projects are increasingly reflected in the third quarter results. As in the first two quarters, R&D expenses were above the previous year.
In the third quarter alone it increased by 164 million euros compared to 2016. Other operating expenses included additions to provisions for legal disputes and other litigation risks. These are not related to the recent antitrust review by the EU Commission.

Competition worldwide remains as intense as ever. We are constantly working to achieve the right balance between profitability and volume. The financial result for the year to the end of September improved to 682 million euros. This was mainly due to positive valuation effects in the first quarter and the strong performance of the BMW Brilliance Automotive joint venture in China. The financial result for the third quarter totalled 127 million euros.

Let's take a brief look at the segment’s cash flow. Despite the high level of investment mentioned above, free cash flow continued to be strong in the third quarter. In the first nine months of the year it amounted to 2,70 billion euros. Free cash flow for the full year is expected to total more than 3 billion euros.

The Financial Services Segment also performed well between January and September. Almost 1.37 million new contracts were concluded with retail customers in the first nine months. This represents a slight increase of 2.0% over the previous year, mainly due to growth in credit financing in China. Around 435,000 new leasing and financing contracts were concluded in the third quarter. As of 30th September 2017, the Financial Services Segment maintained a total of almost 4.95 million contracts with retail customers – 5.2% more than at the end of 2016.

The penetration rate for the first nine months stood at 46.7%. This means that nearly half of new BMW Group vehicles are either leased or financed by the Financial Services Segment. The percentage of leasing contracts is trending downwards slightly, due in part to a lower leasing penetration in the US.
In the year to the end of September, pre-tax earnings for the segment climbed 9.3% to 1.79 billion euros. The risk situation remained mostly unchanged from the previous year. The credit loss ratio of 0.30% for the entire credit portfolio is still at the same low level as last year. On the international used-car markets, the situation was largely stable in the third quarter. We are continuing to monitor trends for used vehicles with diesel engines very closely. The Financial Services Segment follows a comprehensive, proactive approach to risk management and has made adequate provisions.

Let’s move on to the Motorcycles Segment. BMW Motorrad continues to perform well with a strong sales increase of 10.1% to almost 128,000 units in the first three quarters. In Europe, sales development has been very positive so far this year. France and Italy both reported double-digit growth. Despite a drop in the overall market, deliveries in Germany saw a solid increase. Sales development in China remained dynamic. Segment revenues rose by 11.1% between January and September, in line with sales development, to reach 1.83 billion euros. Third-quarter revenues totalled 514 million euros. EBIT for the year to the end of September climbed 25.9% to 282 million euros, while third-quarter EBIT reached 53 million euros. The EBIT margin for the first nine months was 15.4%.

Ladies and Gentlemen,

I would like to turn now to the outlook for the full year. With the current uncertainty surrounding political and economic developments worldwide, the fourth quarter will also remain challenging. Despite these challenges, we continue to remain on course to meet our targets for the full year. On the basis of the positive business development in the first nine months, we are now expecting a solid increase in Group pre-tax earnings for the full year.
We forecast a slight increase in deliveries in the Automotive Segment, assuming conditions remain stable. Due to currency translation effects – especially the strong euro – we now expect a slight, rather than solid increase in Automotive Segment revenues for this year. Despite high upfront investments in future-oriented projects we remain committed to an EBIT margin of between 8 and 10% in the Automotive Segment for the full year.

Deliveries in the Motorcycles Segment are expected to increase significantly this year. As in the Automotive Segment, we are also targeting an EBIT margin within the 8-10% range for the Motorcycles Segment. The positive business development in the Financial Services Segment should continue in 2017. Faced with increasing equity capital requirements and normalisation in the risk situation, return on equity is expected to decrease slightly. However, it should still remain above our targeted level of 18%. Our forecast assumes that economic and political conditions will not deteriorate significantly.

Ladies and Gentlemen,

The BMW Group is one of the most profitable auto manufacturers in the world. Our financial strength forms the basis for the continued development of cutting-edge technologies. Our claim to leadership in the premium segment is formulated in our strategy. Sustainable profitability and consistent orientation towards the future are our clear focus – and they go hand in hand.

We have made further strategic decisions to secure the future competitiveness of our company. We are one of the leading providers of electrified vehicles worldwide and are continually expanding our e-mobility offering. We are working with strong partners to develop a system for autonomous driving that will set standards in the industry.
For us, performance is not just about satisfying customers – it is about exceeding their expectations. And we are systematically optimising our products and services to do so. With BMW, MINI, Rolls-Royce and BMW Motorrad, we have four strong, highly appealing brands.

We are staying the course – with the passion to innovate and a clear commitment to our profitability targets.

Thank you.
Consumption and Emission Data.

- BMW i3s: electric power consumption combined: 14,3 kWh; CO₂ emissions combined: 0 g/km
- BMW i3: electric power consumption combined: 13,6 – 13,1 kWh/100 km; CO₂ emissions combined: 0 g/km
- BMW 530e iPerformance: fuel consumption combined: 1,9 l/100 km; CO₂ emissions combined: 44 g/km
- MINI Cooper S E Countryman ALL4: fuel consumption combined: 2,3 – 2,1 l/100 km; CO₂ emissions combined: 52 – 49 g/km; Electric power consumption combined: 14,0 – 13,2 kWh/100 km

Fuel consumption figures based on the EU test cycle, may vary depending on the tyre format specified.

Further information on official fuel consumption figures, specific CO₂ emission values and the electric power consumption of new passenger cars is included in the guideline "Guideline for fuel consumption, CO₂ emissions and electric power consumption of new passenger cars", which can be obtained from all dealerships, from Deutsche Automobil Treuhand GmbH (DAT), Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen and at http://www.dat.de.