Good morning, Ladies and Gentlemen!

In recent years, much has been written about how car manufacturers need to change their business model. What people don’t talk about enough is the fact that the real transformation is taking place in the vehicle itself. That is where the real challenge lies.

The car is a highly complex product. Our mission at the BMW Group is to make it fit for the future for our growing customer base worldwide. This is where we can make full use of our strengths.

On the one hand, our business environment remains volatile – dominated by political changes in direction and emotional discussions. On the other, there are a number of very stable trends that support our business model.

Especially in this environment, we operate with a clear focus:

- What are our capabilities and how can we make the most of them to benefit our business?
- What are the really important decisions when it comes to mobility?
- What do our customers want and what do they really need?

These factors form the basis for our strategic actions. We do not see our strategy as a one-off, all-encompassing task, but rather as an ongoing process, that we need to constantly fine-tune and adapt.
Our strategic work is based on a clear competence profile of the BMW Group: Our core expertise lies in premium vehicles – optimised for the desires of our target group and their connectivity needs. Our further development of the vehicle represents a viable, profitable business model – now and in the future. Everything we do starts with the customer: This is key to staying ahead of tough competition in the long run.

And it is equally important if we want to succeed in the shift towards climate neutrality, called for by politics and society. It is also what we want to achieve. As a company, we are an integral part of society. That has been, and always will be, a large part of who we are. The same applies to sustainable mobility, as to all our products, technologies and innovations: The solution that wins through in the end will be the one accepted by customers.

Today, we sell our premium vehicles in around 160 countries. This already makes it clear, how diverse our customers’ needs are:

- This applies to customers as individuals, with their specific everyday mobility needs.
- It applies more than ever on a regional level, in the main regions of the world, Europe, Asia and the Americas.
- And, it is also increasingly true at a local level, where needs differ from one city to the next.

No less diverse are the legal and technical regulations we face worldwide.

As a global company, the BMW Group has already established its own production and value creation in the major regions worldwide. We will now be focusing even more on this growing differentiation: in China, the US and Europe, we are purposely seeking dialogue with local experts to discuss relevant regional
requirements and needs. We will be increasing our efforts here – you can expect to hear more about that soon.

The insights we gain will be integrated directly into our strategic approach. This will enable us to offer tailored products, drive trains, equipment options and services in these regions in the future.

At the same time, we are gaining a better understanding of our customers and improving our customer centric approach.

One example of this is China, where our customers are significantly younger. Vehicle connectivity is an important purchasing consideration for them. Continued strong growth in overall prosperity is also affecting the market for premium vehicles. I have already met with Premier Li Keqiang twice, since taking office as CEO. I had the impression: The BMW Group is highly relevant in China, people listen to our opinion and regard us as a sought-after partner.

Soon, I will also travel to the USA. Individual mobility will remain a stable, long-term business prospect in all regions of the world. The premium segment is forecast to grow at a higher rate than the total market. Based on this, we aim to make the most of the opportunities in the growing global car market. And our goal is to outperform the premium segment.

In the third quarter of 2019, the BMW Group reported growth in its core markets in all major regions:

- In Asia and China, despite the model changeover for the BMW 3 Series Long-Wheelbase*.
- In the Americas and the US, despite a stagnant market.
- And in Europe, despite uncertainty over Brexit and in our domestic market, Germany.
As a result, our third-quarter deliveries rose year-on-year to over 610,000 vehicles – an increase of 3.6 percent.

In other words, we are bucking the trend. We also achieved a new all-time high in sales in both the third quarter and the first nine months for BMW and Rolls-Royce. The brand MINI also posted growth.

BMW Motorrad is also heading for its ninth consecutive record year. In the third quarter, it reported growth of almost 10 percent. At the EICMA yesterday, we presented three new production models for 2020.

Our financial figures for the third quarter were as follows:

- Group earnings before tax: over 2.2 billion euros – an increase of 23.4 percent over the same period of last year.
- Net profit: over 1.5 billion euros – up 11.5 percent.
- The EBIT margin in the Automotive Segment was 6.6 percent. Despite challenging conditions, we aim to achieve our target range of 8-10 percent in the long term. That remains our underlying goal. It is also what the capital markets expect – and we are working systematically on this.

In light of the positive development in the third quarter, we are able to confirm our guidance for the financial year 2019.

The biggest model offensive in BMW Group’s history continues. As well as attractive models, it also includes different drive technologies and the latest standards in connectivity. We see this as an effective contribution towards limiting climate change and reducing emissions.

If we turn to our customers: They look first and foremost for the vehicle segment that best suits their lifestyle and mobility needs. Then, they think about the best
Above all, our customers always expect a true BMW, regardless of the drivetrain. We are able to offer customers the model they want – for example the BMW 5 Series Sedan or the X3 – with different drive technologies. This is what we call the “Power of Choice”.

For this purpose, we are designing the next generation of our vehicle platforms from 2021 to be flexible, for rear and front-wheel drive: We can manufacture various drives on one architecture and integrate them into our plant structures. We are also capable of integrating vehicles customised for e-mobility, such as the iNEXT, at plant Dingolfing from 2021.

For the customer, there is no noticeable difference regarding the vehicle architecture on which the car has been built.

We expect e-mobility to make significant advances from 2021 on – once the European Union’s new CO₂ standards take effect. We remain strongly committed to meet regulatory requirements in the EU and worldwide. We have always complied with legislation and been well-prepared in advance to implement any necessary changes. For example, with WLTP and RDE I.

This now also applies to RDE II and the NCAP Crash Test:

- RDE II means further tightening of the standards for nitrogen-oxide emissions. These will apply to new vehicle types from 2020 and all new vehicle registrations from 2021.
- The European NCAP Crash Test requires all vehicle classes to have a whole series of expanded assistance systems from 2022 on. These requirements will increase further in 2024.
Our new, fully-electric vehicles will be ready for launch right on time for the EU's new CO₂ standards:

- The BMW iX3 from 2020.
- The BMW i4 from 2021.
- And our new technology flagship, the iNEXT, also from 2021.

The biggest market for the iX3 will be China. That is why we will produce it there – and export it to the rest of the world.

As you can see, we are certainly benefiting from our experience with electromobility.

Our BMW i3 has been available since 2013. It is not just an e-mobility pioneer; still today it remains a true game changer and continues to be a benchmark for a sustainable approach. Our customers appreciate this, and i3 sales are climbing from year to year:

- We have already sold more than 160,000 i3s altogether.
- In the year to the end of September, sales were up by about a fifth compared to the same period of 2018.
- In October it will probably gain +3.4 per cent, year on year.

And we continue to offer updates that make it even more attractive.

Since 2016, the BMW Group has been market leader in electromobility in Germany. Currently, our market share of electrified vehicles is 21 per cent in our home market.

The first fully-electric MINI* will also be launched before the end of the year. This is an important step for a brand that has always been at home in the urban environment. Customers have been waiting for it – and the number of registered prospective customers reflects this: 78,000 so far.
To step up the pace of electro-mobility, we are also making headway with battery cell technology: Next week, our new Competence Center for Battery Cells in Munich will begin operation. There, we will pool and deepen our comprehensive know-how in battery cell technology.

For over ten years, we have been developing and analyzing battery cells. We are currently working on the cells of the coming decades. This way we can influence the functional performance and the costs of the battery, to our benefit.

Already today, we produce prototypes of battery cells. This has the advantage that we can specifically request how the battery cells are to be produced, regarding their chemical composition and design.

And, in addition, we are able to define in detail the associated production processes. This places us in a strong strategic position. We will then have all options in hand, regardless of how the global market for cells develops.

Ladies and Gentlemen,

The BMW Group is whole-heartedly committed to the aims of the Paris Climate Agreement – and we are taking action: Over the past 20 years, we have lowered the CO\textsubscript{2} emissions of our European vehicle fleet by an average of 40 percent. There will be another slight decrease in our CO\textsubscript{2}-fleet emissions again this year. This places us in a better position than our competitors.

Over the next few years, we will continue to increase the amount of electrified vehicles in our line-up. In Europe, we are following an ambitious growth logic for our electrified vehicles:

- a quarter of our sales volume in 2021;
- a third in 2025;
- half in 2030.
Hydrogen fuel cells also remain an option for us in the future: An offer for this drive technology should be possible by the second half of next decade – because hydrogen may be relevant as a key element of a renewable energy system.

Over the past two years, nearly all our series have been newly released onto the market or updated as part of our model offensive: from the BMW 1 Series to the 7 Series, from the X1 to the X7.

The areas we are currently focusing on are: the luxury segment, the compact class, the X family, plug-in hybrids and our M models.

First, the luxury segment: We have further strengthened our position with the BMW brand, due to the new 8 Series, 7 Series and all-new X7 models. The 8 Series Gran Coupé has been available since September. It is the best-selling 8 Series model and the most luxurious four-door sports vehicle BMW has ever built. This puts us in a strong position to meet our goal of doubling our sales in the luxury class between 2018 and 2020.

Regarding the compact class: The updated X1 has been on the market since September, along with the new BMW 1 Series – which introduces BMW's new interior and exterior design language to the segment. For the first time, it is based on the BMW front-wheel-drive architecture. This allowed us to develop a 1 Series with even better driving dynamics than its predecessor. We combined the front-wheel-drive architecture with state-of-the-art chassis technology and near-actuator wheel slip limitation. This innovative traction control comes from BMW i. In this way, the new 1 Series sets the benchmark for agility and precision. Next year, the 2 Series Gran Coupé will introduce the successful “four-door coupé” concept to the premium compact class.
Let’s take a look at our BMW X models: One of the reasons they remain highly desirable is that they are more efficient than many comparable models in its class. In the year to date, the X3 and X4, in particular, posted strong growth. The X7 has also been well received by customers since its introduction in March. The X3 plug-in hybrid* will complete our line-up in December. Already next year, we will also be presenting the battery-electric X3.

By the end of the year, we will have 12 fully electric and plug-in hybrid models on the roads. Customers desire our plug-in hybrids because they can use them as their only vehicle. They don’t have to worry about range and can get to know e-mobility in everyday driving situations. People are a lot less hesitant about buying a plug-in hybrid than a fully-electric vehicle. These cars also have excellent fuel economy: The BMW 3 Series Plug-in-Hybrid* has an average petrol consumption of 1.6 to 1.8 litres. The BMW Group also conducted a full lifecycle CO$_2$ certification for the new BMW 330e Sedan* – from raw material procurement, through the supply chain, production and use phase, all the way to recycling. The plug-in hybrid has an advantage of about 60 percent over the petrol version if charged with “green energy”. Even if it is charged during the use phase with the average European electricity mix, the advantage is still over 20 percent. The 3 Series Touring* will also be available as a plug-in hybrid variant next year.

BMW M GmbH is more diversified than ever. With the new X3 M*, X4 M*, and M8 models, the portfolio has been significantly expanded. All new models are now also available from market launch as Competition models. In early October, we presented the new X5 M* and X6 M*. Our M GmbH is once again headed for another very successful year.
Ladies and Gentlemen,

The car will continue to play an important role in our lives and our society, because it remains relevant to so many people – especially in suburban and rural areas. We continue to strongly invest in the transformation of individual mobility. At the same time, as a responsible company, we have to ensure the balance is right between expenses and gains.

The mobility services in our Joint Venture with Daimler, YOUR NOW are being well-received. More than 83 million customers use the services. The number of transactions increased to more than 420 million in September.

Digitalization adds to the increasing complexity of market and product demands. And reflects that our industry is becoming more and more challenging. For many, this challenge represents a problem. We, on the other hand, view this as a real opportunity.

Anyone who wants to be successful in the long run must master this growing complexity, and at the same time, be profitable. This is no easy task, as some new players are already experiencing.

And I believe the true strengths of the BMW Group have often been underestimated in recent years. Today, we are already a global high-tech company.

Thanks to the expertise of tens of thousands of our well-qualified employees, working together in coherent process chains and with our suppliers – every vehicle we build contains a piece of highly advanced technology that benefits our customers. For them, we will continue to take the car to the next level and make it future fit – because we have the technological and financial potential to do so.
We also have the necessary integration expertise. It is in our very DNA to manage complexity – and combine efficiency with flexibility. We will continue to harness the far-reaching technological change to enhance our business model. For us, the way forward is to drive progress ourselves.

That will remain our focus, also in the future, and our customers will benefit from this strategic approach. We see this as our role for the future of individual mobility in our society, and we are taking on this responsibility.

Thank you!
**CONSUMPTION AND EMISSION DATA.**

**BMW 3er Sedan long wheelbase:** The long-wheelbase version of the new BMW 3 Series Sedan will only be available in China.

**BMW X3 xDrive30e:** Fuel consumption combined: 2.4-2.1 l/100 km; Electric power consumption combined: 17.2 – 16.4 kWh/100 km; CO₂ emissions combined: 54-49 g/km

**BMW 330e Sedan:** Fuel consumption combined: 1.9-1.6 l/100 km; Electric power consumption combined: 15.4 – 14.8 kWh/100 km; CO₂ emissions combined: 43-37 g/km

**BMW 330e Touring:** Fuel consumption combined: 2.3-1.8 l/100 km; CO₂ emissions combined: 52-42 g/km. All figures relating to driving performance, fuel consumption, emissions and range are provisional.

**BMW X3 M und BMW X3 M Competition:** Fuel consumption combined: 10.5 l/100 km; CO₂ emissions combined: 239 g/km

**BMW X4 M und BMW X4 M Competition:** Fuel consumption combined: 10.5 l/100 km; CO₂ emissions combined: 239 g/km

**BMW X5 M und BMW X5 M Competition:** Fuel consumption combined: 13.0-12.8 l/100 km; CO₂ emissions combined: 296-291 g/km

**BMW X6 M und BMW X6 M Competition:** Fuel consumption combined: 13.0-12.8 l/100 km; CO₂ emissions combined: 296-291 g/km

**MINI Cooper SE:** Fuel consumption combined: 0.0 l/100 km; Electric power consumption combined: 16.8 – 14.8 kWh/100 km; CO₂ emissions combined: 0 g/km

The figures for fuel consumption, CO₂ emissions and power consumption are calculated based on the measurement methods stipulated in the current version of Regulation (EU) 2007/715. This information is based on a vehicle with basic equipment in Germany; ranges take into account differences in wheel and tyre size selected as well as optional equipment. Power consumption, emissions figures and ranges have been calculated based on the new WLTP test cycle and adapted to NEDC for comparison purposes, dependent on the tyre format selected. In these vehicles, different figures than those published here may apply for the assessment of taxes and other vehicle-related duties which are (also) based on CO₂-emissions. These figures are provisional.

For further details of the official fuel consumption figures and official specific CO₂ emissions of new cars, please refer to the "Manual on fuel consumption, CO₂ emissions and power consumption of new cars", available at sales outlets, from Deutsche Automobil Treuhand GmbH (DAT), Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen and at [http://www.dat.de/angebote/verlagsprodukte/leitfaden-kraftstoffverbrauch.html](http://www.dat.de/angebote/verlagsprodukte/leitfaden-kraftstoffverbrauch.html).