

Media Information
14 July 2008

**Expert roundtable in Moscow:
Economic growth and sociocultural development go hand in
hand in Russia.**

Munich / Moscow. Russia is fast developing into one of Europe's largest and most important markets, and is now the world's third most important emerging market after China and India. For international corporations looking to participate in this development, quality, substance and sustainability are the keys to success. This was an area of unanimous agreement for the participants of a BMW-initiated roundtable on 9 July in Moscow, which included representatives from the fields of Russian politics, economics and culture. They discussed the challenges and perspectives for companies and brands in a country which, according to the appraisal of the assembled experts, is going to assume a leading role in terms of world economics. The new BMW 7 Series had been presented publicly for the first time the previous night at the Red Square, based on the theme "Never Stand Still".

According to the discussion panel members, the profound changes have affected all areas of society. The Russian market is aligning itself ever more towards Western-style free-market practices and structures, according to Sergei Afontsev, Chief Specialist from the Institute for International Relations und World Economic Studies. "We are essentially living in a new country every two years", he added. However, the acceptance of essential strategies and processes still remains a major challenge. Russian President Medvedev recently made it clear that Russia cannot fully modernise without foreign investment.

The automotive industry will form a central role in this process. This year Russia is set to overtake Germany as Europe's largest automobile market. This assessment was the result of a study published on 10 July 2008 by management consultancy firm PricewaterhouseCoopers. Christian Kremer, President of BMW Russia, pointed out that in terms of the premium segment, Russia is still under-represented when compared on a worldwide scale. "This makes us optimistic in relation to further development." In the first six months of 2008, BMW recorded a 33.4% increase in volume sales over the same period last year. According to Kremer, it is a stereotype to view Russia purely in terms of luxury and grandeur. The middle-classes are gaining in significance.

The decision to present the new BMW 7 Series publicly for the first time in Moscow serves to underline the importance of the market, stressed Jan-Christiaan Koenders, Head of BMW Brand Communication and Group Marketing Services. "The fact that we

access markets at the right time is one of our strengths. The decision to unveil our flagship model here makes it clear that we see the major potential of the Russian market in the long term."

The experts also recognise new developments in socio-political and cultural areas. Russian architect Nikolai Lyzlov remarked in this respect: "Public funds are increasingly being made available to matters of social concern, and business is displaying a greater level of social orientation." In his opinion, future orientation and dynamic growth are being combined with a pronounced awareness of tradition. "This is not a back-to-the-roots movement, rather an endeavour to maintain values", he said. The director of the world-renowned Moscow-based Bolshoi Theatre, Iksanov Anatoliy Gennadievich shares a similar point of view. "The Bolshoi Theatre is currently undergoing a process of comprehensive modernisation, and this in itself is a reflection of positive change, as a new generation of visitors are experiencing ".

Sergei Afontsev from the Institute of International Relations and World Economic Studies emphasised that international companies operating in Russia have a huge influence on public attitudes. "If international corporations start establishing social projects here (Corporate Social Responsibility), this will serve as an excellent example to Russian firms in creating even more environmental awareness in Russia."

BMW brand boss Koenders considers public sensitivity to ecological aspects to be proof that Russia is undergoing a process of profound change. "Ecological matters are also a huge topic here. This is a further example of the dynamics in this market and society as a whole." Innovative technologies such as BMW EfficientDynamics serve to increase awareness of environmental matters, added Christian Kremer, President of BMW Russia.

The panel members concluded the discussion - which was hosted by presenter Horst Kläuser, longstanding German television correspondent for Moscow - with a positive prognosis for the world's largest territorial state. BMW brand boss Koenders summarised his assessment of future development as follows: "In five years' time we will be saying New York, Shanghai, London, Moscow."

In case of queries, please contact:

BMW Germany

Birgit Hiller, Business Communications
Tel. +49 89 382 39169
Mail to: Birgit.Hiller@bmw.de

Milena Pighi, Corporate Communications
Tel: +49-89-382-66563
Mail to: Milena.PA.Pighi@bmw.de

Internet: www.press.bmwgroup.com