

Media Information

4 August 2009

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**Statement by  
Dr. Norbert Reithofer  
Chairman of the Board of Management of BMW AG  
Conference Call Interim Report to 30 June 2009  
4 August 2009, 10:00 a.m.**

Ladies and Gentlemen!

The BMW Group is standing its ground in a persistently difficult market – as an independent car company that has a sound financial footing.

Based on our Strategy Number ONE, we started early to realign the entire company.

And we have launched various strategic measures to offset the effects of the global economic crisis. So far, these efforts have served us well in these difficult times.

Today I would like to touch briefly on the following two issues:

1. Where do we stand?
2. How are we getting ahead with our strategy?

So, where do we stand at the end of the first half of 2009?

- We achieved earnings before interest and taxes of 114 million Euros.
- Earnings before taxes and Group profit are slightly negative because of the negative first quarter.

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- In the first six months of this year, we delivered a total of over 615,000 cars – down 19.5 percent year-on-year. This means we will not be able to match last year's high retail volume.

The climate on the automotive markets remains tense.

It is mainly the volume car companies who benefit from current government-backed programs, like the scrappage bonus in Germany and France. So we will be much less affected when the program is discontinued next year.

In June, our sales increased again in some markets compared to the previous year:

- Germany plus 15 percent
- China plus 44 percent
- India and Brazil plus 20 percent and plus 100 percent respectively. In Brazil, we introduced the MINI in April.

With regard to global sales, retail decline slowed down in the second quarter. However, in the large triad markets – the US, Japan and Western Europe – the downturn in consumption continues.

Even though some indicators suggest that the economic situation might improve in the second half of the year – we remain cautious. There is still a lot of uncertainty in the markets. There is no unified agreement among experts.

This is why we are not announcing a result forecast for the full year 2009 today. We will continue to use measures to steer the company through these hard times.

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Our new models will definitely help us in this area:

- The new BMW Z4 has been on the market since May and is selling very well.
- The new all-wheel drive BMW 7 Series will be launched this fall while the V12 version is currently being presented to the media. As the positive sales figures for the new BMW 7 Series show: There is market demand for large, high-efficiency cars.
- The same is true for our SAVs. We are going to introduce the M models of the BMW X5 and X6 in September.
- In the fall we will launch the BMW X1 and the BMW 5 Series Gran Turismo. To meet demand, production will be stepped up, with Plants Munich and Leipzig working extra shifts. In Dingolfing, we will temporarily suspend short-time work for the months of September and October. Already in July, we reduced the number of workers on short time to about 12,000.

The BMW Group is the world's leading premium car manufacturer. As we see it, this leads to a particular responsibility.

We believe that premium will have to set clear standards with regards to sustainability.

Which brings me directly to my second point: How are we getting ahead with our strategy?

The general understanding of premium is increasingly defined by sustainability in all its aspects. Customers want to know:

- Is a product made in a resource-friendly way?

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- What kind of company stands behind this product?
- Does this company act responsibly and sustainably?

Being able to answer these questions satisfactorily is crucial for a company's long-term economic success – in my opinion.

In the automotive industry, we are presently the company with the best sustainability performance.

In May 2009, BMW Group was once more listed on the FTSE4Good, which is one of the leading sustainability indexes in the world. This means that independent experts have again confirmed our high sustainability standards.

And this is the path we will continue to follow – with our products and how we produce them.

In line with our Strategy Number ONE, we continue to focus our expertise and financial resources on sustainability and new drive technologies.

Let me give you a few examples:

- First: Due to Efficient Dynamics, we have reduced fuel consumption of our BMW and MINI fleet in Germany to an average of 5.9 liters per 100 km. Unlike with the scrappage incentive, BMW definitely benefits from the new, partly CO<sub>2</sub>-based motor tax – and this is a long-term effect. Due to this tax adjustment effective as of July 1, driving a BMW has on average become more economical. Our BMW 118d is the passenger car in Germany that offers the greatest savings on tax, compared to the previous, only cubic capacity-based taxation.
- Second: At the Frankfurt Motor Show, we are going to introduce innovative concepts that combine sporting flair and efficiency in an even

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more compatible way. At the same time, IAA marks the kick-off for a comprehensive sustainability campaign that demonstrates what we plan to achieve in the future.

- Third: The sustainable alignment of our company is also the driving force behind our decision to end our Formula 1 activities with the end of the 2009 season.
- Fourth: We have developed the MINI E. Today's largest fleet of electric cars is currently being tested by customers in everyday driving.
- Fifth: Our project i is working on a Megacity Vehicle as well as on new mobility concepts. The Board has now decided: This auto will be launched on the market as a sub-brand of BMW. As BMW is the innovation driver within the Group, the decision for a sub brand under BMW is the most logical step. Details on this topic will be made known later this year.

All of these examples clearly demonstrate our drive to be the leader when comes to premium.

But it is first and foremost new drive technologies that will pave the way for a sustainable future.

We as well as other companies have invested early on in the development of new, economic technologies. Now it is all about establishing suitable regulations on an international level that will help a new type of mobility to grow. A reliable framework is important for every carmaker to continue to invest effectively and efficiently.

A promising option also for us is electric mobility.

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As announced yesterday, we have chosen SB Limotive as the supplier of battery cells for our future Megacity Vehicles. This is a further step within Strategy Number ONE. This cooperation gives us access to state-of-the-art lithium-ion storage technology.

Both partners of this joint venture Bosch and Samsung SDI have the competence and ability to handle the entire battery lifecycle up to the stage of re-use or recycling.

Acting sustainably also means thinking ahead.

True, there might be a few scattered indicators of an economic recovery. However, the economic environment will remain volatile, unstable and characterized by the global economic and financial crisis. A lasting recovery period is not yet in sight.

This is why we will continue to act with foresight.

Step by step we will continue to implement our vision of becoming the leading provider of premium products and premium services for individual mobility.

Thank you very much.