

# **BMW Group** **Corporate Communications**

**Speech by**

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– Check against delivery –

Rolls-Royce  
Motor Cars Limited



Ladies and Gentlemen,

It's a real pleasure to be here and it's great to start off the New Year on such a positive note. The success of the BMW Group is so closely connected to this country, that we consider the US our second home. Indeed, BMW's growth really took off after establishing our first North American office in 1975 and with the construction of our factory in South Carolina in 1992. In fact, we were the first premium car manufacturer to open a plant in this country. I can say with confidence that BMW is firmly planted in the American business landscape.

And our commitment to the US continues. We have just completed an investment of 1 billion dollars in the United States. The majority of this investment was for the expansion of our production facilities in Spartanburg for the new BMW X3. Spartanburg plays the very special role of being our worldwide competence centre for X Vehicles. All told, the 50% increase in capacity for Spartanburg creates about 1,600 new jobs. This extra capacity is needed— especially here— because the US remains our largest market outside of Germany.

Another example of our close relationship with and continuing commitment to the US is our six year partnership with the United States Olympic Committee. We provide support as the Official Mobility Partner of the U.S. Olympic and Paralympic Teams, as well as the national teams for USA Track & Field, USA Swimming and USA Bobsled & Skeleton and US Speedskating. We are proud to be a part of Team USA.

In a few minutes, we will show you some of our own BMW athletes – our new Ultimate Driving Machines. But before we do that, I'd like to give you a brief overview of where the BMW Group currently stands.

2010 was the second most successful retail year ever for the BMW Group.

In total, we sold over 1.46 million vehicles worldwide and our sales grew 13.6 percent over 2009. **And the BMW Group was once again the clear leader in the premium segment worldwide in 2010, in terms of sales.**

The positive results confirm that we are “spot on” with our new models and that we are building the cars customers desire.

We listen to our customers. We fulfill their needs. That's why we entered into new segments in 2010 with such cars as the BMW X1, the MINI Countryman and the Rolls-Royce Ghost. The outstanding performance of these new models, as well as the new BMW 5 Series, contributed well to our strong sales results for 2010.

At BMW, all of our core models are performing well and the current BMW 7 Series has set a sales record for this model. In 2010, this luxury class model was delivered to nearly 65.000 customers worldwide.

At MINI, the success story continues. 2010 was the best sales year ever for this exciting brand, with over 234.000 MINIs delivered to customers. Strong sales of the MINI Countryman boosted business and all in all, MINI grew 8.2% in 2010. Introduced in most markets in September last year, the MINI Countryman already accounts for around one fifth of MINI's sales. In the UK it is already sold out until spring and we are very confident it will also be a huge success here in the US.

And at Rolls-Royce, things have never looked better.

2010 was also a record year for Rolls-Royce in which we sold over 2.700 vehicles worldwide and saw triple-digit growth over the previous year. Last year we expanded the portfolio with the Rolls-Royce Ghost and it is worth mentioning that over 80% of Ghost customers are new to Rolls-Royce. So this model has done a great job in attracting new customers to this fantastic brand.

If we take a look at the US, it still holds much potential and we are especially pleased with the momentum we have seen in the past six months. Sales momentum was built throughout the year as new products reached the market, especially with the new 5 Series.

The track record of our core products in the US is excellent:

- the **3 series** still leads its segment, even in the sixth year of its lifecycle
- the addition of the **535xi** All Wheel Drive model to the 5 Series lineup in October provided a significant boost in sales

- **X5** continues to do solid business with diesel engines accounting for more than 25% of X5 sales in the US

All of this adds up to BMW being once again the leading European premium brand in the US and we aim to extend this lead in 2011.

We have good reason to be upbeat at the BMW Group about the forthcoming year.

We are in the middle of a significant product initiative and by the end of 2012 we will have renewed about 60% of our portfolio.

And the growth we're seeing in key markets such as China and the US as well as in rapidly accelerating markets such as Brazil, Korea and India give us reason to look ahead with optimism. At the BMW Group, we look to have balanced growth worldwide. We will not rely on one market or region to secure our future growth.

And we have set ourselves some clear targets for 2011:

- To sell well over 1.5 million vehicles.
- To achieve all-time sales highs for all three brands: BMW, MINI and Rolls-Royce
- To increase our segment share and remain the leading premium car company in the world.

As our biggest market outside of Germany, the US will of course play a crucial role in obtaining these targets. While they represent significant milestones in our ongoing success, it is important to note that these targets reflect our broader commitment to continue expanding the global reach of our brands. We intend to stay our course designing the most stunning and innovative vehicles available, setting the trend for others to follow.

With that, ladies and gentlemen, let's take a look at our new BMW models!

Here is the latest addition to the BMW X family, the X3. Made in the US, the new X3 is now available to US customers. The X3 maintains the spirit of its predecessor while offering increased space, optimized

functionality, and enhanced driving comfort. Staying within the BMW SAV family for a moment, I would like to say a few words about the X3's larger sibling, the X5.

In addition to the X5 also being produced in the US, it is noteworthy for one of its engines, the three litre diesel. Here in the US, vehicles with BMW's diesel engines— like the X5 and the 335d— have been gaining momentum for their combination of power and fuel economy. BMW's diesel engine technology is so advanced across the range, in fact, that our two litre twin-turbo diesel received top honours in the 1.8-2.0 litre class at the 2010 International Engine of the Year Awards.

Moving from the one of the largest to some of the smallest BMWs, on your left: the new 1 Series Coupe and 1 Series Convertible! Both are performing well in the US and we fully expect these new models to build upon the success of their current models.

Thanks to targeted modifications, the new BMW 1 Series Coupe and the new BMW 1 Series Convertible highlight the qualities that distinguish the brand more now than ever. They are even more dynamic and efficient.

They are the perfect entry car for our customers to enjoy a true BMW. I'm happy to say these models will be available here in the US in May.

Keeping with the 1 Series line, I'm excited to introduce you to the newest addition to BMW M performance cars. Here, for its world premiere, the 1 Series M Coupe! There's no denying the sound of that engine, ladies and gentlemen, this is a true M. Under the hood is the twin-turbocharged 3.0-liter inline-six with 340 horsepower.

Like all BMW M cars, this car is made for true car fans. BMW M cars are made for those who crave a pure driving experience in all its forms: visual distinctiveness, acoustic identity, tactile connection, and of course, a dynamic engine. The 1 Series M Coupe embodies the Ultimate Driving Machine.

And now, get ready for the next world premiere! We are especially pleased to premiere this car in the US, because Americans really love this car.

Here it is! The world premiere of the new BMW 6 Series Convertible!

This new BMW 6 Series Convertible continues the tradition of the legendary German premium brand dream car. This car embodies the BMW brand. With its superior power unit and chassis technology, it sets new standards for the Ultimate Driving Machine.

The BMW 650i Convertible will be available with a 400 hp V8 engine, with BMW's TwinPower Turbo and direct fuel injection. And for those of us who love open driving, it takes only 19 seconds to fully open the soft top.

The new BMW 6 Series Convertible has every technology which we currently offer. These latest innovations provide an even more comfortable, more dynamic, and safer driving experience. And of course, this car has the most advanced Efficient Dynamics technology, which means: even more power with even less fuel consumption.

Ladies and gentlemen, I'm thrilled to be joined here by Olympic Champion, Natalie Coughlin!

Natalie has earned a total of 11 Olympic medals in the past two Olympic Games and returned from Beijing and Athens as the most decorated female athlete. Natalie was the first U.S. female athlete to win six medals in one Olympic Games and therefore has a connection with the BMW 6 Series.

(Dialogue between Ian Robertson and Natalie Coughlin)

Natalie, thank you so much for joining us here today. It has been a pleasure.

Now, ladies and gentlemen, I invite you to come and have a closer look at these exciting new cars from BMW. Thank you for your time.