

April, 2008

Recall Campaign No. 08V-170: Rear Axle Stabilizer

Dear BMW Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

BMW AG has decided that a defect which relates to motor vehicle safety exists in certain 2008 Model Year BMW X5 Sports Activity Vehicles (SAVs). Our records indicate that you are the owner of a potentially affected vehicle.

We sincerely apologize for any inconvenience this may cause you.

DESCRIPTION OF DEFECT

The problem involves the rear axle stabilizer (also known as the anti-sway bar). Your vehicle may have been equipped with sports-suspension stabilizer, instead of a standard-suspension stabilizer, on the rear axle.

In certain driving conditions, such as fast lane changes at high-speed, your vehicle could experience an "over-steer" behavior affecting vehicle handling and control.

You may continue to drive your vehicle; however, you must have the problem corrected promptly. Failure to observe the following precautions, in conjunction with traffic and road conditions, and the driver's reactions, could increase the risk of a crash.

PRECAUTIONS

- 1. CONTACT YOUR AUTHORIZED BMW SAV CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. AVOID EXTREME DRIVING MANEUVERS AT HIGH SPEED, E.G., FAST LANE CHANGES.**
- 3. Should you need BMW Roadside Assistance, they can be contacted at 1-800-332-4269.**
- 4. BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.**
- 5. If you are not the only driver of this vehicle, please advise all other drivers and passengers of this important information.**

DESCRIPTION OF REPAIR

BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the rear axle stabilizer will be replaced.

The actual repair will require approximately 1 hour; however, additional time may be required depending on the BMW SAV center's scheduling and processing. This work will be performed *free of charge* by your authorized BMW SAV center.

OTHER INFORMATION

If you are no longer the owner of this vehicle, we would appreciate your furnishing us with the name and address of the new owner, using the enclosed postage-paid card.

If you are a lessor of this vehicle, Federal Regulations require you to forward this notice to your lessee.

If you have already had this repair performed at your own expense, please see the attachment regarding possible eligibility for reimbursement.

Should you have any questions about this campaign, please contact your authorized BMW SAV center.

Again, we sincerely apologize for any inconvenience that this may cause you.

We appreciate your confidence in our product, and we wish to do everything we can to retain your confidence. Should you need additional assistance, you may contact BMW Customer Relations and Services at 1-800-831-1117, or via email at CustomerRelations@bmwusa.com.

If the BMW SAV center is unable to remedy the defect without charge or within a reasonable period of time, you may notify the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Ave., S.E., Washington, DC 20590, call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153), or go to <http://www.safercar.gov>.

BMW OF NORTH AMERICA, LLC