DRAFT

January, 2012

Recall Campaign No. 12V-xxx: Transmission Parking Lock

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 Model Year 2012 X5 xDrive35i Sports Activity Vehicles. 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 PROBLEM

The issue involves the automatic transmission parking lock on your vehicle. The transmission was not manufactured according to specifications. Therefore, engagement of the transmission's parking lock may not occur. This could happen even if the "P" position has been selected and is displayed. As a result, the vehicle could rollaway after parking.

Do not leave this problem unattended. Depending on traffic and road conditions and the driver's reactions, this could increase the risk for the occupants of the vehicle and for other road users.

PRECAUTIONS FOR YOUR SAFETY

- 1. CONTACT YOUR AUTHORIZED BMW SAV CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.
- You may continue to drive your vehicle but, when parking and before leaving your vehicle, please make sure that the parking position "P" is engaged AND the parking brake is engaged.
- 3. Do not park on a hill/incline.
- 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

The automatic transmission on your vehicle will be replaced.

The actual repair will require approximately 8 hours; however additional time may be required depending on the BMW SAV Center's scheduling and processing. This work will be performed <u>free of charge</u> by your Authorized BMW SAV Center.

OTHER INFORMATION

Should you need BMW Roadside Assistance, they can be contacted at 1-800-332-4269.

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 within ten days.

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 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 1-800-525-7417, 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