September 2002

RECALL CAMPAIGN NO. 02V-223

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 determined that a defect which relates to motor vehicle safety exists in certain 1999 Model Year BMW 323i and 328i 4-door automobiles. Our records indicate that you are the owner of a potentially affected vehicle.

DESCRIPTION OF DEFECT

The side airbag system of your car may deploy in certain non-crash impacts, such as experienced when contacting large potholes or curbs at substantial speed. This could cause the side airbag and Head Protection System to deploy without an actual side crash or impact severe enough to cause significant visible damage to the vehicle.

Unexpected deployment of the side airbag could cause serious injury if the occupant's head is resting near the side airbag.

In addition, the Battery Safety Terminal (BST) would also activate, disconnecting the starter cable from the battery. In this case, vehicle electrical systems would continue to operate and the engine would continue to run but, after the engine is turned off, it could not be restarted.

DESCRIPTION OF REPAIR

The remedy will consist of recalibrating the central airbag control module to reduce the possibility of such a non-crash deployment.

This modification will require approximately one hour and will be performed *free of charge* by your Authorized BMW center. Additional time will probably be required, depending on the BMW center's scheduling and processing.

PRECAUTIONS

- CONTACT YOUR AUTHORIZED BMW CENTER TO HAVE THE NECESSARY MODIFICATION PERFORMED AS SOON AS POSSIBLE.
- 2. Until the modification is performed, caution should be exercised when encountering rough roads, potholes, curbs, etc. In such conditions, proceed carefully, avoiding excessive speed and severe bumps.
- 3. All occupants should always be properly restrained (children in child restraint systems appropriate for their age and size; larger children and adults using safety belts) and sitting upright. Never let an occupant's head rest near any side airbag. Do not lean towards or against a door with a side airbag.
- 4. Refer to the appropriate safety information in your Owner's Manual (see pages 54-60) and the BMW Safety Tips card. Observe the warnings contained in the airbag warning labels on your car.
- 5. If you are not the sole driver of your car, please advise all other drivers of these possible consequences.

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 return postage-paid card.

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

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 at 1-800-831-1117.

If the BMW center is unable to remedy the defect without charge or within a reasonable period of time, you may notify the Administrator of the National Highway Traffic Safety Administration, Washington, DC 20590, or call the toll-free Auto Safety Hotline at 1-888-327-4236.

BMW OF NORTH AMERICA, LLC