

EN ROUTE

YUTONG NEWSLETTER

|

ZHENGZHOU YUTONG BUS CO., LTD

|

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YUTONG APPEARS AT THE BUSWORLD KOREA
WITH TWO WORLD PREMIERES

YUTONG CONTRIBUTES TO
COMMONWEALTH CONFERENCE 2013

ZK6121HQ AND ZK6938HQ
WITH EURO VI ENGINES

NO SHORTCUT IS AVAILABLE

COURAGE AND CONFIDENCE



Zhengzhou Yutong Bus Co., Ltd.
Add: Yutong Industrial Park, Yutong Road, Guancheng District, Zhengzhou, China
P.C.: 450061
Tel: +86 371 6671 8999
Website: <http://www.yutong.com>
E-mail: enroute@yutong.com





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Dear reader,

As a member of Yutong people who is in charge of the overseas market, I am grateful to the overseas friends for your support to Yutong brand. Just the cross-border support and trust enable Yutong to pave the way in exploring the overseas market and get more and more recognition.

As a responsible bus brand, Yutong is committed to actively promoting the public transport while deeply concerning about the pragmatic cooperation and common development with overseas customers. Creating the win-win relationship with the customers is the persistent pursuit of Yutong people. Since the quality and reputation are the fundamental guarantee for an enterprise to develop for a long run, Yutong focuses more on the cultivation and arrangement of the overseas market instead of the export amount alone.



Hu Fengju

VP of International Business

Pursuing the product quality, spare parts support, after-sales service with international competitiveness while focusing on the product experience and customers' satisfaction is the valuable direction of our concern. Being on the road to greater success, Yutong will endeavor to explore the overseas market, adjust measures to local conditions, make progress in learning and win a place through innovation.

In the future, Yutong will continue to be dedicated to promoting the international cooperation, providing service to overseas partners and creating maximized value for customers. We do believe there is a higher goal waiting for us to accomplish and a longer journey to stride forward.

I sincerely wish Yutong will have a more brilliant and better future in the new year!

胡锋举

Consultants

Hu Fengju Cheng Zhen Sun Xishun
Kent Chang Ren Hong

Editors

Chen Hui
Jenny Lee Tina Tan

Publisher

Zhengzhou Yutong Bus Co., Ltd.

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British car sales rise 4.0 percent on year in October



The Society of Motor Manufacturers and Traders (SMMT) announced British car sales in October were 4.0 percent higher than a year earlier, and the growth rate declined to single-digit level for the first time in the last eight months.

The new car registrations came in at 157,414 in October, or a rise of 12.1% than the previous month. From January to October, the British car sales rose from 1,771,861 units in the same period of last year to 1,952,238 units, up 10.2% year-on-year.

"Sustained rises have been driven by robust private demand, a trend that has given us the confidence to raise our year-end forecast," said SMMT chief executive Mike Hawes. "Looking ahead, we anticipate more moderate growth as the market stabilizes," he added.



Chinese auto exports face narrowed space

Recently, with the symbol of enormous presence of Chinese large auto enterprise groups in the overseas markets, China's automotive industry has entered the phase of pursuing scale effect.

Not long ago, Changan Group announced its overseas sales volume would reach 400,000 units in seven years. Beijing Automotive Group is said to acquire several overseas auto manufacturers to speed up the pace of overseas expansion. Together with the proprietary brands of medium-sized auto makers like Great Wall and Chery, more large-sized enterprise groups have joined the export team. The export of Chinese autos has become a trend.

According to the report released by Boston Consulting Group, the space left in the global market for the Chinese automobile exports is very small. How to survive in such a small space has become a common issue for China's domestic auto makers.

Negotiation on new emission standards restarts



Recently, EU has passed a resolution that the agreement on carbon dioxide emission standards for new vehicles from 2020 which was signed in June is annulled and the negotiation has restarted. The reason is that Germany found it too stringent and disadvantageous to the German automotive enterprises.

On October 14 of the local time, the Environment Ministry of EU held a meeting and announced it is agreed to restart the negotiation of new emission standards which was frozen in June. It is planned to finalize the results in a few weeks, rather than several months. According to the new carbon dioxide emission standards from 2020, the average vehicle emissions at that time shall be lower than 95 grams per kilometer which is equivalent to the fuel consumption of 4L per 100 kilometers.

Since most of the German auto makers produce luxury cars with high displacements and high carbon dioxide

emissions, Germany believed the new regulations were too strict and would bring economic losses and layoffs pressure to German auto makers.

For this reason, Germany put up a compromise proposal while lobbying other countries to form an opposition alliance against the new regulations. Germany proposed a "Super Credits" system, before the promulgation of the new emission standards in 2020, the "Credits" of vehicles emissions lower than the old regulations before 2020 can offset the carbon dioxide emissions after 2020. Germany will firstly make part of its vehicles up to the standards and then make all vehicles fully reach the 95 grams per kilometer standard.

After several months of mobilization, Germany successfully made the EU compromise and go back to the negotiating table. Some other EU countries and industry insiders expressed their disappointment on the matter.

Russia, Belarus, Kazakhstan sign cooperation agreement



Russian Alliance of Automobile Manufacturers, Belarus Confederation of Industrial Enterprises and Kazakhstan National Chamber of Commerce jointly signed the cooperation memorandum of three parties. The signing parties believe the establishment of the large-scale international cooperative association is helpful for promoting the diversification of Customs Union and Common Economic Area in terms of modernization of automotive industry and the development of high and new technology.

The minister of Industry and Agriculture of Eurasian Economic Commission attended the signing ceremony and said the establishment of Automobile Manufacturers Association will not only make a significant contribution to the integration process of automotive manufacturing of the Customs Union, but also greatly develop the potential of automotive industries in the Customs Union area. At present, 48 percent of the demand in Russia, Belarus and Kazakhstan can be fulfilled by the auto makers in the Customs Union area, which also means more than half of the demand still needs to be imported while the export volume of the automotive products in the Customs Union area only makes up 13 percent of the total output.

The agreement also includes the equipments update of automotive manufacturing in the Customs Union area and

enhancement of business cooperation among the automotive industries of the three countries based on the industrial cooperation.

Bus delivery of Yutong's 2,000-unit order for Venezuela starts

A batch of Yutong buses arrived at the Lianyungang port on November 17, 2013, waiting for shipment to Venezuela.

In September, Yutong has signed a 2,000-unit order and public transportation management system contract with FONTUR company subordinated to the Land Transport Ministry of Venezuela.

It is expected to deliver 1,000 buses under the contract in 2013. Recently, the first batch of Yutong buses have arrived at the Lianyungang port, and the delivery of the buses has started successively. In recent years, due to the high performance to price ratio of Chinese bus products, their competitive advantages are gradually growing. The excellent Chinese bus makers represented by Yutong is continually going abroad, and their annual export amounts and unit prices of products are also increasing steadily.



Goldman Sachs: European auto sales expected to rebound in 2014

An analyst predicted the automobile sales in Europe will likely stop the declining trend over the years and rebound in the next year with a one-digit growth rate.

"We do expect a bit of a dead-cat bounce," said Goldman Sachs automotive analyst Patrick Archambault at the Society of Automotive Analysts conference on September 20. He predicted the automobile sales in Europe would rise three percent year-on-year in 2014.

According to the statistics of Association des Constructeurs

Européens d'Automobiles (ACEA), the car sales in 27 countries of EU were 653,872 units in August, 5% lower than 688,143 units in August 2012. But the European sovereign debt crisis has been eased this year and the pressure of the automobile market is diminished. Due to the increased workdays in April and July, the automobile sales has increased year-on-year.

Carlos Ghosn, Chairman and CEO of the Renault-Nissan Alliance also expressed "The hardest period of European automobile market has passed."



Yutong appears at the Busworld Kortrijk with two world premieres

The Busworld Kortrijk 2013 kicked off in Kortrijk, Belgium on October 17. As the world's largest and oldest professional bus show, it attracted more than 380 exhibitors of buses and components from over 32 countries to participate in this event.

As a globally major bus and coach supplier, Yutong grandly launched two new bus models with Euro VI engines at the bus show, which are specially made for the European market, namely the ZK6121HQ school and intercity bus and the ZK6938HQ intercity bus and tourism coach. Both of the two bus models reflect the Yutong's consistent brand appeal of safety, durability, economical efficiency, comfort and so on. Hu Fengju, VP of overseas marketing of Yutong Bus Company, hosted the bus launching ceremony. In addition, Liao Liqiang, Chinese ambassador to Belgium, Luc, founder of Busworld and other distinguished guests were invited to unveil the new buses. The guests praised the workmanship and technology of the two new Yutong buses.



A scene of the bus launching ceremony

During the bus show, Yutong, besides launching the new bus models, also elaborated the strategy of the European market.

In respect of the European market, Yutong will apply a steady market strategy. Yutong concentrates more on the international competitiveness of its products, spare parts support, after-sales service and customer satisfaction than the export volume.

Up to now, Yutong has exported its buses to France, Norway, the Czech Republic, Israel and other countries, and will gradually strengthen the cooperation and deepen

the market process. Meanwhile, after the long-time market investigation, product development and product certification, a number of Yutong buses have passed the WVTa certification of EU, covering the market segments of city buses, tourism coaches, commuter buses and so on.

In addition, among the EU and other countries which adopt EU standards, Yutong's service and spare parts networks have covered nearly twenty countries in Western Europe, Northern Europe, Central and Eastern Europe, and also covered the neighboring countries like Israel, Turkey and so on, fully ensuring the operating rate and satisfaction degree of customers.

At present, Yutong has successively launched a series of products which fit the needs of the European market, and is gradually optimizing the sales and service networks. In the future, Yutong will continue to be dedicated to becoming your long-term partner and creating maximum value for customers.



Yutong 2nd Fuel-saving Contest of Taiwan market kicks off



The Yutong 2nd Fuel-saving Contest of Taiwan market kicked off at the operation station of Shin-Shin Bus Company, Ltd. in Taipei on July 22, 2013.

Based on the experience of last contest and combined with the ideas of Shin-Shin Bus Company, the contest aims to make the drivers realize the importance of the standardized operation and personally experience the fuel-saving effect, so that they are willing to follow the rules in the future. Meanwhile, the promotional program during the contest also enhanced the effect of service marketing and improved the customer experience.

The vice GM and the chief engineer of Shin-Shin Bus Company, service manager of Yutong's dealer in Taiwan and Yutong's vice regional manager



and service manager of Asian Division attended the opening ceremony.

The contest lasted one week. There were totally 55 participants and ten participants were involved every day. One daily champion was chosen according to the contest results of the day. In order to support the event, the Shin-Shin Bus Company specifically designated a bus for the contest and arranged the vice GM and the chief engineer to be involved during the whole process of the contest. They shot video for the contest and would make it into a training disk later. The winning participants would be chosen as the seed trainers and conduct training for the drivers of the whole company.

In order to make the drivers fully understand the impact of their driving habits on the fuel consumption, at beginning of the contest, the drivers just drove the bus with their usual driving style and Yutong technical people were responsible for collecting the data and calculating the fuel consumption. After that, they have conducted training on fuel-saving tips for the drivers. Then the drivers were required to drive the bus once again and Yutong people stood beside them to correct their driving behavior and record the relevant data for analysis, so as to make them drive buses with the optimal driving method.

After the training, the fuel-efficiency of every driver has been improved to different degree, the fuel economy ratios have increased by 7%~36% than before. After the contest, the drivers exchanged fuel-saving experiences with each other. Through the actual operation and data comparison before and after the training, every driver has been fully aware of the impact of driving habits on fuel-consumption. They all expressed that they would apply the knowledge learned during the contest to the daily driving work.

In the following contest, Yutong will further make efforts to help customers impart the fuel-saving driving method to every user, thus achieving the goal of creating the greatest value for customers.

Yutong contributes to Commonwealth Conference 2013



The 2013 Commonwealth Heads of Government Meeting was concluded in Colombo, Sri Lanka on November 17, 2013. The heads of state from 35 member countries of the British Commonwealth and delegations from over 20 non-Commonwealth countries were present at the relevant activities. The conference is held every two years to discuss the regional issues of common concern.



To ensure the transportation work of the conference, the Sri Lankan government started the vehicle selection early in 2011. After rigorous selection and approval, Yutong finally won the order with its superior quality of products and sound service guarantee, becoming the only official bus brand for the conference. 100 Yutong buses were delivered on November 1 and put into operation on

November 8.

These buses were mainly used to transport the government officials, media and trade groups who attended the conference. With clean appearance, attractive style and good quality, the Yutong buses have become a beautiful moving landscape in the local area.

It is learned all the 100 Yutong buses serving the conference are the bus model ZK6930. This bus model has stylish appearance and luxurious interiors, featuring good safety, environment-friendliness, comfort and aesthetics.

The attendees of the conference are all high-ranking officials. In order to ensure the service quality, Yutong has worked out the thorough guarantee program and contingency plan. A service team of 12 people consisting of chassis engineers, electrical engineers, experts of air



conditioners and engines and other technicians were standby at the site to follow the operation of buses during the conference. Also, spare parts worth more than 300,000 yuan have been available before the arrival of all buses to ensure the availability of spare parts.

The high degree of responsibility, hard working attitude and professional service capability of Yutong staff, as well as the superior quality of Yutong buses, won the recognition of Sri Lankan government and military leadership. Squadron leader Dinesh, one of the main responsible people for the conference vehicles, used the word "very" several times while evaluating Yutong: "Yutong service staff are very professional, the response speed is very quick. Their work is hard, but they work seriously. Very great!" Meanwhile, he also expressed that the drivers said the air conditioners and the stability performance of these buses are very good. With the



characteristics of comfort, aesthetics, safety and ergonomic designs, Yutong buses also obtained the praise from the conference attendees. "I feel very comfortable while riding on the bus. Very good!" one official said.



In addition, at the invitation of the Sri Lankan Government, the Chinese Ministry of Commerce has organized a delegation consisting of 45 Chinese enterprises to attend the Trade, Investment and Tourism Expo held during the conference. And Yutong, on behalf of China's bus industry, attended the Expo held in Janakala Kendraya Battaramulla on November 13-17.

During the Expo, Yutong's exhibited buses and professional performance were highly praised by the officials of Sri Lankan government and the Chinese Ambassador to Sri Lanka. The Sri Lankan government

spokesman, Minister of Communications, Minister of Energy, Minister of Education and Minister of Irrigation, as well as Wu Jianghao, China Ambassador to Sri Lanka, arrived at the Yutong stand successively and boarded the Yutong buses. It is learned Sri Lankan President Mahinda Rajapakse also boarded the Yutong bus in the hall of BMICH during the summit meeting and recognized Yutong buses. In addition, Yutong buses were also popular among the local people, and every day many people waited in line to board the buses during the Expo.

Given the outstanding performance of Yutong during the conference and Expo, the Xinhua News Agency, Daily News of Sri Lanka and local television station also covered the news about Yutong.

The obtainment of the 100-bus order serving the conference is not only the result of Yutong's efforts over the past three years, but also the recognition of the Sri Lankan government for Yutong buses. We do believe, Yutong will continue to create greater value for customers in the future.



ZK6121HQ and ZK6938HQ with Euro VI engines

Equipped with DAF engines, Yutong drive axle, Meritor final drive and Actia electronic control system, ZK6121HQ and ZK6938HQ are expected to be launched in European and American markets in April 2014. With the optimized match of engine, gearbox and axle, as well as the rational layout of the whole vehicles, both of the two bus models have achieved the optimal condition in terms of power performance, safety and fuel economy. For this reason, the two bus models shined at the Busworld Kortrijk 2013 and were recognized and appraised by the experts and peers.

Bus model 1: ZK6121HQ



ZK6121HQ is a safe, practical and economical school bus product, which can be adapted to intercity bus through the optional items. The features of reliability, comfort and durability greatly reduce the repair and maintenance costs, bringing you an extraordinary driving and ride experience.

- MT with gear shifting assistance system makes the operation of drivers more convenient and easier;
- Access hole at the auxiliary instruments facilitates the repair and maintenance;
- Modular design of interiors and seats can meet the requirements of both school buses and intercity buses;
- Special school bus seats with mould pressing ABS seat back are scratch-proof; handgrips and bag baffles are available for your option;
- Seats are fixed with slide rail, meeting the variety of customers' needs;
- Dismountable floor is equipped at the disabled area opposite the middle service door; four foldable seats for your option;
- Height of the aisle over two meters is suitable for European passengers.



Item	Exhibited bus		Optional
Overall length*width*height(mm)	12365*2550*3195 (without A/C)		12365*2550*3400 (with A/C)
Engine	DAF MX11 210		DAF MX11 240
Max.power(kw/rpm)	210/1700		
Max.torque(Nm/rpm)	1200/1000-1700		
Displacement(L)	10.8		
Fuel type	Diesel		
Emission standard	Euro VI		
Clutch	SACHS GMF430		No clutch
Gearbox	QJ S6-150 MT		ZF 6AP1700B AT
Seats	59+1		55+4+1
Suspension	Front 2 rear 4, 6-airbag air suspension		
Air conditioner(A/C)	None	Kelin non-independent roof-mounted cooling & heating A/C 32000kcal	Kelin non-independent roof-mounted cooling A/C 32000kcal

Bus model 2: **ZK6938HQ**



ZK6938HQ is a middle-level and high-end intercity bus which can be adapted to tourism coach through the optional items. It is a bus with high performance-to-price ratio which is specially designed for the European and American markets, featuring extraordinary internal structure and ergonomic designs.

- Luggage compartment volume reaches 5.1 m³ even with two service doors;
- The gearbox shift lever of rear-engine buses is integrated into the dashboard;
- There are two service doors on the right side and additional door for the disabled; equipped with wheelchair lifter; the trap door for the lifter is integrated into the luggage compartment door;
- The A/C mounted on the engine improves the performance of the whole vehicle;
- The 45L refrigerator integrated on the dashboard for the first time saves the space inside the bus;
- The optional cooling & heating A/C can be controlled at the dashboard; added cooling & heating defrosting function and thermostatic control throughout the whole vehicle create a comfortable environment for drivers;
- With electrocoating process, the anti-corrosion performance of whole vehicles is improved and the service life of vehicles is extended.



Item	ZK6938HQ intercity bus (Exhibited bus)		ZK6938HQ tourism coach (optional)
Overall length*width*height(mm)	9350*2500*3345		
G.V.W.(kg)	13800		
Engine	Cummins ISB6.7E5 285		
Max.power(kw/rpm)	210/2500		
Max.torque(Nm/rpm)	1020/1200-1800		
Displacement(L)	6.7		
Fuel type	Diesel		
Emission standard	Euro VI		
Clutch	Sachs GMF395		No clutch
Gearbox	ZF 6AS1010BO AMT	ZF 6S1010BO MT	ZF6AP1200B AT
Seats	37+1		35+1+1, 37+1+1, 39+1+1
Suspension	Front 2 rear 4, 6-airbag air suspension		
Air conditioner(A/C)	Kelin non-independent roof-mounted cooling & heating A/C 24000Kcal		Kelin non-independent roof-mounted cooling A/C 24000Kcal



No shortcut is available

——Probe the three successful elements of China's auto exports from Yutong's practice in Europe

Contributing writer **Meng Wei**

The biennale Busworld Kortrijk was held in Kortrijk, Belgium in October, 2013.

As one of China's bus representative enterprises, Yutong brought two new bus models with Euro VI engines to the bus show, namely the ZK6121HQ school and intercity bus and the ZK6938HQ intercity bus and tourism coach.

The upcoming year 2014 is the tenth year for Yutong to enter the European market, which is a milestone and also a

new start for Yutong.

Ten years is like a short span and also regarded as a long process. Here I would like to probe the three successful elements of China's auto exports from Yutong's practice in Europe.

Firstly, taking the overseas market as the core strategy.

Yutong began to export its products to the European

market early in 2004 and took the European market as one of its important regions in the overseas strategy.

But there are many powerful counterparts in the European market and the world's leading bus manufacturers are almost located here. The sales of Yutong buses didn't see a stable increase in the European market until 2011.

Yutong's sales volume in the European market reached 114 units in 2011 and 200 units in 2012, up 76 percent year-on-year. In 2013, the sales volume is expected to reach 400 units.

Nowadays, you can see more and more Yutong buses in France, Slovakia, Norway, Iceland and other European countries. Behind these achievements, I think the most essential point is persistence.

Yutong's strategic roadmap for the overseas market is to operate the market rather than operate the orders. The difference of these two is: the latter needs to not only build the good sales and service channels, but also correctly

understand the requirements of the local market and product characteristics.

This is the basic truth and method in exploring the market, no matter it is the European market or emerging markets like Asia, Africa, Latin America and so on.

Taking time to learn the needs of local markets and customers, taking time to figure out the gap with the European first-class bus products and taking time to wait for the opportunities given by the market at any time, not every enterprise can do like this.

Secondly, prove yourself in the domestic market first.

The overseas strategy shall be based on the domestic market, this is a controversial topic. Because in many sectors, some companies' overseas business is much better than their domestic business.

But for automotive products, I still believe that the domestic market shall go beyond the overseas market.



In the car sector, some Chinese enterprises had once exported their products of new brands to the European market, but they failed eventually.

On the one hand, these enterprises thought making automobiles was very simple and their immature ideas finally became a conversation piece. On the other hand, these enterprises have not taken the European market as

their strategic business, but rather pursued a bubble reputation to show off their products and treat the domestic customers. The actual experience in China, the world's largest bus market, really plays an important role.

Yutong's sales volume has ranked first in China's bus industry for successive ten years and its market share is increasing gradually. Therefore, the accumulation of technology and market in China will become an important support for Yutong while entering the international market.

Yutong has begun to launch the LCC strategy this year. From solely focusing on the single attribute of its products to comprehensively and systematically develop, produce and sell products adapted to customers' actual requirements, it not only forms a differentiated marketing concept in the domestic market, but also takes a key step to enter the international market and conform to the first-class enterprises.

Thirdly, Chinese products are not the synonymous of cheapness.

Chinese auto makers like to take the high performance to price ratio as their competitive advantages in the overseas market. However, in the actual operation, they always won orders with low prices. William M Russo, senior expert of Booz & Company pointed out "cheap" in English means not only low prices, but also poor quality.

Therefore, the Chinese automotive products, when exported to the overseas market, shall get rid of the "cheap" concept and try to advocate the idea of "afford" which means provide reasonable product quality and service with reasonable prices.

We are pleased to see that Yutong's overall strategy in the European market adheres to the steadiness spirit. Based on the hierarchical classification of the market, Yutong is gradually expanding the sales network, improving the supply capacity of service and spare parts and enhancing the adaptability of its products to the European market. In addition, it also innovates its business mode, financing mode and delivery mode so as to truly form and consolidate the brand image as a responsible partner



which can create a long-term partnership with European customers.

All in all, down-to-earth is a basic guideline to which Yutong and China's bus industry need to adhere, because in the global market, the market you have found is also the one that other competitors concern about and desire.

In the competition, no shortcut is available.





stage, has gradually formed an influence of Chinese buses in the overseas markets with the precondition of ensuring the product quality and overseas service support.

Along with the time, you can see more and more Chinese buses in South America, the Middle East and Asia, and the brand influence of Chinese buses is also growing. But this is not enough, having a foothold in the European market is the "China Dream" which the Chinese bus makers represented by Yutong desire to accomplish all the time.

It seems hard to achieve this dream. Either the traditional leading bus makers like Daimler, Volvo, MAN, Scania and

Iveco, or the strong counterparts like Vanhool, Temsa and Irizar, they all have considerable products and market foundation in the European market. If the Chinese bus makers want to take a slice from the existing market, you need to have not only the products but also the service. Due to this reason, the Chinese bus makers represented by Yutong is preparing and gaining the momentum all the time.

It is worth mentioning that Yutong had already begun the research on the European market early in 2004. With WVTA certification from the EU, Yutong's exports to the European market embarked on the fast lane in 2011. After that, Yutong's growth rate in the European market reached 70 percent every year. You can see more and more Yutong buses in France, Slovakia, Norway, Iceland and other European countries.

This may be just the beginning.

Respecting the preparation work for the market in the early days, Yutong has received a number of certifications for its vehicles, including WVTA certificates issued by the EU member state, GOST certificates for vehicles issued by the

Courage and confidence

Contributing writer Yang Liang

For the China's bus industry which sorely needs the recognition of global bus customers, it takes courage to enter the European market.

This is for Yutong is no exception.

Although Yutong's annual sales volume exceeded 40,000 units in 2010 and ranked first in the global bus market, Yutong never claimed it has compared favorably with its European counterparts.

The comparison of figures is far from enough.

Seen from the development track of China's bus industry, it

managed to create a positive market circumstance and atmosphere after ten years of rapid development. As a bus maker standing out of the process of market reform, Yutong, despite its achievements and basis, still has a long way to go compared with the leading counterparts in the European market.

However, such gap can not hinder the desire of Chinese bus makers represented by Yutong on the overseas markets.

In the past ten years, the China's bus industry has been actively exploring the overseas markets while developing itself in the domestic market. Taking Yutong as an example, it, after long-term of strategic arrangement at the initial





Russian certification authority, ADR certificate issued by Australian certification authority and so on, which reflects Yutong is allowed to enter these markets of high standards. Also, Yutong has a variety of products to meet the needs of overseas customers. Taking the exhibited Yutong buses at the Busworld Kortrijk 2013 as an example, the two brand new buses are in comply with the Euro VI emission standards, which has not only kept pace with the products in the European market, but also provided a complete product delivery guarantee with product innovation and production capacity.

Meanwhile, Yutong's service network has covered more than 70 countries and regions with 80 chartered service providers and over 240 service stations as well as overseas spare parts warehouses in Dubai, Cuba, Venezuela and so on. Yutong has also gradually formed a service and spare parts network in West Europe, Northern Europe and Central and Eastern Europe. In addition, Yutong has signed joint service agreements with a number of world-renowned component suppliers including Cummins, Weichai, Yuchai, ZF, and Meritor. Their service

networks worldwide will jointly provide service for Yutong vehicles.

The export volume of over 5,000 large and medium-sized buses and coaches in 2012 reflected Yutong's pace in the overseas markets. According to the planning of Yutong, its overall strategy in the European market adheres to the steadiness spirit. Based on the hierarchical classification of the market, Yutong is gradually expanding the sales network, improving the supply capacity of service and spare parts and enhancing the adaptability of its products to the European market. In addition, it also innovates its business mode, financing mode and delivery mode so as to truly form and consolidate the brand image as a responsible partner which can create a long-term partnership with European customers.

The courage of knowing clearly of its own position and investing heavily in advance is the foundation and confidence for Yutong in the future to have a foothold in the overseas markets especially in the European market.

Yutong Bus releases output and sales data of Nov.2013

	Nov. 2013(unit)	Jan-Nov.2013 (unit)	Y-o-y growth of Jan.-Nov.
Output	7,367	49,666	11.77%
Large Bus	3,528	21,163	6.60%
Medium Bus	3,390	22,646	8.88%
Light Bus	449	5,857	54.87%
Sales	7,121	47,790	7.81%
Large Bus	3,453	21,157	5.30%
Medium Bus	3,193	21,722	5.54%
Light Bus	475	4,911	34.36%

Note: This table shows the express data, the final data is subject to the company's regular report.

From the above table we can see, 7,121 buses and coaches were delivered in November. From January to November, the accumulated sales volume reached 47,790 units, up 7.81 percent than the previous year.

PICTURE

Superior quality and your trust being always pursued



PICTURE

The customer relation activities help to enhance the mutual understanding and accelerate the development of Yutong's overseas market.

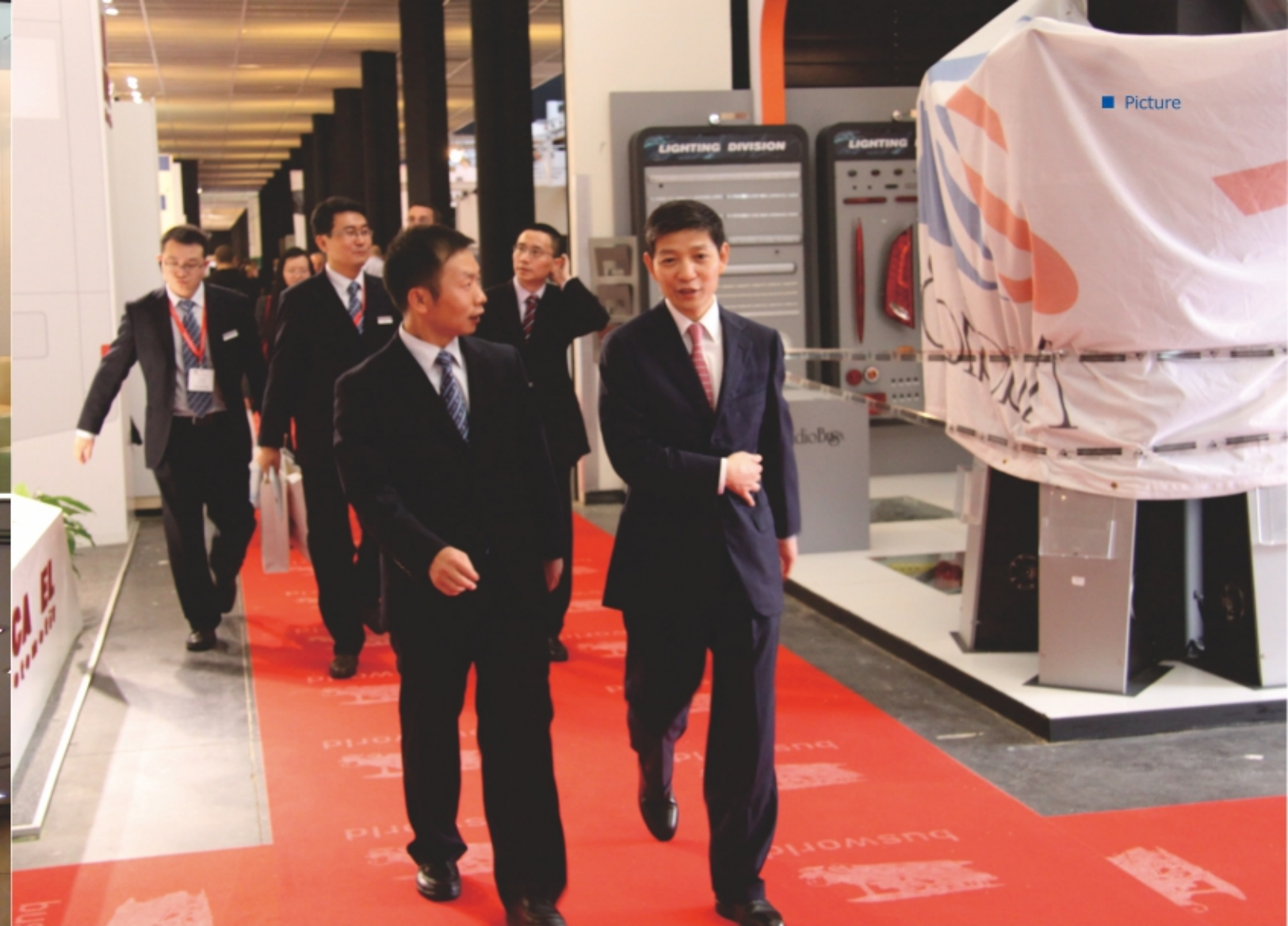




Picture

PICTURE

The state-of-the-art technology, complete product lineup and rigorous quality inspection enable us to meet various requirements of our customers.



PICTURE

Yutong's presence at different parts of the world like the Middle East, Europe and Asian-Pacific area.



The opportunity is right there

Jansen

Overseas Product Management Department
Product Manager of European Division

01

In the process of exploring the overseas market, does Yutong have any special consideration for the European and American markets?

Yutong always adheres to the customer-oriented philosophy in developing the overseas market, conducting in-depth investigation on customers' demands, strictly complying with the regulations of EU and related countries and embodying the humane care on its designs. That's why our products for the overseas market have many differences from those for the domestic market, such as the lifting device and special door for disabled, kneeling system connected with door-open system, humanized layout of get-off buttons, thermostatic control of air condition, etc.

02

In European and American countries, they take people as the foremost and concern more about the feeling of drivers and passengers than the profitability. In your opinion, has Yutong met the requirements of the European and American markets?

In exploring the European and American markets, we have long since recognized that taking people as the foremost is a very popular idea in the European and American countries and they care

more about the feeling of drivers and passengers. Therefore, we, in the early phase of the product development, visited a large number of end customers as well as drivers and passengers, grasped the driving habits of many drivers and understood the expectations and needs of customers on our products. We have taken all these needs and factors into consideration and integrated them into the development of our product so as to ensure the easy driving and maintenance performances of our products and the best experience of customers.

03

Do you think in which respect Yutong buses shall be further upgraded? Please share your views with us.

At present, Yutong is just a learner in the European and American markets, but we are making efforts all the time. All it matters is we are on the road, just like the name of this magazine EN ROUTE. Through years of accumulation and market investigation, Yutong has grasped the basic situation of the European and American markets, and known customers' needs of large operating companies and different market segments well. The next step is to make great efforts to optimize the modularization and improve the precision based on the existing products platform, so as to make our products more suitable for the European and American markets.

All you have to do is start the journey



Eric He

Business Development Sales Manager
Europe and North America Division,IBD

01

As an emerging brand, could you talk about the advantages and disadvantages of Yutong in the overseas markets?

Firstly, the bus is a commercial vehicle which is used to create value for customers. It is a kind of automobiles, but it concerns more on the ability of creating value than the passenger cars.

Meanwhile, as a main transportation tool, the benefit it creates for users determines its position in the market. Therefore, we can not focus only on the advantages and disadvantages of Yutong bus products, but rather the advantages and opportunities Yutong bring to the customers, as well as the problem-solving capability and provision of traffic solutions.

From this point of view, Yutong, as the world's largest bus supplier, has transferred its advantages on the scale and global network, as well as the customer-orientation

guideline and steady market strategy into the strong support to our customers, thus creating greater value for customers. Now, we still have a gap with the world's first-class bus makers in terms of the operational management, quality control and arrangement of products and services. But the transformation of such disadvantages is changing all the time. I believe, the final say of the brand advantage is not the technology, prices or management tools, but rather creating value for customers. The competitive advantages created for customers will become Yutong's advantages.

02

Under this circumstance, what are the opportunities and challenges?

Firstly, the Western Europe and customers of Western

Europe are brand new for Yutong. The high standards of its market demand, zero tolerance to product adaptation and rigorous certification are the big challenge for the China's industry whose industrial chain is still immature. It is an opportunity for us to learn the advanced concepts, technologies and business mode, and also a chance to compete in the developed countries and enter the mainstream market.

Meanwhile, Western Europe is the birthplace of the automobiles and the contemporary public transport. In 1895, the world's first bus with internal combustion engine was born in Western Europe. Here we need to blend in with the bus culture of this market and compete with the world's first-class commercial vehicle companies like Daimler, Iveco, Scania, MAN, etc. This is the way Yutong has to pass during its process of internationalization.

03

It is widely known that the thinking way of Chinese and westerners are quite different, and how does the difference look like when it comes to the bus market?

Actually to say, there is no big difference between the essential needs in China and abroad while purchasing the commercial vehicles, which are the benefits of customers. But in the application, their ideas and expertise keep ahead of us. Especially in terms of the LCC, namely the Life Cycle Costs, customers care more about the benefits, consumption and costs created during the whole life cycle. Western Europe is also the birthplace of the LCC. Its systematic and quantitative calculation methods and advanced bidding mode are worthy of our study and introduction.

Seen from the market circumstances, the requirements of public transport include environmental protection, technology application, ergonomic designs and so on, which are also involved in the regulations and customers'

awareness. Accurately speaking, this is not only the difference on value concept from the customer's perspective, but also the cognition difference on the broad sense concept of public transport. We need to further know and learn about it.

04

You have had a good performance on your job. Could you please share your experience with us?

First of all, the exploration and development of the market can not rely on the individual capability and performance, it is the result of a team work. My colleagues in the European and American Division have made great efforts and the co-workers of other departments have also given me a big support. In order to attend the Bordeaux Auto Show 2012, I worked with the technicians of the workshops for weeks and even worked overnight before the shipment of the buses. At the Busworld Kortrijk 2013, the launch of the two new bus products with Euro VI engines were also full of the sweats and efforts of different corporate departments like technology, parts and components, marketing, procurement, production and quality. Meanwhile, the pragmatic cooperation with our partners in the market also makes us move forwards. According to my experience, concerning and analyzing the market and acting promptly can bring the determined effort to the right direction.

05

Mr. He, what is your idea about the prospect of Yutong's overseas market?

Successful enterprises rely on the overall arrangement and strategy. Based on the steady strategy for the overseas markets, I do believe, Yutong will stride forward towards the goal of becoming the world's major bus and coach supplier with the common efforts of Yutong people.