

EN ROUTE

YUTONG NEWSLETTER

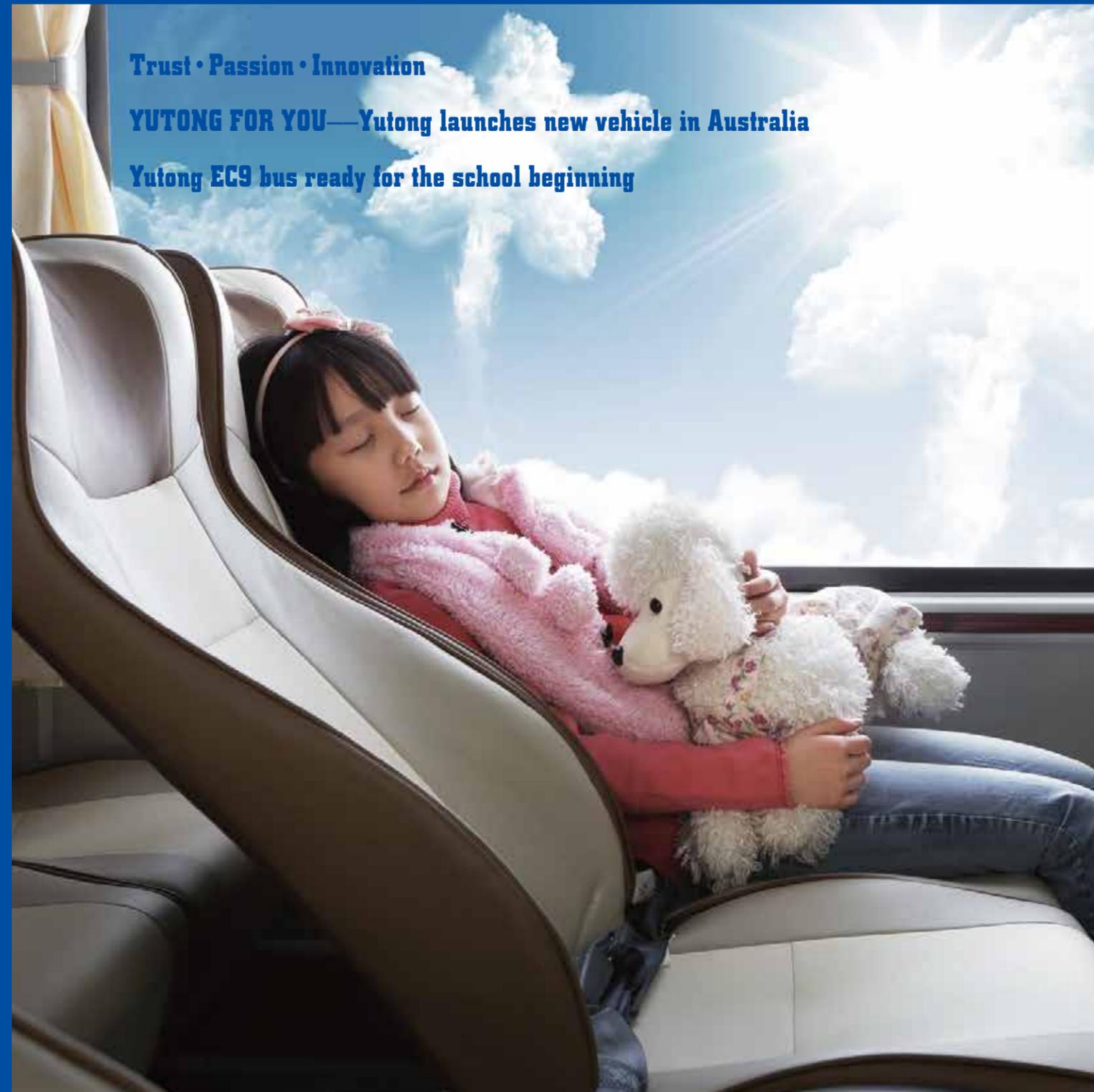
ZHENGZHOU YUTONG BUS CO., LTD

ISSUE NOVEMBER 2014

Trust • Passion • Innovation

YUTONG FOR YOU—Yutong launches new vehicle in Australia

Yutong EC9 bus ready for the school beginning



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: sales@yutong.com

Honorary Editor-in-chief

Hu Fengju

Honorary Consultant

Kent Chang Sun Xishun Fu Benqi Jin Xin

Consultant

Ren Hong Wang Feng Wu Zhijie Kitty Hu Alexandre Recchia

Editor

Chen Hui Jenny Lee Tina Tan Richard Li Hyde Zhao Jason Wung

Publisher

Zhengzhou Yutong Bus Co., Ltd.

Hereby we'd like to express our sincere gratitude to Dietrich Carebus Group, ChinaMotors and Pelican Engineering Company (Sales) Ltd. for their supports during the editing of this issue.

PREFACE

Trust · Passion · Innovation

The senior management of a company is the cultural management. All the excellent companies have excellent cultures as their foundation. Three words enable a company to last long, namely trust, passion and innovation.

Trust is the foundation

Three jobs are imperative for a steward. Firstly, set himself an example to others and trust in his staff. Stewards represent the company, only when the stewards set themselves as examples for others, will the employees fully engaged in their work. Secondly, a company also needs the trust of customers in operating the sales system, which is a two-way process. Following the requirements of Yutong's Five Main Guidelines, we need to truly understand and create the products and services that meet the needs of customers so as to win the trust and support of customers. As Maslow pointed out "love and belonging are the important psychological needs of people", which means only when this need is met, is it possible for people to achieve the "self-realization". In other words only when people have a sense of belonging, can they work initiatively and passionately. Last but not least, we need to strengthen the sense of trust and cohesion among colleagues, get them work synergistically and give play to team effectiveness, thus enhancing the sense of belonging to the company in the work.



Hu Fengju
Director of International Business

Passion makes the performance

The phrases of "enhance troop morale" and "charge at the head of one's men" often mentioned by us also reflect the ideas and methods of management. It is the management method to motivate the morale of soldiers while it is the leadership to lead them into assault. Such teams are able to win in the battle, and the successes always belong to such teams.

Innovation boosts the development

Technical innovation will bring a qualitative change and even a leap. In fact, besides the technical innovation, the innovation on business and cultural management will also bring significant improvement on efficiency and benefits. Teams full of confidence and passion will form a good atmosphere of supporting innovation, and the innovative achievements can boost the rapid and healthy development of business. Stewards need to tolerate the failure occurred during the innovation.

"Trust, passion and innovation" is easier said than done which needs to be thought about, done and guided by stewards carefully. Only when we deeply understand the cultural guideline of the company and implement it conscientiously, can the real excellent cultural atmosphere be formed, thus achieving the excellent cultural management, making the company stronger and getting our products better and better.

Contents



P04/05

Global Overview

P06/07

Facts & Figures

P08/09

Domestic

Help customers win customers

The state allots RMB350m to support the promotion of Yutong new energy buses

Yutong contributes to world's first city with two BRT ring-roads

P14/15

Product

Yutong EC9 school bus ready for the school beginning

P10/13

Overseas

Tour exhibition of Yutong buses in Russia in Q1

YUTONG FOR YOU

—Yutong launches new vehicle in Australia

P16/23

Interview

Interview with Pierre Reinhart

Interview with René RICHERT

Global Overview



Europe plans to save energy by 30% by 2030

European Commission approved a plan in July to address the climate warming, aimed to achieve the goal of saving 30% of the energy. The leaders of the member states will discuss this issue on the EU summit to be held in October this year. This program is proposed by Connie Hedegaard who is in charge of the climate, and Jose Manuel Barroso, former president of European Commission, is the supporter of the program. But the member states don't have great progress since they are worried about the energy-saving program might reduce the needed investment. Recently, Connie also received the support of the incumbent President of European Commission.

The European Commission plans to reduce 40 percent of greenhouse gas emissions and get 27% of energy consumption coming from renewable sources by 2030. But now Europe's energy supply has been severely affected by the Ukraine and Iraq crisis. The environmentalist Cloude said the EU's energy-saving program is still not enough, and its reliance on Russia and other unstable regions can not be relieved thoroughly. But Günter Odin, energy commissioner of EU, doesn't agree with this view, and said the goal of saving 30% is relatively realistic.



China and Germany unifies the charging standard of new energy vehicles

Along with the accelerated technical cooperation between China and Germany, the State Grid Corporation of China started the third round of tendering, and the charging industry chain that supports China's new energy vehicles is expected to attract more social capital.

On July 8, German Chancellor Angela Merkel, during her visit in China, delivered a speech on sustainable development at Tsinghua University, and launched the charging project of Chinese and German electric vehicles. Miao Wei, Minister of Industry and Information Technology, was present at the launch ceremony. It is learned that China and Germany will cooperate in the area of charging standards of electric vehicles and unify the related interfaces. BMW, Audi, Volkswagen, Mercedes-Benz, Chang'an and Brilliance are involved in, and will provide vehicles for test.

According to reports, there are four criteria for fast charge of electric vehicles with DC, namely the European standard, American standard, Chinese standard and Japanese standard respectively, which are not conducive to the scale development of electric vehicles. The cooperation of China and Germany in terms of the charging standards will play an active role in promoting the unification of charging standards of electric vehicles in the world.



Yutong Bus releases output and sales data of Oct. 2014

Zhengzhou Yutong Bus Co., Ltd releases its output and sales data of Oct. 2014.

	Oct. 2014(unit)	Jan- Oct.2014 (unit)	Y-o-y growth of Jan.- Oct.
Output	5,892	43,614	3.11%
Large Bus	2,320	18,613	5.55%
Medium Bus	2,614	18,906	-1.82%
Light Bus	958	6,095	12.70%
Sales	4,580	43,768	7.62%
Large Bus	2,288	18,768	6.01%
Medium Bus	1,780	18,711	0.98%
Light Bus	512	6,289	41.77%

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

From the above table we can see, 5,892 buses and coaches were delivered in October. From January to October, the accumulated sales volume reached 43,614 units, up 3.11 percent than the previous year.

Help customers win customers

Along with the proposal of the strategic concept of the "Silk Road Economic Belt", the areas along the Belt are ushering in the opportunity for accelerated economic development. As the top priority, the city has done sufficient preparation for transport. "The second line of Lanxin railway is going to be put into operation soon, Baolan passenger transport line is also under construction, and Xianyang International Airport has completed the second phase of expansion already. In the future, the building and optimization of a large transportation system will play an increasingly important role in boosting the economic development along the Belt," said a well-known professor of Chang'an University to the reporter. During the transformation period of economic structure, the transportation industry also needs to speed up the transformation and upgrading.

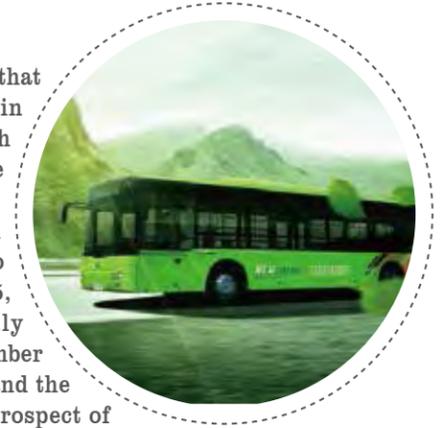
The commuter buses for Shaanxi Transportation Group are all Yutong buses. "As an operating company, we try to maximize the benefits when purchasing vehicles. But the customers we serve like Samsung company care more about the service level rather than the merely low prices," said Wang Jun, "Yutong buses feature superior quality and good ride comfort, and even our customers spoke highly of that." The good reputation of vehicles also enhances the attractiveness of Shaanxi Transportation Group to customers.



The state allots RMB350m to support the promotion of Yutong new energy buses

Recently, the Ministry of Finance allotted 350 million yuan to Henan province for the promotion of new energy vehicles for the first quarter of this year, which is specially used for the subsidies of Yutong new energy bus which are promoted in Henan province and other areas in China. Totally 1,288 buses got the state subsidies, covering nine bus models.

The statistics of the China Automotive Industry Association revealed that from January to April 2014, the sales volume of new energy buses in China's bus industry reached more than 2,700 units, among which 1,400 units were Yutong buses, accounting for more than 50% of the total. Its market share continues to rank the first in the industry. It is learned, Zhengzhou and Xinxiang of Henan province are listed in the first batch of a new round of demonstration cities in China to promote the application of eco-friendly vehicles. From 2013 to 2015, every city shall promote no less than 5,000 units of eco-friendly vehicles in three years. With the incentive of subsidy policies, the number of eco-friendly vehicles in Henan province has seen a rapid growth and the size of the market is expanding continuously. So the development prospect of Yutong eco-friendly buses will become brighter.



Yutong hybrid city bus

Yutong contributes to world's first city with two BRT ring-roads

The Bus Rapid Transit (BRT) route of the Third Ring-road was officially put into operation in Zhengzhou. The route adopted the largest city bus model in China - Yutong plug-in hybrid city bus ZK6180CHEVNP3, and the length of the bus reaches 18 meters.

The 490 plug-in hybrid city buses newly put into operation for the BRT route of ring-road include 180 units of Yutong 18-meter plug-in ZK180CHEVNP3 city buses for trunk route and 310 units of 12-meter plug-in ZK6125CHEVNP4 city buses for branch routes. This is the first time in China to apply plug-in city buses to the BRT route in large quantity.

The operation of nearly 500 Yutong plug-in city buses on the BRT routes of the Third Ring-road in Zhengzhou marks Zhengzhou city has become the first city in China and even in the world which has two BRT ring-roads, having the significance of milestone in the development of the city.



Yutong plug-in hybrid city bus on the BRT ring-road



Tour exhibition of Yutong buses in Russia in Q1

From April 3rd to 23rd, the tour exhibition of Yutong buses in Russia in the first quarter of this year was officially started and it was successively held in five areas including St. Petersburg, Samara, Ural district, etc.

Main leaders of local passenger transport companies and public transport companies as well as government's transportation departments were invited to the exhibition, such as St. Petersburg City Transportation Committee, First Transportation Company of St. Petersburg Leasing Company, NG & NG Engine Northwest Bureau, Almetyevsk Public Transportation Company, No.7 Transportation Alliance, Garsk Transportation Company and so on. The tour exhibition not only promoted Yutong brand in the local cities, but also learned about the market information in the local areas, laid a good basis for the cooperation with local transportation organizations, and improved the relationship with Yutong customers.

Based on the feedbacks from the customers during the tour exhibition, Yutong's sales staff contacted with the customers and invited some of them to visit Yutong plant in order to let them further know about Yutong's strength on R&D and manufacturing and provide an opportunity for both sides to know more about each other.

Up to now, nearly one hundred units of Yutong ZK6852HG CNG buses have been delivered to these five areas, some other transportation companies also said they would issue tendering or take one bus for trial operation this year. It is estimated that a considerable number of CNG buses would be sold in this year.

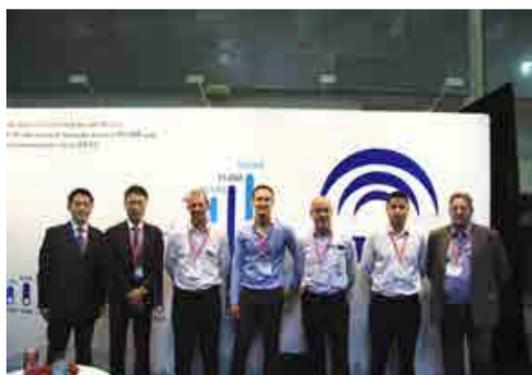




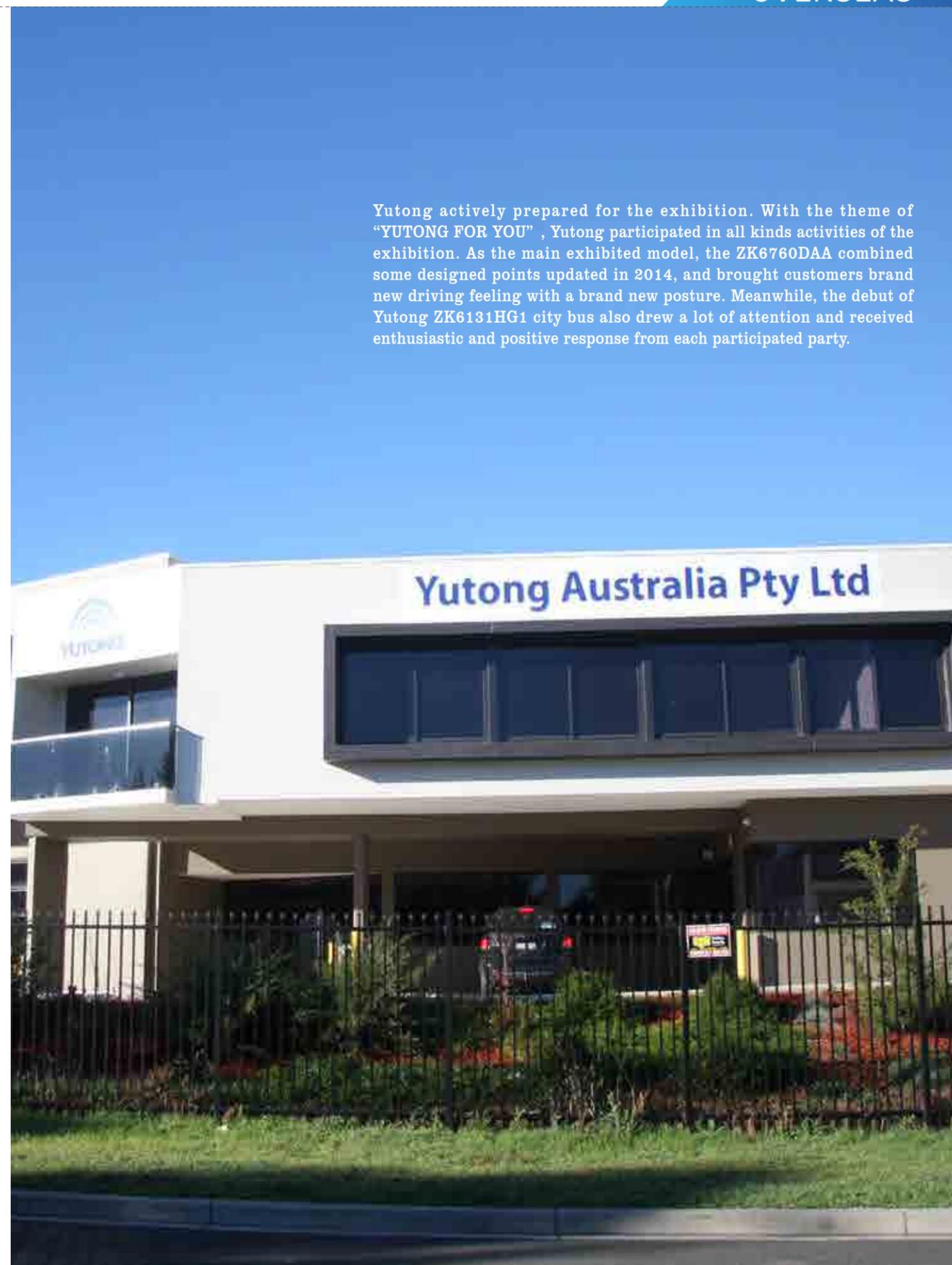
YUTONG FOR YOU —Yutong launches new vehicle in Australia

On September 29 - October 1, 2014, the only automobile exhibition in Australia in year 2014 was held in Brisbane, which combined the Sydney and Brisbane Automobile exhibitions together. This grand exhibition opened in a beautiful area - Gold Coast in Brisbane.

Like the previous exhibitions, this exhibition also organized a variety of exhibitions and corresponding official events. Here, China's domestic brands as well as manufacturers from Europe, Japan and South Korea were presented. Mainly organized for the local transportation department, bus passenger transport companies, tourism companies, bus associations etc., this professional bus exhibition provided a high quality and efficient platform for display, cooperation and communication, and was also a window to learn about the industry development trend and product design concepts of Australia's bus industry.



Yutong actively prepared for the exhibition. With the theme of "YUTONG FOR YOU", Yutong participated in all kinds activities of the exhibition. As the main exhibited model, the ZK6760DAA combined some designed points updated in 2014, and brought customers brand new driving feeling with a brand new posture. Meanwhile, the debut of Yutong ZK6131HG1 city bus also drew a lot of attention and received enthusiastic and positive response from each participated party.



Yutong EC9 school bus ready for the school beginning



From the two range of Yutong' s models proposed by the French importer Dietrich Carebus Group, there is the school bus EC 9, with a capacity of 39 seats + driver, we have tried it with the 6-in-line cylinder Cummins engine of 6.7 liter developing 280 hp.

Yutong has an advantage over its competitors: an undeniable cost performance which is their main strength. The will of DCG is not to commercialize the "Made in China", but the "Made by DCG" to the market.

Some models built on solid foundations and assembled with well-known equipments in Europe such as: ZF (gearbox, steering), Cummins (engine), Telma (retarder), Meritor (rear axle), Michelin (tires), etc.

The lines before rather old, were well rejuvenated: the shape is slim, notably with lights harmoniously integrated into the front panel. They rise on to the side till the lateral windows, making a good looking at the middle and front doors.

Nothing shocks neither the outside nor the edge. In spite of its 2.50 m width and a length of 9,35 m, the EC 9 welcomes passengers in a high comfort.

Passengers enjoy complimentary luggage racks, reading lights and individual air vents, four opening windows and a luggage compartment of 4.4 m3 volume. Impressive. Most of them are transversal.

All about the diver seat is also well seen. Nothing is lacked: display linked to the camera, heating and air conditioning controls (also well positioned and located just on the right of the dashboard), gear lever integrated into the board.



The central display signed ACTIA provides a wealth of information and diagnostics (levels of fuel, AdBlue, etc.). Among the other facilities including the on-board alcohol tester, autowatch, well-positioned controls, plus plenty of storage space... the last but not least: the driver seat has multiple adjustment, with on the side, an adjustable microphone.

In addition to fixed seats with headrests (there is backrest cover in standard), passengers can easily place their belongings in the luggage rack provided for this purpose.

If the vehicle is in a dark place or if it is night, the cabin has a central lighting (+ sides) . On each side of the luggage racks there are handles and stop buttons.

The air conditioning is 24,000 Kcal/h (with compressor Bock). In addition, the EC 9 has 2 roof hatches with integrated ventilator, a 'plus'!

The entrance is through a simple, swinging door, pneumatically controlled, and in the middle section, through a swinging double door.

The driver has a dashboard that extends itself with elegance. Even though it is quite narrow, it takes a lockable storage at the front door. Talking about the storage, we can see it almost everywhere: under the dashboard and at each side of the roof. Above the driver, there is the first aid kit and a deep storage case on the right (also locking).

Bottle holder, storage compartment and driver's side window opening complete the very well designed driving area.

The departure from the service station is made without any problem. A must in August. Paris ring road is crowded at the beginning, then smooth toward the tunnel in St. Cloud.





• **Pierre REINHART**

- President
- Dietrich Carebus Group (DCG)

Q

What aspects do the European customers care about while purchasing buses?

A

Today in France and in the Western Europe, the bus & coach market could be defined as mature. They are also markets in full economic and environmental evolution.

The western customers are also exigent customers. They know how to benefit from well installed brands with good reputation in our market.

The available vehicles, at least from the main brands, are with high quality, often extremely reliable, with a hard worked design and are able to fulfill the actual expectations of the customers.

So we are stepping in high competition markets where the notion of global quality, capacity of anticipating the new expectations, the view and also the services given to customers are becoming the main points to success in a long lasting implantation.

Q

Why did you choose to cooperate with Yutong? Please tell us about the process how you chose Yutong as your partner.

A

Under our strategy of development in France and in the Western Europe, we were looking for a bus & coach brand who will share with us a true dynamic and who will be capable to offer us a real partnership for the future.

Our ambitions, accorded to the evolution in our markets, were to be able to bring to our customers products, a range and especially a brand and a cultural company capable to adapt to these new data and also capable of forecast with a strong capacity in R&D.

Thenceforth we established accurate specifications to guide our research (industrial capacity, investment capacity in R&D, experience in the coach market, product quality, listening capacity and review capacity facing to the market evolution, human quality, company vision, ambition in the European market...

These specifications have given us the opportunity to meet with different potential partners, with whom we could freely exchange our points of view and the ambitions of each other.

At the end of this first step, Yutong revealed itself obviously.

Apart from the strength and the experience, it was mainly the quality of the men and women we met who convinced us that it was possible to build a real shared future together.

QUESTIONS ANSWERS

Q What are the advantages and disadvantages of Yutong products compared with other European counterparts? How did you get customers to accept Yutong products?

A No company whatever which one it is can imagine only to have advantages, and it is obviously the case for Yutong as for DCGroup.

More than a simple addition of strength and weaknesses, we are more interested by the capacity of the company to question itself and analyse his market, his position, his products, and his capacity to go over itself to face the future, his capacity to listen and to learn to build the future.

Of course, no one could be able to question the advantages of Yutong in terms of industrial capacity and R&D: the numbers are speaking for themselves. It's simply the number one in the world.

Undisputed worldwide leader, today Yutong is perfectly capable to come over the Western European markets. Accompanied by a company like us in this step, it benefits from physical location, anteriority and history on the market, experience and above all knowledge of the culture and the special expectations from the European customers.

The main weak point of Yutong today is, mostly in the mind of the Europeans, that a Chinese company which makes Chinese products... Unfortunately the conventional ideas are strong and they must be taken into consideration. They know how to better face, fight against and prove that China and companies in this country are capable to offer anything other than the low quality products.



It is a matter of image that Yutong have to face, which is his biggest challenge. We need, at our modest step (because it is principally the goal that all the Chinese company have to aim...) to build an upgraded image of the Chinese products by enhancing the quality.

It is for sure a long-term work which requires important investment, a real "integration" strategy, influence and true constant actions. That in the future the Chinese products will be considered by their simple quality and not polluted by the received idea which is not corresponding with the reality of today. That in the future the Chinese companies will be accepted for their knowledge and their capacity to progress on the markets where they are interfered in.

We, Yutong and DCG, are particularly aware of it and will work together without any fail to reach this main target.

Tomorrow and at right title, the Chinese vehicles will be considered as a real true value in Europe, and at the same title as well as the best coaches from European brands.

Q Since there are big differences between the European standards & regulations and Chinese ones, how do you think the Yutong products need to be adapted in order to better meet the requirements of the European market?

A The adaptation of the Yutong vehicles to the European standards is of course the key to the success for the brand in this part of the world. And it is all the strength of our "competence association": together be capable to, due to the industrial capacity and R&D of Yutong and the perfect knowledge of the market of DCGroup, bring the best solution, so that the Yutong vehicles will be not only adapted to the European standards but above all be capable to bring the plus and the best to our customers.

It is one more tile for all the benefit and the interest of our partnership.

Q How do you see the development trend of the European bus market? And what is your expectation on Yutong's development in the European market in the future?

A The French and European markets in terms of passenger transportation are since few years in a complete mutation. The rarity and the cost of the fossil energy, the recurrent economic difficulty, the ecological urgency... Everything is coming nowadays to a profound question how the government and our customers are seeing their job. To be adapted to these new data in short term is not only essential but it is also a question of life and death for the companies in this sector.

To keep on going with the old way of seeing the passenger transportation, is a waste, instead everything is changing around us. It is by the imagination that we will adapt ourselves to these new conditions.

And it is the Yutong power that takes all its meaning, industrial capacity, strength in R&D, advancement in the new energies... Everything is here for Yutong to approach the future serenely.

Being today in the Western on, as we said above, the DCG to impose a new view of our markets.

Being set up tomorrow and European markets (and our capacity to anticipate and and economical mutations

European markets depends capacity of Yutong and the Chinese vehicles in

lasting in the Western worldwide) depends on follow up the ecological that govern our markets.



Q The European customers care much about the service. What steps will you take to meet the requirements of customers on service?

A The service is a basic data for the success of a brand in France and Europe. The service is the heart of DCG's strategy in France since the inception of the company in the 1920s. The service is what allowed us to be long-lasting implanted in our markets. The service and the warranty of service are what make the difference in the eyes of our customers.

DCG is well known and recognized for the quality of their services before and after the sales. Our locations in the French territory, our field technicians, the quality of advices given to transporters... Everything is set up for insure our customers and give them the trust in our group and at the same time in the brand that we are selling.

To set up Yutong in our territory, we are applying and will apply the same service strategy.

It is again one of the major keys to success in France and Europe.

Q Could you please tell us about your deepest feelings during the cooperation process with Yutong?

A The feeling which is present since the beginning of the partnership with Yutong is a feeling of trust and mutual understanding. I talked about the quality of the human at the really beginning of this interview. This adventure is before all a human adventure. I and we have found (DCG teams) in front of us, not only real professionals but also men and women with great quality, sincerely listening and being engaged every day to develop what I would call a real "partnership action".

The industrial strength is one thing, but the men and women's quality who are giving themselves to a company is another thing. One does not go without the other. One insures the other.

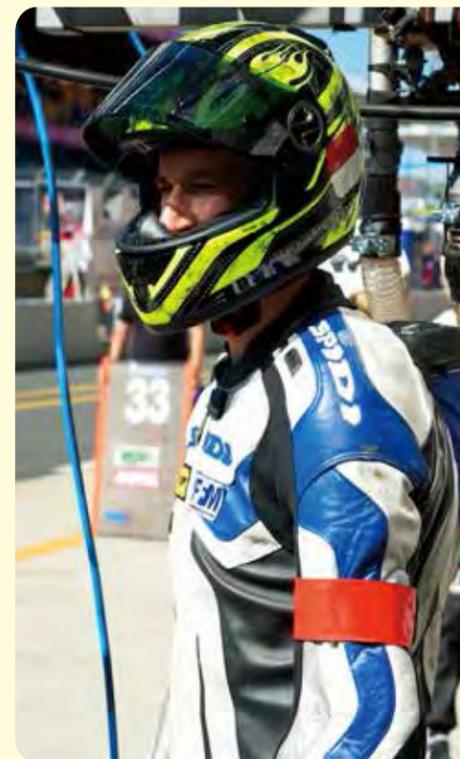
In Yutong, we really found a partner with whom we know that we can make big things.

INTERVIEW



• **René RICHERT**

- Product development & quality manager
- Dietrich Carebus Group (DCG)



Q What kind of demands do the European customers have on bus products?

A The European customers are becoming more and more sensitive in terms of products, like they always want to have the vehicle that does not exist. As well as the transport branch is becoming tougher every day they want to carry the maximum passengers for the lowest cost of ownership. From a more technical point of view I would say that Western Europe is a very open market and all the products are needed, when I say all I mean that more and more the trend is going to new energy.

Q Can Yutong's current products meet such demands?

A With the current Yutong products freshly developed in Euro 6 we are able to cover 50% of the coach market as they are school and intercity vehicles, I'm not hiding you that the other 50 missing percentages are under development.

Q What do you think of the advantages of Yutong's products?

A The Yutong products have many advantages, I mean the electrocoating is for sure the best way to guarantee the durability of the body, but if I speak from our new products we have many more, like seat capacity, design, option flexibility, well-known and powerful DAF engine, clever and nice interiors, modern dashboard, good Yutong front axle, etc.

Q

Which aspects of the products still need to be improved?

A

What Yutong still needs to work is just the continuation of what has already been started, this means to use more new generation materials for weight reduction and as well fine tune some applications according to the customers' feedback. Here I speak about products already delivered and ongoing busses. If I would speak about global improvement then I would say that with the newly coming electronic systems and as well new energy busses, Yutong has to be in front of the competition in order to pull the market and to be always one step ahead of the competition.

Q

How do you see the development trend of the European bus market in terms of the technology?

A

This question is very interesting because I don't have a crystal ball but nevertheless I could tell you my idea about it. The European market is moving each day more to new energy products and to maybe other type of vehicles. To be more precise I would say that currently running in Euro VI since some months we are already pushed to Euro VII or who knows to alternative powertrains. On another side is the safety of the passengers which is a big point and the multiple systems that will have to be installed are awaited.

Q

In your opinion, what is the development direction of Yutong's products for European market in the future?

A

It is more than my opinion because as I'm directly involved in "Create our future". I could say that the first stones of the road are already laid. New energy like hybrid, plug-in hybrid, full electric or fuel cell will be for sure the way to push, this is not only for city buses but also for school busses or intercity buses that are running short trips.

Q

As far as I know, you like motorcycling very much, which is different from our conventional impression on technical personnel. How do you balance your work and life?

A

I was awaiting that question, from my point of view you cannot play Guitar without liking listening music and in bus development is exactly the same thing. Motorbike is for me the music in weekend or in the days off business. To build a bus you have to be a team and work together, for motorbike racing is the same, as not only the pilot is involved but also all the team behind. Without team you are not going to win. Same in the racing you are always pursuing for performance, weight reduction, optimisation, power etc. It is same with buses: a good bus is the one that has something more than the competition which makes you win. So I could say even I'm off work I'm still thinking on our busses.



INTRODUCTION



Dietrich Carebus Group is a family company founded in 1921. Since then, the company keep his vision which is giving the best to the customers, in terms of quality, services, parts, advices and so on. DCG and Mr Pierre REINHART, are proud of the family vision of the company, and this vision is not only within the company but also within the partners. DCG is the exclusive dealer of Yutong, Tamsa, and his own made products Ingwi. DCG is not only selling the vehicles, it also insures the before and after sales, the services and maintenances, the spare parts distributions, the financing and so on, in short, everything that makes the customers' life the easiest.

dcg
Dietrich
carebus GROUP

Yutong for you



Yutong, your trusted partner

As the world's major bus and coach supplier, Yutong is a large-scale enterprise mainly specialized in bus business and also covers areas of construction machinery, special vehicles, auto parts and components, real estate and other investment business.



ZHENGZHOU YUTONG BUS CO., LTD.

Add: Yutong Industrial Park, Yutong Road, Guancheng District, Zhengzhou, China (P.C.: 450061)

Tel: +86 371 6671 8999 Website: www.yutong.com E-mail: sales@yutong.com