



BBA, July 2014

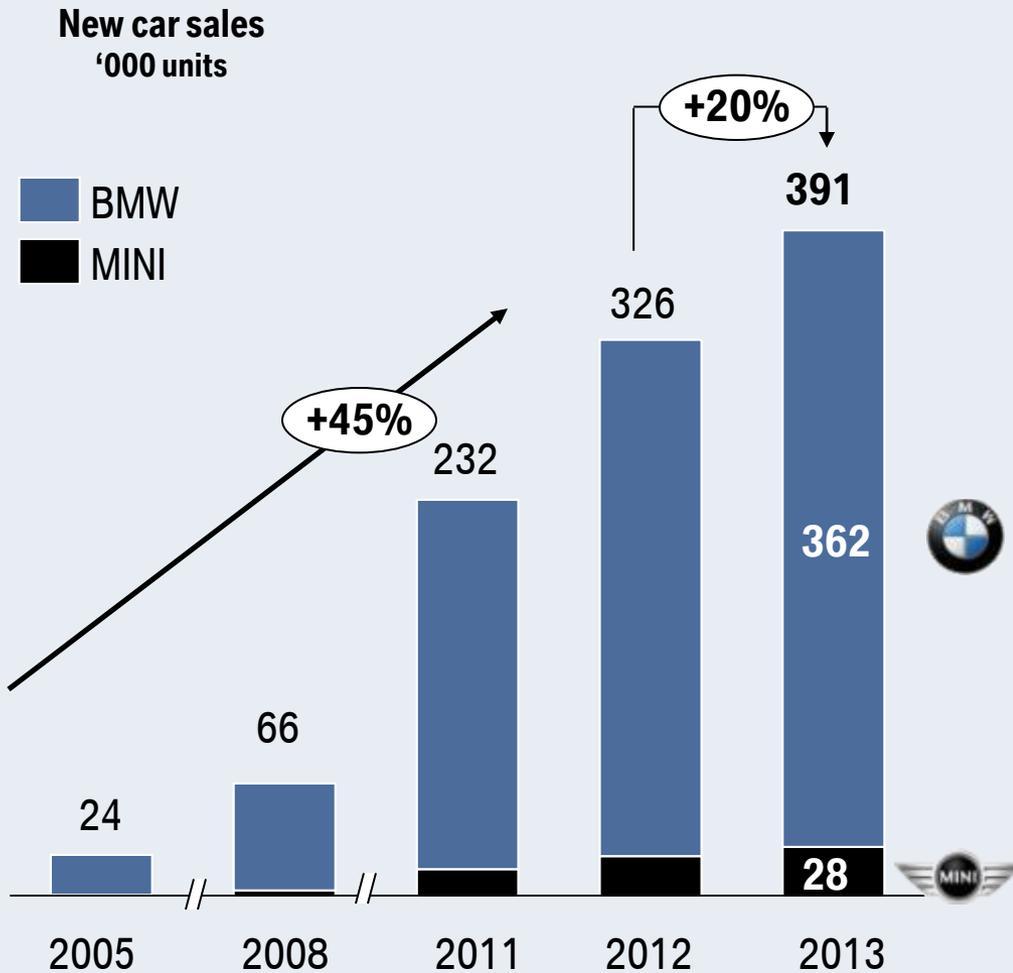
# BMW BRILLIANCE AUTOMOTIVE: SUSTAINABLE FUTURE GROWTH WITH STABLE PROFITABILITY. SHENYANG, JULY 2014.

**OLAF KASTNER, PRESIDENT AND CEO.  
DR. ANTON HEISS, SVP TECHNOLOGY AND MANUFACTURING.**

BMW Brilliance Automotive



# BMW BRAND EXPERIENCED FAST SALES GROWTH AND GREAT SUCCESS IN CHINA IN RECENT YEARS.



# OVER TEN YEARS OF MARKET EXPERIENCE. BMW GROUP IN CHINA.



# BMW GROUP AND BRILLIANCE AUTO GROUP.



## BMW Group

Three brands, one vision. Thanks to our uncompromising focus on premium, BMW Group automobiles and motorcycles inspire more people around the world today than ever before.

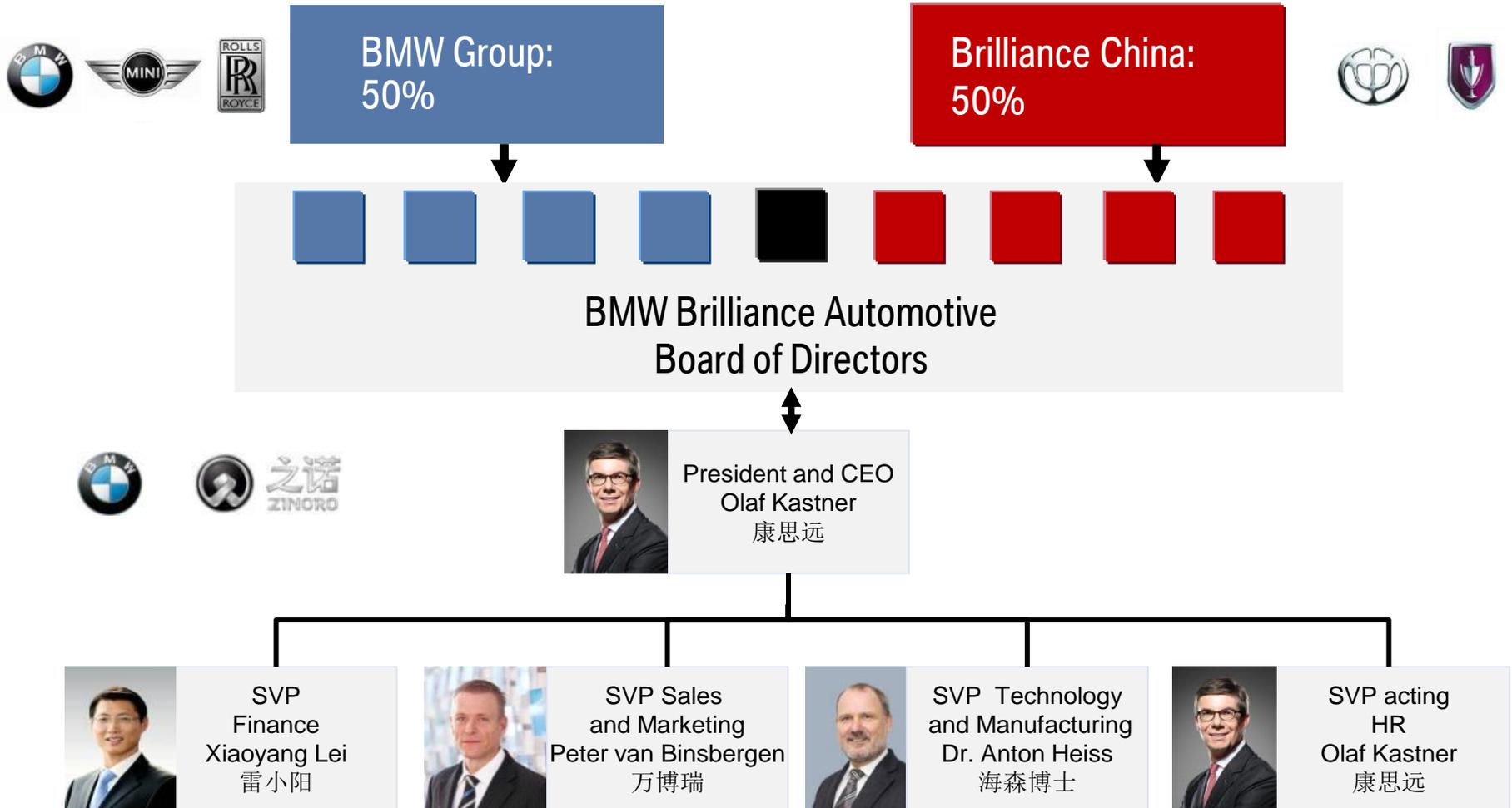


## Brilliance Auto Group

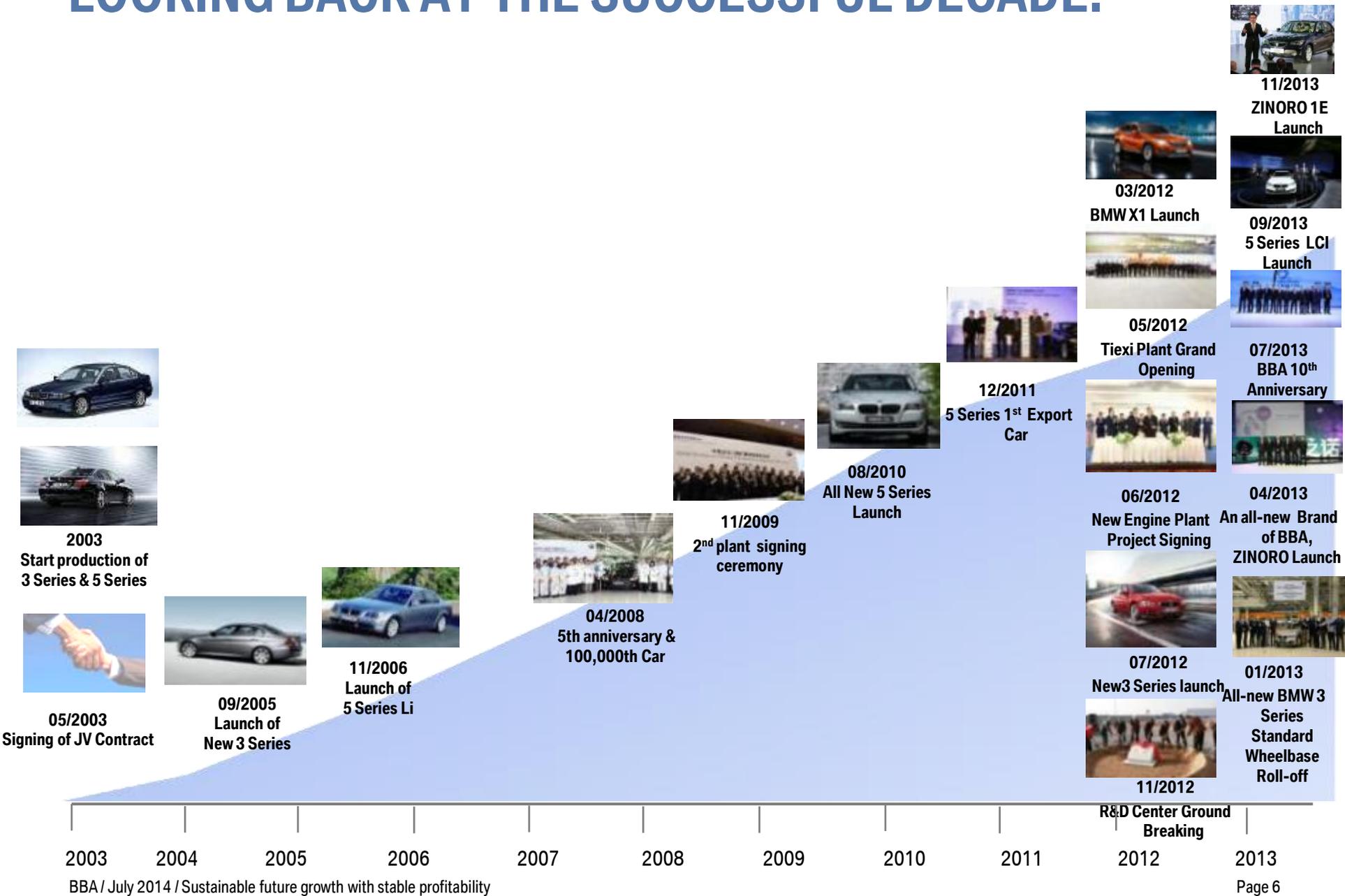
Brilliance Auto Group was approved by the government of Liaoning province in 2002. This young growing automobile manufacturer has become a large scale enterprise of RMB 30 billion assets and 35,000 employees, which produce complete vehicles, automotive parts, core automotive parts R&D, design, sales and finance management.



# PARTNERSHIP AND BALANCE. THE ORGANIZATIONAL STRUCTURE OF BBA.



# LOOKING BACK AT THE SUCCESSFUL DECADE.



# BMW BRILLIANCE AUTOMOTIVE AT A GLANCE. INTERNAL SUCCESS FACTORS.

## PEOPLE

Number of Associates: 13,000 (up to +10,000 in the last 4 years)



## PRODUCTS

Retail Sales in 2013: 198,600  
(over +150,000 units in the last 4 years)



## PRODUCTION

Tiexi + Dadong + Powertrain + NEP





# BBA IS AN ATTRACTIVE EMPLOYER WITH DEVELOPMENT OPPORTUNITIES WITHIN BMW CHINA.



**BE THE STRENGTH  
BEHIND THE TEAM.**

PURSUE YOUR PASSION, DRIVE YOUR CAREER.



**BE THE BRAINS  
BEHIND THE OPERATION.**

PURSUE YOUR PASSION, DRIVE YOUR CAREER.



**BE THE SPONSOR  
BEHIND THE DREAM.**

PURSUE YOUR PAS

**PURSUE YOUR PASSION,  
DRIVE YOUR CAREER.**



**BE THE MASTER  
BEHIND THE TECHNOLOGY.**

PURSUE YOUR PASSION, DRIVE YOUR CAREER.



**BE THE POWER  
BEHIND THE SALE.**

PURSUE YOUR PASSION, DRIVE YOUR CAREER.



**BE THE TALENT  
BEHIND THE FUTURE.**

PURSUE YOUR PASSION, DRIVE YOUR CAREER.



**BE THE INSPIRATION  
BEHIND THE INNOVATION.**

PURSUE YOUR PASSION, DRIVE YOUR CAREER.



# QUALIFIED PERSONNEL AND SUSTAINABLE MOTIVATION FOR ASSOCIATES BUILD THE BASIS.



**Employer Branding and Attractiveness.**



**Creative HR Marketing and Recruiting Strategy.**



**Leadership as main success factor for all HR Challenges.**



**Qualification, Training and Young People Development.**



**Open-minded workforce with Diversity, Localization and Globalisation.**



**Systematic Retention Management.**



**Competitiveness and Sustainability**

# CREATING OUR CULTURE. BBA'S 5 LEADERSHIP ELEMENTS.



信任. 激励. 开放. 关爱. 超越  
Trust. Inspire. Open. Care. Go Beyond

**信任.**  
**TRUST.**

可靠笃行, 共襄互信。  
WE AT BBA BUILD TRUST THROUGH  
RELIABILITY AND INTEGRITY.

BMW之悦.

**激励.**  
**INSPIRE.**

不断激励, 共创未来。  
WE AT BBA INSPIRE TO CREATE THE FUTURE.

BMW之悦.

**开放.**  
**OPEN.**

开拓进取, 与时俱进。  
WE AT BBA OPEN OUR MINDS TO EMBRACE  
CHANGE AND BROADEN OUR HORIZON.

BMW之悦.

**关爱.**  
**CARE.**

金心关爱, 以人为本。  
WE AT BBA CARE ABOUT PEOPLE AS OUR  
MOST VALUABLE RESOURCE.

BMW之悦.

**超越.**  
**GO BEYOND.**

全力以赴, 勇于超越。  
GO BEYOND TO REALIZE OUR FULL POTENTIAL.

BMW之悦.



# JOURNEY TO EXCELLENCE TARGETS BETTER IMPROVE PROCESSES AND ENABLE PEOPLE TO BUILD THE FOUNDATION TO ENABLE FUTURE GROWTH.

## JOURNEY TO EXCELLENCE



### More efficient & effective processes

- Enhanced productivity
- Shorter throughput time
- Higher first time right ratio
- Better outcome



### More enabled & satisfied employees

- Enhanced team capabilities
- Motivated employees



# CSR ACTIVITIES IN CHINA.



## BMW CHINA Corporate Citizenship

### 资源创新 / Resources



Contribute to the sustainable development of China by promoting innovations for resource efficiency and sustainable resource use with social benefits via using company core competences.

- Yushu ecological environment protection
- 5S dealership

### 文化交流 & 社会融合 / Intercultural Innovation & Social Inclusion



Promote cross-culture understanding and social inclusion.

- BMW China Culture Journey
- BMW JOY Home
- BMW JOY Future
- Yushu Care Initiative

### 教育 / Education



Provide engaging road safety and general safety education

- BMW Children's Traffic Safety Education
- BMW Brilliance Quality Education Open Course



### BMW Warm Heart Fund

### BMW China Corporate Citizenship Platforms

→ With Fund support, project initiation and process partners engagement



# BMW BRILLIANCE AUTOMOTIVE LTD. OVERVIEW PRODUCTS.

BMW 3 Series



BMW 5 Series



BMW X1



N20 Engine



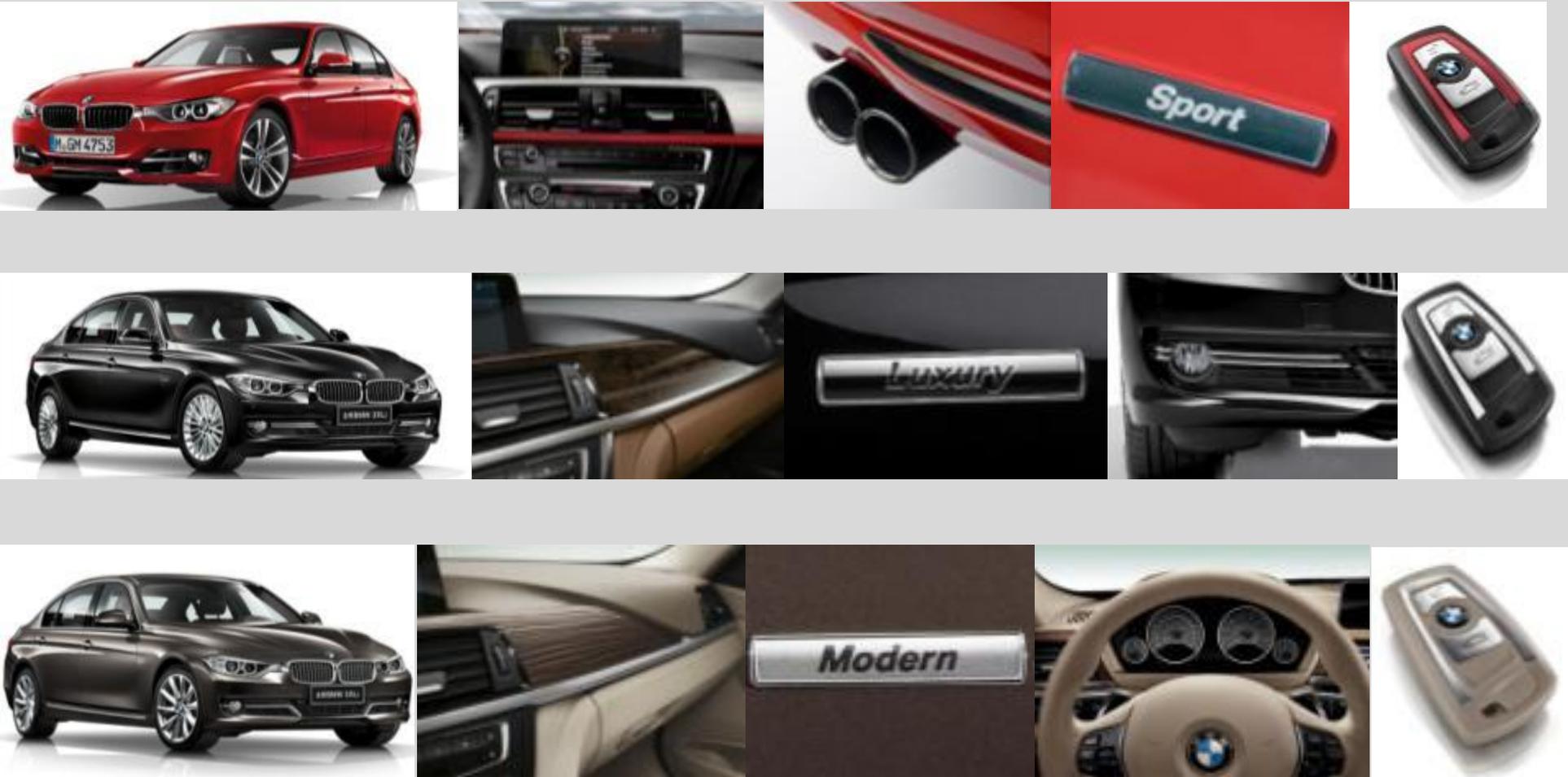


# HUGE SUCCESS OF 5 SERIES LI SEDAN LONG WHEELBASE.





# SUCCESSFUL 3 SERIES SINCE LAUNCH.





# BBA LOCAL BRAND ZINORO. COMMITMENT TO THE CHINESE MARKET.



Symbolize **commitment, cooperation** and **trust**, within the future key market growth segment – the NEV

The 1st product, 1E, debuted on 2013/11/20 before Guangzhou Auto Show, with the first Chinese premium BEV locally produced in China



Rental as business model for the first product generation - with short- & long-term rental options



# BBA R&D CENTER. MARKET SPECIFIC DEVELOPMENT ESTABLISHED.





# BBA PRODUCTION CAPABILITIES. VEHICLE CUSTOMIZATION TO SUPPORT CUSTOMER SATISFACTION.



# BMW BRILLIANCE AUTOMOTIVE LTD. OVERVIEW SHENYANG PRODUCTION LOCATIONS.



## Plant 19.87 Powertrain

- Area: 90,000 m<sup>2</sup>
- Workforce: ~ 1,100
- SOP: March 2012



## Plant 19.89 NEP

- Area: 900,000 m<sup>2</sup>
- SOP: 2016

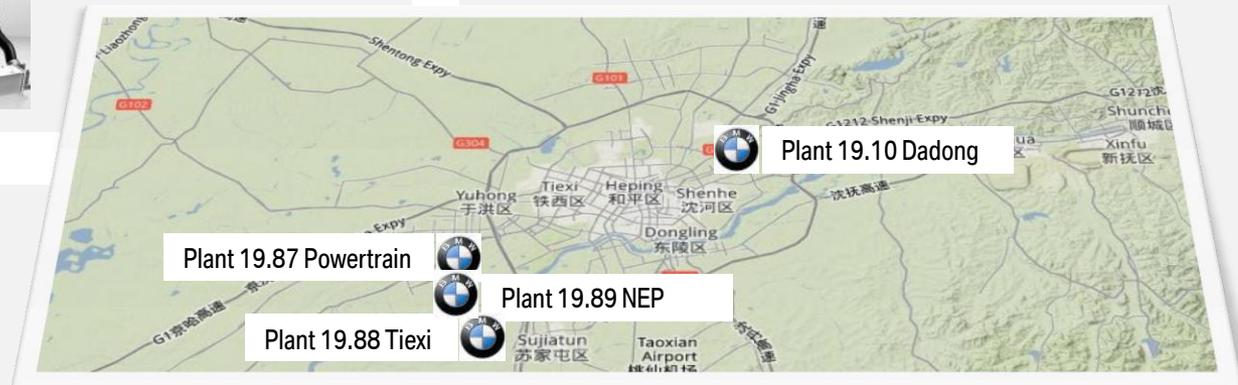
## Plant 19.10 Dadong

- Area: 270,600 m<sup>2</sup>
- Workforce: ~ 6,000
- SOP: May 2004



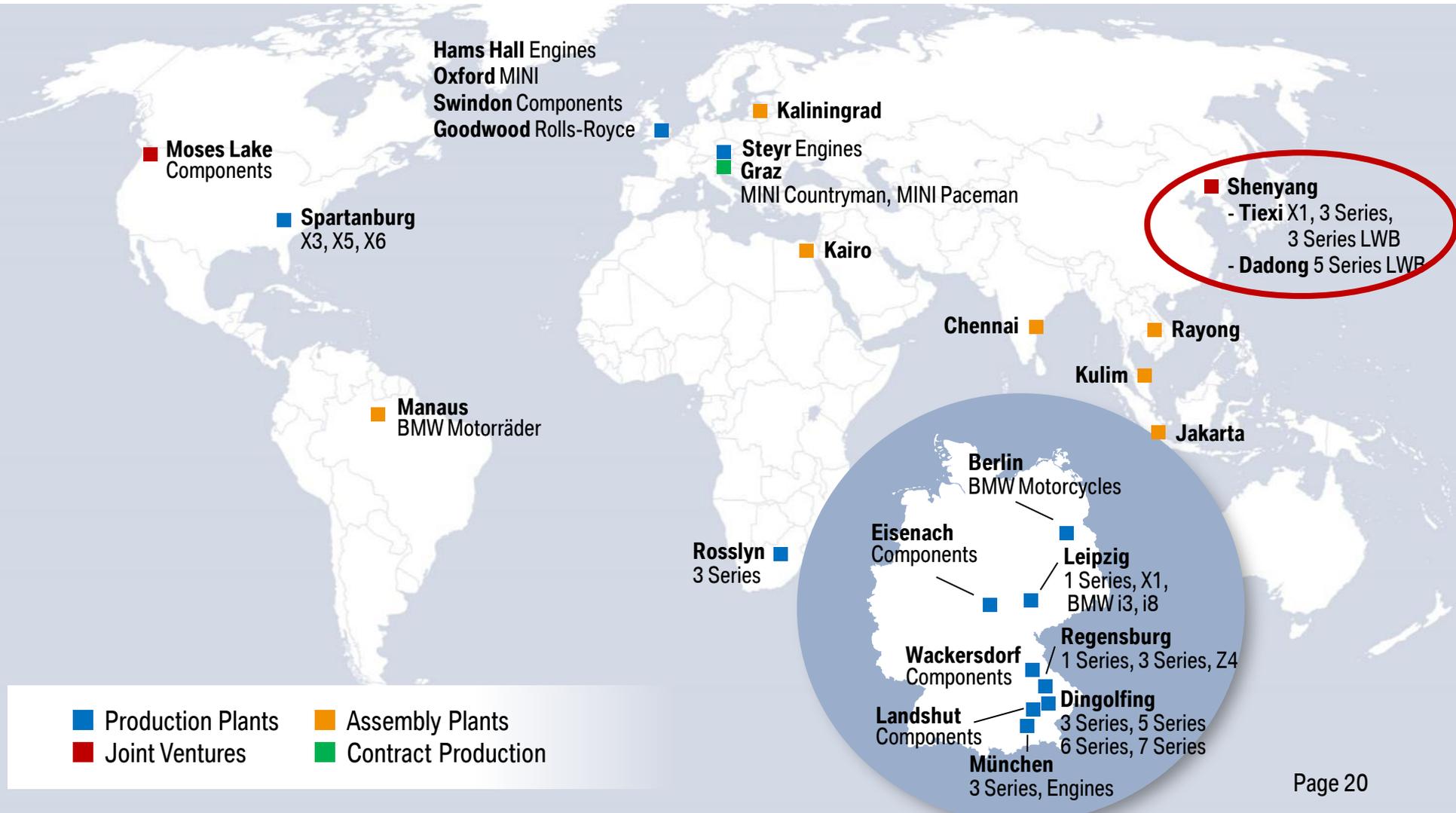
## Plant 19.88 Tiexi

- Area: 2,070,000 m<sup>2</sup>
- Workforce: ~ 4,500
- SOP: December 2011

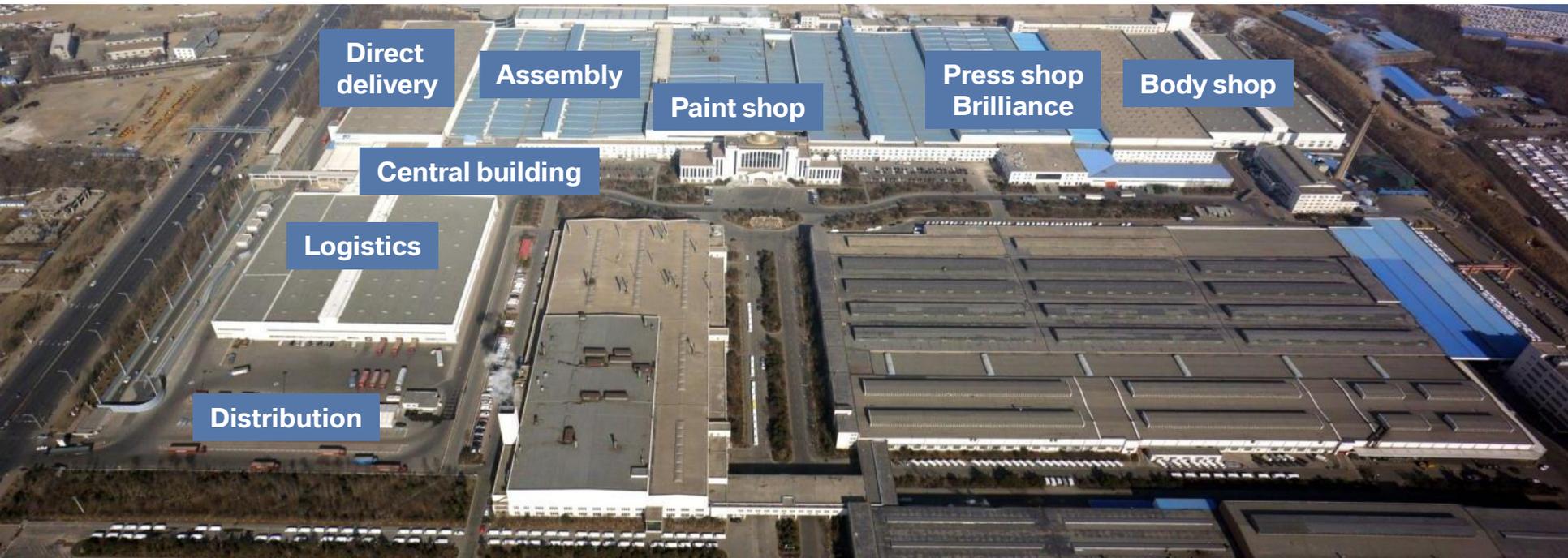




# BMW BRILLIANCE AUTOMOTIVE A FULLY INTEGRATED PARTNER WITHIN BMW GROUP PRODUCTION NETWORK.



# OVERVIEW PLANT DADONG. BBA FIRST PLANT IN SHENYANG.



# PLANT DADONG TECHNOLOGY. BODY SHOP.



# PLANT DADONG TECHNOLOGY. PAINTSHOP.



# PLANT DADONG TECHNOLOGY. ASSEMBLY.



# BBA PLANT TIEXI. OPENING IN 2012.



# PLANT TIEXI TECHNOLOGY. PRESS SHOP.



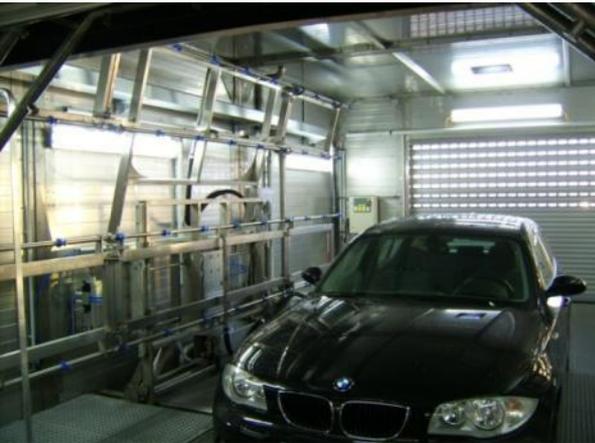
# PLANT TIEXI TECHNOLOGY. BODY SHOP.



# PLANT TIEXI TECHNOLOGY. PAINT SHOP.



# PLANT TIEXI TECHNOLOGY. ASSEMBLY.



# BBA PLANT POWERTRAIN. OPENING IN 2012.



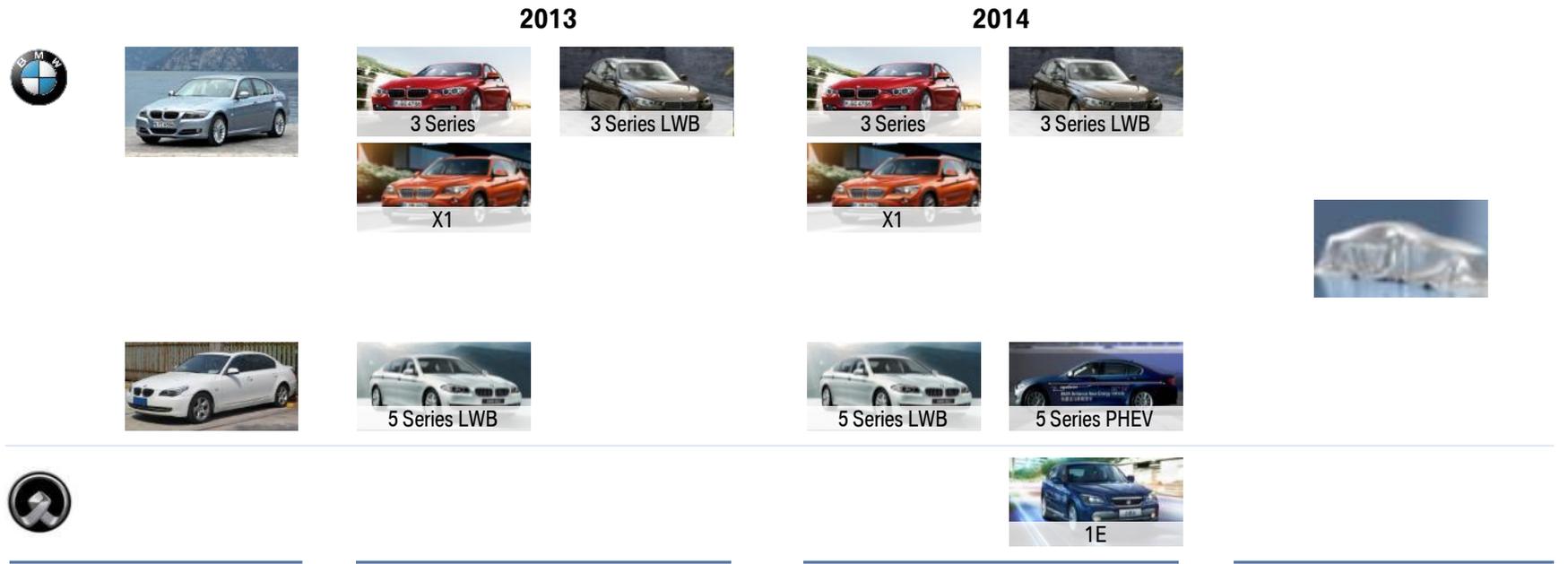


# BBA PLANT “NEP” – NEW ENGINE PLANT. START OF PRODUCTION IN 2016.





# WITH CURRENT ACTIVITIES WE ARE SETTING THE GROUND FOR OUR FUTURE.



**2** derivatives

**4** derivatives

**6** derivatives

more derivatives

Processes were designed when we were small.

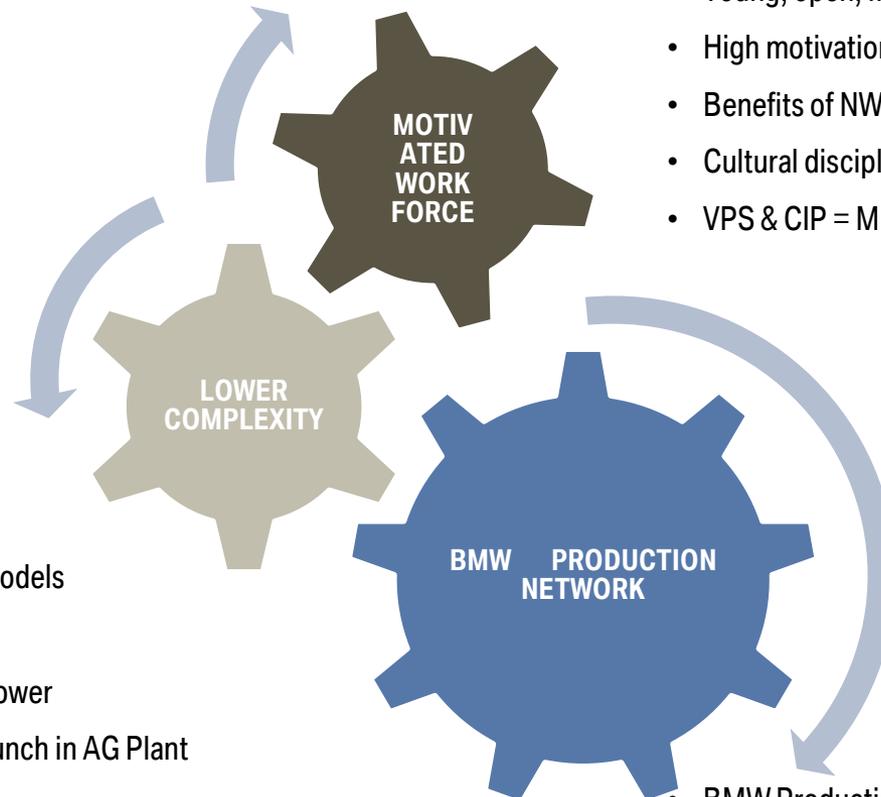
As we grow, scale and complexity grows.



We optimize our processes to support future growth.



# STABLE GOOD QUALITY RESULTS AND HIGH DIRECT RUNNER DUE TO HIGHLY MOTIVATED WORKFORCE, LOWER COMPLEXITY AND PRODUCTION NETWORK.



- Young, open, flexible
- High motivation to learn and grow
- Benefits of NWS, PDCA, JDPower quickly understood.
- Cultural discipline = Potential for Standard Work
- VPS & CIP = Mindset

- Plants with only 1 or 4 Models
- Low option flexibility
- Automation level partly lower
- Model launches after launch in AG Plant

- BMW Production Standards implemented
- AG Expat team for growth and competence build up
- BMW processes NWS, PDCA, JDPower, etc.
- Further Network Integration with Resident Teams (W2 & W10)



# THE APPROACH CONFIRMED BY J.D. POWER.

BMW 5 Series Li  
Ranked No.1  
J.D. Power IQS 2010



BMW 3 Series  
Ranked No. 1  
J.D. Power IQS 2011



BMW X1 Series  
Ranked No. 1  
J.D. Power IQS 2013

