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## BMW GROUP SETS UP PARTS DISTRIBUTION CENTRE AT PTP

BMW Group Malaysia today held the groundbreaking ceremony of its new Regional Parts Distribution Centre here at Port of Tanjung Pelepas (PTP) in Gelang Patah, Johor Darul Takzim.

BMW Group Malaysia Managing Director, Mr. Wolfgang Schlimme, said that the new facility was a cornerstone to the company's Asia strategy, as the BMW Group pursues its twin goals of expansion and growth. "BMW Group aims to double its sales in Asia within the next five years and, naturally, the new Regional Parts Distribution Centre is central to providing the platform for that increase," said Schlimme.

The new Regional Parts Distribution Centre located at PTP will have a capacity of 15,000 sqm for warehousing and is expandable to 18,000 sqm should the need arise. The Regional Parts Distribution Centre will serve 19 markets in the Asia Pacific region.

The total investment for the new Regional Parts Distribution Centre, anticipated to begin operations in August 2004, is about RM 36.7 million (EURO 8.15 million). The facility will occupy approximately 10.84 acres of space at PTP; with 1,100 sqm to be used as office space.

"Malaysia provides the ideal environment for growth as it is led by a forward-thinking government and possesses a strong future-based economy, a well-educated population and modern infrastructure for effective communications and governance."

"This centre will further raise the profile of Malaysia in the region and across the world as on a daily basis, the BMW Group in Asia and all of its customers will be dependent on us for smooth delivery of parts and accessories. It also sends a clear signal to other multinational corporations, about the BMW Group's confidence in Malaysia," added Schlimme.

According to BMW Group Senior Vice President, Parts and Accessories, Mr. Christian John von Freyend, the BMW parts business has been performing strongly, in tandem with sales of new cars. "BMW Group's parts business has grown by 82.7 % in the past 10 years. Total profits in 2002 for the parts business was recorded at EURO 2984 million, compared to EURO 1633 million in 1993," he said.

"The building of this Regional Parts Distribution Centre will allow us to create more jobs for people here while of course also giving more business opportunities to local partners. We are confident that we will have access to a very talented and well qualified workforce," added John von Freyend.

PTP CEO, Datuk Mohd Sidik Shaik Osman added that "We welcome BMW's entry into S.E. Asia's fastest growing hub. With this entry, PTP has taken a significant step forward in our efforts to establish PTP Free Zone as a leading distribution and logistics center. Aside from the additional volumes expected from the Parts Distribution Centre, BMW's entry demonstrates market confidence in PTP as a leading hub".

The BMW Group encompassing the brands BMW, MINI and Rolls Royce has proven its diverse wealth of potential in recent years as it pursues its strategy of becoming the No. 1 premium automotive maker. It continues as a global player thriving on its key strengths: its products the power of innovation, the drive for new solutions and leadership in technology and performance.

This drive extends beyond its products and includes the way in which it does business. This area of after-sales is another area in which the BMW Group has distinguished itself.

"Aside from building fantastic cars, we invest very heavily in the highest quality of logistics, warehousing and systems. This is to ensure that we can deliver truly premium service to all our customers around the world," said John von Freyend.

BMW Group Malaysia, which officially began operations on August 1, 2003, is currently building its headquarters in Cyberjaya with a state-of-the-art facility which will also house the Regional Group Data Centre. The latter is one of only three in the world and will serve the entire Asian region. Combined with the new Regional Parts Distribution Centre and other investments, BMW Group's investments in Malaysia total at RM 92.74 million (EURO 21.55 million).

"This is part of our continued investment here in Malaysia. We chose Malaysia as the focus of our investments in the region because we recognize that it is a key market for us," said Schlimme. "To be able to call yourself a truly premium company, this ethic must be reflected in everything that you do. At BMW, that is our philosophy and this PDC must be seen in that light. Our passion for excellence and technology extends to all our systems and processes so that ultimately, our customers can be sure that they are getting the best," he added.

## **Background Information**

### **Port of Tanjung Pelepas (PTP)**

PTP, South East Asia's fastest growing port, is strategically located at the southwest shoulder of Johor with a minimum diversion time from the confluence of the main international shipping lanes. PTP's strategic location presents significant geographical advantages through its deep waters, sheltered bay and wide access channel. PTP offers 6 berths of 360 metres each totaling 2.16 km in length backed by one of the largest container yards in the region with a storage capacity of 110,000 TEUs. PTP growth has been the fastest in the region with year 2003 volumes expected to exceed 3.4 million TEUs, a 27% growth from year 2002's 2.66 million TEUs.

### **BMW Group Malaysia**

BMW Group Malaysia encompasses BMW Malaysia Sdn Bhd and Asia Technologies Sdn Bhd. BMW Group Malaysia activities cover the wholesale of BMW cars, spare parts and accessories, as well as the overall planning of sales, marketing, after-sales, and other related activities in Malaysia. Asia Technologies is responsible for the operations of the group's Group Data Centre in Cyberjaya and the Parts Distribution Centre to be built in the Port of Tanjung Pelepas.

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