

# Newsletter

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Dr. Marco Schröter,  
CFO, Member of the  
Board of Management,  
Schenker AG.

## Dear Readers,

It has been one of the biggest challenges for employees and management in 2006: the integration of Schenker and BAX. At the end of this year, we may say that we have reached our important milestones according to plan, and continue to be on good course. Our joint teams are cooperating successfully, in the Americas, in Asia and in Europe, for the benefit of our customers.

And in parallel to growing more and more together, becoming one organization, our network is also growing continuously: in Korea, we opened our new Korea Logistics Center, in the Free Trade Zone of Incheon International Airport (read more on page 4). In Indonesia, Schenker will take over the operations and activities of former partner BAX Global Logistik. The combined company will have a workforce of over 400 staff in nine locations, and has just opened a new modern warehouse at the airport in Jakarta. And in the Philippines, BAX Global inaugurated the Cebu Logistics Center, offering a wide range of services to customers from industry and commerce. (More on page 6.)

In this issue of Schenker Newsletter, you will find information on several new customer solutions. E. g. for BOC Edwards a world leader in vacuum technology. BAX Global has been the exclusive provider of air and sea freight for this customer. Now, our joint organization has broadened the service offering to BOC Edwards by adding a complex mix of road transport services throughout Europe (see page 8). Schenker will also be responsible for the supply chain of customer Targus, a market leader for

notebook carry cases, and his products (more on page 9). And for Fujitsu Siemens, Schenker has taken over a two-step approach to significantly improve the quality and efficiency of the spare parts supply service (pages 10 and 11). And Samsung Electronics Australia, a BAX Global customer since 2002, recently renewed its trust in the existing service relationship, with the confidence to entrust the next phase of growth with the new joined forces of Schenker and BAX (page 12).

In the field of global sports events, we are proud of the recently signed contract with the Portuguese Olympic Committee, granting Schenker the statute of Official Logistics Service Supplier of the Portuguese Mission to the 2008 Beijing Olympic Games (read page 13).

Reverse Logistics is receiving more attention from our customers now than ever before. In a survey of 175 companies in our target industries, a full 61 per cent stated that effective reverse logistics management is very or extremely important to overall company performance. For more, please read pages 14 and 15.)

We are proud of a couple visible signs of appreciation, as Schenker and BAX received several awards during the last weeks. Schenker was nominated European Logistics Company of the year 2007 by the Institute of Transport Management, United Kingdom. BAX Global received the 2006 Excellence in Transportation and Logistics Services Award from customer Cisco Systems, Inc, in San Jose, California. Our Swiss subsidiary Hangartner was awarded the

"Il Logistico dell' Anno" prize at the "Transport e Logistica" trade fair in Verona, Italy (both page 21). And in Australia, Schenker's special events department won the Victorian Quarantine Award (page 17). Not to forget the national Business Award Transport and Logistics 2006 in the category large companies, presented by the Dutch Minister of Transport, Karla Peijs, in the Netherlands (page 23). And there is more news from all over the world in this issue.

Please allow a final short word concerning figures. As far as we can say now, 2006 has been a very successful year for the joint organization of Schenker and BAX, like the previous year. I am really glad to say that our customers have continued to trust in our services, supporting us in becoming better. At the same time, our teams all around the globe have successfully continued to improve the standard of our performance, thus contributing to establish the new joint organization of Schenker and BAX as the leading global integrated logistics provider. I would like to thank you, dear customers, and you, dear management and employees of Schenker and BAX.

Enjoy your holiday season. I wish you and yours a happy 2007, in all respects, personally and professionally.

*Marco Schröter*



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Photo: Schenker



Year by year, the distribution of millions of bottles of Beaujolais Nouveau from the area around Lyon, France, to wine lovers all over the world is an enormous logistic challenge. In 2006, two full charters, 126 tons of the new wine went with Schenker to Narita and Nagoya in Japan.

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Dr. Hans v. Dewall

### Chief Editor:

Dr. Peter Sauer  
Phone  
+49 201 8781-7575  
Fax  
+49 201 8781-8495

For questions related to distribution, address changes etc please email at [info@schenker.com](mailto:info@schenker.com)

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London/United Kingdom  
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Seoul/Korea  
Nathalie Labayog,  
Manila/Philippines  
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Kelsterbach/Germany  
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Irvine/USA  
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# Korean drums give the signal for start

**The powerful sound of big drums gave the signal for start of the activities in Schenker's new Korea Logistics Center (KLC). With a traditional ceremony, the new facilities were officially opened for business operations in late October 2006, in the presence of customers and representatives of the public sector.**

**L**ocated in the Free Trade Zone of Incheon International Airport, it offers a modern infrastructure for a wide range of high-quality services to customers from industry and commerce. The Schenker KLC serves as a regional airfreight hub and also as a logistics hub for North Asia. At the same time, it functions as a new distribution center for the Korean market. Schenker's customers from all over the world now have access to one of the largest buying markets in Korea. The greater Seoul area represents 50 per cent of the Korean buying power.

On a plot size of 10,000 square meters, the KLC offers approximately 9,000 square meters of warehousing and handling space on two levels, with about 5,000 pallet locations, plus 1,500 square meters of office space. 14 docks with dock levelers allow the fast flow of goods. The premises are equipped with state of the art information technology and has special capacities for dangerous goods and temperature controlled goods. The new logistics center is compliant with TAPA-A security standards and has a 24/7 on site security system.

"This new multi-purpose center will be an important gateway for global supply chains of customers in Korea and from all over the world", said Karl-Heinz Matthes, Regional Director Asia Pacific, Schenker AG, and CEO Asia Pacific of the joint Schenker and BAX organization. "As one of the first foreign direct investors of the Free Trade Zone, Schenker is contributing to improve Korea's international competitiveness supporting the North-East Asia logistics hub policy and to the development of the domestic logistics industry."

The powerful sound of big drums gave the signal for start of the activities in Schenker's new Korea Logistics Center, located in the Free Trade Zone of Incheon International Airport.







Dr. Detlef Trefzger, as Member of the Schenker Management Board responsible for Logistics and Supply Chain Management, announced that Schenker will continue to expand the logistics network for multinational customers in North Asia. "Within the past ten years, our logistics capacities have been growing from a single logistics center in Australia to 100 locations all over Asia, with some 800,000 square meters of warehousing space."

"Besides the state-of-the-art warehouse technology and the standardized warehouse management IT system which can be found at all Schenker logistics locations throughout Asia Pacific, the KLC represents a further expansion of the logistics network for our multinational customers", stated Marting Bongard, Managing Director Schenker Korea Ltd. on the day of first operation.

Schenker has been active in Korea with its own national subsidiary since 1997. Schenker Korea Ltd. is now engaged in air and sea freight operations, together with all the associated logistical tasks, at five sites - one of them being Busan, the third largest container port in the world. ■

Cutting the ribbon: representatives of the public sector and Schenker management opened the new logistics center.



Photos: Schenker