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THE CUSTOMER MAGAZINE OF DHL FREIGHT

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AMADOU DIALLO

CEO DHL FREIGHT



CEO MESSAGE

Welcome to the last issue of Freight Connections for 2015.

It's been a busy few months since our last issue, with new services and processes being rolled out across Europe and beyond.

A key area I would like to highlight is the Life Sciences & Healthcare (LSHC) sector which has been one of our five core industry areas. To meet sharply increasing demands from our customers for temperature-controlled shipments, we recently launched four new LSHC competency centers. Our very own Agheera real-time telematics technology, which has recently been awarded the Deutsche Telematik Preis 2016 (German Telematics Award), has ensured that all cargo is transported to temperature-controlled specifics.

DHL Freight's participation in this year's Transport & Logistics exhibition in Antwerp, Belgium, proved very popular. We received excellent feedback from visitors about our unique booth and the diverse range of products and services we offer.

Our country focus in this issue is on a central European country – Hungary – which has long been a strategic market for DHL Freight. Currently we are servicing a number of sectors including pharma transportation via the road network, automotive, technology, engineering and manufacturing. Our trade lanes from Hungary to other parts of Europe are set to increase next year.

In addition, our multimodal service has further expanded links between Europe and Asia, and Northern Africa and the Middle East.

This year the tragic refugee crisis in Europe has prompted many countries and companies to assist in a number of ways. DPDHL has contributed through a number of volunteer projects and pledged €1 million for integration program development.

As we wind down to the end of the year, I would like to thank you for your support towards DHL Freight and wish you happy holidays and an excellent start to 2016!

Amadou Diallo
CEO
DHL Freight



SPOTLIGHT ON

AS PHARMACEUTICAL INDUSTRY EXPERIENCES MAJOR GROWTH IN HUNGARY, DHL FREIGHT SHOWS ITS TRANSPORTATION MUSCLE ACROSS EASTERN AND WESTERN EUROPE

Due to its geographical positioning in Central Europe, Hungary has long been an important market for DHL Freight.

With its main industries including mining, construction materials, processed foods, chemicals (especially pharmaceuticals), and motor vehicles, the country has a structural, political and institutional open economy. The country also has a highly developed road, railway, air and water transport system, and is home to five airports. Its capital, Budapest, serves as an important hub for the Hungarian railway system, and Hungary has a total length of over 1,314km of motorways.

With such excellent infrastructure, DHL Freight, which has had a presence in the country since 1994 when it first started operating as Danzas, has been able to leverage on this to service a number of different industries. This includes transports for the Health Care, Automotive, Technology and Engineering & Manufacturing sectors.

DHL Freight Hungary's key services include:

- Groupage, PTL (part truck load), FTL (full truck load)
- Temperature-controlled services (frozen, chilled and pharma)
- ADR capabilities
- Customs services
- High value with a dedicated online GPS monitoring team (24/7)
- Dedicated Control Tower solutions

Another key area for DHL Freight has been Life Sciences & Healthcare (LSHC). A dedicated Thermo team was set up in 2011 to deal specifically with frozen, fresh, and temperature-controlled transportation. There are no geographical limitations for its truck fleet and trade lanes have been set up in European countries and beyond.

Operations for this industry are of a large scale – 800 pallets are being moved in and out each week via the road network, and this is set to increase in 2016. Furthermore, part load and groupage trade lanes servicing the pharmaceutical industry will be extended to reach Bulgaria, Greece, Croatia, Slovenia and Bosnia.

With each shipment of pharmaceutical goods which can worth in excess of one million euro, cargo security is of the utmost importance to DHL Freight. All trucks are fitted with state-of-the-art security systems: GPS, an online temperature monitoring system, door opening sensor, panic button, second driver solution, security lock, a 24/7 security monitoring service; and if psychotropic drugs are being transported, an armed

guard will escort the trucks for goods protection. The process is very fluid and can be tailored depending on the requirements of the customer. An example of a customised process involves product pick up by DHL Freight, loading into C-safe containers which have a pre-set temperature, loading into the trucks for delivery to the customers where the cargo is unloaded – all under the watchful eyes of the manpower monitoring system.

Says Tamás Kapczár, Head of the Thermo Department, "DHL Freight Hungary has 99 employees and we are very capable of transporting all kinds of cargo Europe-wide and this includes pharmaceuticals which is growing significantly due to the country's local manufacturing companies. We have a dedicated team and liken ourselves to a 'three legged chair' in the sense that three elements are equally important to ensure adequate conditions for transporting pharmaceutical products – special equipment, properly trained drivers, as well as process and documentation compliant to GDP (good distribution practices) guidelines."

In addition to DHL Freight's base network terminal located at Budapest International Airport, there are three countryside locations (Mosonmagyaróvár, Debrecen and Szeged) which can house more terminals in the future. The team also operates within a 4700 square-meter X-Dock Hub which handles storage, consolidation / deconsolidation and transport solutions. It is fitted with a number of key certifications and features including, ISO 9001, 14001, TAPA A and AEO certification, 24/7 temperature monitoring of the facility linked to a central monitoring platform, separate inbound and outbound areas and a customs bonded warehouse.



Tamás Kapczár
Head of the Thermo Department,
DHL Freight Hungary

To find out more about how your goods can be transported through DHL Freight's Central European network, please contact your local DHL representative.



SPOTLIGHT ON

DHL AND TOYOTA MATERIAL HANDLING EUROPE SIGN CONTRACT FOR DELIVERY OF RACKING SYSTEMS

DHL Freight, one of the leading providers of road freight services in Europe, has signed a contract with Toyota Material Handling Group, the leading brand of material handling equipment, to provide transportation of their newly launched line of racking systems from the suppliers to the company's customers' sites all across Europe. Starting in September, materials for a wide range of racking solutions, including conventional and high density pallet racking systems, as well as shelving and other non-palletized racking systems, will embark on their journey to new warehouses via various transport solutions provided by DHL Freight's network. Delivery on the exact agreed day is of critical importance since the development of the project at customer's site depends upon it.

"When we recently launched our latest line of racking solutions, it soon became clear that we need a partner who has the knowledge and capabilities to design and implement a solution in perfect synchronization with the project plan of the site. We are committed to offering high quality solutions that are perfectly tailored to the warehouse storage requirements of our customers. One of those requirements is that the goods arrive exactly when they are needed. And DHL helps us deliver on our customer promise," said Hans Larsson, Director Logistics Solutions, Toyota Material Handling Europe.

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The solution provided by DHL follows the same set-up as for an automotive production plant. Each shipment may travel through the network as less-than-truckload (LTL), part-truckload (PTL) or full-truckload (FTL) cargo based on a series of criteria, such as the production date at the supplier site, the agreed delivery day and the nature and size of the goods. The lead time may be different for every order, but critically important is that all material arrives on exactly the agreed day – even if it is produced in different sites across Europe. Too early and it's likely that nobody will be able to receive or store the equipment, too late and the team of technicians wouldn't be able to do their work, thus delaying the go-live of the warehouse. Since on-the-day delivery was a highly important criterion for Toyota Material Handling, when designing the solution, DHL involved experts in transport planning and pulled in various IT tools used to manage the flows for customers in the automotive sector.

“Transport management for highly diverse cargo and critical delivery timelines call for thorough planning and creative solutions,” says Stefan Brunner, Global Sector Head Automotive, DHL Freight. “We understood the customer needed a Pan-European solution. Therefore, we pulled together the expertise of the countries and tools we use when designing sector specific solutions to meet our customers' expectations.”

Besides the on-the-day delivery, the extreme diversity of the cargo is also a challenge. The equipment varies from small boxes to full size 13 meter long racks. Material for one single warehouse installation may also come in from different locations in Europe. DHL Freight consolidates the parts and delivers them on the agreed date. To ensure a smooth process and exact delivery times, the transports are carefully planned and scheduled in collaboration with Toyota Material Handling and the warehouse site. In the course of this project, DHL will transport over 90,000 tons of freight.

Toyota Material Handling Europe

Toyota Material Handling Europe is the European headquarters of Toyota Material Handling Group, which is part of Toyota Industries Corporation – the global leader in material-handling equipment. It provides businesses of all sizes, in more than 30 European countries, with a full range of counterbalanced forklift trucks, BT warehouse equipment/services, added-value solutions and innovations. Over 90% of trucks are manufactured in our European factories, in Sweden, France and Italy – all to Toyota Production System's (TPS) quality standards.

You can find the press release for download as well as further information on www.dpdhl.com/pressreleases



SPOTLIGHT ON

FASCINATING AMAZON – THE LIFE OF SPEEDY ONLINE DELIVERIES

As an Inbound Preferred Carrier for online retail giant Amazon, DHL Freight is involved to provide a swift service.

At Amazon.com, one of the world's largest online companies and the United States of America's biggest online retailer, it's an appealing and fascinating process. Starting as an online bookstore back in 1995, the company has grown and diversified over the years. It now sells a number of products such as DVDs, video games, software, electronics, apparel, furniture, toys and even groceries amongst others. And, besides

retailing, it now also produces its own consumer electronics, notably the Kindle, Fire tablets and Fire TV. With its global reach – it offers worldwide shipping – Amazon has also created separate retail websites for many countries outside the USA.

So, how can Amazon ensure that there are so many products available on the website with just one click? Let's look at www.amazon.de as an

example. Amazon.de works with a large number of suppliers for all their webshop products. Together with their logistics providers, they are working hard on the 'Inbound to Fulfillment Center (FC)'-processes so that as many products as possible are available for immediate shipping to Amazon's customers.

There are three different options:

- Amazon buys the products from the supplier, sells them on their website and manages customer deliveries.
- The supplier maintains ownership of the products, uses Amazon as a sales platform and sends them directly to the customer.
- The supplier maintains ownership of the products but the products are stored and physically distributed by Amazon.

DHL Freight, which has become increasingly involved in the global e-commerce market in the last few years, is on Amazon's list of 'Inbound Preferred Carriers' who deliver products from Amazon's suppliers to their FCs. Being an 'Inbound Preferred Carrier' of Amazon means that DHL Freight commits to the optimization of the inbound processes by providing:

- Reliable and fast transit times
- Reduced administrative tasks for Amazon suppliers
- Improved delivery compliance
- Optimized transportation flow

Working with DHL Freight as their Inbound Preferred Carrier allows Amazon.de to leave the 'inbound to FC' process with their logistics partner, and fully concentrate on their core business.

The products' final journey is managed by DHL Freight amongst other logistics providers

Once the orders are received and then packed in the FC, the products are then handed over to the various logistics providers who transport the final delivery to the Amazon customer. If the parcel is sent via DHL, customers can track their parcel via DHL's unique track & trace system.

But DHL's involvement goes beyond inbound to FC and delivery to the Amazon customer's doorstep. If products have been ordered but are stored in different FCs, DHL Freight transports items from one FC to another to make consolidation possible.

So, when do the products arrive at their destination? Amazon's customer promise of delivery within 2-3 days is guaranteed. However, if you are a Prime customer, then delivery can take place the next day if you order before a certain time on the day. This happens even if the products have to be consolidated from different FCs. So, plenty of time to get those Christmas orders in and delivered in

time to loved ones and this goes to show just why Amazon is one of the world's favorite and friendliest online retail stores.

To find out more about how DHL Freight can solve your logistics needs, get in touch with the experts at freightservices@dhl.com.



SPOTLIGHT ON

INCREASING DEMAND IN THE LIFE SCIENCES & HEALTHCARE SECTOR

DHL Freight's Coldchain services expanded significantly across Europe.

In a sign of the growing importance of the global Life Sciences and Health Care (LSHC) sector, DHL Freight has further extended its services for temperature-controlled road freight shipments across Europe by opening four additional LSHC Competency Centres in Budapest, Lyon, Madrid and Milan; and all four have received their European Good Distribution Practice (GDP) certification. With this significant expansion, DHL Freight is now able to address the growing demand coming from new LSHC manufacturers in Southern and Eastern Europe.

In recent years, temperature-controlled products for the pharmaceutical industry have gained significantly in importance. The driving force is the new European GDP guideline, which puts the transport of temperature-sensitive products under strict compliance requirements. In accordance with the new regulations, the industry is required to transport goods at temperature levels that are registered for storage conditions ('ship-to-label').

The DHL Freight Coldchain service caters for shipments which need refrigeration (2–8° Celsius) or controlled ambient products (15–25° Celsius). In addition, it offers short lead times, scheduled departures and deliveries, dedicated consultants with expert knowledge and special value-added services such as dedicated Milk-Runs or FTL (full truck load) services. The central routing of cargo takes place via the vast cross-docking center in Mechelen, Belgium. It is the very heart of the Coldchain network and operations and houses 2–8° Celsius and 15–25° Celsius separate storage and cross-dock facilities; separate inbound and outbound areas; and a dedicated in-house IT team. This is where shipments can be further transported under predefined temperature conditions to 30 countries in Europe. The center can also be utilized for de-/consolidation of Ocean Freight shipments and works closely with DHL Global Forwarding LSHC Competence center at BRUCARGO.

Another distinct advantage of DHL Freight's suite of solutions for LSHC products is its use of technology to provide real-time visibility services. Agheera, a fully owned DHL subsidiary, has played a large part in ensuring that cargo is transported and delivered efficiently and to temperature-controlled specifics.

Its services include consulting, real-time tracking solutions and primarily telematics data consolidation solutions. In addition, its complete end-to-end real-time tracking

offerings encompass solutions for assets and shipments on all modes of transport including trucks, trailers, swap bodies and containers.

Agheera can also manage customers' assets and subcontractors, provide speedy report generation, set up customized business rules, consolidate various telematics devices and provide easy-to-read data, temperature graphics and GPS location.

"The level of real-time visibility we achieved together with DHL Freight will enable LSHC customers to manage compliance and product safety proactively, even in multimodal transports and heterogeneous supply chains. This is an innovative example how telematics technology and logistics experience can create a significant added value in our industry.", says Christoph Keisers, Managing Director of Agheera.

"With our broad portfolio of existing solutions, the value we bring and how we continue doing it is what our customers are looking for", explains Thomas Ellmann, Vice President LSHC, DHL Freight. "Through our geographical expansion and investment in infrastructure customers recognize that our coldchain network and tailored solutions can cater to their various needs and support their growth aspirations. We are looking to be THE logistics provider for the LSHC sector by 2020. That's our mission."



Christoph Keisers
Managing Director of Agheera

To find out more about DHL Freight's suite of coldchain solutions for the LSHC sector, please contact Thomas Ellmann, Vice President LSHC, DHL Freight, at thomas.ellmann@dhl.com.



SPOTLIGHT ON

AGHEERA WINS THE GERMAN TELEMATICS AWARD 2016 – FOR ITS INNOVATIVE TRACKING SOLUTION

Agheera, provider of innovative solutions to increase supply chain visibility and flexibility, has once again demonstrated how advanced and ground-breaking its tracking services are for the logistics industry. Its innovative Track & Trace GPS Solar solution for container & swap body tracking was recently awarded the Deutsche Telematik Preis 2016 (German Telematics Award). Agheera's telematics system passed a comprehensive testing regime developed by the telematics laboratory of Baden-Wuerttemberg Cooperative State University (DHBW). The achievement was the result of

more than six years of development by all former and current employees in its Technology, Operations and Systems departments.

The GPS Solar is specially tailored to the tracking of non-powered assets and designed to run on solar energy for more than seven years. The solution, an autonomously power-supplied device with embedded cellular and GPS connectivity, stands out due to its durability, robustness and matured quality proven with more than 50,000 successful installations.

The testing process was very comprehensive. The organization team categorizes submitted solutions in accordance to respective tracking & tracing applications. Based on a first evaluation, the best telematics systems of each category qualify for the finals and they undergo a comprehensive testing by the telematics laboratory of DHBW considering technical performance and usability. An expert jury then evaluates the submitted responses and the best solutions are nominated. Based on the gained results, the jury finally chooses the winner of each category.



Deutscher
Telematik
Preis 2016

Telematik für Container
und Wechselbrücken

Agheera
track.agheera

Agheera, which was founded in 2010 and is headquartered in Germany, provides real-time supply chain visibility services to industry customers and logistics companies. The company's telematics services include consulting; real-time tracking solutions and primarily telematics data consolidation solutions, and its largest market for its end-to-end real time tracking services is hinterland transports in Europe.

Serving more than 600 different enterprise and SME customers, Agheera utilizes and consolidates streams of real-time data across multiple providers and telematics devices on one platform to provide valuable information in an easy to use and easy to read fashion. In addition, its IT capabilities can interface with an increasing range of GPS providers across Europe, including TomTom NV and Transics.

The company's telematics consolidation solution gathers real-time tracking data from various stakeholders in the supply chain including forwarders; logistics service providers, hauliers and subcontractors. The aggregated raw data is converted into valuable information that can then be transferred to the user's planning tools and monitored on the company's Track.Agheera telematics platform.

Agheera's end-to-end real-time tracking offering encompasses solutions for assets and shipments on all modes of transport including trucks, trailers, swap bodies and containers. In addition, The Track. Agheera user interface enables visualization of tracked assets and numerous functionalities including geofencing, report & business rule generation such as inventory reports, movement reports, alerting and notifications. The information can be integrated to resource planning IT systems like yard-, fleet-, transport- and warehouse management systems.



Christoph Keisers
Managing Director of Agheera

DHL Freight's entire swap body fleet is equipped with Agheera's swap body solution consisting of GPS Solar, connectivity service, mounting and hardware maintenance services and the telematics platform.

And as another indication of just how far Agheera has come in such a short time, this year also saw it recognized by the German business magazine Capital as one of the most innovative Business Models for Logistics in Germany.

To find out more how Agheera can help with your supply chain tracking needs, please contact the experts under freightservices@dhl.com.

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DHL Freight Belgium's contemporary yellow stand stood heads and shoulders above other exhibitors, but what made it particularly special was the inclusion of a photo-booth in the stand. Visitors had the opportunity to have their picture taken on a DHL-branded Harley-Davidson with a screen of a country road in the background to give the impression that they were riding the motorcycle.

The experience caused one customer to comment, "I was very happy and thought that the photo-shoot was a very good idea. I printed out the picture they gave me to a three square meter size and have hung it in my living room which is now the envy of all my friends."

Products which DHL Freight Belgium focused on:

- DHL Freight Coldchain: temperature-controlled solutions for pharmaceutical products
- DHL Freight Euronet: dedicated solutions for complex logistics and transportation needs
- DHL Freight Euroline: non terminal based operations for part and full loads
- DHL Freight Euroconnect: terminal based operations for groupage

Managing Director DHL Freight Benelux, Juan C. Martin, shared, "We were extremely happy to have Amadou Diallo, our CEO, as guest speaker. The broad audience was very pleased to hear about the projects of DHL and customers who visited our stand enjoyed the innovative, colorful and warm welcome. We truly succeeded in differentiating ourselves from the other exhibitors and with the enthusiasm of our employees to pass on the passion to the many visitors."

The two organizers of the booth Joelle Taylor, Head of Field Sales & Telesales, DHL Freight Benelux, and Muriel Bosman, Customer Relationship Manager & Sales Coordinator, DHL Freight Belgium, are enjoying the positive feedback and already prepare for the next event which should be just as successful.



Joelle Taylor
Head of Field
Sales & Telesales
DHL Freight Benelux



Muriel Bosman
Customer Relationship Manager
& Sales Coordinator
DHL Freight Belgium

In case of questions about the fair Joelle Taylor, Head of Field Sales & Telesales, DHL Freight Benelux can be contacted at Joelle.Taylor@dhl.com.

ATTILA KULCSÁR
HEAD OF SALES AND MARKETING
DHL FREIGHT
HUNGARY



DHL FREIGHT NEWS

DELIVERING EXCELLENCE: ATTILA KULCSÁR, HEAD OF SALES AND MARKETING, DHL FREIGHT HUNGARY

Originally from the heart of Transylvania, Attila Kulcsár moved to Budapest in Hungary after completing his university studies. He started his career in logistics almost 15 years ago in Giraud International managing Italian export traffic. Due to his love for interaction, he moved to the sales function, has since held several sales roles including key account management and subsequently had the opportunity to take on an international sales position with Vos Logistics.

In 2012, Attila joined DHL as Head of Sales and Marketing for DHL Freight Hungary; and took up the additional responsibility of being the facilitator for QSE (Quest for Sales Excellence) training program – a role he enjoys immensely.

Freight Connections speaks with Attila Kulcsár

In your view, what is the biggest challenge your countries (in general) face?

One of the toughest problems we have is the general migration situation in Hungary. A massive number of professionals, from various fields and industries, is moving to the western part of Europe due to various reasons. Workload and remuneration are just some of the reasons for this trend.

Another problem, which is not limited to Hungary, is the immigration situation that causes significant changes in the region and beyond.

Last but not least, Hungary is still part of the Eastern European block. Somehow we still bear the stamp of the past.

Why should customers work with DHL Freight? What competitive advantage does DHL Freight Hungary have over its competitors?

Oh, there are plenty of brilliant solutions we offer to our customers, from very basic transportation solutions to a wide range of tailor-made freight forwarding proposals.

I would like to clarify the misbelief that a multinational organization is not capable of being flexible; and that multinational companies only cater to the needs of other multinationals. In Hungary, we handle hundreds of requests from small- and medium-sized customers on a weekly basis, and do so successfully to the highest satisfaction of our customers.

Tailor-made solutions are also a norm within DHL Freight. Regardless of customer requirement – deconsolidation, consolidation, sorting, pick & pack, etc. – we are able to design solutions to fit. This includes the transportation of highly sensitive pharmaceutical products under GDP (Good Distribution Practice) regulation with active 24h live GPS monitoring.

I truly believe that outstanding performance can only be achieved with passion; and passion is exactly what our team has.

Heading up DHL Freight South Eastern Europe, what do you hope to achieve this year?

We have achieved great results in the past years, and this has given us the certainty that we are on the right track to achieving even more. I believe stability is the key to keeping our performance consistent. However, as we get closer to the end of the year, we will still need to push hard.

What was the most challenging task/decision you ever experienced in your working life?

In my 15-year career in the logistics industry, there has never been an easy year. Having said so, there's not been a challenge we have not managed to resolve as a team, no matter how tough the situation.

When your responsibility goes beyond your own work, achievements, or even failure, there is a different kind of pressure. This realization that my onus extends beyond myself, has made me think and act differently. Adapting to changing responsibilities is never easy.

If you could give only one piece of advice to your team, what would it be?

Admit a mistake you made. Stand up for it, apologize and take the necessary action to turn the wheel around.

What is the best piece of advice you have received?

The "5P's" – Proper Preparation Prevents Poor Performance.

What is the most important object on your desk?

The picture of my family. And as I am a passionate collector of die-cast car models, I always need my favorite piece on my desk.

When you are out of the office, what is the best form of relaxation for you?

Spending time with my family is already one sort of relaxation. Doing physical work around the house eliminates, at least for a while, the pressure we face every day. And regular bike rides with my brother gives us the opportunity to discuss how to "save the world".



DHL FREIGHT NEWS

RESPONDING TO THE REFUGEE CRISIS

DP DHL 'Doing What We Can' to support the Refugees in Europe.

The refugee crisis in Europe has captured the world's attention and many organizations, individuals and governments have swung into action to help them during this time. Deutsche Post DHL (DPDHL) has offered support for the thousands of refugees in Germany in the form of financial aid, housing space and work opportunities.

A pledge of €1 million by DPDHL will help develop programs designed to support their integration process and will focus primarily on language acquisition and the provision of vocational support. On top of that, it will make facilities available for emergency housing and 1,000 training internships for the refugees. Approximately 100 dedicated coordinators in DPDHL branch offices across Germany will work closely with partner organizations to manage the refugee aid efforts locally.

"As a company with a strong presence both in Germany and throughout the world, we want to contribute to the integration of refugees jointly with our partners," says Frank Appel, Chairman of the Board of Management at DPDHL Group. "In doing this, we also continue to support a long-established tradition of volunteering among our employees in cooperation with non-profit organizations."

Last year, around 108,000 employees around the world – 38,000 in Germany alone – got involved in volunteer projects in their communities. This latest initiative goes to show just how high Corporate Social Responsibility (CSR) is on its agenda. As Mr. Appel offers, "It is an opportunity for us to integrate those people who have come to our country and intend to stay here permanently into our society and labor market, as quickly as possible."

DPDHL is working closely with its partner organizations such as German humanitarian initiatives Aktion Deutschland Hilft, SOS Children's Villages Germany, Stiftung Lesen and TeachFirst Deutschland to make this happen. The German reading foundation Stiftung Lesen, which promotes integration through education, reading and language acquisition, will train DPDHL employees as 'reading buddies'. DPDHL has also teamed up with SOS Children's Villages Germany and Teach First Deutschland to prepare its employees to serve as 'integration guides' for refugees. Both organizations are actively engaged in improving educational opportunities and the employability of disadvantaged young people. Aktion Deutschland Hilft, an alliance of relief organizations, has been offering coordinated relief assistance throughout Germany.

In addition to all these centrally steered programs there are plenty of activities initiated by the branches and country organizations throughout the company. To name a few:

- Refugee children are helping to paint DPDHL's mail drop-off boxes, decorating them with their great works of art
- Campaigns in Austria and Sweden aim to help refugees in Lesbos by providing logistics expertise, meeting venues, coordination, air and road transport and storage space for collected aid material.

One of DHL Freight's managers sums up the feelings of DHL Freight employees involved, "The feeling when the first truck with supplies arrived was amazing. None of us had ever seen so many bright-eyed and grateful people, children and adults alike. It was an amazing coming together of different cultures around one common purpose. It has made me very proud to lead this organization and to be part of the DHL Freight family."

To find out how you can help DP DHL with any refugee assistance, please contact DHL Freight at freightservices@dhl.com.



DHL FREIGHT NEWS

MARITIME SILK ROAD FAST-TRACKS ASIAN – EUROPEAN TRADE

DHL Freight's multimodal service further expands links between Europe and Asia, and Northern Africa and the Middle East.

As a sign of accelerating trade between Asian and European markets, DHL Freight is further expanding its multimodal solution by opening a new transit hub in the busy port city of Piraeus which is located within Athens' urban area. The Piraeus port's unique geographical position enables shorter end-to-end lead times for ocean freight shipments due to the close location to the Suez-Channel from Asia to Europe and vice versa.

In addition to the transit time advantages, DHL Freight's customers can look forward to a whole slew of benefits by using DHL Piraeus including:

- Daily departures with day-definite lead times from/to Europe major markets
- Fast and efficient cargo consolidation and deconsolidation
- Import and export customs clearance
- Transparency through online tracking
- Integrated ocean/road experts knowledge

Piraeus is connected to key markets in Europe within two to five days through DHL Freight's vast network – no matter the shipment size. The port city's free trade zone status means quick transit and customs clearance for shipments to Europe before being transported to the gateways in Milan or Munich within 48 hours and 72 hours respectively, and then onto their final destinations. This new service will save up to nine days of transit time (22-26 days rather than 31-35 days) compared to other traditional ocean freight destinations such as Hamburg or Rotterdam.

"The proximity of port Piraeus and our road freight terminal enables immediate access to and fast processing of cargo", emphasizes Amadou Diallo, CEO DHL Freight. "After arrival and customs clearance procedures, we can directly transfer the goods on to our European

road freight network – either as a standard DHL Freight Euroconnect or a prioritized DHL Freight Eurapid shipment."

Thomas Kowitzki, Head of Multimodal, DHL Freight, states, "With this new maritime service, we are providing an alternative, specifically to shippers trading with China, next to the air and rail options. We are striving to give our customers innovative concepts by exploring new ways, regardless of transport mode."

This combination of road and ocean freight services brings further advantages. Greece's proximity to the Central Eastern European markets represents a major advantage for customers targeting this region as it reduces both transport cost and lead time, and customers can monitor their shipments using DHL's Track & Trace platform.



Thomas Kowitzki
Head of Multimodal
DHL Freight

For more information on how DHL Freight can help expedite your goods between Asia and Europe, please contact Dimitris Pinis, Head of Air & Ocean Freight Greece, at dimitris.pinis@dhl.com or Thomas Kowitzki, Head of Multimodal DHL Freight, at thomas.kowitzki@dhl.com

DHL FREIGHT NEWS

UPDATE ON DHL FREIGHT NETWORK

IMPROVEMENT



Service Improvements

Network updates		
	Germany to Spain / Madrid area	New daily high-speed line (with 2 drivers) from Cologne to Madrid (in addition to existing speed line Frankfurt to Madrid) allows to offer from whole Germany to Madrid area a 3 days e2e transit-time (i.s.o. 3-5 days now)
	Germany to Spain / Northern area	New daily speed line Cologne to Irun allows to offer from whole Germany to Northern Spain a 2-3 days e2e (i.s.o. 4-5 days now)
	Germany to Portugal	New daily line CGN-LIS. Transit-time reduced to 4 days e2e whole the whole of Germany to Lisbon and Porto areas
	Germany to Denmark and vice versa	New daily connection between Kassel and Aarhus securing better connectivity to feeders: Consistent 2 days e2e lead-time between whole of Germany & Denmark
	Germany to Estonia and vice versa	New high frequent roundtrip (4-times weekly) between Hamburg and Tallinn giving an average 3 days e2e transit-time between Germany and Estonia
	Germany to Czech Republic and vice versa	The new setup will bring a decrease in lead time, dropping from 5 to 7 days delivery from Romania and Bulgaria to Germany, to a constant 4 days delivery lead time. This has been made possible by facilitating arrivals and departures to and from Timisoara even on Sundays!
	Germany / Hannover area to Poland	New daily roundtrip North Czech Rep. (Decin) and Eastern Germany (Leipzig) as a next development step for an improved Germany-Czech set-up: 2 days e2e transit-times, higher reliability and more competitive cost
	Italy / North-West area to Germany	New direct daily line from Hannover to Poznan to accommodate requirement of new big Hannover-based customer. Opportunities for other customers
	Czech Republic to France	Daily line from Prague to Paris (via Nuremberg). Transit-time 3days e2e from the whole of Czech Rep. to the main economic areas in France (not only Paris area)
	France / Lyon area to Central and South Eastern Europe	New 4-times-weekly line from Lyon to Vienna: 2 days e2e transit-time to Vienna, Graz, Budapest and Bratislava areas and 3-4 days to other countries in SE Europe

KEY

 New direct connection

MARKET NEWS

PRESS CLIPPINGS

EU Transport Scoreboard 2015

The European Commission recently published the new edition of the EU Transport Scoreboard. It compares Member State performance in 29 transport-related categories and highlights the five top and bottom performers in each of these categories.

Germany gets high ratings for its transport infrastructure for all means of transport, although the ratings are slightly less positive than in the previous reporting period. Germany is also among the top 5 performers as regards the share of renewable energy in fuel consumption for transport. The number of pending court cases because of an alleged infringement of EU law in the area of transport has risen compared to the situation at the end of 2013 (figures from the end of July 2015), especially in the road and rail sector. The transposition rate of EU transport directives into national law is very high at 99%. The share of people employed in high growth enterprises in the transport sector in Germany corresponds to the EU average.

Link to the scoreboard which can be consulted either by country or by one of the following indicators Internal Market, Investments and infrastructure, Energy Union & innovation and People:

http://ec.europa.eu/transport/facts-fundings/scoreboard/index_en.htm

EU Circular Economy Package

The European Commission adopted a "Circular Economy Package" to stimulate Europe's transition towards a circular economy which shall boost global competitiveness, foster sustainable economic growth and generate new jobs. In 2015 Deutsche Post DHL Group became member of the Ellen MacArthur Foundation's 'Circular Economy 100 (CE100)', a global platform consisting of leading companies, emerging innovators and regions to accelerate the transition to a circular economy. The circular economy requires a circular logistics as an enabler, including sustainable return solutions across the EU – for different products and sectors. The Commission's package on Circular Economy includes revised legislative proposals on waste, packaging waste, landfill, electrical and electronic waste

The proposal should now be discussed and voted by the European Parliament and the EU Member States.

Link to the Circular Economy Strategy and to the different legislative proposals on waste:

http://ec.europa.eu/environment/circular-economy/index_en.htm

Study On Greenhouse Gas and Air Pollutant Emissions From EU Transport

The Directorate-General for Internal Policies has published a study for the Transport Committee of the European Parliament on the Greenhouse Gas and Air Pollutant Emissions from EU Transport. According to the study, transport is the only EU sector where greenhouse gas emissions have risen since 1990. Conversely, transportation has significantly reduced its emissions of atmospheric pollutants in the past two decades – but it is still a major cause of air pollution, especially in urban areas. Besides, it is unclear whether the decline in transport demand/emissions observed since the 2008 economic downturn is only cyclical or is (at least partly) attributable to structural reasons.

CHANGE IN VOLUME OF FREIGHT TRANSPORTED WITH THE EU, BY MODE, IN BILLION TKM¹⁾

Freight transported in the EU	2000	2007 (Peak)	2013	Variation 2006/2013
Total TKM (billion)	3245	3843	3481	+7.3%
Of which by road	1509	1925	1719	+13.9%
Of which by sea	1067	1199	1089	+2.1%
Of which by train	405	452	407	+2.1%
Of which by int. waterways	134	145	153	+14.2%
Of which by oil pipeline	127	126	112	-11.8%
Of which by air	2	2	2	0%

Link to the study: [http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/563409/IPOL_IDA\(2015\)563409_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/563409/IPOL_IDA(2015)563409_EN.pdf)

THE DELIVERY WINDOW IN ASIA MUST BE SHORTER

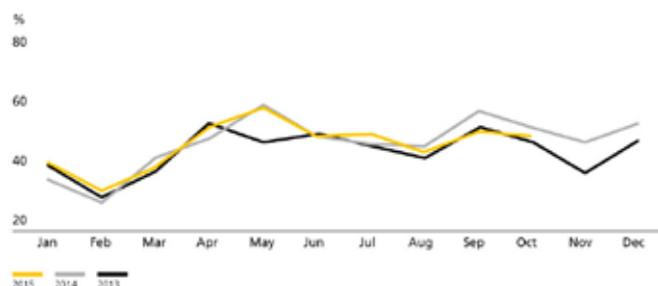
Study

An investigation by Logistikberatung Miebach into the subject of distribution in the Asia Pacific space has revealed that the heterogeneous region is increasingly gaining in importance as a sales market for German companies. The frontrunner in this connection is China. Already 20 percent of the 126 companies questioned generate more than 15 percent of their total sales there.

According to the results of the survey, more than 75 percent of the participants are of the opinion that the demands on delivery times will be sharpened further. At the present time, already more than half the exporting companies must supply their customers within 14 days and almost a quarter within three days. In order to be able to fulfill these demands, three quarters of the companies follow a specific supply chain strategy. Specifically, the strategic importance of the agility and flexibility of the supply chain in the region are held in particularly high regard. Two thirds of the participants expect an increase in competition, which will drive the service demands to a European level.

TRANSPORTBAROMETER – MONTHLY VIEW

FREIGHT SHARE 2013-2015¹⁾



October capacity increase vs. last month less pronounced than in last years

- In October market capacities are balanced
- Capacity increase vs. September less pronounced than in previous years (2%-points only)

Source: TimoCom www.portatio.com; 1) Freight share: Share of freight offers versus all offers (trucks) traded in T&C (sum of freight offers and capacity offers). Note: TimoCom restated the Data for 2013 from August onwards

NEW HEAVY TRUCK TOLLS MAKE SITUATION DIFFICULT IN RUSSIA

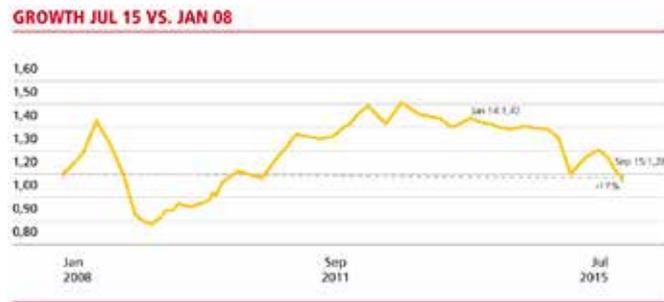
A new road toll system called Platon Electronic Toll Collection (ETC) was introduced in November 2015 specifically for vehicles exceeding 12 tons of gross vehicle weight (HGV N3 sub-category). The money which will be raised – estimated to be 50 billion rubles (US\$896 million) a year – will help offset the damage caused to Russian Federal Highways by these heavy vehicles.

According to the Russian federal agency operating motorways, Rosavtodor, up to 58% of damage to the major expressways and smaller road networks is caused by trucks weighing in excess of 12 tons. The annual cargo traffic in Russia is about 5 billion tons, and the damage caused each year to the roads is estimated at 180 billion rubles (\$3.16 billion). There are plans to install some 480 special stationary gates and about 100 mobile ones on the 51,000 kilometer-long federal highways to manage payment and routes.

Given their total annual mileage on federal highways, the optimum tariff was calculated at 3.73 rubles (\$0.068) per kilometer. The ETC is payable in advance either through the purchase of toll tickets via mobile apps or at a toll service office. For vehicles equipped with on-board units (2 million units will be distributed to drivers free of charge), the ETC charge is calculated automatically and HGV owners can top up their accounts either online, or at a toll service office or toll collect terminal. Trucks with an on-board unit are tracked using GLONASS/GPS software which updates the trucks' location data and sends it to a centralized data processing centre via cellular networks.

As the situation in Russia is changing rapidly and changes are occurring constantly please get in touch with the DHL representant in the next DHL Freight branch in case of detailed questions.

DIESEL PRICE



While diesel price reaches low levels, other cost factors like toll continue to rise significantly

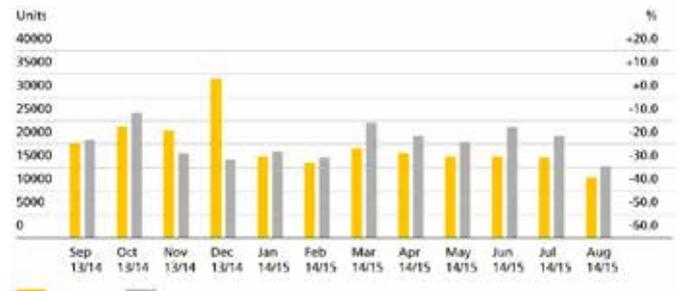
Example TOLL GERMANY:

Toll threshold lowered to 7.5 tons

From 1 October 2015, all trucks over 7.5 tons will have to pay a toll on all motorways and certain other major roads. Previously the tax only applied to trucks over 12 tons. An additional 250,000 vehicles are expected to be affected. The changes combined with an additional 1,000km in public highway that is subject to the toll is expected to generate an extra € 380m per year. In 2014, truck tolls generated € 4.5bn.

Süddeutsche Zeitung, © M-Brain

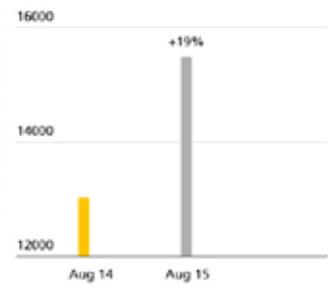
NEW HEAVY TRUCK REGISTRATION



REGISTRATIONS JANUARY- AUGUST 2015 VS. LY

Country	Units	vs. LY
EU	163,364	+21%
Germany	40,853	+4%
France	22,935	+10%
UK	20,142	+49%
Netherlands	12,028	+30%
Spain	10,856	+53%
Netherlands	8,506	+62%

HCV 16T AND OVER



Major increase in truck registrations in H1, speeding up at the end of spring

- In June 2015 new heavy truck registrations saw a marked increase of 33%
- Spain (+105%), still benefiting from the government incentive program, largely contributed to this positive outcome, followed by Italy (+51%), the UK (+40%) and France (+35%)
- In H1 the EU market grew by 20% with, among the larger markets, particularly strong growth in the Netherlands (79%), the UK (58%), and Spain (47%)

Source: European Automobile Manufacturers' Association (ACEA)

