

Press Release

Dachser prepares for strong growth in the Chinese logistics market

Shanghai-based warehouse is an important milestone investment which has strengthened Dachser's presence in China

Shanghai, June 18, 2008. Dachser, one of the top European logistics service providers, announced today that it plans to open more logistics centers in China as the Greater China region is one of the key growth markets for the company.

Dachser has already doubled its capacity of its first logistics center in Shanghai, from 3,000sqm to 6,000sqm, which opened less than a year ago. The warehouse was set up to extend Dachser's contract logistics services in China and to provide a showcase warehouse equipped with all facilities available to Dachser customers in Germany and other European countries.

"Until last year we offered warehousing services to our customers through local warehouse providers. The opening of our Shanghai warehouse last year was a very important milestone investment. Since then we can offer our customers in China the same quality service that we are offering to our customers in Europe," said Thomas Reuter, Managing Director of Dachser Air & Sea Logistics at the transport logistic China 2008 fair at the Shanghai New International Exhibition Center (SNIEC).

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New contracts with local and international customers have been signed and right now Dachser is busy with new customer implementations at its warehouse.

“Our customers’ interests and demands have been very strong, and because good warehousing space is scarce in Shanghai, we’ve decided to take up another 3,000sqm to double the warehouse space being offered to our customers. We are confident that by the third quarter of this year, 60 to 70 percent of this warehouse will be utilized and by the end of the year, we’ll reach full capacity,” said Edoardo Podestá, Regional Managing Director of Dachser Far East Ltd. (DAFE).

Being able to showcase the state-of-the-art warehouse to customers has been a great selling tool for DAFE. More importantly, having obtained additional customers in the last two months is the proof that the decision was right and well timed.

“Early next year we will review our strategy to assess if additional new space will be necessary in Shanghai for our further growth. At the same time we will start looking more closely at other cities in China. Shenzhen, Guangzhou, Beijing and Tianjin will be the focus of our next investments because of the great potential for contract logistics services. We already have demand from customers in these cities,” said Podestá.

The Dachser logistics center in Shanghai is operated by Dachser in-house developed warehouse management system “MIKADO” as well as with state-of-the-art security and safety technology. With its well featured warehouses Dachser provides a total integration of all logistical functions such as storage, stock movements, inventory management, pick-and-pack and value added services as well as transportation (domestic and overseas), giving customers the flexibility to tailor-make solutions that suit their business operations and requirements in the supply chain process.

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“To satisfy the requirements of our clients, we are considering setting up the MIKADO system in warehouses in other Chinese cities,” added Podestá.

Dachser has offices in Beijing, Chengdu, Dalian, Dongguan, Guangzhou, Hong Kong, Ningbo, Qingdao, Shanghai, Shenzhen, Suzhou, Tianjin, Xiamen and Zhongshan. Its regional headquarters, Dachser Far East Ltd., is in Hong Kong. To demonstrate its long term commitment to the Chinese market Dachser has set up a Wholly Foreign Owned Enterprise in Shanghai in 2006 and in Shenzhen in 2007. Dachser is also present in Taiwan through a joint venture company, formed in 2004.

Dachser’s growth in China in the last few years has been very strong – the number of offices, staff and turnover has all increased more than five times since 2003.

Customers appreciate intelligent logistics

Dachser chairman Bernhard Simon believes that the company’s strategy has paid off well. Simon, who is also attending the transport logistic China 2008 fair, is the grandson of the company’s founder Thomas Dachser.

“For years now, we have been systematically developing our international logistics network,” said Simon. “Our growth clearly shows that customers appreciate intelligent logistics. The combination of a tightly-meshed logistics network and state-of-the-art IT solutions is well-received by the market, and has brought us almost 13 percent growth in our annual turnover. That’s 2.2 percent more than last year.”

Thomas Reuter is proud that Dachser is represented at the transport logistic China for the third time. “Since its debut in 2004 in China, the

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exhibition has been constantly expanding. The development of the fair underscores the development of the logistics market in China – and the development of the Chinese economy. I always enjoy being in Shanghai and observing the changes in this fast moving city.”

Company Background

Dachser is an international logistics services provider headquartered in Kempten/Germany, where the company was founded in 1930 by Thomas Dachser. The company’s mission is to improve the logistics processes of its customers. To help customers increase their profitability, Dachser redesigns their logistics processes, resulting in the improvement of their costs position and performance.

Dachser’s business model focuses on core competences, and rests on three pillars: Air and Sea Logistics, European Logistics and Food Logistics.

With sales of Euro 3.5 billion (about RMB 37.7 billion) in fiscal 2007, Dachser employs about 17,100 people around the world, with a global network consisting of 297 branches.

Dachser Far East Ltd. is a one hundred percent owned subsidiary of the Dachser Group. The company employs about 600 people in 15 locations in Greater China. Its regional head office is based in Hong Kong.

For more information about Dachser in Chinese, please visit www.dachser.cn

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