



Five-star logistics offers a special kind of "room service"

For the international luxury hotel and gaming industry, Kuehne + Nagel plans and implements turnkey transport, logistics and installation solutions for large-scale construction projects and efficient, comprehensive maintenance and supply concepts

It is now eight years since Kuehne + Nagel began offering tailor-made service packages for international hotel and casino operators, and the company is now considered a market leader in this special sector. The opening-up of this attractive business segment is also a major success story for the systematic staff development scheme which the Group operates for its talented young managers.

In 2002 the graduating class of Kuehne + Nagel's High Potential Training Programme was given the assignment of making a detailed market study of the

supply chain activities of large hotel chains, in particular with regard to new construction projects. After three months of intensive research around the globe with simultaneous training in international project management, the young managers presented a product idea that conformed to the specific needs of this sector and was based on a concrete business plan. They presented a concept that convinced the critical "jury" of the Kuehne + Nagel Management Board – and the Hotel Logistics department was born. Only six months later, in the United Arab Emirates, the first new contract was obtained and successfully executed.

KUEHNE + NAGEL HOTEL LOGISTICS

- Logistics management in hotel and casino new construction and renovation projects
- Transport, logistics and installation solutions for furniture, fittings and equipment (FF&E)
- Supply Chain Management, warehousing and distribution of consumables for guest rooms (OS&E)
- Roughly 250 specialists deployed worldwide
- Regional competence centres in Las Vegas (for North and South America and the Caribbean), Macao (Asia-Pacific), Koblenz (West, Central and Eastern Europe) and London (Northern Europe and Africa)

Kuehne + Nagel's hotel logistics services are now well established in the market and the company enjoys first-class customer relations with the world's leading operators of five-star hotels and casinos and with hotel suppliers and makers of luxury consumables. Coordinated by the four competence centres in Koblenz, Las Vegas, London and Macao, roughly 250 specialists from 16 countries are now working on many challenging projects for customers all over the world. Since it entered the market, Kuehne + Nagel has already successfully executed more than a hundred contracts and delivered and installed several thousand guest rooms in 19 countries.

Kuehne + Nagel is the clear market leader in the special field of complete solutions for the installation of furniture, fixtures and equipment (abbreviated as FF&E). This can mean everything from laying carpets and assembling furniture to the installation and commissioning of telephone and multimedia systems in the individual hotel rooms. The logistics provider is also experiencing a growing demand for operating supply and equipment (OS&E) concepts. This includes the warehousing and the delivery, as and when required, of con-

sumables for guest rooms, wellness facilities and other public areas of large hotels and casinos.

In the expansion of its activities Kuehne + Nagel's policy is primarily one of organic growth. However if attractive opportunities arise it also makes selective acquisitions that complement its existing activities. In 2009, for instance, Kuehne + Nagel took over the Las Vegas-based special service provider Quality Transportation Services Inc. This company, established as a freight agency in 1987, provides special services for the hospitality and gaming industry in North America. Its service portfolio embraces overland transport, warehousing and on-site installation; deliveries are made from two logistics centres in the immediate vicinity of the Las Vegas Strip. The acquisition has already allowed the exploitation of attractive synergies in the companies' product and customer portfolios, and for Kuehne + Nagel it has closed a last-mile delivery gap in the North American and overseas markets.

www.kuehne-nagel.com/hotels



By express freight charter to the Kempinski in Doha

The German provider of top-class hospitality recently opened its first hotel in the Emirate of Qatar, the 62-storey Kempinski Residences and Suites Doha. Kuehne + Nagel Hotel Logistics specialists were called upon at very short notice to organise the urgent transport and customs clearance of every conceivable OS&E article (such as pillows, towels, glasses, kitchen equipment etc.).

To accomplish this "mission impossible" despite the customer's ambitious time schedule, Kuehne + Nagel consolidated all goods delivered by the European suppliers at its logistics centre in Koblenz. There the articles were checked for the correct quantity and quality, relabelled, pre-sorted in accordance with their intended use in the hotel, and repacked. Kuehne + Nagel saved further time by chartering a freight aircraft at short notice and speedily making out the customs documents so that the goods could be imported with a minimum of complications. For safety's sake a project manager accompanied them in the plane to Qatar. Thanks to the excellent preparations by the colleagues in Doha, the MD-11 was unloaded in what was probably a record time of only six hours after its landing at 2 a.m., and the two hundred pallets cleared by customs in the space of only a day.

To save further time and the costs of interim storage, the freight was delivered directly into the underground car park of the new Kempinski. There, the pallets were handed over to Kuehne + Nagel staff who had been specially flown in from the competence centre in London. The customer was particu-

larly impressed by the subsequent Hot-Box Service, in which Kuehne + Nagel manually groups together and portions out the products for each guest room. This involved the filling and labelling of more than 1,000 boxes from which it was an easy matter for the hotel staff to quickly stock the 370 luxury suites, restaurants and other public rooms. Ms. Emel Atikkan, manager of the Kempinski Resort, was extremely impressed by the efficiency of the service: "Kuehne + Nagel have done an outstanding job, clearing our consignments through customs, delivering the items to the Residences, preparing the Hot-Boxes for the suites and leaving the store in the basement in an orderly manner! They have bent over backwards to assist us in every way possible."

www.kempinski.com

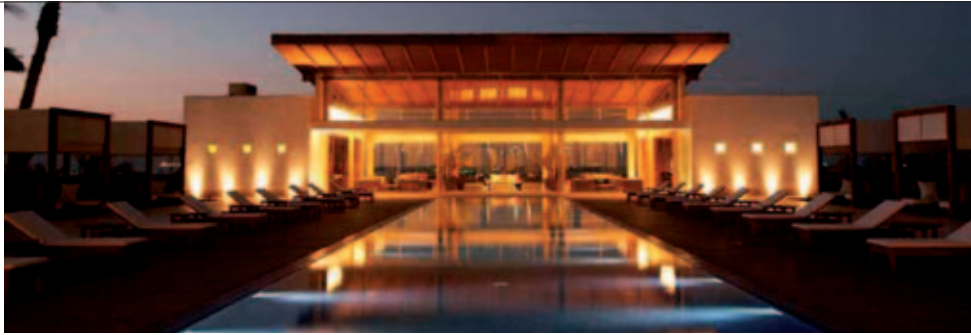


2,500 guest rooms delivered and installed in 21 weeks

At the beginning of the year Kuehne + Nagel tackled a particularly challenging hotel logistics project. Under an exclusive contract, the warehousing, delivery and installation of furniture and fixtures for what is currently one of the world's largest hotel projects was completed in record time

The Marina Bay Sands® Integrated Resort is an architecturally spectacular complex of buildings on a peninsula adjoining Singapore. This “most expensive stand-alone integrated resort property ever built” is being developed by the Las Vegas Sands Corporation, the global leader in the operation of casinos and hotel installations. The building complex consists of three 55-storey hotel towers with more than 2,500 guest rooms. The three towers are bridged by a unique 340 metre-long continuous roof terrace, the SandsSkyPark®. The facility also includes a museum, shops and restaurants, and a 120,000 sqm congress centre with capacity for 45,000 delegates, as well as two theatres and a casino.





Apart from the substantial cargo volume, a special challenge was presented by the narrow time window prescribed by the planners of this ambitious project for the on-time delivery and installation of the complete furnishings. Kuehne + Nagel brought together some of its best hotel logistics experts from its teams in America, Europe and Asia to take over the warehousing and critical last-mile delivery for this historic hotel opening project. Between January and May the project team worked round the clock on a three-shift basis on six days per week. Working their way up from the ground floor, they were able to complete 17 rooms and suites per day on average and hand them over to the operators. An important role was played by Kuehne + Nagel's tailor-made IT solution, which resulted in better planning accuracy and reduced administrative effort.

The winning of the contract for this large project is a special testimony to the confidence placed in Kuehne + Nagel by a world market leader in the hotel and casino industry; its punctual and successful execution demonstrates the capabilities of the logistics provider in material flow management for the opening of hotels and in the provision of turnkey customer-specific solutions.

www.marinabaysands.com

MARINA BAY SANDS® IN FIGURES

- Investment volume of more than 5 billion dollars
- Construction team of 10,000 workers, the largest ever deployed in Singapore
- Average completion rate: 1 hotel storey every 4 days
- 12,400 sqm roof terrace 200 metres above the ground
- World's longest terrace swimming pool with capacity of 1.4 million litres
- 8,000 sqm ballroom, the largest in Southeast Asia

Extreme logistics at 3,300 metres above sea level

No construction project is quite like another, a fact that was recently demonstrated in Peru, another country where Kuehne + Nagel is experiencing a growing demand for hotel logistics services. There, Starwood Hotels & Resorts, one of the world's largest hospitality groups with a global workforce of 145,000 and the operator of some 940 hotels (including such well-known names as Westin, Sheraton or St. Regis) recently opened two new facilities as part of its Starwood Luxury Collection. On behalf of the hotel owners, and in close cooperation with a supplier company, Kuehne + Nagel's competence centre in Las Vegas implemented two individual plans for the transport and turnkey installation of the hotel furnishings.

After the global consolidation of the deliveries from all suppliers, the goods and furniture components from various origins were transported to Peru by air and sea. There, Kuehne + Nagel completed the customs formalities and stored the freight in halls that had been specially rented to house the goods prior to their delivery by road to the two new hotel facilities. The luxury resort in Paracas is a villa and bungalow development on a 20-hectare site on the Pacific coast, a two-hour drive from Lima. As the area was affected by the most recent earthquake, transport posed a special challenge. The second destination, the Tambo del Inca Hotel, is close to the ruined city of Machu Picchu in Urubamba at the heart of the Sacred

Valley of the Incas, and could be reached by truck from the warehouse in Lima only by a three-day drive on roads which are always dangerous but particularly so in the rainy season.

To ensure the smooth completion of the two projects, Kuehne + Nagel sent two hotel logistics specialists from Las Vegas to Peru for a period of 18 weeks. They coordinated the delivery of the goods to the construction sites, where they supervised the work of installing the furnishings and fittings which was carried out by locally recruited teams of joiners and furniture packers. The unpredictable weather and the extreme altitude were only two of the many challenges.

The customer was highly impressed by the punctual handover of all fully furnished and equipped rooms in both hotels. Chief Financial Officer Francisco Perez-Egaña said: "We are extremely happy with our choice in nominating Kuehne + Nagel as our logistics provider. Their ability to manage the entire supply chain and offer a true turnkey solution allowed us to open our properties efficiently and within budget." The customer has now entrusted Kuehne + Nagel with another project: In connection with the construction of the new Westin Hotel in Lima, the logistics provider will supply and install the furnishings and fittings for 300 rooms and suites in Peru's tallest building in time for its opening in October 2010.

www.starwoodhotels.com/luxury