Asia-Pacific
China and India are the powerful growth engines

Clearing the way
Kuehne + Nagel supports solar taxi project
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Dear Readers

The dynamic economies of the Far East are generating high transport and logistics volumes, with India and China leading the way. This makes the Asia-Pacific region, upon which this issue of the World Magazine focuses its attention, an important area of activity for the Kuehne + Nagel Group.

As is the case everywhere, our staff in this part of the world are fully prepared to deal with the ever greater complexity of supply chains, including rapid developments in the field of information technology, and are always ready to adapt to the constantly changing demands of customers.

Internationally operating customers as well as domestic manufacturers and retailers are increasingly demanding efficient logistics solutions and innovative lead logistics concepts such as those offered by Kuehne + Nagel. In this region there is also a growing demand for our range of niche products. Whatever services a customer requires, they can be sure that Kuehne + Nagel is fully committed to meeting their needs, wherever they are located.

It is precisely for this reason that globally operating companies such as Beiersdorf, Gloria Jean’s Coffees and Carrefour have chosen Kuehne + Nagel as their logistics provider. In this issue you can learn exactly what these operations involve, and also read other fascinating articles from the world of Kuehne + Nagel.

I wish you an enjoyable read.

Yours

Klaus Herms
Chief Executive Officer
The Asia-Pacific organisation is growing fast. This is reflected in the impressive business growth rates as well as in the number of employees: The workforce in the region, which now comprises 5,902 people in 143 locations, has almost quadrupled in size since 1999. Specifically in the two

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BRIC countries China and India, there are plans for a further major expansion of the Kuehne + Nagel network from 60 to 85 branches by 2010. The driving force behind the expansion plans is the need to make optimal logistics solutions available to every customer.
Customer focus is the key

Andy Weber, Regional Manager Asia-Pacific, on the characteristics of the region, the company’s objectives and his recipe for success in these dynamic markets.

Mr. Weber, as Regional Manager you have been responsible for the development of Kuehne + Nagel in the Asia-Pacific region for nine years. How has the organisation changed during that time?

Both our network and our service portfolio have grown substantially. The Kuehne + Nagel organisation in the Far East already comprised 18 national companies in 1999, just one less than today, but since then its workforce has increased nearly fourfold. Presently, around 5,900 people operate in more than 140 locations. We want to continue this dynamic growth and further increase the density of our network; by 2010 we plan to be represented in roughly 85 locations in India and China alone.

What new demands do your customers have, and what are you and your staff doing to accommodate them?

The ever more complex global flows of goods and the tremendous advances in the field of information technology have brought notable changes to the requirements of our customers. Previously it was sufficient to carry out transport from A to B and to offer the customer added value by means of supplementary services, whereas today a great deal more is demanded. Besides intelligent full service solutions from a single source, customers want comprehensive supply chain transparency and sophisticated, standardised IT applications for the management of procurement, production and distribution processes. As a result of the innovative power of our Group, we are able to offer effective solutions.

What are Kuehne + Nagel’s development plans for the Asia-Pacific region?

The economic momentum from the countries of the region will open up new business opportunities for ourselves and for the whole Kuehne + Nagel Group. Our aim is to successfully expand our leading position in sea- and airfreight in the Asia-Pacific region. At the same time we want to press ahead with the further development of contract logistics – the third important pillar of our business – throughout the region. We currently operate a warehouse area of approximately 340,000 sqm in 55 locations in 14 countries.

The driving force behind our expansion plans is the need to always be close to our customers and to offer them an optimal logistics infrastructure, which supports them in the development of new production or sales markets. Our growth plans accordingly focus primarily on the two BRIC countries China and India. But we also want to strengthen our market position in other countries of the region.

You mentioned China and India. What common features and differences do you see between these two booming economies, and what is their significance for Kuehne + Nagel’s logistics business?

Both are very dynamic markets. But each is unique in its way. In day-to-day business in China, for instance, it is very important to observe the correct etiquette in relations between customer and contractor, while Indians, on the other hand, like to do business with friends.
“The driving force behind our expansion plans is the need to always be close to our customers and to offer them an optimal logistics infrastructure, which supports them in the development of new production or sales markets.”

In a direct comparison between the two countries, infrastructure clearly emerges as one of the big challenges in India. Here a good deal must be done in order to catch up with China and create optimum conditions for logistics.

Kuehne + Nagel is nevertheless achieving double-digit annual growth in both markets. And that, at the same time, is one of the challenges that faces us in the medium term: to find enough logistics specialists with the necessary potential to be trained in-house and retained long-term. It is expected that China alone will need another 400,000 logistics specialists in the coming years.

It is important that we are able to offer our customers in emerging markets the same service and process standards as in the west.

A brief glance into the future: What else can customers expect from Kuehne + Nagel in the Asia-Pacific region?

To meet the constantly changing demands of our customers, besides strengthening our core business activities we also plan to pursue the offering of niche solutions, such as those for the hotel and casino industry, beverage logistics or the perishables business. We also want to expand our capacity as a lead logistics provider and offer logistics solutions with innovative products and services.
On course for growth

China and India are the powerful engines that are driving the economies of the Asia-Pacific region and generating impressive growth rates. Kuehne + Nagel is firmly established in these two BRIC countries, whose substantial transport volume benefits the organisation all over the world. The two markets and other countries across the region are featured in the following pages.
International trade is key for China in its role as a mass producer of finished goods; it is regarded as the “workbench of the world”. Another factor is the growing purchasing power of the country’s population, which is leading to a steady increase in consumption and is reflected in the growing number of car owners. The Olympic Games in August in Beijing have also given a boost to the economy: Work on the construction and expansion of facilities to accommodate the expected 1.5 million visitors has already been in progress for some years. The logistics sector is naturally benefiting from these developments and growing at an impressive rate. It now contributes 18 per cent of the country’s GDP.

Although a slowdown in the world economy is expected in 2008, experts do not predict a medium- or long-term reduction of goods flows in China. A good deal is being done to strengthen the infrastructure, in which several hundred billion US dollars are to be invested in the next five years. Three of the world’s ten biggest ports are now on the Chinese mainland. With a container volume of more than 26 million TEU and 20 per cent growth, in 2007 Shanghai overtook Hong Kong to become the world’s second biggest container port (Singapore is in first place). The combined volume handled by all Chinese mainland ports amounts to more than 100 million containers per year. New air terminals were recently opened in Shanghai and Beijing, and the Chinese government has published plans to construct a total of 97 new airports by 2020.

Kuehne + Nagel has been present in China since 1979. Its experience, comprehensive range of services and over 2,800 employees (including Hong Kong and Macau) make it one of the country’s leading logistics companies. In March 2004 it was the first global logistics provider to obtain the Class A Forwarders Licence - a milestone for the development of its business in China. The licence enables Kuehne + Nagel to operate on an independent basis in China and to directly provide customers with the full range of international forwarding and logistics services. Today the company is represented in 37 locations in 21 cities; eight more branches are to be added by the end of 2008. Last year a special highlight for Kuehne + Nagel was the opening of two new warehouses in Shanghai and Tianjin for two of its key contract logistics customers in China: Siemens and the US retail chain Best Buy.

Just as anywhere else, the law of supply and demand also applies in China, and there have recently been notable rises in the costs of labour and raw materials. Particularly against this background, domestic manufacturers, retailers and international companies are increasingly...
BRIC COUNTRIES are the initial letters of the countries Brazil, Russia, India and China. In view of their fast-expanding economies with growth rates ranging from 5 to 11 per cent per year, experts forecast that by 2050 they will overtake the G8 countries (Germany, France, UK, Italy, Japan, Canada, USA and Russia). Roughly 40 per cent of the world’s population (2.8 billion people) live in the BRIC countries. They now contribute roughly 10 per cent of world GDP (approximately 33 trillion euros).

Demanding efficient and cost-effective supply chain solutions ranging from integrated 3PL to comprehensive lead logistics services from a single source such as are offered by Kuehne + Nagel.

The objectives for the coming years: Kuehne + Nagel aims to maintain its position as market leader in seafreight, make a committed effort to expand its airfreight business, and – as a third pillar – expand its position in contract logistics.
India

More than 1.1 billion people live in India, and 34 per cent of them are under 18 years old. The country has a reputation as a “think tank” and has a steady output of world-class scientists and engineers. It is also well known for its software production and as the world’s biggest producer of generic medicines. Its gross domestic product (GDP) grew by 9.4 per cent in 2007, making it the country with the second fastest economic growth after China. The logistics sector currently accounts for 13 per cent of the GDP and is growing rapidly. Now estimated at 100 billion US dollars, it is expected to double by 2020.

Kuehne + Nagel started operating in India in 1987 through a joint venture with a local partner, and founded its own national company in 1997, which now employs roughly 700 people and has 23 branches in this multi-ethnic country; 17 more are to be opened during the next 24 months.

The undisputed market leader in sea-freight, the company also ranks among the top providers in airfreight and in contract logistics. Kuehne + Nagel offers tailor-made solutions to customers with special requirements such as the automotive, aviation, pharmaceutical, paper and hotel industries.

Its clear strategy gives Kuehne + Nagel an edge over its competitors in a market which – due to its rapidly growing middle class (an estimated 300 million people) – shows a remarkably even balance between imports and exports. The national company was named “Best Seafreight Provider” and “Runner-Up Air Freight Provider” in 2007.

The Indian ports handled a total of 6 million TEU in 2007, and this figure is expected to rise considerably in the near future. A major infrastructure programme is in progress to meet the fast-growing demands of the market and alleviate existing bottlenecks. New terminals are under construction at the Jawaharlal Nehru Port in Mumbai and in Cochin, and the port of Chennai is also being expanded. In addition, the government is taking steps to facilitate private investments in infrastructure projects and thus contribute towards a sustained improvement.

In airfreight, India strives to become an important cargo hub. The number of passenger and cargo aircraft forecast for
the next two years will provide logistics companies with substantially more transport capacity.

With its wide range of industries the Indian market offers a multitude of opportunities for an organisation such as Kuehne + Nagel, which is able to provide customers with a comprehensive portfolio of services from integrated end-to-end solutions to value-added services such as buyer’s consolidation or sophisticated LCL seafreight products. Kuehne + Nagel’s national distribution network is also developing well. The company now handles roughly 5,000 shipments per month and the trend is moving away from distributing within individual states towards pan-Indian distribution – a major challenge in a country with an area of 3.3 million square kilometres.

Kuehne + Nagel India foresees particular opportunities in the contract logistics and the lead logistics sectors, as more and more local and also multinational companies from the fields of telecommunications, retailing and fashion, pharmaceuticals and other key markets are placing their logistics operations in the hands of specialists in order to optimise their costs and efficiency. For an international fashion brand, for instance, Kuehne + Nagel handles a production output of more than 2 million articles per season. The service includes inventory management, sorting, order picking, packing, labelling, nationwide distribution to 160 outlets, and export to various countries all over the world.

What are Kuehne + Nagel’s plans for 2008 in India? Major objectives include an enlargement of the network by extending existing customer accounts to other locations, and expanding of niche services such as those for the hotel or food industries. The optimisation of distribution activities is also planned to continue. Not least Kuehne + Nagel is in the process of building a 22,000 sqm warehouse in Chennai for a telecom customer which is scheduled to begin operation in September. By the end of the year a total of 85,000 sqm warehouse space is projected to be under management in 20 locations (end of 2007: 13).
New facility in Malaysia

Kuehne + Nagel has expanded its capacities in the Asia-Pacific region with the commissioning of a new logistics centre in Malaysia. Dr. Urs Stemmler, Swiss Ambassador to Malaysia, and Klaus Herms, Chief Executive Officer of Kuehne + Nagel International AG, officially inaugurated the facility in the presence of numerous customers and business partners.

Located at Bukit Jelutong (Shah Alam), roughly 25 kilometres from the capital Kuala Lumpur, the new facility provides 22,000 sqm of handling and warehouse space and is equipped with the latest technology including RFID capability. The terminal, which has excellent transport connections, includes a chemical storage area for around 4,000 pallet positions and a 2,000 sqm temperature-controlled area. 40 hydraulic loading docks provide smooth access to the facility.

“The investment underlines the dynamic growth of the national company. It provides us with an ideal platform to expand our contract logistics activities, an integral part of our business,” commented Andy Weber, Regional Manager of Kuehne + Nagel Asia-Pacific during the opening ceremony.

In his address, Klaus Herms looked back to the beginnings of the Malaysian company, upon which he set his personal stamp. Malaysia’s favourable position in the centre of the Asia-Pacific region was a decisive factor for Kuehne + Nagel’s decision to establish itself in the country 35 years ago. The national company now employs over 200 people at five locations in Kuala Lumpur, Penang and Johor Bahru, and offers comprehensive international forwarding, warehousing and distribution solutions and customer-specific value-added services to domestic and international customers.
Direct aid

Alongside the Kuehne Foundation, which supports training and further education in logistics as well as sponsoring cultural and charitable activities, the Kuehne + Nagel national organisations also support selected aid projects in their countries. The companies in the Asia-Pacific region, for instance, do much to help people in need. Since 1997 the Chinese Kuehne + Nagel organisation has regularly given support to "Project Hope", a public welfare project which is initiated and organised by the China Youth Development Foundation. In poor rural areas it helps to motivate premature school leavers to resume their education and to induce at-risk boys and girls to continue school attendance.

Kuehne + Nagel China first sponsored this scheme, which attracts a great deal of attention both in China and abroad, in 2000 when it supported the construction of the Wangsuozhai Hope School, a primary school in the province of Yunnan. The link with "Project Hope" is a long-term commitment under which Kuehne + Nagel also supports schools by contributions in kind such as clothing, school furniture, PCs, books or paper.

Spontaneous assistance is also needed. Following this year’s earthquake disaster in China, the Kuehne + Nagel employees in China collected over 100,000 US dollars for the victims within a week and the company contributed the same amount. The money was donated to local Red Cross organisations.

Korea: contract signed with Doosan Infracore

Kuehne + Nagel, which began its operations in Korea 35 years ago, was the first global logistics provider to operate in Seoul, initially together with an agent. It now has its own national company and employs approximately 120 people at its offices in Seoul, Pusan and Incheon. Kuehne + Nagel is in the top league in both the sea- and airfreight businesses in Korea, and operates warehousing and distribution facilities with an area of 30,000 sqm. Doosan Infracore, a leading Korean machine tool manufacturer with worldwide operations, has recently chosen Kuehne + Nagel as its partner to optimise inbound transport flows. The services provided by Kuehne + Nagel include the handling of full container load (FCL) and less than container load (LCL) seafreight shipments, buyer’s consolidation, and the transport of goods by air from Europe.

The headquarters of the Kuehne + Nagel national company in Korea.

The students of the Wangsuozhai primary school in the province of Yunnan have been able to count on the support of Kuehne + Nagel for many years.
Moving up in Thailand with Kone Thai Lift

Kuehne + Nagel Thailand was founded in 1966 and officially registered as a company in 1985. It now has 250 employees in five locations in Bangkok, Laem Chabang and Phuket. As regards its market position, it is the number one in seafreight and one of Thailand’s leading airfreight and contract logistics providers.

One of the companies that count on the know-how and resources of Kuehne + Nagel is Kone Thai Lift, one of the world’s leading manufacturers of lifts and escalators. A recently signed agreement between the two companies encompasses services along the supply chain which range from international seafreight and customs clearance to warehousing, delivery to construction sites and spare parts management.

Kuehne + Nagel is working on an exclusive basis on the BRT (Bus Rapid Transit) project in Bangkok; Kone Thai Lift has been awarded a contract from the city authorities to supply 48 complete escalator units for twelve new bus stations all over Bangkok. BRT Bus Rapid Transit is the new municipal transit scheme which will comprise five routes. The first is due to go into operation from mid-August. The routes will have a total length of 110 kilometres and are expected to handle 50,000 passengers per day in the first year.

The large parts are delivered to the construction sites at night, for two reasons: firstly in order to avoid obstructions to traffic and secondly because of safety considerations. At the beginning of June deliveries to seven of twelve stations had been successfully and smoothly completed.

Besides the BRT project, Kuehne + Nagel is also collaborating with Kone Thai Lift on other projects all over the country. One such project is the delivery of lifts to the “Met Condominium”, Thailand’s tallest residential building with a height of 70 floors.
In addition to their strong bilateral relations, since the 1990s the economies of Australia and New Zealand have also become increasingly involved in other parts of the Asia-Pacific region; Oceania has not been exempt from the trend to relocate production to lower-cost countries such as China or India, which means that in Australia and New Zealand – in contrast to most export-oriented countries in the Far East – import business has a very important position. This is also reflected in the activities of the two Kuehne + Nagel national companies. Well over half the sea- and airfreight cargo is to and from the Asia-Pacific region, and the demand for comprehensive contract logistics services is growing rapidly in both countries.

Australia

Founded in 1971 Kuehne + Nagel Australia currently employs more than 350 people in nine locations (Perth, Adelaide, Melbourne, Hobart, Sydney, Newcastle and Brisbane) in this country with a population of 20.4 million and operates a warehouse area of 50,000 sqm. Besides its extensive international forwarding and logistics portfolio, the national company also offers specialised solutions for niche markets.

An example of this is the Adelaide facility, which has developed into the drinks logistics hub for Australia, and handles roughly 5,000 TEU of wine and spirits for export all over the world. In January of this year a new, modern warehouse for this industry segment was opened at this location.

The economy of the fifth continent benefits substantially from Australia’s wealth of natural resources. The Perth branch focuses on the oil and gas industry and has steadily expanded its service spectrum over the last few years. Since 2004 Kuehne + Nagel has provided forwarding services for Woodside Energy Limited, one of Australia’s largest publicly-traded energy exploration and production companies as well as a major seller of liquefied natural gas, crude oil, condensate and liquid petroleum gas. Its committed efforts for this customer have
In 2007 Kuehne + Nagel was awarded a global contract by the Australian company Gloria Jean’s Coffees International for the provision of integrated logistics solutions covering international transport, customs brokerage services and the implementation and operation of regional logistics hubs. Gloria Jean’s operates a franchise network of more than 875 stores in 32 countries.

The regional distribution centres in Sydney, Rotterdam and Dubai have already begun operation; the hubs in Singapore and Mumbai will follow shortly. The concept ensures optimum lead times in the supply of products to Master Franchise Partners across the world. "Thanks to Kuehne + Nagel we for the first time have a fully integrated, worldwide supplier-to-store logistics concept which ensures, for instance, that our customers in Ukraine are supplied on a time- and cost-optimised basis with coffee from our factory in Sydney and with coffee cups and lids from our suppliers in China,” said Chris Muir, Global Supply Chain Manager of Gloria Jean’s Coffees International.

In April of this year, the Kuehne + Nagel warehouses in Sydney and Melbourne were transformed into a stage: in the supporting programme for a networking event, the Co-Opera Company put on a production of Giuseppe Verdi’s La Traviata which met with an enthusiastic response from the invited Kuehne + Nagel customers and members of the Swiss-Australian and German-Australian Chambers of Commerce.

The opera company was founded in 1990 with the aim of bringing classical culture to the Australian outback. The professional performers travel all over Australia with their repertoire and stage highlights from the world of opera in schools and gymnasiaums in the remotest corners of the country. Thanks to the support of the Kuehne Foundation, the opera company can celebrate a premiere in 2009; on 13 May it will travel to Switzerland for the first time and perform at the Annual General Meeting of Kuehne + Nagel International AG in the new multipurpose hall of the municipality of Schindellegi.

Worldwide coffee logistics

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New Zealand

The main economic activities in New Zealand are somewhat unusual for a developed country: agriculture and forestry, food and tourism. The country has a population of 4.1 million.

Kuehne + Nagel commenced operations in New Zealand in 1971 and in 1999 established its national company. Since then, it has increased its workforce from ten to 136. In particular, the company’s rapid growth over the past three years has necessitated substantial investments in infrastructure and buildings in order to continue expanding its market shares and develop customer solutions. Only a kilometre from the Auckland headquarters, a new logistics centre with an area of 10,000 sqm was recently commissioned. As a result, Kuehne + Nagel is in an even better position to offer comprehensive and integrated logistics solutions along the supply chain.

Demand is also growing in other locations in New Zealand. Only ten years since it was opened, the Wellington branch has become one of the leading providers in the region. In Christchurch, the gateway to the South Island, the number of staff and range of services have also been expanded, while the branch in Dunedin further to the south concentrates primarily on the needs of the timber industry and is reporting a large growth in exports to Asia and the USA.

Kuehne + Nagel today belongs to the country’s top three logistics providers, and in response to the strong growth of interest in export opportunities for perishable goods, in 2007 it substantially increased its perishable and reefer freight capacity. The necessary licences for the handling of fish and meat products have also been gained.

Kuehne + Nagel has substantially increased its capacity for temperature-sensitive cargo in New Zealand.

New Zealand is highly dependent on foreign trade. It is therefore regarded as a milestone that this year – after three years of tough negotiations – a free trade agreement has been signed with China. For Kuehne + Nagel and its customers this opens up further attractive possibilities for development between these two countries and, of course, in the rest of the Asia-Pacific market.

“The Warehouse Non Trade Supplier of the Year”

In 2006 Kuehne + Nagel won a tender by the retailer The Warehouse Group. During the following 18 months the management of the large container volume of New Zealand’s biggest importer was entrusted to a team of Kuehne + Nagel specialists. The service included assuring the highest possible degree of end-to-end supply chain transparency using KN Login – from supplier reporting to the monitoring of all goods movements both at the port and on the way to the destination. The results were convincing: Less than two years after the start of the project, in recognition of the achieved process improvements and increases in efficiency Kuehne + Nagel was awarded the title of “The Warehouse Non Trade Supplier of the Year”.

Kuehne + Nagel has substantially increased its capacity for temperature-sensitive cargo in New Zealand.
300 tonnes of extreme cargo fill three Antonov bellies

The original assignment was to transport over 200 tonnes of bulky oil drilling equipment by airfreight to the oilfields of western Siberia. However, when this figure suddenly jumped to nearly 300 tonnes, Kuehne + Nagel Hamburg, which handled the project on a joint basis together with Albacorshipping Toronto, speedily organised the transport of the additional freight. They could depend on the specialists of Volga-Dnepr for the delicate job of loading the cargo.

The order, which was already urgently awaited in Siberia, included containers with special interior fittings, cement pumps, cleaning pumps and cement preparation machines for the lining of boreholes. The highly specialised equipment had been brought by sea to Hamburg from Canada and the USA, and transported by rail and truck to the former military airfield located a short distance away at Parchim in Mecklenburg-West Pomerania.

The loading of the highly specialised equipment calls for a sure hand: this time there are only centimetres to spare.
On the glass road

Multimodal shipments to Russia – Kuehne + Nagel ensures punctual completion of a factory for glass manufacturer Guardian.

Kuehne + Nagel is handling another major project in Russia. The company is currently responsible for all shipments needed for the establishment of a new glass factory in Ryazan. The customer is Guardian, one of the world’s biggest producers of float glass and fabricated glass products headquartered in Michigan.

Everything for the new glass production plant has to be brought to Ryazan (roughly 200 kilometres to the southeast of Moscow). Equipment and machinery amounting to a total of 35,000 tonnes of cargo has to be collected from all over the world: the USA, China, Taiwan, Indonesia and Europe (UK, Luxembourg, Italy, France, Poland, Germany, Belgium, Finland, Sweden, Netherlands and Austria). A period of 14 months is planned for the project, for which the exact time schedule has been drawn up jointly by Kuehne + Nagel and Guardian. The Ryazan assignment is a multimodal project which involves different forms of transport and the carriage of oversized items by ship, rail and road.

As far as the eye can see: oversized special transport by rail.

415 standard and high-cube containers were collected at their points of departure in the USA, Taiwan, China and Indonesia, transported to ports, loaded onto ships and carried by sea to St. Petersburg from where they were transported overland to the customer. 32 oversized units – some of them with widths of up to 6 metres – were moved to ports on special trailers before being likewise carried across the sea. The contents of 28 railway wagons with sometimes sensitive equipment and machine parts from Europe had to be transferred onto trucks for the final kilometres to Ryazan. In addition, 49 oversized and 680 standard trucks went directly to the destination, and a few special items travelled by airfreight. Guardian had no need to worry about any of the individual steps in the shipping process or the formalities involved in special transport, customs clearance, measurement and final delivery. Kuehne + Nagel successfully took care of everything.

A Russian award

Originally founded by the Russian State Duma and the Ministry of Transport, this year’s annual Golden Car Awards held in late June honoured the Russian Kuehne + Nagel organisation with the title “Leader in Transport and Forwarding Industry in Russia”. For Managing Director Perry Neumann the prestigious award is a confirmation of the company’s commitment and success in the up-and-coming Russian logistics market, as well as “a compelling obligation to consistently continue with our expansion strategy in line with growing customer demand in this huge country.” Kuehne + Nagel has been active in Russia for 16 years and today operates offices and warehouses in Moscow, St. Petersburg, Yekaterinburg, Kaliningrad, Rostov-on-Don and on Sakhalin.
Continued growth

The Nacora Group has sustainably developed against the downward trend in the insurance market and is continuing to expand its network.

Dr. Weber, you have been at the head of the Nacora Group for three years. What picture did the Nacora Group present when you took over its management?

In the summer of 2005 I got to know the Nacora Group as a network of nationally operating brokerage companies distinguished by high profitability, a highly committed workforce and a good market position in the field of marine cargo insurance. In a number of countries Nacora was also a respected player in other areas of the insurance industry.

What were your main objectives?
To speed up the organic growth of the Nacora Group and press ahead with the expansion of the network in order to make a substantial contribution to the business results of our parent company.

And how has Nacora developed under your leadership?
In the past few years, on average we have achieved double-digit growth. This applies both to gross profit and to net earnings. Over these years the insurance market has been on a downward curve, so the Nacora Group has clearly moved against the trend. In 2005, our network spanned 28 locations in 21 countries. At the end of 2008 the plan is to have 48 offices in 32 countries. We have vigorously expanded the transport insurance business. For the Kuehne + Nagel Group, for instance – a very important marketing channel for us – we have developed two insurance products which can be offered exclusively to its customers. We have also stepped up our efforts to sell transport insurance to other companies.

How does this segment look in terms of growth potential?
The potentials for growth are still excellent. Here globalisation is undoubtedly a strong motivating force. But transport insurance is a small niche and will remain so in future. For that reason we need new growth areas.

Which?
By strengthening our marketing efforts, we want to gain commercial clients in the local Nacora markets. That hardly sounds spectacular, but takes on a completely different dimension if one considers that Kuehne + Nagel has roughly 300,000 customers all over the world.

And Nacora is now focusing on these?
Only up to a point. Many of Kuehne + Nagel’s customers are simply too big for the Nacora Group. However, our analyses have shown that between 15 and 20 per cent of the customers are also of interest for our Group and could be served by it.

So we are talking about 45,000 to 60,000 potential customers. How many customers does Nacora have at present?
We have between 75,000 and 85,000 customers all over the world. The majority are companies who use the services of Kuehne + Nagel and other forwarders for the transport of their goods and insure them through Nacora. We also have many individual customers as a result of the staff insurance business, and a total of 4,000 to 5,000 commercial clients who insure with us.

How do you expect the Nacora Group to look in three to five years?
We have very ambitious aims for the years ahead which cannot be achieved solely by organic growth. We are therefore looking for suitable acquisition targets in the different markets.

Nacora
International Insurance Brokers

Nacora, a wholly-owned Kuehne + Nagel subsidiary, is an independent insurance brokerage group with worldwide operations. Its activities concentrate on the fields of commercial insurance and cargo insurance. Its focussed strategy provides a substantial competitive advantage and is enabling the Nacora Group to steadily expand its network, which now comprises 29 national companies with 43 offices on all continents. Tailor-made insurance solutions are offered to customers from trade, industry and the public sector.
Just as important as growth, however, is to expand and further develop Nacora Group’s range of services. In many countries its activities are still too focused on marine insurance. We want to change that by putting ourselves in a position to offer the complete range of insurance services as brokers on a worldwide level.

The logical next development step is to offer customers more international insurance programmes. What very few people know is that one of the world’s biggest brokerage networks belongs to the Nacora Group.

Chile’s agriculture minister stresses importance of Kuehne + Nagel

Marigen Hornkohl, who was recently appointed minister of agriculture in Chile, visited the Kuehne + Nagel booth on the first day of Fruit Logistica in Berlin. She took the opportunity to stress the importance of the company for the export of agricultural products from Chile. She was accompanied by Reinhard R. Kuetter (2nd from right), Chile’s honorary consul in Bremen and general representative of Kühne + Nagel (AG & Co.) KG. At the stand the two visitors spoke with Frank Ganse (1st from right), Global Director Reefer Logistics, and Pablo Novoa (1st from left), Reefer Development Manager Chile.

As the leading fair for the international fruit trade, Fruit Logistica is naturally an important platform for Kuehne + Nagel. Visitors showed a lively interest in the services of the logistics provider on all three days of the fair. Expertise in every respect was shown by the Reefer & Perishables team, which was represented with its own sea- and airfreight specialists from the relevant key markets—besides Chile, also Argentina, Brazil, Egypt and Peru.

In this relatively new business segment—the company did not make its strategic entry into the reefer market until 1999—Kuehne + Nagel is able to report significant growth in volume year after year. Its aim is to establish itself as the leading logistics provider in this market.

Focus on strategy

Meeting of specialists in Los Angeles: The 3rd Global LCL Meeting focused its attention on the strategic development of one of the most important seafreight products within the Kuehne + Nagel organisation: the Less than Container Load service. The company’s own LCL network will be increased, and with the establishment of new LCL gateways in Dubai, Singapore, New York, Linz and Gothenburg, along with other gateways currently in the planning stage, the offering will be extended to more than 280 direct LCL services and over 5,000 routes via gateways.
Clearing the way for solar energy

The route covers a distance of more than 50,000 kilometres in 50 countries and across five continents. Kuehne + Nagel Switzerland and Asia are sponsoring the solar taxi project. Its mission – “Stop global warming” – could hardly be more appropriate.
Prominent visitors: Swiss Federal Councillor Micheline Calmy-Rey and Australian Minister for the Environment Peter Garret.

The sea leg of the journey was made in containers.

This project calls upon the assistance of Kuehne + Nagel whenever transport by sea or air is required. Since the start in Lucerne, Switzerland, in July 2007, this has included transport by seafreight from Jebel Ali to Mumbai (October), by airfreight from Calcutta to the world climate conference on Bali (November), the shipment of the accompanying bus from Calcutta to Sydney (November) and of the solar taxi from Christchurch to Sydney (January), as well as transport by sea from Perth to Singapore (March). With the aid of Kuehne + Nagel, this has been followed by movements from Tianjin to Incheon (May) and from Pusan to Vancouver (June). A journey from Montreal to Casablanca is planned in July.

What determines the exact route of the solar taxi? Invitations from inventors, organisations, individuals, and scientists who are committed to the fight against global warming.

The vehicle is expected back in Lucerne in August, by which time it will have attracted a lot of attention all over the world. The media presence along the route has been and continues to be high: international news agencies and national media follow its progress, and reports and images can be seen on the internet every day. Many prominent people support the mission and have been photographed in and with the unusual vehicle. They include Swiss Federal Councillor Micheline Calmy-Rey who was President of the Confederation in 2007, New York’s Mayor Michael Bloomberg, Peter Garret, former Midnight Oil singer and Australia’s new environment minister, and the Nobel Peace Prize laureate and Chairman of the Intergovernmental Panel on Climate Change Dr. Rajendra K. Pachauri. A meeting with Arnold Schwarzenegger, former actor and now Governor of California, is on the agenda in July.

The initiator and director of the project is Louis Palmer, whose achievements include setting a world record for a flight with the smallest aircraft across South America in 1998 and who was invited to the World Climate Conference in Bali in recognition of this action for the protection of the world climate. His message is simple: “The solar taxi should rekindle hope and a zest for life, set an example to counteract resignation and stimulate reflection. And show that every single one of us can take a step towards preserving our planet.”
The Beiersdorf cosmetics group has chosen Kuehne + Nagel as its partner in Germany and Austria. Since June 2008 the company has been entrusted with the management of the Nivea manufacturer’s main warehouse in Hamburg. It is also handling exports to Beiersdorf’s subsidiaries abroad.

“This new co-operation will bring more flexibility and is a key step towards meeting the constantly rising demands of the competitive European environment. We have significantly improved our international competitiveness by restructuring our supply and production chain in the last two years,” said Markus Pinger, Beiersdorf AG’s management board member responsible for logistics. “Our system cuts costs, is flexible and environmentally friendly and boosts our innovative strength. With it, new products can be launched worldwide extremely quickly.” One of the key criteria for signing the agreement was the preservation of the 148 jobs at the centre as well as the long-term preservation of Hamburg as a logistics location.

Efficiency and flexibility, as well as the long-term prospects for the employees, were the predominant factors in the decision of Beiersdorf CEE Holding GmbH to select Kuehne + Nagel to operate the company’s logistics centre for Central and Eastern Europe (CEE) in Vienna.

In 2007 Beiersdorf CEE Holding grew to become the second largest region within the Beiersdorf group, and is pursuing ambitious growth targets.

Dirk Reich, member of the Kuehne + Nagel International AG Management Board with responsibility for contract logistics, is delighted at the co-operation with Beiersdorf and is certain that all parties will benefit from the partnership.
Partnership with Carrefour in Turkey

Expansion of retail logistics activities in a fast-developing region.

Carrefour Sabanci Ticaret Merkezi A. S. has awarded Kuehne + Nagel a contract for the operation of its distribution centre in Gebze near Istanbul to serve the “Carrefour Expres” supermarkets in the greater Marmara region. The contract was implemented once the extension of the Kuehne + Nagel logistics terminal in Gebze was completed. Of the 16,000 sqm that has been added to its warehousing space, 12,000 sqm are utilised for Carrefour.

Kuehne + Nagel has also taken over the operation of the existing Carrefour distribution centre (5,000 sqm) at Adana in the south of Turkey, before moving these activities to a new state-of-the-art facility in the course of the year. This new building will provide space for Carrefour and other contract logistics customers.

Under the new agreement with Carrefour, Kuehne + Nagel is responsible for the provision of goods receiving services for more than 3,600 Turkish suppliers – mostly from the Istanbul area – as well as quality control and storage. Other activities include picking and just-in-time order preparation in accordance with Carrefour’s distribution schedule for its entire product range. This extends from cleaning products and cosmetics to books and electronic equipment, beverages and food. Fruit and vegetables – due to the need for freshness – stay in the distribution centre only for a brief period prior to order picking and distribution. Only in exceptional cases are these goods kept in storage.

All processes in the logistics centre are supported by modern radio frequency technology. Voice picking will be introduced in the coming months in order to further optimise order preparation productivity levels.

Christophe de Nays Candau, Director Organisation, Systems and Supply Chain for Carrefour in Turkey: “The decision in favour of Kuehne + Nagel was based on the company’s strong management capabilities and very good understanding of Carrefour’s current and future supply chain needs.”
Contented shareholders

Clear majorities for all proposals at the Annual General Meeting held on April 30.

"Apart from the turbulence which resulted primarily from the US credit crisis, conditions for the international logistics business were favourable and the Kuehne + Nagel Group was able to benefit from the positive environment for growth and achieve another excellent result," said Klaus-Michael Kuehne, Executive Chairman of the Board of Directors summing up the 2007 business year in a single sentence. In his address he underlined the Group’s continuing strong growth and acknowledged the achievements of its management and employees all over the world, whose work delivered record results. Thanks to its global network and comprehensive service portfolio, Klaus-Michael Kuehne considers the company well positioned to cope with economic challenges and to maximise new business opportunities. Furthermore, recent appointments at Management Board level have reinforced Kuehne + Nagel’s capability to consistently and successfully pursue its strategies.

In 2007, Kuehne + Nagel maintained its leading position among the global seafreight providers. Growth in the airfreight business was three times the market average, Kuehne said. In European overland transport the company resolutely maintained its policy of strategic expansion, and in contract logistics it achieved a breakthrough to the position of a global player. "Last year the excellent business performance again enabled us to create more than 3,500 new jobs all over the world, and added 1,250 employees to our workforce by the acquisition of the two groupage providers G.L. Kayser and Cordes & Simon, so that our total staff increased to 51,075," the Executive Chairman added on a further positive note.

The company is also well equipped for the future, Klaus-Michael Kuehne stated. Although world economic growth was slowing down, he was confident that it would achieve its objectives for 2008 – above-average growth in sea- and airfreight and contract logistics, and an expansion of overland transport.

The annual report, financial statements and consolidated financial statements for 2007 were approved by the shareholders present, who represented 70.7 per cent of the voting shares. The Annual General Meeting also granted discharge to the Board of Directors and the Management Board for the 2007 business year.

Juergen Fitschen, a member of the Group Executive Committee of Deutsche Bank AG, was elected to the Board of Directors for a three-year term. Bernd Wrede and Hans Lerch were re-elected for a further three years. Bruno Salzmann, a longtime member whose mandate expired with the Annual General Meeting, retired from the Board. Klaus-Michael Kuehne thanked Bruno Salzmann for his successful work.

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<th>Kuehne + Nagel Group</th>
<th>2005</th>
<th>2006</th>
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<td>Turnover</td>
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<tr>
<td>Dividend per share</td>
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Klaus Herms celebrates 40 years with Kuehne + Nagel

A ceremony was held at the Kuehne + Nagel headquarters in Schindellegi to mark the completion of 40 years of service by CEO Klaus Herms. In a witty speech, which not only described the various stages in Herms’ professional life but also portrayed him as a family man, global head of HR Klaus-Dieter Pietsch gave an outline of his career, comparing it with a marathon run. The fact that he became a role model early on in his career and motivated many people who are now top managers, was reflected in a long list of personal congratulations which were presented to him in a bound volume.

Klaus-Michael Kuehne gave an address, which began with a look back at the time Klaus Herms spent in the Far East; a time he displayed diplomatic skill in winning new business and opened a new national company virtually every year. It is to Herms that Kuehne + Nagel owes much of its present structure and worldwide network, said Kuehne. He went on to praise the excellent work of Klaus Herms in his position as CEO, which was met with a favourable response throughout the Group. Klaus-Michael Kuehne summed up the past ten years as a great success story, dominated by the development of the company into an integrated provider of logistics services, important achievements in IT, and the positioning of Kuehne + Nagel as one of the world’s biggest contract logistics providers.

Herms, who graduated from the renowned Deutsche Aussenhandels- und Verkehrsschule as a Business Economist in Foreign Trade and Transport, began his career with Kuehne + Nagel as a trainee in Bremen in 1968. Only a year later he took over the management of airfreight in Hong Kong on a temporary basis. Until the end of 1973 he was a sales representative for the project business in the Far East, at the same time as assisting the regional head of the Kuehne + Nagel companies in Hong Kong, Singapore and Taiwan. At the beginning of 1974 Herms was appointed Regional Manager Far East, and in the following years he devoted himself to the establishment of national companies in countries which included Indonesia, Japan, Korea, Malaysia, the Philippines, Sri Lanka and Thailand. In 1980 he also took over regional responsibility for Australia and New Zealand, followed by the Indian subcontinent in 1994. In 1988 Herms became Line Chief Executive Asia Pacific and a member of the then Group Management. In mid-1999 he was called to the Group headquarters in Switzerland to serve as CEO.

In the middle of 2009, after 41.5 years with Kuehne + Nagel, he will embark upon his well-earned retirement.

At the celebrations in Schindellegi.
Global player sponsors Global Stone project

"Hope" is the name of the 28-tonne stone from the South African Brits Mine near Johannesburg which was ceremonially unveiled last December in Berlin’s Tiergarten as a part of the Global Stone project. This colossus is part of a project which was initiated by Wolfgang von Schwarzenfeld in 1997 and on its completion will form an ensemble of stones from all continents. The stones are positioned so that each year, on 21 June, their polished surfaces reflect back the light of the sun to symbolically link them with the reflections from similar stones which have remained in their home continents. As a global player Kuehne + Nagel is supporting the worldwide project by sponsoring the complete transport of “Hope” from the mine to the vessel and from the port of Hamburg to its final destination in Berlin.

"Cordial thanks to Schindellegi from the heart of Africa"

Kuehne + Nagel assists the rural population in Congo – barge engine travels by air.

“I am urged to write this letter to you by a serious breakdown that took place yesterday on the Congo river barge of the Yanga Cooperative." These were the words of Walter Muff, who has been active for 30 years in the Swiss support association of the African initiative “Cooperative de Yanga”, and who wrote directly to Klaus-Michael Kuehne to request assistance for his project in a major emergency. This, specifically, concerned the transport from Switzerland to Kinshasa of a replacement engine for a river barge.

What is behind the "Cooperative de Yanga"? First of all, is the Congolese priest Abibé Nyeme Tese, who has devoted himself to the cause of greater justice in his country since his student days. Since 1976 his primary aim has been to give the rural population incentives to stay on the land and to counteract migration into the cities or to Europe. In his scheme he has grouped roughly 40 villages in the central Congo basin into a cooperative. His work centres on helping the people to help themselves – besides the enlargement of the hospital, support for schools and agricultural groups, the operation of a small sawmill and the maintenance of vehicles, this includes above all the sale of agricultural products from the district in the Congolese capital Kinshasa. The only means of transport is the barge. It carries maize, rice and manioc 1,340 km by river to the capital. If it is out of action, the people are deprived of vital income from the sale of their produce.

Until the engine broke down, neither the responsible people in Congo nor the support association in Switzerland had reckoned with such a serious mishap. On the contrary, the vessel had undergone an inspection shortly before the breakdown occurred.

Yanga is 1,340 km by river from the capital, Kinshasa.
Kuehne + Nagel responded quickly and transported the 1,500-kilogram replacement engine by air to Kinshasa at cost price, together with all accessory material. By sea, the cargo would have been in transit for roughly three months. As it was, the factory-overhauled 8-cylinder engine arrived in Africa within a very short time.

"The support association, which depends entirely on voluntary contributions, could never have paid for this out of its own resources." After the mission was completed, Walter Muff expressed cordial thanks from the heart of Africa to the management of Kuehne + Nagel International AG in an article which was published in a number of newspapers.
Kuehne + Nagel first to use Cartainers in the South America region

Car maker and importer are impressed.

It is offered exclusively by the CMA CGM shipping company and is called Cartainer. Cartainers are 40-foot high-cube containers which are fitted out in such a way that they can accommodate four cars. Their advantages over the traditional roll-on-roll-off (ro-ro) service are a faster transit time, less risk of damage, protection from the weather, no transshipment of the individual cars, and, finally, a lower insurance premium. Cartainers have so far been used mainly on the routes between Europe and North America.

When an importer asked Kuehne + Nagel about the possibility of shipping its 200 cars per year from Argentina, the decision was taken to use Cartainers in the South America region for the first time. In order to ensure a smooth “maiden voyage” a specialist from the shipping line in Marseille was flown in to instruct everyone involved in the loading of the containers.

The result after the successful completion of the transport: Both the car maker and the importer are highly impressed by the new solution. Kuehne + Nagel now intends to offer the new service to other customers in the region.

Bringing high-tech to the origins of humanity

Max Planck Institute sends its valuable computer tomograph to Africa.

It looks like an ordinary grey container. But behind its steel walls is a lead-sheathed X-ray room in which, with the aid of a high-resolution computer tomograph, new information can be extracted from hominid bone finds up to 2.5 million years old. The advantage of this is that rare specimens no longer have to be brought to the scanner but the scanner comes to the specimens. Kuehne + Nagel was responsible for transporting the valuable cargo to Kenya – and contributed to part of the costs.

The Max Planck Institute for Evolutionary Anthropology – Department of Human Evolution – investigates important bone finds which occur mainly on the African continent in the area that was the cradle of humanity. The investigations are carried out with a tomograph that has a resolution many times higher than those used in human medicine. To house the instrument, the institute in Leipzig had a 20-foot container built to a special set of specifications. After an initial trial in Morocco which saw the container with the installed tomograph transported to its destination by truck and ferry, a new challenge was presented: The long journey to the city of Nairobi. The container and tomograph were routed separately: first the special container on the ship “Safmarine Himalaya” via Mombasa (and from there by truck to Nairobi), and then, a week before the arrival of the container, the X-ray device including valuable accessories by airfreight carefully packed in a specially designed case.

The reason for adopting this approach, which was developed jointly by the Max Planck Institute and Kuehne + Nagel, was this: Only airfreight would have allowed the complete unit to be transported with sufficient safety, but the costs – despite the support given by Kuehne + Nagel – would have been beyond the limits of the budget.
Strengthening of niche services

Kuehne + Nagel is expanding its offering in niche markets, as illustrated by two examples from France and the USA: A seven-year contract with the French brewer Kronenbourg, is laying the foundations for a country-wide drinks logistics network. And with the acquisition of Elite Airfreight Inc. in Texas, the company has gained additional expertise in the oil and gas business.

The new logistics concept of France’s biggest brewer is to use an outsourced network of regional distribution centres instead of supplying customers directly from the production facility at Obernai near Strasbourg. Brasseries Kronenbourg has selected Kuehne + Nagel to partner it in the deployment and operation of the concept. The plan is to establish regional distribution centres supplied by dedicated block trains. In peak seasons, the network will manage up to five 28-wagon trains per day. Once operational after its phased implementation, from the beginning of 2009 the country-wide network with four regional distribution centres managed by Kuehne + Nagel in Paris, Bordeaux, Lyon and Rennes (total storage area 96,000 sqm) will also be available to other users in the drinks industry. More than 900,000 pallets per year can be handled. For Kuehne + Nagel this project is an important step towards the operation of its own logistics and distribution network for the French drinks industry – similar to the United Kingdom where comprehensive industry solutions are already offered under the name KN Drinks Logistics.

The dual method served its purpose: At the National Museum of Kenya, the parts were put together again on site by crane and with the support of the local Kuehne + Nagel team, and were shortly able to commence their valuable operations.

The transportable laboratory is bringing to reality a vision cherished by many researchers: Creating a comprehensive virtual collection of important bone finds and making the associated information available to the whole world. In 15 years at the most, according to Jean-Jacques Hublin, Director at the Max Planck Institute for Evolutionary Anthropology, Leipzig, scientists will carry out a large part of their studies on virtual images of the bone finds rather than on the fossil originals.

On the return journey no time was lost as the instrument was urgently needed by French scientists in Leipzig. The flight home went without a hitch and the device was delivered to the institute after only four days. The container has now also returned and is ready for its next deployment.

Kuehne + Nagel is also investing in a completely different niche market: logistics for the oil and gas industry. Houston (USA)-based Elite Airfreight Inc. has belonged to the Kuehne + Nagel Group since February. As a transport specialist for the oil and gas exploration and drilling industry, it has strengthened this segment of the international forwarding business by contributing an experienced staff of 84. Kuehne + Nagel established a division in Houston in 1977 specifically to provide logistics solutions for the oil and gas industry. Elite was founded – also in Houston – in 1986. As a result of this concentration of forces, customers now benefit from enhanced logistics networking with their production areas in West Africa, the Middle and Far East, Russia, Central Asia and South America. In the Houston area alone, almost 20,000 sqm of warehouse space and over 21,000 sqm of outdoor storage area are available to the industry.

The transport of the special container began in Leipzig (above) and ended in Nairobi (below).
Freitagsgesellschaft

On the occasion of one of its meetings, the “Hamburger Freitagsgesellschaft” founded by former German chancellor Helmut Schmidt visited Kuehne + Nagel’s German headquarters in HafenCity. From left to right: Christine Kuehne, Helmut Schmidt, Loki Schmidt, Klaus-Michael Kuehne.

Ship christening – always a special event

Bettina Schacht, wife of Otto Schacht, Global Head of Seafreight at Kuehne + Nagel, was invited to be a sponsor at the naming ceremony of MOL Celebration at the shipyard of Mitsubishi Heavy Industries in Nagasaki, Japan. Kuehne + Nagel is the biggest customer of the Japanese shipping company Mitsui OSK Lines (MOL), from whom the invitation originated. In Japan the ship christening proceedings already begin on the previous evening with joint festivities which culminate in the actual naming ceremony in which a bottle of champagne is broken against the ship’s hull. MOL Celebration has a capacity of 8,100 TEU and is being deployed in the Asia-Europe trades. It recently made its first call at Hamburg.

Hall of Fame honours for Klaus-Michael Kuehne and Reinhard Lange

The International Air Cargo Association (TIACA) has inducted Klaus-Michael Kuehne into its Hall of Fame. Kuehne has received this honour in recognition of his professional leadership and innovative development of one of the world’s leading logistics companies. In addition, this award honours the Executive Chairman’s outstanding dedication and support to education and the development of future industry leaders through his Foundation.

TIACA established the Hall of Fame in 1997 to recognise and honour air cargo professionals who have played a leading role in the progress of aviation and who through their foresight, performance and dedication have created and grown the industry. The official ceremony in the presence of Prince Joachim of Denmark and many top managers in the industry took place in May of this year in Copenhagen. Since Klaus-Michael Kuehne could not be present in person, the award was accepted on his behalf by Roland Bischoff, Global Head of Airfreight.

Reinhard Lange, COO Sea & Air Logistics and Deputy CEO of Kuehne + Nagel International AG, has also received a major honour. He has been inducted into the Maritime Hall of Fame. Since 1993 the Maritime Association of the Port of New York & New Jersey has conferred this award upon persons who have performed outstanding services to the development of seafreight.
Oldies meeting

The Kuehne + Nagel Oldies Club in Hamburg, whose members meet once every month for an informal and relaxed discussion, has officially existed since 1982. The conversations cover a wide range of topics: They may concern politics, the economy, musical events, and, of course, news relating to Kuehne + Nagel. Group events – visits to factories or museums and many other activities – are regularly on the programme and are organised by the person who has the best knowledge of the relevant field. The club now has 16 members, who show a lively interest in the meetings. At the end of April Klaus-Michael Kuehne, Executive Chairman of the Board of Directors of Kuehne + Nagel International AG, invited the former employees to the Kuehne + Nagel Germany headoffice in the Hamburg HafenCity.

Obituary

Otto Werther died on 22 June 2008 at the age of 85. He spent more than 50 years in the service of the company. As a member of the Management Board, initially in Germany and ultimately with Kuehne + Nagel International AG, he decisively influenced the development of the global forwarding business. Kuehne + Nagel mourns the loss of an exceptional person whose expertise and human qualities won him high esteem among his staff, colleagues and numerous business friends.