

M&M® NEWS

Nachrichten – News – Nouvelles – Новости

For our clients, partners and employees

September 2005

Welcome to M&M News

Dear Readers,

Today more than ever, logistics providers have to be flexible and adapt to the ever-changing market.

This means that we have to consolidate the knowledge as well as the competence within the company – and that in turn means making use of all sorts of communications and information technology.

It also means handing on all the knowledge and experience to the younger generation.

At M&M Germany, we have taken on new trainees who will learn all there is to learn in our field. Thus, we now count 84 trainees. More about them, and other news, in this issue....

Enjoy reading!

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New apprentices at M&M Germany



(picture above from left to right) *Christian Gross, Ingo Meier, Eren Sayilkan, Ricardo Oelschlegel, Ened Spartaku, Melanie Kießling, Katrin Lauterbach, Verena Wunderlich, Nicole Unglaub und Marion Herrmann (human resources department), M&M Hof*

M&M Germany has taken on 18 apprentices – young people who will be trained to become forwarders, logistics, IT, as well as warehousing experts. M&M actually trains 84 young persons in Germany.

In the three years of training, the future logistics and forwarding experts will learn their trade in as many diverse departments as possible.

The market has become more demanding; more technology

has been and is being introduced into our daily jobs – thus, the future forwarders need to be highly qualified and flexible to go with the market flow.



Dietmar Barth (absent), Marcel Sablowski Marcel (left above), Lisa Löschner-Döhler M&M Saalfeld, Tim Wulf (right above) M&M Hamburg, Stefan Gruber (left beneath) M&M Zwiesel und Julia Kabjoll (right beneath) M&M Munich.



Johannes Ruh M&M Stuttgart, and Anne Finken M&M Dresden and Andreas Dahnert M&M Frankfurt (absent).

From Eastern Germany to Siberia

Siberia, 700 kilometers north of Krasnogorsk – a great destination for M&M to prove their renown as specialist in Eastern traffic. M&M transported material to a research laboratory initiated by the biochemical institute of Jena university (Germany) and manned by scientists from seven countries. They analyze the carbon balance in Siberia’s steppes and forest.

The cargo was a 300-meter “Zotino Tall Tower Observatory” that allows measuring the impact of the greenhouse effect.

M&M Saalfeld has sent six containers on their way – first to Moscow, on the road. Then by rail to Leosibirsk, then via barge to their destination. The containers will be arriving any time now.



For this shipment, M&M Saalfeld cooperated with M&M Moscow and M&M Berlin – and the M&M network has again proven very valuable.

Textile Logistics - Cooperation in Hof

With a revenue of 22 billion euros per year the textile industry in Germany is still marching strong. Materials are still largely produced in Germany, but the final assembly of clothes has been relocated to low cost countries. Thus, textile cargo is moving around the world and needs to be distributed – a significant challenge for logistics providers.



(Foto: Bayern Innovativ)

With this in mind, Bayern Innovativ GmbH and Logistic Agentur Oberfranken called the first Textile Logistics Cooperation Forum in Hof.

Hof was chosen as the location for this meeting for its textile and logistics background. 120 participants heard about, and discussed, successful logistics solutions. M&M took part also in the exhibition during the meeting.

Night Star Express Certified

Dekra Intertec Certification GmbH has certified Night Star Express – including the central office - as meeting the specifications laid down in DIN EN ISO 9001:2000. Says managing director Matthias Hohmann: “For us, quality means the challenge to constantly improve our performance so that we meet the demands of the market.” Thus, not only our offices, but also the central office of the Night Star Express opted to be certified – “we want quality management that is kept up by every one working here. And the certificate proves that we perform accordingly in all the offices of our network.”

As part of the Night Star Express, M&M Militzer & Münch Euronational Spedition Bamberg was awarded the certificate, too.



Ocean Freight at the Airport

By Gerard Bertolini

M&M France’s ocean freight department has moved to Roissy’s Charles de Gaulle airport, where now airfreight and ocean freight of M&M France are under the same roof.

This makes the daily job easier especially owing to more immediate communication between departments.

Mr. Mina Marecar is the head of the ocean freight department.

For the new address, please see below.

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FIATA Congress in Moscow

In September, Moscow saw one of the most important events in the field of logistics – the FIATA Congress. M&M's experience with transportation within the CIS is highly appreciated. Thus, M&M was invited to give one of the keynote speeches at the FIATA Congress in Moscow. Prof. W. Paprocki, Member of the M&MIH Supervisory Board, spoke about "Freight transport through and with Russia". (More about Prof. W. Paprocki's paper at http://www.mumnet.com.pl/html/FIATA_Moscow_50912.pdf)

This year's FIATA Congress counted more than 1000 participants from 75 countries – a sign of the growing interest in the CIS and Russian market. It shows also that in Russia the transportation sector is given high priority.

Even more participants are expected for the next FIATA Congress that will take place in Shanghai next September, at the same time as the "transport logistic China" fair.

New FIATA President for the next two years is Manfred F. Boes, Germany. Issa Baluch,

his predecessor, will remain on the FIATA Board.

Railway Traffic from and to Asia – an M&M speciality

Railway transports to and from Asia are one of M&M's specialties. We are expecting interesting offers in this sector. As a member of GETO, the Association on European Transsiberian Operators, M&M is highly committed to this sector of transportation. It is with great interest therefore that we are waiting to hear the results of the 14th annual conference of the CCTST (Coordinating Council on Transsiberian Transportation) that will take place in Seoul, Southern Korea, this month.

Werner Albert, TransInvest Holding Chairman is GETO President and, at the same time, Vice-Chairman of the CCTST. Thus, M&M as part of the TransInvest Group can always rely on first hand information and good contacts in the field of Euro-Asian railroad transports.

We publish here an article by Werner Albert for the "CCTST Moscow 2005" edition written in view of the Seoul conference.

GETO sees good prospects of growing international freight transport along the Transsiberian Line

*Werner Albert,
Chairman of TransInvest Holding AG, St. Gallen/Switzerland
President of GETO
Vice-Chairman of the Coordinating Council on Transsiberian Transportation*

The economic relations between the countries of Europe and Asia are currently undergoing a very rapid growth. Fast, safe and at the same time economically attractive transport connections between the continents have therefore gained in importance



Werner Albert

significantly. Accordingly, attention has risen among shippers and the forwarders also as regards the Transsiberian railway route as a land bridge between the Far East and Europe. There are, above all, two reasons: firstly, the route crossing the continental bridge is much faster than the sea voyage. Secondly, the rates of increase in Transsiberian traffic have underlined impressively the high degree of security as well as the reliable transport time and quality via this route and have promoted trust among the customers.

In order to attract more customers to the long distances of Euro-Asian traffic and to secure their high-quality care, experienced forwarders and operators in Western Europe have come together to form GETO (Association of European Transsiberian Operators). GETO belongs to the initiators and founders of the International Coordinating Council on Transsiberian Transportation CCTST in Moscow and supports its work committedly in many ways. One could say GETO is the West European leg of the international network for the promotion of Transsiberian transport.

GETO member companies include such well-known operators and international forward-

ding and logistics enterprises as, for instance, DHL Logistics, Interrailservices IRS, K&N Berlin, M&M Militzer & Münch, Multimodal and others. All GETO companies have a great know-how in handling international rail freight transports between Europe and Asia and have long years of experience in this area. They are committed to developing new and attractive products and contribute greatly to a high degree of service quality in processing rail transports. At the same time, they provide comprehensive information to interested potential shippers or addressees in Western Europe.

Work on the development of high-performance intermodal offers for the Transsiberian traffic has been intensified generally over the past years. In 2004, 386,950 TEU were handled by the Transsib in international railway transport. This included 155,400 TEU of international transits, which amounted to a record. The focus was on container traffic between Finland and the Far East and vice versa. Further significant increases in international container transports via the Transsiberian land bridge are possible as regards the capacity and are the goal of all the partners involved in developing these transports.

It is in this spirit that the GETO companies are working especially in the following directions:

General stimulation of East-West rail transport

It is still difficult for East-West rail transport, including container traffic, to stand up against the competitors on the road and at sea and to increase its share of transportation. There have been some improvements in recent time along the land corridor between Western Europe and the CIS countries, which benefit rail transport. These include the following developments:

- The new Customs Code introduced in the RF in 2004

has resulted in significant improvements for cross-border traffic.

- The intention of Russia and Belarus to join the WTO leads to the expectation of further steps in the direction of a smooth border passage for international freight.

- A new strategic partnership has developed between the JSC "Russian Railways" and the German "Deutsche Bahn AG". Both are cooperating closely on the so-called "4-Axle-Project". This includes the setting up of a joint venture for promoting freight transport.

- The reform processes in the European rail sector and the efforts undertaken within the EU to strengthen rail transport are continuing. This has a positive impact on rail freight transport just as the reform of the Russian railway system.

- Since 2004, the European Union has included ten Central and East European countries as new members. This has led to a dismantling of further customs restrictions and to speedier border passages in the freight transport from Western Europe to the East.

- The EU Eastern enlargement has also led to growth impulses in the transport sectors of the new member states, to new customer structures and new partnerships. As a result, the view of the East has been widened to include Eastern Europe's closeness to Asia and the resulting opportunities.

- A further increase in foreign trade between the EU and the countries of the Asia-Pacific region is expected for 2005. The GETO companies will continue their efforts consistently at gaining a share of this growing traffic for the Euro-Asian land bridge.

Developing reliable standard offers

The GETO companies have organised many individual transports between Western Europe and Asia in the past years using the Transsiberian Line to the satisfaction of the

customers. Usually, the container block trains "Ostwind" and "Westwind" were used for European feeder and connecting transports for container shipments. Further work is concentrating on container logistics for corresponding load runs as well as on the development of systems to secure an economically viable ratio of outward freight and return freight. It is the long-term goal of GETO to develop regular container train traffic to reach China and other Far Eastern countries. The interest of the shippers in Western Europe has been increased through the example of implemented automobile logistics for the Hyundai plant in Taganrog. There was a great response also to the test train from China to the German Ruhr area to Duisburg via the so-called Mongolian Vector, organised by the Mongolian Railways, the Russian Railways and the German Railion. It took 16 days to cover the 9,814 km long distance crossing several national borders.

Implementing competitive logistic concepts


GETO is cooperating with CCTST to offer customers more continuous transport logistics for the entire route, including the smooth clearance of containers during their transit through Russia. This also comprises the sea and land transports connecting to the Transsiberian route. The offer of transportation between the shipper and the addressee should be best handled by one source for the entire route. This still requires more work to be done.

There are significant improvements in the container provision, for instance, through the close cooperation of the GETO company IRS with Transcontainer, the subsidiary of the JSC "Russian Railways" responsible for the container business. The increased use of leased containers as well as of private containers, including such of shipping companies,

has also contributed to a relaxation of the situation in the container area.

Increasing the service level further

Those in Western Europe who want to have their goods transported by the Transsiberian Railway can inform themselves quickly and comprehensively around the clock about prices and transportation terms via the Internet. The active use of modern information technologies is an important proof of quality for the GETO companies in providing information and care for their customers. It is the aim, among others, to introduce an electronic waybill and enable the tracking of containers via the Internet with a direct link to the customers. Good results have already been achieved, for instance, with the "Ostwind" container train. The information needed for customs clearance and border passage are transmitted electronically ahead of the containers, so that the time until the actual arrival of the container may be used to clarify possible questions. This has led to a significant acceleration of the clearance. By the way, "Ostwind" celebrates already its tenth anniversary in October 2005. GETO companies have contributed greatly also to turning this project into a success.



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