

M&M[®] NEWS

Nachrichten – News – Nouvelles – Новости

For our clients, partners and employees

September 2006

Dear readers,

During the last few years M&M has been strongly investing in the expansion of the logistics sector in almost all M&M countries. A current example is the new M&M Asia Pacific Logistic Center in China put into operation in the beginning of September. Please, have a look at the picture on page 3....

To profile still stronger as international logistic service provider is an important basis for the further successful development of the group. This was also one of the topics at the international management meeting of the TransInvest Group which took place in St. Gallen just recently. You will learn more about the results of this meeting in the current issue...

Now we hope you enjoy reading!

List of contents

**TransInvest International Management Meeting 2006:
Open for cooperations and further growth**

China:

Commissioning of M&M Asia Pacific Logistic Center in China

M&M at the transport logistic China

Germany:

M&M rail & projects sees increasing chances for Mukran

New apprentices at M&M Germany

50 years with M&M

Bulgaria: *M&M air cargo service BG supports concert of Japanese artists*

General

TransInvest International Management Meeting 2006:

Open for cooperations and further growth

(ku) The traditional meeting of the leading management of the TransInvest Group to which M&M belong took place at the head office of the Holding in St. Gallen/ Switzerland from 14 until 16 September 2006. In his opening speech on the occasion of the this year's „International Management Meeting“ the Chairman of the Board of Directors of the TransInvest Holding AG, Werner Albert, in view of the further development requested to use the potential and competences of the Group more effectively. „We have to become fit for globalisation“, he said.

To have in mind to stronger concentrate again on the traditional core business there was carried through a spin-off in the group as well as changes of the company structure during the last business year.

„Both were implemented successfully and now the company is positioned more homogeneous than before“, Albert declared. He informed about important strategic investments of the group. As outstanding projects the completed M&M Tianbao Asia Pacific Logistic Center (APLC) in Tianjin in Nordwest China with an investment volume of 9

mio USD as well as the planned construction of a logistics center in the south of Tehran with an estimated capital expenditure of 12 mio USD were stated.



Werner Albert, Chairman of the Board of Directors of TransInvest Holding AG and Yousef Sherhati, CEO of TransInvest Holding AG (from left)

The TransInvest Group currently comprises more than 200 companies in Europe, Asia, the Middle East and North Africa. The number of staff is approximately 4.740. The consolidated group turnover in 2005 was about 671 mio EUR. Without considering the group's parts spinned-off in the meantime the growth in sales of the year 2005 compared to the previous year was a two-digit amount. Excluding little exceptions all companies belonging to the group were in the black last year. Regarding the yield the product areas air and sea freight transport ranked ahead in the year 2005, concerning the comparison of countries, companies in the Middle East as well as Central Asia and some East European countries were ahead.

After its reconstruction the TransInvest Group now mainly stands on four columns. The first one is M&M as international forwarding and



logistics group working in more than 30 countries with main focus on East and southeast Europe, CIS, Central Asia, China and Maghreb. The now completed acquisition of the company Slovracht in Bratislava not only closed a gap in the European M&M network, but also created access to inland water transportation. In Russia and other CIS states currently an own parcel service named EMEX is under expansion. New regular groupage freight transports have been established recently, e.g. in the Baltic states and West Siberia. In most of the M&M countries new logistics projects are under preparation at present. Besides the APLC in Tianjin investments in Poland, Bulgaria, Germany, Marokko and further countries contribute to a reinforced development of the logistics business of M&M. „The implementation of such investments under its own steam is evidence of the excellence of the TransInvest Group,“ Yousef Sherhati, CEO of the TransInvest Holding AG, underlined at the Management Meeting in St. Gallen.

A second important column of the TransInvest Group is the group of forwarding and logistics companies in Iran to which PTB Perse International Forwarding Co. Ltd., TCT Tehran Container Terminal, the Iran Shipping Services PJSC and other companies belong.

The new container terminal of the group in the port of Bandar Abbas developed most successfully. Due to its quality and efficiency it is estimated by a growing number of shipping lines that is why it is thought about expansions, too. Besides the planned expansion of the logistics business the active role of the group in rail transit through Iran to and from the Persian Gulf as well as via the „green borders“ of the country preferably shall be upgraded. „Already today we use the opportunities of transports with Russia via the rail ferries in the Caspian Sea and we see further options“, Werner Albert, Chairman of TransInvest, declared. The „railway sector“ as a whole is the third important column of the TransInvest Group. It does not only play an important role concerning the other both groups (e.g. M&M rail & projects, Tarabari Rail Tehran). Moreover, the TransInvest Group comprises a whole number of further companies with core business in the railway sector. These are the TransRail Group, the InterRail Holding, the companies RailService, Moscow, Nordic Freight, Helsinki, Multimodal Transport Equipment GmbH, Frankfurt/Main, and the joint venture of Interrailservices with Intercontainer which among others operates the container train „Ostwind“ from Berlin to the CIS. The railway sector of the TransInvest Group also

today is considered to be the most important player in railway transport with the CIS. This position shall be kept and possibly expanded. „The intensification of our cooperation with the Russian Railways as well as our continuous engagement in the the International Coordinating Council on Trans-Siberian transports topically serve this“, Werner Albert, Chairman of TransInvest, said.

The fourth column of the TransInvest Group can be summarized under the generic term Finances & Real Estate to which the Bank Alpinum AG and the CreditSouzComBank belong. One of the positive results of the group in this area in the last business year is the successful deposit insurance licensing procedure, the Russian Government requires, of the CreditSouzComBank based in Moscow which only 60% of all resident banks cope with.



To be open for cooperations, alliances, investments and further growth – this remains further on part of the company’s philosophy of the TransInvest Group, CEO Sherhati declared in the final speech at the meeting. New developments in this area mentioned during the meeting were among others the membership of a number of companies in the FETA Freight System International (FFSI), a global network of medium-sized



universal forwarders, the cooperation with Redhead International as well as the cooperation with Indian companies and the installation of an own delegate on site in this booming market. According to CEO Sherkatli the tasks most urgently to be solved within the TransInvest Group in the near future shall be the implementation of standard IT solutions in the group and the strengthening of Human Resources.

Commissioning of M&M Asia Pacific Logistic Center in China

The M&M Tianbao Asia Pacific Logistic Center (APLC) has been completed now according to schedule. There will be completed some works in the surrounding area in the next days. After acceptance by the different local authorities the modern logistic terminal with a storage space of 20.000 m² has been put into operation in the beginning of September. The official inauguration of the APLC is planned for October.

On the part of the international customers the new logistic offer of M&M met very good response. The attractiveness of the modern efficient terminal is underscored even in multiple respects:

- The M&M APLC is situated in an utmost seminal and already today economically strong development region of China. Tianjin strives to get a similar importance as Shanghai one day. Prospects are quite good because the development potential of Shanghai more and more comes up to the limits. The demand for logistic services in the region of Tianjin to which more and more direct investments flow will continue to rise.

- The M&M APLC is situated at the New Euro-Asian landbridge funded by the Chinese government. Therefore, the terminal will be of direct importance also for the transit



M&M Tianbao Asia Pacific Logistic Center in Tianjin/Xingang

freight flows from Central Asia increasing already today.

- The M&M APLC is situated within the „Bonded Logistic Park“ (customs-free trade zone) of the special economic zone TEDA (Tianjin Economic and Technological Development Area). That provides significant customs and tax advantages. At the same time there exist optimal conditions for execution of value-added services by M&M for its customers.

- The M&M APLC has an excellent connection of its infrastructure. It is directly situated in the port area. The distance to the wharfage is only about 200 m. The airport is nearby. In the whole region the road and rail network is being upgraded.

„China and specially logistics in China are top priorities for us at M&M. Here logistic services in bigger amount start to develop at all. And in the same manner like we engaged as one of the first foreign forwarders our services in China and the adjoining countries we want to place ahead in the logistic market, too. We already think of further

investment and presumably will invest in several locations within the next few years“, Serge Trevisan, member of the Executive Board of M&M International Holding AG, informed.

M&M generally has been strongly investing in the extension of the logistic sector in almost all M&M countries and thus built an important basis for the further successful development of the group and its stronger profiling as international logistic service provider.

M&M at the transport logistic China

From 19 – 22 September M&M China attended the transport logistic China 2006 in Shanghai. More than 300 exhibitors from 33 countries presented their services at the



Shanghai New International Expo Centre. The fair attracted around 9,000 visitors from 81 countries.

Dieter Buchinger, China GM, Song Lin, vice GM, Hans-Werner Rieker, China COO, Markus Benz, Shanghai Branch Manager, Jack Zhao, APLC Manager, Bright Zhang, Sales and Marketing Manager, Samuel Shen, Public Relations Manager and other Shanghai colleagues represented M&M during the fair. M&M presented its freight forwarding services in China and the new Asia Pacific Logistic Center in Tianjin. As a result, M&M met more than 300 potential clients and agents.

M&M rail & projects sees increasing chances for Mukran

Within the framework of a large modification project of paper machines in Solikamsk in the Ural currently more than 60 waggons, distributed to several parts, are handled by M&M rail & projects GmbH in the rail ferry port Sassnitz-Mukran. Besides the advantage of the direct loading to Russian wide gauge waggons the customer, Voith Paper GmbH & Co KG, Heidenheim, can use the opportunity in this port to collect and sort as per assembly components the parts of several suppliers from different locations. „The port Sassnitz-Mukran offers clearly grown services which finds favour with the customers“, Klaus Lutze, managing director of M&M rail & projects, says.



The rail forwarders of M&M belong to the permanent partners of the ferry port on the island of Ruegen in the northeast of Germany. „We regularly send goods via Sassnitz-Mukran because service and framework conditions are right. Especially for the loading of large-sized and heavy equipment goods the rail ferry port is the undiminished optimal alternative“ Klaus Lutze estimates. In 2006 there were forwarded by M&M among others 23 cranes on totally 70 waggons, 11 excavators and other earth-moving technique respectively, via the rail ferry port Sassnitz-Mukran to the Lithuanian ferry port Klaipeda and further by rail via the CIS to Central Asia. A special challenge already in this autumn will be the forwarding of a mobile crane with 800 t lifting capacity to Kazan which distributed to 20 waggons will start its rail trip via the Baltic Sea.

With the planned opening of the new rail ferry connection from the port Sassnitz-Mukran directly to the Russian seaports Baltisk (Kaliningrad) and Ust-Luga M&M rail & projects expects a growing attractiveness of the route via the Baltic Sea for a broader goods palette. „For export in the northwest of Russia especially the rail ferry transport to the new port Ust-Luga near St. Petersburg will be of interest. For the first time there will be a direct rail connection to the wideness of Russia without additional stopovers at borders and with the respective saving of time“, the managing director Klaus Lutze emphasises.

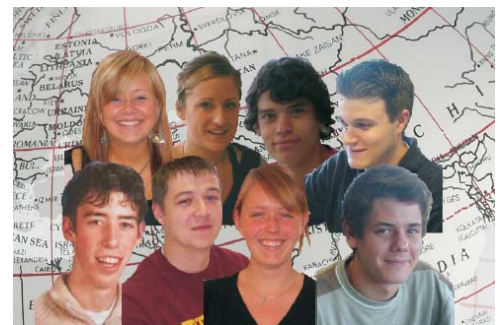
New apprentices at M&M Germany

The German M&M Group welcomed 23 new apprentices in the locations Bamberg, Dresden, Frankfurt, Hamburg, Hof, Marktredwitz, Munich, Ransbach, Saalfeld and Zwiesel in August/ September.



(from left) **Michael Hoffmann, Michael Bielenin, Patricia Pöpperl, Bernard Johnson, Alexandra Hartmann, André Fahlbusch, Cornelia Briege, Tim Wohlrab, Christian Zech and Marion Herrmann (HR department) (Hof)**

They will be trained to become forwarders, logistics and warehousing experts. Currently there is a total of 66 apprentices throughout Germany.



(above, from left) **Stefanie Borchardt (Hamburg), Miriam Schulten (Marktredwitz), Martin Geppert (Dresden), Nico Bender (Frankfurt)** (below, from left) **Thomas Herz (Ransbach), Manuel Gunzelmann (Bamberg), Franziska Höfler (Hamburg) and Lutz Pfefferle (Frankfurt)**



(from left) Marco Augustin, Stephanie Marx, Markus Joachimsthaller und Andreas Petermann (M&M Zwiesel)

50 years with M&M

50 years ago on 1 August Herbert Fuchs of M&M air sea cargo GmbH had his first working day with M&M in Hof. On the occasion of this special jubilee the management



handed over to him a certificate of honour of the Chamber of Commerce and Industry and a jubilee bonus as well as a gift hamper from the management and colleagues. In a conversation he reported that he even can remember his first working day. The first three years he spent in the disposition division and changed to the overseas division in 1959 where he still has been working. Working techniques have been changing very much since that time. But pleasure in the work and company with the colleagues remained. Nethertheless, he is looking forward to his forthcoming retirement to which he will take leave on 30 November.

M&M air cargo service BG supports charity concert of Japanese artists in Bulgaria

by Ekaterina Stoykova

In the evening of September 15th, a unique audio-visual show by world-famous Japanese performers was witnessed for the first time in Bulgaria, in front of the Tzarevetz castle in the medieval Bulgarian capital of Veliko Turnovo. A majestic stage was built on the Tzarevetz hill especially for the event. The concert was funded by the Japanese-Lebanese non-profit organization KOMA. NPO KOMA has been dedicating itself to supporting world piece and encouraging the cultural dialogue between the nations. The Bulgarian concert was part of a global series of charity concerts, performed by the Japanese artist Idaki Shin and the founder of NPO KOMA Ms. Keiko Koma – a descendent of the ancient royal family of Koguryo which ruled over large parts of Asia for 800 years. Their performance is a special composition of electronic music, lights and poetry. In Japan this music is believed to have a positive influence on treating cancer. More than 200 spectators had travelled from Japan to Bulgaria especially for the concert. The concert was

attended by prominent citizens of the city of Veliko Turnovo as well as thousands of spectators from all over Bulgaria.

M&M air cargo service BG had the opportunity to support this good initiative by arranging the customs clearance, warehousing, packing/unpacking and transportation of the nearly 8000 kg of musical instruments and audio and video equipment from Tokyo and Dubai to the concert site, located about 250 km away from Sofia. M&M also provided the customs bond for the temporary importation of the equipment as local procedures prevented the issuance of ATA carnets in the countries of origin. After the concert, M&M took care of packing and re-exporting the equipment back to Tokyo and Dubai.

The services of M&M were advertised by the organisers of the event through catalogues, leaflets, CD/DVD covers as well as by elevating M&M's flag to the highest point of the concert site at the Tzarevetz hill for 2 days before and during the concert.

The staff of M&M air cargo service BG received special thanks by their new Japanese and Lebanese friends:

Dr. Ghazi Kahwaji, Art Director of NPO KOMA:

"Dear friends in M&M Bulgaria, We thank you very much for your collaboration and for helping NPO Koma organization. Your help was



essential in the success of the Turnovo event. We also hope that this relation will last and we are looking forward for future collaborations. Best regards from Japan and Lebanon, hoping that we would meet soon."

For some of its key customers M&M hosted an improvised excursion for the concert. Everyone enjoyed the event. Being particularly impressed by the power of sound and spotlight, some spectators noticed: "It must have been quite a task to get all the equipment here". Indeed it was, we can say now, but it was also a lot of fun and definitely worth the efforts.

NPO KOMA is already considering a second concert in Bulgaria next year for which M&M was again invited to provide for the necessary logistics and transportation services.

General

New address of M&M Asghabat / Turkmenistan:

**M&M Miltzer & Muench
Turkmenistan Ltd.**

Hotel complex Akhal,
Nowoarchabilskaya St., 35
Berzengee,
TM- 744000 Ashgabat,
Turkmenistan
Tel.: +993 12 488077 / 488073
Fax. +993 12 488074
mumtmas@mumnet.com

M&M Tbilisi/Georgia has new phone numbers:

**M&M Miltzer & Münch
Georgien GmbH**

39, Av. Ketevan Tsamebuli
GE-0103 Georgien
Tel: +995 32 748240 / 748940 /
748644
Fax: +995 32 273432
mumgeo@ti.net.ge

masthead

Editorial department: VPR
Address: M&M Miltzer & Münch
Internat. Holding AG
Unterkotzauer Weg 47
95028 Hof / Saale
Germany
Phone: +49 9281 813 – 4210
Fax: +49 9281 813 – 4205
Email: redaktion@mumnet.com