

M&M[®] NEWS

Nachrichten – News – Nouvelles – Новости

For our clients, partners and employees

August 2006

Dear readers,

We report back from the summer break with some more news.

This edition focuses on Central Asia. There have been own M&M companies in this region already since the mid 90s. You can read more about how M&M has expanded its activities there continually and what the objectives currently pursued are in this publication.

Furthermore, we report on 20 years of M&M presence in Morocco, excellent EMEX performance in Kazakhstan and our newly opened Delegation in India.

Meanwhile, the planning for the participation in the professional transport logistic 2006 fair in China is running at full speed. The fair is to be held in Shanghai from 19th to 22nd September. The M&M Tianbao team is already looking forward to your visit.

At this point, we would like to thank all those who have contributed as authors. Now, have a lot of fun reading the M&M News.

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M&M as specialist in Central Asia

by Serge Trevisan, Executive Board Member of M&M Militzer & Münch International Holding AG, St. Gallen

The M&M Group has expanded its activities in the Central Asian CIS republics significantly over the past years. Since 2002, we have been able to increase our turnover by 33% per year, on average. The number of staff members working on site has increased considerably. Today, there are more than 150 qualified and committed M&M staff members employed in this region. The M&M companies operating there are all operating



Transshipment at the port of Turkmenbashi

with a profit. Their gross forwarding profit has nearly doubled since 2002.

In this year, too, we were able to extend our business activities further in the Central Asian CIS republics. The ferry traffic across the Caspian Sea, started recently, from Turkmenbashi and Aktau to the Russian port of Makhachkala, has developed excellently. M&M is working as an agent for this operation in Turkmenistan and has also taken over many further comprehensive service tasks. Up to the end of the year, four ferries are probably going to operate four services per week. This improves the transport offer in this region considerably. These ferry services currently concentrate mainly on crude oil products, such as kerosene, diesel and naphtha from Central Asia with the final destination of Europe.

Increasing the service quality and new transport routes

There are also very favourable developments in the area of courier, express and parcel services. This is where we are developing our services for the region under our own brand name of EMEX and also act as an agent for the express service FedEx. In Almaty, we

cooperated in setting up a regional FedEx hub, which has started full operation only recently. Overall, we have taken a great leap forward in the area of airfreight in Central Asia this year. Also, the project-based business and our engagement in the cotton and raw materials export of the region have developed successfully.

Central Asia has been among the focus regions of M&M for more than one and a half decades now. That is why we have extended our network there and put it on a sound foundation. Thus, we provide good and comprehensive services for our customers. Already since the beginning of the 90s, there have been own M&M companies in Kazakhstan, Turkmenistan and Uzbekistan. In addition, there are branches and offices of these companies in conurbations along important international transport corridors and at the major border-crossing points. M&M is represented with delegation offices also in Kyrgyzstan and Tajikistan.

Due to the wealth of raw materials in the region and its central transport-geographical position along the route between Europe and the Far East, we see significant prospects for the development of Central Asia. Thus, we will continue to develop our activities there over the years to come. The increase in service quality, the extended range of logistic services, the extension of the courier, express and parcel service business and the inclusion of new transport routes into our range of offers will all play an important role in this connection.

Cross-border transport links of interest

It is among the goals of M&M to offer the customers in all regions a high level of service. Thus, our first Central Asian company, the TOO M&M Logistics in Kazakhstan, is also preparing for an ISO Quality certification. Overall, we want to invest predominately in the logistics area in Central Asia, in

Opening a Delegation in Tajikistan

In July, M&M opened a Delegation in Tajikistan. The address is:

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order to have better prerequisites available for the implementation of comprehensive logistic services.

Good conditions have already been created for the extension of the CEP business with the foundation of EMEX companies in Kazakhstan, Turkmenistan and Uzbekistan. As regards the diversification of transport routes, we are following up on new interests of our customers. Connections from Central Asia to China, but also to India, where M&M is also present, are becoming more and more important meanwhile.

There is great interest in all Central Asian CIS republics in developing cross-border transport links, in order to be able to increase exports and gain access to the oceans of the world. There are large-scale infrastructural projects in the entire region currently, as for instance, the development of the TRACECA Corridor from Europe via the Black Sea, the Caucasus, the Caspian Sea to Central Asia or the development of the traditional route, the Silk Road, from Istanbul via Iran and Central Asia right up to China. Especially in the traffic with China, the connections are developing in a great variety, in particular, as China is striving to enhance the infrastructure especially in the hitherto underdeveloped West of the country. No doubt, the implementation of such large-scale projects in Central Asia as the construction of a rail link

between Uzbekistan and China via the Fergana Valley and Kyrgyzstan or the construction of the Trans-Kazakh normal-gauge route from the Chinese-Kazakh border to the Caspian Sea cannot be conducted in the short-term. However, there are many improvements of the infrastructure even today, which promote the handling of transports and draw Central Asia closer to Europe and the oceans of the world. For the M&M companies in this region, the operational as well as the commercial business with shipping companies is becoming more and more interesting. There is already pertaining experience in this area.

EMEX Kazakhstan: Best of the Best

At this year's FedEx GSP Conference in Opio (France), Elvis Roberts was able to accept two awards from FedEx Express. On the one hand, he received the FedEx "Best of the Best" Award.



Robert Elliot, President (right) and Hamdi Osman, Vice President of the EMEIA* (left) hand over the "Best of the Best" – award to Elvis Roberts, Managing Director of EMEX Kazakhstan (centre).**

This prize is awarded once a year to the most successful managing director of a GSP (Global Service Participants)

operating for FedEx within a certain region. Overall, there were 87 FedEx GSPs of the MEIACAT* Region up for choice. On the other hand, EMEX Kazakhstan was awarded the "FedEx Best GSP" in the category of "Small Companies" (less than 100 staff members) of the entire MEIA** Region.



*(Middle East – Indian Subcontinent – Africa – Central Asia – Turkey)

** (Middle East – Indian Subcontinent – Africa)

*** (Europe – Middle East – Indian Subcontinent – Africa)

M&M Delegation opened in India

The newly opened M&M Delegation in Mumbai / India started operation on 1 September. The office is to be found on the premises of FlyJac Logistics, the Indian General Agent of M&M. This is where Mr. Manoj Kumar, who has been nominated as a Delegate, has worked in various managing functions. He has long years of experience in the transport and logistics sector.

The coordination and responsibility for the new M&M Delegation lies with Mr. Elvis Roberts, Managing Director of M&M Kazakhstan. (Elvis.Roberts@mumnet.com)

The Indian economy has grown above average over the past years and holds an enormous further potential. In partial areas, such as information technology, pharmacy but also aerospace research, India has meanwhile risen to the top

international league. India's foreign trade currently amounts to one third of the GDP. Both exports as well as imports show record growth.

By opening a Delegation of its own in India, M&M wants to step up its sales activities in this extremely attractive market, first and foremost. The operational handling will be conducted in cooperation with FlyJac, Mumbai also in the future.

The address of M&M in Mumbai:

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20 years of M&M presence in Morocco – a reason to celebrate

The team of M&M Militzer & Münch Maroc SA celebrated the 20-year presence of M&M in Morocco in high spirits and in the best of moods in Casablanca on 17th June 2006. The company, founded in 1986 – then still operating under the name of Tramco and renamed to M&M Militzer & Münch Maroc SA in 1992 – has

meanwhile developed continually in the direction of a comprehensive forwarding and logistics provider and has conquered a firm position in the international business of the Maghreb zone countries. The company cooperates closely with M&M France, Trans Natur Spain and Redhead UK.

The first storage areas of M&M Maroc were already operated in the 90s. In the year 2000, the company was able to start the operation of the first private customs warehouse in Morocco. Due to the growing work in the customs area, the subsidiary company Spedimex Maroc was founded in 2001, which specialises in these tasks. In 2003, the construction of an own logistics terminal was completed in Casablanca, offering 19,000 square metres. This paved the way for taking over more comprehensive logistic services. A specialised logistics department emerged. The company went online and developed the IT – network with its customers. Due to the successful development, the plan is to extend the storage space by a further 1,500 square metres. Counting 29,000 consignments handled in the last year, the company was able to mark another climax in its development.

In the near future, M&M Maroc SA wants to concentrate on developing the air and sea cargo activities as well as the contracted logistics. The company is offering a very broad range of services. There is



Team of M&M Morocco

demand from both the area of technical household devices as well as the automotive field. No doubt, they will soon have to think about a further extension of their capacities. The team of M&M Maroc SA has meanwhile gone back to work after their anniversary celebrations and will soon present further success stories. Olivier Antoniotti, Managing Director of M&M Maroc, sees further good prospects for his company also in the future.

“Starting with modest beginnings, when the trucks were still loaded and unloaded on the road, when there were no stores, meanwhile a valuable company has been built step by step, which now belongs to the TOP 5 of the international forwarders in Morocco. What needs to be stressed is the close cooperation with M&M France. Only a committed management and a well working exchange of information with motivated sales staff and commercial clerks on both sides, who are in contact every day, could lead to such a successful position as it is being held today. There is no other explanation of why a German company can be so successful on the French-Moroccan market”, says Engelbert Heiser, Executive Board Member of M&M Militzer & Münch International Holding AG (Switzerland) and at the same time President of M&M Militzer & Münch Maroc SA, who congratulated the Moroccan team in the name of the M&M Holding on the success achieved so far during one of his last visits.

M&M at the Transportec Logitec Romania 2006

From 29th June to 2nd July, M&M Militzer & Münch Romania SRL participated in the annual specialised Transportec Logitec Romania 2006 fair. More than 80 companies from the transport and forwarding industry participated as exhibitors. M&M Romania also presented its product portfolio



M&M Air & Sea Bucharest in a new office. The air and sea cargo department of M&M Militzer & Münch Romania SRL moved into a new office at the International Airport of Otopeni, Bucharest, in June 2006. The office is to be found within the main cargo terminal of the airport. The perfect location on the airport premises as well as the modern rooms, equipped to EU standards, offer a good foundation for the further development of this M&M area of business.



The M&M airport team

The new address:

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within the setting of this fair. “The acceptance of Romania to the EU next year, will lead to an increase in the transport volume both in the import as well as the export areas. For us, this means that we have to know the market and the needs of the market players in order to adjust to the changes. Events such as this are thus an optimal barometer for industry trends and market conditions,” Valentin Dragu, Managing Director of the Romanian M&M company, pointed out.

New COO at M&M Shanghai

by Dieter Buchinger

Hans-Werner Rieker (40) took over as the COO (Chief Operating Officer) at M&M Militzer & Münch Tianbao International Forwarding Co. Ltd. in Shanghai on 15th August. He took economics and Chinese studies at university. Due to his previous stay in China, which lasted for many years, he is already very familiar with the local market and has extensive experience in the area of transport and logistics. Hans-Werner Rieker is responsible for the expansion of the M&M activities in

Southern China and the continuation of the positive development of M&M Shanghai. In addition, he will take over the operational management of the M&M logistics division.



Hans-Werner Rieker

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M&M Tianbao at the transport logistic China 2006

M&M Militzer & Münch Tianbao (China) is represented at the transport logistic China fair with its own booth from 19th to 22nd September. This international professional fair is being held at the Shanghai New International Expo Centre (SNIEC), China's most modern fair grounds, for the second time. It is the meeting place for logistics, telematics and transport in Asia. There will also be shared booths of companies from other countries. According to information provided by the organiser, the overall space of the country pavilions has grown fourfold from 300 square metres in 2004 to meanwhile 1,200 sq.m. All told, 214 exhibitors from 27 countries are expected. An interesting fringe



In time for the tomato harvest in China. Recently, M&M Urumqi organised a strictly time-dependent transport to the Province of Xinjiang, in cooperation with M&M Tianjin and M&M Italy. The transport comprised machines for the tomato harvest ahead. Altogether, there were eleven DC/HC containers as well as one FR to travel from Parma/Italy to Urumqi, in the outer west of China. The consignment arrived in time. The convoy of trucks took seven days to cover the 4,200 km long route from the Port of Xingang to the final destination. The whole trip, starting in Italy, took one and a half months.

programme, made up, for instance, of the "Air Cargo China 2006" Conference and the "Germany: China's gateway to Europe" Forum, supplements the know-how transfer of the industry. The FIATA World Congress is being held in parallel to the fair.

Staff members of other M&M companies who are planning to participate in the fair, please contact

Markus.Benz@mumnet.com by email.

Please visit M&M in Hall W1, booth 535.

www.transportlogistic-china.com



M&M rail & projects GmbH kicking off

One of the major future markets for rail freight transport is the rail traffic with Eastern Europe

and Asia. As of September this year, there is a separate M&M company, the M&M rail & projects GmbH, headquartered in Hof, concentrating especially on these regions. Work is focussing very much on logistic concepts including the rail. Such concepts – centring on the rail in Eastern Europe and Asia – have become an interesting subject in connection with the movement of many Western European industries to those countries, in recent years. Prerequisites for the efficient inclusion of rail transport into logistic projects are developing also in the CIS countries, at the moment. Both the railways as well as private operating companies are extending their services in this area, they are driving the containerisation, are preparing concepts for new products along the international corridors, are stepping up multi-modal transport or are constructing terminals for the multi-modal freight transport and for value-added logistic services the length of the major international rail corridors.

That is why the M&M rail & projects GmbH is aiming at offering their customers everything from one source. As regards the customers, this is targeted especially at goods that are suitable for or require the rail due to the amount to be transported, the transport route or the specific properties (heavy load or oversize dimensions).

According to the assessment of M&M, rail transport is an adequate solution for many goods and destinations in the traffic with Eastern Europe and Asia, already because of the long distances. The prerequisite is that the quality and the total cost still makes this kind of transport competitive.

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On tour: 3500 km in 50 days

For years, M&M has been well-known for special transports, especially for difficult customs clearance, in the respective East and South Eastern European countries. An enquiry for handling the transport of a sort of road show exhibition by mega trailer from Belgrade to Bratislava was submitted to the M&M branch in Schwaig near Munich in April. M&M was commissioned both with the handling of the Carnet-ATA goods as well as with the unloading of the exhibition parts in the city centre of Bratislava.



Unloading in Sofia

From Bratislava, the trip continued to Budapest at the end of April. Here, too, it was thanks to the partnership and support of the Slovak partner that the loading was conducted without any problems even on a Sunday. The truck with the road show exhibition was able to arrive in Budapest on time, on 2nd May 2005. The exhibition was put on display in the city square in the centre of Budapest until 14th May. From there, it continued its journey, well packaged, to Sofia. This is where the organisation of M&M Bulgaria was called upon, who looked after the temporary import clearance, obtaining the necessary permits and unloading in the city centre of Sofia.

Due to the smooth and timely execution of the project, M&M was finally commissioned with transporting back the exhibits to Berlin, which arrived there safe and sound after more than 3,500 kilometres and 50 days.

Aid transport to Romania supported

Recently, the Deanery of Münchberg, headed by the Reverend Werner Konnerth, has once again conducted an aid transport to Romania.

TransSoft Transport Software und IT Support GmbH Münchberg and M&M Militzer & Münch Euronational Spedition Hof have taken over the financing and the handling of the transport.

The deliveries, consisting of consumer goods, such as clothing and household devices, go to the Deaconry Association of the Protestant Church in Alba Julia. They support people in need with these supplies and sell part of the goods at second-hand shops.

The revenue once more goes to paying for the running cost of homes for disabled children and young people, which are operated by the Association.

Certified quality from the company TTS Transterminal Rail

TTS Transterminal Rail, Buchs (Switzerland), a company of the M&M Group, has been certified according to DIN ISO 9001:2000 recently. Quality assurance is regarded as one of the main customer requirements. The certification strengthens the trust of the customer in the quality of the services on offer. The main criteria under scrutiny are: adherence to deadlines, transport security, reliability and comprehensive care.



At the same time, TTS presents itself with a new logo.



The rail department of TTS Transterminal was set up in the year 1999 and has undergone a positive development over the past six years. Comprehensive rail logistics throughout Europe are being offered together with the M&M rail departments.

The strengths of TTS are market-oriented solutions for the transport of goods on rail. The customers are to be found, among others, in the areas of the chemical and paper industries as well as the automobile trade. The aim is to move transports from the road on to the rail, wherever this is possible.

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General

Changed mobile phone numbers in Latvia

Since 1st August, an extra 2 has to be dialled after the country code for the mobile phone numbers of the staff members of M&M Militzer and Muench Baltica SIA in Latvia. This is an example: **00371 2 650000**.

Baku jazzing

Following the success of last year, featuring the legend Joe



Zawinul and his group The Zawinul Syndicate as the main guest, another Jazz Festival was held in Baku, the capital of Azerbaijan, this year, too. From 19th to 27th June, celebrities, such as Al Jarreau and Herbie Hancock, as well as many more musicians, from both Azerbaijan and other countries, met at this event, which is regarded as the cultural highlight of Azerbaijan. This Festival unites traditions and philosophies from the whole world. Murad Suleymanov, member of the "Orient Xpress" Band, and staff member of M&M in Baku, was also in the midst of it, even wearing an M&M T-shirt during his performance.



11th Pole Vault Meeting – a resounding success once more. M&M has supported the meanwhile traditional Hof Pole Vault Meeting as a sponsor again this year.

Even though it was very hot in the old part of Hof, due to the weather, the athletes mastered impressive heights. The men's winners were Fabian Schulze from Germany and Okkert Brits from South Africa. Both reached 5,81 m. The women's competition was won by the European Cup participant Martina Strutz with 4,42 m, heading off Jilian Schwartz from the USA (4,37 m).

Information from the Trans-Invest Group

InterRail: Good start with CIS expertise

(by Christine Kulke-Fiedler, Source: DVZ of 25/07/2006 sr)

Just about a year ago, the Swiss TransInvest Group consolidated major parts of its rail transport under the umbrella of the sub-holding InterRail. Hans Reinhard, Managing Director of the holding company InterRail, St. Gallen, was able to strike a balance, saying that the restructuring process had run "smoothly" and the new structure had been accepted by the customers "with no problem at all":

The extension of the range of products seems to have met with a good reception. Apart from the traditional direct rail links via the "green border", services are being offered more and more leaving the CIS ports

such as St. Petersburg, Novorossiysk and Illychevsk as well as the Baltic ports. "We are not only offering the actual rail service but the port handling as of the incoming vessel as well, which is already being used busily," as Hans Reinhard explained.

Broad-based industry expertise. InterRail regards itself as a rail freight service provider. The customers are both forwarders as well as operators. They avail of the specialised know-how of the company as well as of its network in the case of rail transports in Eastern Europe, the CIS, Central Asia, the Caucasus as well as the Middle East. "Nearly all the renowned forwarders and operators, who are active in the CIS business, for instance, correspond with us and handle business together with us", is how Hans Reinhard explained the situation. "We maintain contacts also with the manufacturing industry, for instance, in the automotive and the chemical sectors as well as with the retail trade, but only offering consultation, as we do not accept direct transports from the original loading customer, so as to offer client protection to our forwarding customers." The first business year was characterised by both new developments as well as tried and trusted structures. The Iranian branch, Tarabari Rail, for instance, was able to handle nearly the entire cotton export transit of Central Asia via rail. The cotton was shipped out through the port of Bandar Abbas. This amounted to about 530,000 t in the 2005/2006 season. As regards the CIS traffic, the company was able to clinch an annual contract for automotive parts in 20-foot CIS rail containers from Central Europe to Asia, for instance. Furthermore, over dimensional reactors were transported to the Caucasus using the Ukrainian port of Illychevsk. Moreover, InterRail had large orders for timber consignments from the CIS to Western Europe using rented special wagons as well as a transport comprising sensitive steel pipes for oil production to Kazakhstan

CIS remains the trump card.

Also in future, InterRail wants to operate on the CIS markets, first and foremost. This is why the company joined the Association of European Transsiberian Operators GETO this year. Hans Reinhard has also accepted the position of the Deputy Secretary General of the International Coordinating Council on Transsiberian Transportation CCTT.

"Due to the high growth in the economy and the foreign trade in the CIS countries as well as the strong role of rail transport there, we expect an even further increasing demand for the respective services. We anticipate a special impetus from the international automobile industry. The transport corridors between Europe and Asia are developing with a great variety, so that we see many new options for our activities in the coming years", is how Hans Reinhard described the growing possibilities of his company.

In the area of AsiaRail, the rail transit through Iran remains the focal point. Here, too, the combination with maritime transport, in this case using the Caspian Sea to Russia, is to be extended. What is new is the extension of the product portfolio to include rail transports within Europe. This is how InterRail wants to offer interested customers the possibility of receiving the entire rail transport services from one source. Using close partnerships with the railways and specialised operators and forwarders in Western Europe, the company aims at gaining market share step by step.

25 locations. The direct area of responsibility of InterRail Holding comprises companies and branch offices in Switzerland, in Germany, in Poland and in Iran as well, as a representation in the Benelux countries. All in all, the company operates at ten locations outside the CIS. Then there are 15 branch offices in the CIS and the Baltic countries as well as a close cooperation with sister companies under the umbrella of the TransInvest



Transportation of reactors via port of Illychevsk

Group. These include, for instance, RailService, MTE Multimodal Transport Equipment GmbH Frankfurt/Main and TTS Buchs. Furthermore, TransInvest has entered into the joint venture of IRS Berlin with Intercontainer Basle.

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