

accelerate

Win With Wallenborn.com

Security

Wallenborn achieves
TSR certification

**Qatar Airways
selects Wallenborn
for European RFS**

Environment

Wallenborn
goes green



Wallenborn
Prepares for
GDP certification

welcome

Welcome to Wallenborn

Though growing and diversifying, our strategy remains unchanged: to be the best at everything we do and to provide our customers with a consistently reliable and flexible range of land transport solutions.

Welcome to the world of Wallenborn, one of Europe's fastest-growing transport groups where our priority is getting it right ... first time, every time. If you're a customer, thank you for your commitment and confidence; if you're not yet onboard, I hope the contents of Accelerate will tempt you to get in touch with us – and give us the opportunity to stretch your expectations.

We specialise in three distinct areas of road transport – Air, Secure and General Cargo – and have established a reputation for high quality, friendly local expertise and excellent communication. This year, we are diversifying into a fourth sector – Cold Chain – where we are certain our skills and attention to detail will be appreciated.

The 4PL initiative we launched in 2010 has become a major driver of growth and efficiency for our key airline customers, allowing them to offer a broad range of flexible services to their customers and trim costs in the process. We saw a pleasing increase in demand for our special services, most notably direct delivery, offline handling and secure transport.

I hope you find this third edition of Accelerate valuable. We have much to report at this time and are particularly eager to tell you about our investment in temperature-controlled services and our plans for GDP certification in the fourth quarter of 2013.

Please take the opportunity to contact my staff across our network and challenge them to make your products better.

Frantz Wallenborn
Group President



Wallenborn update

During the past two years, we invested, innovated and expanded at a time when many of our competitors cut back. Here are some of the highlights...

- Introduced a fleet of highly secure trucks with state-of-the-art features designed to deter criminals and prevent theft.
- Advanced our network through integration with Germany's largest air-cargo RFS provider, VIP Truck.
- Achieved level 1, 2 and 3 TAPA TSR certification in our first attempt and registered a TSR fleet in excess of 300 vehicles.
- Launched Wallenborn in Dubai.
- Opened new branch office in Stockholm.
- Secured market leadership in air-cargo RFS in Denmark, France, Germany, Luxembourg and the Netherlands.
- Opening in Milan 01 July 2013
- Opening in Barcelona 01 August 2013

TSR became a certification programme in 2012 and Wallenborn was among the first in the world to be TSR certified and the first asset-based company in the EMEA region to be certified at levels 1, 2 and 3.

A culture of security

A strong security culture has existed within our organisation for many years due to the tens of thousands of air-cargo shipments we deliver every month to airports across Europe. We have been a Regulated Agent since 2007 – a necessity if we are to maintain a secure supply chain designed to prevent terrorist attacks on aviation – and we were AEO certified in 2009.

Today, we are widely recognised by manufacturers, shippers and carriers of HVTT cargo as an essential part of their strategies to maintain and promote supply chain resilience.

The TAPA TSR (Truck Security Requirement) dates back to 2008 when it was launched to address the growing displacement of cargo crime from warehouses to roads and parking places.

TSR Features – TSR1 Level

- A cab intruder alarm is mandatory.
- Built-in locks on trailer doors must be designed to resist defeat for not less than 10 minutes with hand tools.
- Tractor and trailer must not be separated when loaded with HVTT.
- Covert tracking devices must be installed in both tractor and trailer.
- The monitoring centre must be able to control the reporting rate for tracking devices.
- The reporting rate must be not less than every five minutes.
- A panic button must be installed – at Wallenborn we use fixed and portable portable silent alarms.
- Trailer door alarms must be connected to the monitoring centre.
- Tamper and jamming alarms must be installed.
- Procedures for managing events in black spots are required.
- The buyer must be informed of ad hoc changes to routes, stops or delays.
- Loaded trucks must never be left unattended unless at secure parking places approved by the buyer.

Stay Secure

Transporting products has become a global challenge, but the Transported Asset Protection Association (TAPA) trucking security certification program fills a big gap in cargo security.



“TAPA’s Truck Security Requirements provide for three models of compliance depending on the risk level.”

TSR became a certification programme in 2012 and Wallenborn was among the first companies in the world to be TSR certified.

The gold standard

TSR is attractive to buyers because it offers a global standard. It also provides an opportunity for vendors to differentiate themselves from operators who claim to be “secure” or “TAPA compliant”.

The real strength of TSR is that it requires extremely rigorous standards of organisation and process adherence which enable transportation companies to minimise the chances of non-compliance and deal robustly with exceptions. The policy and protocols section of TSR make a real difference, ensuring that drivers are better prepared and supported and that trucks and their

contents are better protected. A further advantage of TSR is that it can be written into contractual agreements between buyers and vendors.

All elements of TSR are mandatory according to the level attained. Wallenborn spent some four months preparing for the TSR audit, which was conducted in May 2012. A project team was responsible for ensuring that all procedures and hardware were tested and upgraded where necessary and we created new procedures in some areas. The same team is responsible for rigorously maintaining TSR standards and for our annual TSR self-assessment audits.

Wallenborn Transports is currently one of very few asset-based transport companies in EMEA with a large number of TSR-certified vehicles – more than

TSR Highlights – Policies & Protocols

- A supply chain security manager must be appointed and a security policy must be adopted by management.
- All freight losses must be investigated and buyers have the right to oversee investigations.
- All routes including stops require an annual risk assessment to ensure the safest routes are used.
- Secure parking locations must be used.
- All employees must be screened/vetted with various documented requirements.
- All employees must receive regular security training.
- Response protocols including alerting LEA must be followed.

300 – capable of executing large-scale contracts on a regional and even pan-European basis.

Total compliance

TAPA’s trucking security requirements provide for three levels of compliance, depending on the value of the cargo. Because we are experiencing a dramatic increase in the number of shippers requesting TSR standards for overland transportation, we decided to certify at all three levels – some customers require all three, while others require just one or two. TSR1 is certainly qualified for most assignments, but in many cases, TSR2 or TSR3 are adequate.

We deploy the fleet and supporting infrastructure in consultation with our customers, who tend to define risk according to multiple factors, notably product type, product value, shipment size, theft history and geographical risks. Transit time and driving hours are also considered, for example, some customers require lower security levels on short distances during daylight hours or where safer truck parking facilities are available.

Our security control tower is open 24/7 with shifts of dedicated dispatchers reporting to the Operations Lead who in turn reports directly to the CEO. All security events (alarms, alerts, real and suspicious incidents) are escalated to our CEO and documented. All events are managed by our third party monitoring partners, who provide both passive and active monitoring and intervention on all routes operated. And we have enhanced protocols for loading, tracking and unloading vulnerable shipments that involve a series of checks.

An unbroken temperature-controlled supply chain is an extension of the good manufacturing practice (GMP) that all pharmaceuticals are required to adhere to.

Cold Chain

Wallenborn prepares for GDP certification



“For our customers, this project means a much wider cold chain network of advanced, clean and well managed assets, quicker responses and tighter controls.”

The pharmaceutical & healthcare (P&H) supply chain, particularly in the EU, is subject to increasing regulation, and global Good Distribution Practice (GDP) guidelines are driving the need for better quality equipment and procedures. Meanwhile, an increase in counterfeiting and more biological ingredients are ramping up the need for more monitoring, and more complex supply chains are adding to the challenges facing P&H shippers.

The Wallenborn P&H project

Wallenborn decided in early 2013 to embark on a P&H development project that includes:

- A new fleet of temperature-controlled trailers
- A new driver-training programme in accordance with GDP guidelines.
- Upgraded procedures for recording and managing temperature-control.
- The introduction of P&H CAPA processes to drive continuous improvement.
- The application of new tracking and alarm technology to provide quicker and more effective intervention in cases of temperature excursions.

"GDP is no longer a nice-to-have; it's becoming a must-have."

For our customers, this project means a much wider cold chain network of advanced, clean and well-managed assets, quicker responses and tighter controls.

In the pharmaceutical industry, good distribution requires ensuring that the entire supply chain and distribution network is focused on compliance with regulatory requirements at every point

as "the sum of all of the processes and activities designed and implemented to ensure that the quality of medicines is maintained throughout the distribution chain from manufacturer to patient, ensuring compliance with regulatory requirements at all relevant stages. It includes the storage and transportation of APIs, other ingredients and packaging components used in the production of the medicines".

Wallenborn's cold chain



Wallenborn's **Jason Breakwell** says that "manufacturers and distributors of P&H products are demanding a fully compliant end-to-end temperature-controlled supply chain. GDP is no longer a nice-to-have; it's becoming a must-have. Wallenborn is thoroughly and diligently preparing to meet that demand and looks forward to providing best-in-class quality and service. We believe our security expertise combined with a GDP certified fleet and processes will be a compelling proposition for P&H companies seeking both security and temperature integrity".

and that the product is fit for use when it reaches the patient. Any failings within the pharmaceutical supply chain can seriously compromise the quality of the product and hence patient safety.

Good Distribution Practice

GDP is about much more than just the distribution of products. The MHRA (the UK authority) recently defined GDP

GDP means

- Compliant and consistent supply chain for pharmaceuticals
- Reduced counterfeit risks
- Reduced transport and storage risks
- Increased safety for the consumer

GDP extends from sourcing materials from approved suppliers and continues through manufacturing (under GMP) and on to delivery of the product to the final consumer or patient.

Luxembourg, where Wallenborn has its head office, has taken the lead in developing a P&H hub strategy, engaging with all stakeholders including airlines, forwarders, government ministries and truck and warehouse operators to assemble a fully end-to-end P&H-compliant business environment.

By October 2013, Wallenborn expects to have completed the GDP certification process and will be presenting its enhanced cold-chain services to existing and prospective customers in the fourth quarter.



Qatar Airways Cargo Appoints Wallenborn to Manage European RFS



Ulrich Ogiermann

Qatar Airways, one of the world's most ambitious and fastest-growing airlines, has signed a multi-country agreement with Wallenborn to provide trucking services for its extensive European network.

The agreement covers the freighter hubs in Amsterdam, Frankfurt, Liege and Luxembourg and other major gateways including Brussels, Copenhagen, London, Munich, Oslo and Paris.

Ulrich Ogiermann, Chief Officer Cargo at Qatar Airways, identified the 4PL concept developed by Wallenborn as a great advantage, adding that "the network of Qatar Airways is growing fast on every

level; it is important to have a strategic partner that provides consistent service levels at all of their European gateways and is able to offer a broad range of services."

These services include security transport to protect high-tech products from Asia and luxury products from Europe, perishables transport for customers in Africa, and aero-engine transport for customers in North America.

Qatar Airways Cargo also based their choice of Wallenborn on our ability to manage other functions, such as offline handling, system updates and ULD control. Wallenborn's flexibility and capability enables Qatar Airways Cargo to optimise yield and improve payloads across their European network.

Frantz Wallenborn, Group President at Wallenborn, says that "Qatar Airways Cargo supports my decision to build and establish a European network consistency in a previously fragmented market. My vision is to achieve growth by helping our key accounts increase their market share. I look forward to supporting Qatar Airways as they fly to more cities in Europe and extend their cargo product range and services."

What's New in IT?

Wallenborn has harmonized its IT system to have a unique Transport Management System (TMS) across the Group.

- Customer FFM's go directly in our system and generate an automatic order.
- Wallenborn also exchanges data with various partners by defining specific EDI (Electronic Data Interchange) protocols.
- Wallenborn offers you geo-fencing to check on any route deviations and can provide you with accurate information with geo-coding (each location has GPS coordinates).
- Wallenborn is aiming at implementing a geo-timing solution in the months to come.
- Wallenborn has developed electronic invoices in accordance with its green policy.
- To ensure the cold chain is always maintained, Wallenborn uses 24/7 live temperature tracking system. Both electronic and paper versions of temperature data are available.



It's time to say Dubai!

We established Wallenborn Transport Co. LLC in Dubai in February to develop a range of land transport services in the Gulf Cooperation Council

Initially, we are providing full-truck general and temperature-controlled transport (see Cold Chain on p 4) within the UAE, including shuttle services between AUH, DWC, DXB, SHJ and the Jebel Ali Free Zone.

We will also develop scheduled LTL road feeder services connecting the main airports in the region including Abu Dhabi, Bahrain, Dammam, Doha, Dubai, Jeddah, Kuwait, Muscat, Riyadh and Sharjah.

This type of service is currently not provided in the GCC despite considerable demand

for reliable and cost effective RFS.

We have observed that airlines and frequencies are growing in the Gulf states and that there is a trend toward higher frequencies with smaller aircraft within the GCC.

We believe that a combination of local staff, European expertise and procedures, and an advanced well-equipped truck fleet, will enable airlines and forwarders to enrich their services in one of the fastest-growing global air-cargo markets.



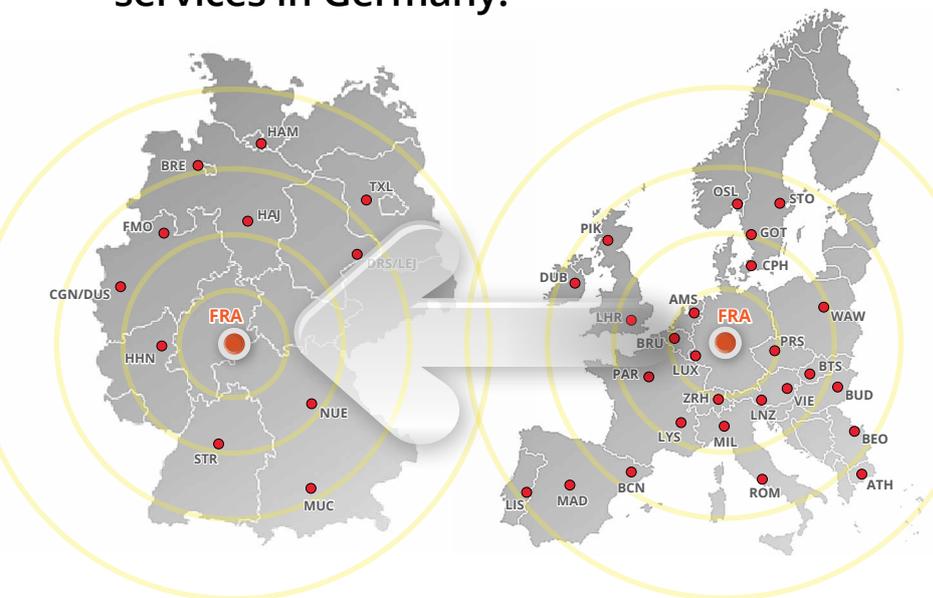
A very important partnership

We have also joined forces with VIP Truck, a major provider of air-cargo road feeder services in Germany.

The new company, VIP Wallenborn, offers the most complete network of distribution services for airlines and forwarders in Germany, including scheduled connections between 15 German airports, scheduled international trucking services from FRA and MUC, and export/import handling at all German airports.

VIP Wallenborn Managing Director Ernst Lotz says that "this is a significant development in our strategy to provide integrated distribution services to our customers. We have created the best air-cargo RFS network in Germany – Europe's main air-cargo exporter and Europe's largest consumer market – and we look forward to offering a richer choice of products and frequencies to our customers across Germany. Together, we operate more than 200 scheduled departures daily, time-definite deliveries, advanced tracking, and exceptional attention to our customers' requirements".

In addition to scheduled RFS for exports and imports, Wallenborn provides a range of specialised services in Germany including TAPA TSR-certified security transport and temperature controlled transport (please see related stories).





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Wallenborn goes green

Wallenborn's solar power project is a tribute to the networking power of Formula 1.

Wallenborn's investment in solar panels for its energy supply began with an agreement signed in 2012 between Lotus F1 Team and Jérôme d'Ambrosio's personal sponsor, the environmental company Soleco.

Soleco installed and managed the project, which is Luxembourg's first 'megawatt' solar installation. The deal, agreed at the 2012 Belgian Grand Prix, is a significant demonstration of the networking and business-to-business opportunities within Formula 1 and follows introductions made by Lotus F1 Team.

Patrick Louis, CEO of Lotus F1 Team, says "this deal is another illustration that Lotus F1 Team means business, both on track and off. Through the introduction of a team partner and a personal sponsor of Jérôme, Luxembourg's first 'megawatt' solar power project was born. This is a significant contract for both companies and has come about thanks to the team's business-to-business platform."

Frantz Wallenborn adds that "the solar power plant has been installed on the roofs of our high security logistics warehouse at our Luxembourg headquarters, a clean energy solution that makes a big contribution to our environment. Lotus F1 Team has shown us how to find a clever performance solution."

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DUBAI

opening 01 July 2013

MILAN

opening 01 July 2013

BARCELONA

opening 01 August 2013

PHARMA, SECURITY & SPECIAL SERVICES

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Facts & figures

- Established in 1920**
- Controlled fleet: 600**
- Offices: 11 in 10 countries**
- Partner offices: 7**
- Staff: 550, more than 15 nationalities**
- Number of shipments: 19,000 per month**