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Business Briefs

March 2003

WELCOME to this first issue of **BUSINESS BRIEFS** for 2003.

I am delighted to have been appointed General Manager for **DHL** in Australia at what promises to be an especially exciting time for our Company.

As you no doubt know, **Deutsche Post World Net (DPWN)** has acquired 100 per cent of **DHL**, and will this year consolidate its entire express and logistics business, including that of Danzas, under the single **DHL** brand.

Over the past 12 months, as Project Director of the **Hewlett Packard** logistics contract for **DPWN** in Asia Pacific, I have been able to see at first hand the immense advantages of drawing on the strengths of both **DHL** and **Danzas** in the cross-border movement and warehousing of goods.

The one-stop shopping approach to Express and Logistics will bring significant improvements in time - and cost savings - for customers in Australia.

DPWN has described **DHL** as 'the jewel in the **DPWN** crown', and we intend to maintain the integrity of that assessment. 2003 will be a year in which **DHL** again sets new industry benchmarks in innovation, and in customer service.

We hope you find this issue of **DHL BUSINESS BRIEFS** a useful reference to developments in our industry. The latest **DHL** media releases and back issues of **DHL BUSINESS BRIEFS** are now available online at www.dhl.com.au Go to **DHL News**.

Sincerely

A handwritten signature in black ink, appearing to be 'G Edstein', is written over a white background.

Gary Edstein

General Manager, Australia



DEUTSCHE POST WORLD NET ACQUIRES 100% OF DHL DHL 'THE JEWEL IN THE CROWN'

BRUSSELS: Deutsche Post World Net (DPWN) in December 2002 acquired the remaining 24.4 per cent of shares in **DHL International** and now holds 100 per cent of the global market leader in the international courier and express business.

Two investment funds sold 23 per cent of **DHL** to **DPWN** and 1.4 per cent originated from a partnership with **Japan Airlines**. In July 2002, **DPWN** bought **Lufthansa's** 25 per cent share in **DHL**.

Starting from 2003, **DPWN** will consolidate its entire express and logistics business, earning revenue of Euro21 billion, under the single brand of **DHL**, which is described as the jewel in the **DPWN** crown. **Danzas**, also wholly-owned by **DPWN**, will be integrated into the **DHL** brand.

DHL operates in more than 220 countries and territories worldwide, supporting trade in both developed markets – and in some of the most remote on earth.

Dr Klaus Zumwinkel, Chairman of DPWN's Board of Management, said: "We want **DHL** to stand for a promise of uniform service quality for our customers worldwide. We intend to become the number one logistics provider in the world, with a single brand, a single administrative centre and a single management team."

The one-stop shopping approach to Express and Logistics will bring significant improvements in time and cost savings for customers.

Other members of the **DPWN Group** are **Deutsche Post Global Mail** and **Postbank**.

EXPANSION, NEW INVESTMENTS IN INFRASTRUCTURE

Following a US\$100 million commitment to an Express Cargo Terminal for Hong Kong International Airport and acquisition of a 30 per cent holding in Cathay Pacific's formerly wholly-owned subsidiary, Air Hong Kong, DPWN has announced further major investments in infrastructure, including a five per cent equity stake in China's Sinotrans Limited . . .

(1) DHL acquires five per cent of Sinotrans

HONG KONG: DHL Worldwide Express this month acquired a five per cent stake in **Sinotrans Limited** for US\$57 million (E52.5 million). **DHL** has been in joint venture with Sinotrans in China since 1986.

With a network of 39 branches and more than 160 courier centres, **DHL-Sinotrans** now serves more than 300 major cities in China, and commands around 40 per cent of China's express delivery market.

On February 13, **Sinotrans** issued 38.5 per cent of its enlarged share capital for trading on the **Hong Kong Stock Exchange**. As part of the international offering, 10 per cent of the shares were placed with strategic investors, and, of these, **DHL** acquired five per cent, the largest stake.

DHL's Chief Operating Officer Asia Pacific, Mr John Mullen, described the investment as a decisive step towards reinforcing **DHL's** strategic position in China.

In October 2002, **DHL** acquired a 30 per cent stake in **Air Hong Kong**, with **Cathay Pacific** owning the remaining 70 per cent. **DHL** is also constructing a US\$100 million **Express Cargo Terminal** at **Hong Kong International Airport**.

(2) DHL Purchases Mayne Group Canada

BRUSSELS: DHL Canada has purchased **Mayne Group Canada**, known as **Mayne Logistics Loomis**, from Australia's **Mayne Group** to become the third-largest express delivery provider in Canada.

The acquisition will enable **DHL** to dramatically expand its Canadian domestic market share and to improve cross-border performance with the United States. **DHL** and **Loomis** will offer customers a complete one-stop shop in domestic and international transportation services.

(3) New distribution hub for Tokyo

TOKYO: DHL Japan has completed construction of its **Tokyo Distribution Centre**, **DHL's** largest distribution centre in Asia, to serve as the company's hub in East Japan.

With a floor area of more than 18,000 sq m, the facility includes an **Express Logistics Centre (ELC)**, offering inventory management and a range of supply chain services.

DHL has also established **Strategic Parts Centres (SPCs)** at 40 locations through Japan, offering stock replenishment for customers within as little as two hours. The SPCs are restocked overnight from **DHL's** Express Logistics Centres.

DEUTSCHE POST, DHL TEAM FOR GLOBAL MAIL BUSINESS A NEW LEVEL OF SERVICE IN INTERNATIONAL MAIL

SYDNEY: Deutsche Post Global Mail and DHL, both companies of **Deutsche Post World Net (DPWN)** have pooled their international mail activities in **Australia, New Zealand, Singapore, Hong Kong and Taiwan**.

The new international mail product for corporate accounts, **Global Mail Business**, is a priority mail service, with all items given highest priority during sorting and distribution through the **Deutsche Post Global Mail** international network.

Mail for existing **DHL WorldMail** customers is now shipped through **Global Mail Business**, but is still invoiced by **DHL**. The move gives **DHL** customers access to one of the most technologically-advanced global networks in the international mail market.

SCHOOL PARTNERSHIP WINS PRIME MINISTER'S AWARD HOW DHL STAFF ENCOURAGE STUDENT DEVELOPMENT

SYDNEY: DHL Worldwide Express has won the **2002 Prime Minister's Award for Excellence in Community Business Partnerships (NSW Large Business Category)** in recognition of its unique partnership with staff and students of the **JJ Cahill Memorial School at Mascot**.

DHL has been involved a comprehensive programme at JJ Cahill since 1997, providing mentoring, training, work experience and tertiary education opportunities for Year 7-12 students.

DHL staff support nine structured programmes at JJ Cahill – mentoring and career advice; provision of equipment and training in information technology; work placement cadetships for Year 12 students; finishing school/presentation and public speaking/debating classes; soccer scholarship and development; rugby union support; an after-hours homework centre; and marketing support for school initiatives.

DHL is also sponsoring tertiary education for three former JJ Cahill students. And, in partnership with the school, now selects one student each year for university studies.

DHL submitted a nomination for the Award to help publicise the JJ Cahill model, which it hopes will be adopted by other business organisations seeking to engage their local communities.



DHL SCOOPS INDUSTRY AWARDS IN ASIA

HONG KONG: DHL has made it three-out-of-three by cleaning-up at the **Asia Logistics Awards** in Hong Kong and the **Singapore Advertising Hall of Fame Awards**.

On the one night, in the two cities, DHL was named **'Express Operator of the Year'**, won a prize for **'People Development'** and won the **International Print Campaign of the Year Award** for its **'3 Red Lines Brand'** campaign.

DHL received the **'Express Operator of the Year Award'** for the reliability of its extensive network throughout the Asia Pacific region. DHL's superior product and service quality were noted as outstanding.

DHL also received an award for **'People Development'**, in which voters were asked to assess how companies encouraged young people to get involved in the logistics and supply chain management industries.

The highly-coveted advertising accolade for **'International Print Campaign of the Year Award'** builds on DHL's reputation for innovative advertising campaigns in Asia. These include the **'Jumbo Box'** and **'Jumbo Junior'** campaigns and the **'First'** campaign, which led to the production of the **'China First'** advertisements.

About DHL

DHL is the global market leader of the international air express industry.

Following an announcement from parent company Deutsche Post World Net (DPWN) on 31 October 2002, fellow group companies DHL, Danzas and Deutsche Post Euro Express will be consolidated, which will bring their services such as worldwide air and ocean freight as well as overland transport together under the umbrella brand of DHL. This consolidation will serve to achieve DPWN's goal to become the global leader in express and logistics.

Through its international network linking more than 220 countries and territories worldwide, DHL is dedicated to offering customers fast, reliable, responsive and cost effective express delivery, transport and logistics solutions.

DHL is 100% owned by Deutsche Post World Net.

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Go to DHL News at www.dhl.com.au for the latest DHL press releases and back issues of DHL BUSINESS BRIEFS

MEDIA INQUIRIES:

Duncan Gates
DHL Marketing Manager Oceania
tel (02) 9317-8012