



The Logiskills Group

Irish Freight & Logistics Monthly

August 2006

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Upcoming Events

Asia Pacific Supply Chain

Dear Garvan,

Welcome to the July edition of Irish Freight & Logistics Monthly.

You have been included within our mailing list because we consider you to be a valuable contributor to the industry.

We are aware of the communities need for an electronic platform for company announcements and press releases. We invite you to forward details to us for consideration in the next edition.

We hope you enjoy the newsletter and will strive to enhance it, so please send any feedback and suggestions to editor@logiskills.ie

Please feel free to forward this to any interested colleagues who can register to receive it from our home page at www.logiskills.ie

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• **Norfolklane deal to boost DFDS revenue**



DANISH ferry giant DFDS is on course for a 17% revenue rise following its Norfolk Line Container swoop earlier this month and strong freight markets.

Copenhagen stalwart DFDS a fortnight ago delivered on its promise to expand in the Irish Sea and lo-lo sector with the move on the AP Moller-Maersk subsidiary.

That acquisition has come as the Danish group booked a half-year profit hike to DKr132m (\$22.5m) from DKr21m a year earlier, with second quarter profit up to DKr145m from DKr121m last year. Danske Equities has estimated the Maersk deal would add around DKr600m in revenues to Denmark's leading freight ferry outfit.

The company's share price yesterday in Copenhagen had gathered by almost 4% to DKr478, with Danske Equities last week shifting its recommendation to buy. DFDS said

& Logistics Summit 2nd Annual Summit, September 11-13, Singapore

TRANSPORT 2006 & LOGISTICS 2006 11th specialized exhibition and 4th specialized exhibition, September 13-16, 2006, Samara

4th European 3PL Summit October 3-5, Brussels, Belgium

Logistics Ireland 2006, 6th October 2006, Dublin, Ireland

Global Automotive Logistics Conference, 17-18 October 2006, Antwerp, Belgium

SITL Italy Exhibition, October 24-26, Verona, Italy

3rd Intermodal Asia 2006 26 - 27 October 2006, Brisbane, Australia

International Rail Forum 2006 November 14-16, Madrid, Spain

Boxship 2006 December 5-6 2006, Shanghai Hilton, Shanghai

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The company's share price yesterday in Copenhagen had gathered by almost 4% to DKr478, with Danske Equities last week shifting its recommendation to buy. DFDS said that net investments following the Norfolk acquisition would grow to around DKr1.5bn from DKr1.2bn.

Half-year revenues for DFDS were up by 19% to DKr3.4bn for the full year, with full-year turnover growth forecast at between 15% to 17%.

• Container traffic boosts Waterford turnover



A large increase in container traffic has been cited as one of the principal reasons behind the Port of Waterford's sizeable increase in its turnover for 2005, new figures have disclosed.

The port's turnover last year amounted to 10.7 million euros, a 5 per cent increase on the previous year.

A total of 181,000 lo-lo TEU (20 foot equivalent units) were handled at the south-eastern port; a figure which represents almost one-fifth of the lo-lo TEUs handled nationally.

The new figures re-inforce Waterford's position as second only to Dublin in terms of units handled.

• 3i completes ABX LOGISTICS buyout



3i, Europe's leading private equity company, recently announced that 3i and funds advised by 3i have completed the acquisition from the Belgian Railways (SNCB Holding) of Brussels-based ABX LOGISTICS Worldwide, one of the world's top international freight forwarders and

logistics services providers handling air, sea and road consignments.

The acquisition excludes the local road distribution business in Belgium which represents less than 3% of total group turnover. This will be retained by SNCB Holding. The international activities from and to Belgium (road, air and sea, and contract logistics) – which are expanding strongly - remain part of the ABX LOGISTICS Worldwide Group.

- [The Chartered Institute of Logistics & Transport](#)
- [The National Institute of Transport and Logistics](#)
- [Irish International Freight Association](#)
- [Irish Exporters Association](#)

ABX LOGISTICS was established in 1993 as a local transport company, part of the Belgian railways group SNCB/NMBS. After securing its position within the Belgian market, the company expanded between 1998 and 2001 on a global scale with the acquisition of three long-established European companies: Saima Avandero in Italy (founded in 1746), THL/Bahntrans in Germany (founded in 1800), and the Dubois Group in France (founded in 1912). These 3 companies have been supplemented by other smaller acquisitions in Spain, Portugal, the Netherlands and UK in order to complete the network and propose services on a global scale. This has turned the Belgian local operator into the global leader in freight forwarding and logistics with strong reputation and references it is today.

ABX LOGISTICS now operates in close to 100 countries, of which 35 with own operations, worldwide. The company currently has a turnover of E2.5bn and a workforce of circa 10,000 people.

• **TNT Sells logistics division to Apollo Management**



TNT N.V. has announced that it has signed a Sale and Purchase Agreement to sell its logistics division to affiliates of Apollo Management, L.P., a leading private equity firm with offices in New York, London and Los Angeles.

The intended sale is part of TNT's Focus strategy in which the company announced on December 6th last year that it would focus on its core competency of managing delivery networks.

The total transaction value is E1,480 million on a cash and debt free basis, of which E15 million will be received in the form of a 5% equity stake in the new company.

TNT intends to return most of the net proceeds, which are estimated at between E1.2 billion and E1.3 billion, to its shareholders by way of a share repurchase program with a value of up to E1 billion. The share repurchase program is expected to commence as soon as possible after completion.

• **Flourishing TwoWay grows into perishables**



European forwarding and logistics operator TwoWay – now part of the Aramex Group - has opened its fourth office in the Netherlands. The new base is located within the world's largest flower auction market at Aalsmeer, and will deal exclusively with exports of floral stock (flowers, plants, cuttings and bulbs) and foodstuffs.

Located 6 km from Amsterdam Schiphol Airport, the new Aalsmeer facility provides the company with an on-site presence at the market. Its opening follows the launch of the company's Rotterdam ocean operation in May 2005, the recent opening of a facility at Maastricht Airport, and the opening of a brand new, 5,300 m², state-of-the-art freight terminal at Schiphol.

All shipments will pass through the company's Aalsmeer terminal, which has on-site chiller and pallet-building facilities, and is fully-secured. This will enable shipments to be delivered to the airline handling facilities at the latest possible time, so ensuring cargo is in optimum condition for its flight.

TwoWay has recruited a team of six specialists in perishables transportation to run the Aalsmeer office. All staff have over 20 years' experience in perishables.

• **Evergreen Marine posts loss on lower freight rates**



Evergreen Marine, Asia's largest container shipping company by fleet size, posted its first quarterly loss in three years because of lower freight rates and losses from investment, the company announced Thursday.

The line's net loss was 1.16 billion New Taiwan dollars, or \$35 million, in the three months ended June 30, compared with a profit of 3.19 billion dollars a year earlier. The loss was the first for the company since the second quarter of 2003.

Evergreen Marine, the first among major Asian container lines to post a quarterly loss this year, and competitors like Neptune Orient Lines and Hanjin Shipping, are struggling from surging fuel costs and falling freight rates due to an increase in the number of vessels.

Evergreen Marine's sales in the three months to June fell 16 percent as competition ends five consecutive years of rate increases.

The freight rates that Evergreen Marine charges are about 20 percent lower than a year ago. It has taken delivery of five ships, each capable of carrying 7,000 20-foot containers, over the past 18 months and five more will arrive by early 2008.

Neptune Orient Lines, based in Singapore, on Aug. 14 said its second- quarter profit dropped 66 percent from a year earlier.

Hanjin Shipping, South Korea's biggest shipping line, on Aug. 10 reported a 51 percent decline in net income in the three months ended June on higher fuel costs and a stronger local currency.

• **Transland joins UK Pallets**



Freight forwarder Transland Group has joined the UK Pallets network, the palletised distribution arm of the Business Post Group.

Transland will continue to provide its export service to Irish customers whilst also enhancing opportunities to develop its import business.

Transland's trailers will operate from the UK Pallets' central hub in Lichfield each night for UK delivery where they will also collect other network partners' palletised freight that is destined for Ireland. Transland said it plans to extend its operation into Europe.

Transland moved from Pall-Ex to join UK Pallets in July 2006.

• **Announce your successes here!**

Please submit your company announcements to editor@logiskills.ie for consideration in our next edition.