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Chartered Institute of Logistics & Transport

National Institute of Logistics

Irish International Freight Association



Dear Garvan,

Welcome to the **December** 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 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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Syncreon Buys NAL Worldwide Holdings for \$35m



SYNCREON, the Irish transport and logistics company formerly known as Walsh Western International, has bought US firm NAL Worldwide Holdings for an estimated \$35 million (€24 million) as reported by The Irish Times.

The acquisition of NAL will give Syncreon combined yearly revenues of \$725 million, according to the company's president and chief executive Brian Enright. NAL, which is based in Illinois, had revenues of \$75 million in 2009.

Syncreon was financing the purchase from cash on the company's balance sheet, said Mr Enright, who declined to disclose the group's profitability after the deal.

Part of the purchase price relates to a two-year earn-out agreement under which NAL must meet certain performance targets.

The acquisition adds 550 staff, six facilities and a national network of 150 agents in the United States to Syncreon's existing workforce of about 9,000 employees and more than 50 facilities.

Mr Enright said NAL was a logistics group which operated primarily in telecoms on the roll-out of infrastructural projects. NAL, which also services the retail, high-tech and healthcare industries, was majority-owned by Chicago private equity firm Lake Capital.

"NAL considerably adds to our capabilities in the key US market and brings us access to new sectors, customers, capabilities and human talent," said Mr Enright.

Walsh Western was renamed Syncreon in 2007 after the Irish firm acquired US firm TDS Logistics for \$400 million.

Expeditors Ireland named as Ireland's 2009 "Logistics Company of the Year"



Expeditors Ireland has been selected as Ireland's "Logistics Company of the Year" for 2009, by the Irish Exporters Association (IEA).

This prestigious award recognises the importance of logistics and supply chain management firms to the exporting efforts of companies trading internationally from Ireland.

In selecting Expeditors, the IEA recognised our understanding of our customer's expectations by stating, "Expeditors provides client specific programmes for its customers allowing companies to quickly shift their buying or selling patterns as market conditions dictate."

"We are delighted and proud to have won this award. It shows that our strategies of providing customer specific supply chain solutions, while delivering superior customer service had brought us closer to the exporting community. The award is great recognition of the hard work put in by all, at Expeditors Ireland, over the last year and a credit to their continued attitude and commitment to our success."

Irish Global Logistics and Graylaw Freight Group form alliance



Irish Global Logistics, the Dublin based International Freight Forwarder, has announced a new exclusive deal with the UK's foremost shipper to the Isle of Man and the Channel Islands, Graylaw Freight Group.

The alliance between Graylaw Freight Group and Irish Global Logistics is different to usual freight alliances and probably unique. It involves the mutual sharing of the combined sales teams on both sides of the Irish Sea in order to achieve a harmonised and targeted sales approach. Graylaw Freight Group is the undisputed leader in distribution from the UK Mainland to the Isle of Man and the Channel Islands

with numerous daily departures. In addition, Graylaw ship up to 10 trailers of goods per day to the Island of Ireland. Now, for the first time, these operations can be co-ordinated and consolidated together to provide industry leading solutions for Ireland based Companies.

Irish Global Logistics have a substantial client list of blue-chip Irish businesses who will now embrace these new services which have never been available in the Irish freight market before.

Aer Lingus signs up Swissport

The Aer Lingus logo, featuring the text "Aer Lingus" in white on a green background with a shamrock symbol.

AER Lingus has chosen Swissport to be its cargo handler at 10 Aer Lingus stations in Europe. These include Brussels, Frankfurt, London and Paris.

Remo Hanselmann, head of Aer Lingus Cargo, said the partnership makes sound business sense: "With a volume agreement like this, we are not only able to buy in these services more efficiently and at more favourable rates; we also enhance the reliability and the quality of our ground-handling services. I'm also convinced that the resulting standardisation of the product and the processes involved will deliver major benefits to everyone concerned."

Baltic Dry Index Posts Best Annual Gain



The famous Baltic Dry Index, a measure of cost in shipping commodities, and regarded as a barometer of global economic health, posted its best-ever annual advance since it started in 1985.

The 2009 advance of the London index that tracks transport costs in world shipping, was credited to Chinese iron ore demand, reported the Shipping Gazette citing Bloomberg. The index advanced 288 per cent this year, exceeding its previous record of 174 per cent in 2003

Shipping costs rebounded this year, after plunging a record 92 per cent last year, as the global economy recovered from the downturn. China, the world's biggest consumer of iron ore and coal, spent US\$586 billion to stimulate its economy. The two commodities are the biggest cargo carried by ships included in the Baltic Dry Index.

"Next year is going to be a better year than a lot of people expect, but a lot depends on Chinese demand continuing," said Michael Gaylard, strategic director at Freight Investor Services Ltd, a London derivatives brokerage.

Seaborne trade in coal, ore, grains and other dry bulk commodities will drop 1.2 per cent to 2.997 billion tonnes this year, according to London's Drewry Shipping Consultants.

IATA Report Continued Traffic Improvement



The International Air Transport Association (IATA) reported international scheduled traffic results for November 2009. Freight demand recorded a 9.5% improvement compared to November 2008 with freight load factors standing at 56.6%.

The improvement trend for freight is being exaggerated by the sharp fall in demand experienced during the second half of 2008. Freight demand is 20% better than the low point in December 2008, but still 10% below the peak levels seen in early 2008. Comparing to October (and adjusting for seasonality), freight demand grew by 4.7%, largely on the strength of markets connected to Asia Pacific.

"Demand continues to improve, but we still have a lot of ground still to recover. We cannot anticipate any significant improvement in yields in the coming months. So, conserving cash, controlling costs and carefully matching capacity to demand remain at the keys to survival," said Giovanni Bisignani, IATA's Director General and CEO.

The bulk of the air freight markets connect Asia. The 14.5% growth in freight demand for Asia-Pacific's carriers is linked to the success of stimulus packages in driving industrial output and broader economic

recovery within the region.

Carriers in other regions also saw strong growth in freight as follows: Africa (+8.1%), Latin America (+17.5%), Middle East (+21.4%) and North America (+13.6%). European carriers were the only group to post a drop in traffic, recording a 5.6% fall in demand. This reflects the lingering economic malaise in the region.

DFDS Acquire Norfolkline for €346m



DFDS has agreed to acquire 100% of ferry and logistics company, Norfolkline, from AP Moller-Maersk for €346 million. The transaction includes the AP Moller-Maersk Group obtaining 28.8% of the

shareholding in DFDS.

In addition, AP Moller-Maersk will buy shares in DFDS from Lauritzen Fonden, bringing the Group's total shareholding in DFDS to approximately 31%.

The deal excludes two of Norfolkline's vessels, which AP Moller-Maersk has agreed to sell to another buyer.

The combination of Norfolkline and DFDS will create Northern Europe's leading ferry operator, spanning from Russia to Ireland, with a fleet of 73 vessels.

The deal will enable DFDS to secure volumes through a much wider logistics network and strategic port access.

The key focus areas for the new company during the initial integration phase will be to generate revenue growth through wider market coverage, to consolidate ro-ro shipping and port terminal operations on the North Sea and to improve capacity utilisation of the route network.

Under the shareholders' agreement, AP Moller-Maersk has the right to nominate one member to the DFDS board of directors, and intends to nominate Søren Skou. As part of the shareholders' agreement, the parties have also agreed to a lock-up period of 24 months.

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

Sincerely,

The Logiskills Team