

# M&M<sup>®</sup> NEWS

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For our clients, partners and employees

March 2007

Dear Readers

This issue of the M&M News focuses on the positive development of the air and sea freight sector of the group. Over the past year, this sector grew geographically as well as in freight volume and financial results. More about plans for the near future in this field, and about the key ingredients for this continuous growth in this issue.

And while our colleagues in Russia are representing M&M at the TransRussia, the 12<sup>th</sup> International Transport and Logistics Fair in Moscow, we are getting ready for the Munich "transport logistic 2007" that will be held from June 12 to 15. More about our participation and plans on page 3.

**transport  
logistic**

We also have an article on an interesting project shipment to Russia and about the introduction of a groupage container service to Pakistan.

Enjoy reading!

## List of contents

### **M&M Air Sea Cargo – Full Speed to Success**

### **M&M congratulates Hans-Joachim Seifert on his 70<sup>th</sup> birthday**

#### **Germany:**

*M&M ships equipment for Uranium processing from France to Russia*

*M&M Zwiesel and Hamburg execute heavy lift transport*

*M&M Ransbach broadens its service portfolio*

*Transport logistic 2007*

*Groupage container service to Pakistan*

**China:** *New branch manager in Shanghai*

**Tunisia:** *New office at the Tunis-Carthage airport*

#### **General**

### **M&M Air Sea Cargo – Full Speed to Success**

The air and sea section of the international forwarding and logistics group M&M – headquartered in St. Gall, Switzerland – grew again last year in its geographic range, volume, and results. Air and sea freight have gained more and more significance within the group's business; in 2006, the air and sea section already achieved considerably more than one quarter of the overall results of the group.

In 2006, the M&M companies in Germany, China, the CIS, Poland and Bulgaria were among those with the most positive development in their air and sea freight volumes.

Also the Rumanian M&M firm – only two years young – was able to considerably increase its air and sea freight business, air-shipping automotive parts and construction kits in monthly increasing numbers from Rumania to India.

In 2006, the German air sea cargo GmbH, M&M's largest air



### **Our shareholder Hans-Joachim Seifert is 70**

Hans-Joachim Seifert was 70 on March 28.

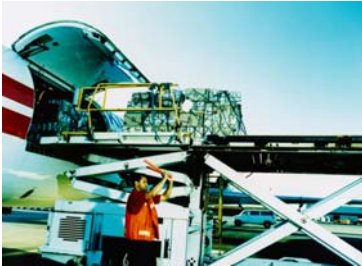
Young at heart, full of joie de vivre and new ideas, with a need to know and to do new things, interested in so many different areas and skilled in so many, generous and open – a real citizen of the world – that is how he is known.

In his professional life, he was known to be a highly successful manager, far-sighted, assertive, and able to realize his good ideas together with his team. His tireless commitment for M&M up to this day can serve as a role model for everyone!

Seifert has been connected with M&M since 1953, when he began working with M&M Regensburg, Germany. In the early sixties, after stages in the Netherlands and New York, he and his wife moved to Tehran to work with our partner PTB. This marked the beginning of a unique growth for M&M – and it set the tone for the future.

We congratulate Mr. Seifert on his birthday and wish him good luck and health for all his activities.

and ocean freight company, increased its net profit by 20 % as compared to 2005. "We outperformed not only last year's growth rate of 12 %, but also our own objectives", says managing director Harald Mazarin. He sees three main reasons for this positive development: first of all, the generally high quality and complexity of the services offered, then, the increase in co-operation, and finally, the high efficiency of system logistics for automotive components. Thus, as an example, M&M air sea cargo GmbH was able to reduce the transportation demand for one of their key accounts in this field by 15 %. In this case, the goods, in reusable packages, come from 34 suppliers all over Europe. The deliveries have to be synchro-



nized so that the goods can be pre-carried to the Bremen hub, where they are unpacked, and after a visual quality control check – if necessary, refinishing operations are carried out - are re-packed and shipped to the assembly line of the customer in South Africa.

We helped reduce the transportation costs by optimizing the processes in the packaging area, as well as in the fields of container stuffing, and call frequency.

"As we continuously work to improve our performance in the area of supply chain logistics for car components, we steadily increase our know how to the best of our customers", says the M&M air sea cargo GmbH managing director as he comments the company's 2006 balance.

"Another key to our continuing on the road to success is that we cooperate with other medium-sized firms. In the German sea and airfreight sector, we value our successful co-

operation with the Future Group, the Group '99, and the Global Container Group. We are also integrated in the worldwide FFSI network", explains Mazarin, who, as a member of the Executive Board of M&M International Holding AG in St. Gall, Switzerland, is responsible for the development of the airfreight and ocean freight business within the whole group. And he adds: "The FFSI network, based on member firms on about 60 countries world-wide, has boosted our growth. There is a whole range of markets that we would not have been able to develop without our cooperation with FFSI."

Mazarin emphasizes that apart from European locations, most Asian countries and numerous markets in Africa as well as Australia, New Zealand, Canada and the USA are integrated in the FFSI network. "As a member of FFSI, we can rely on a solid network as we expand our activities. The network brings together partners that are among the top performers in their countries, and have been approved as to their service, their quality, and their financial stability."

As Mazarin further explains, markets are more and more dominated by the big global players – as a consequence, medium-sized companies have to contend with increasingly tough competition. This is why co-operation based on partnerships on equal footing is so important. This includes, so Mazarin, also the M&M-owned companies in 30 countries: there is potential for closer co-operation and better coordination within their air and sea freight activities. The M&M companies could share agent networks, form conjoint airfreight platforms for Eastern Europe, and set up the necessary shuttle transports with guaranteed transit times – thus some ideas for the new project.

"Air and sea freight will also profit from the recent reinforcement of the M&M network in India, Dubai, and Slovakia", Mazarin further says. And the combination of the Moscow air

and sea freight sectors into one separate company has shown positive results and led to considerable growth in competence.

Further, M&M IH's 100 % acquisition of the joint venture with Turkey has strengthened M&M's market position there.



The focus now and for the near future is on the continuing development of the markets in Asia, with China and India being of prime importance. As to the co-operation within the Future Group, the aim is to cooperate to expand the successes of the East bound operations to the West bound traffic, with purchases in Asia.

M&M air sea cargo aims to further expand and increase its specialties such as automotive component logistics, but also chartered freight for heavy lifts and out-of-gauge loads to the CIS, the Far East, the Middle and Near East, as well as project shipments between Europe and Asia, and they aim to head on, full speed to growth, to success.

Mazarin shows the way: "We have set our objectives high, and in order to reach them, we will increase our sales personnel, and, strengthening our logistics competence, we will establish the name of M&M as a guarantor for top quality in sea



and air freight with the export industry, the air lines, and the shipping lines."

### M&M ships equipment for Uranium processing from France to Russia

Collaborating with the German M&M's "rail & projects" department and with Multimodal Equipment GmbH, a container operator, M&M Moscow is organizing the shipment of Uranium processing equipment from France to Russia – a very demanding project as to the complexity and quality of the job.

"It is in the area of international project shipment that the potential of our M&M network can be at its most effective. The cross-national cooperation of M&M companies lets us offer reliable, top quality service", said Klaus Lutze, M&M rail & projects, about the project.

Projects of this kind greatly benefit where the logistics potential of the whole group can be put to use. This has already been tried successfully, especially with shipments to the CIS. Says Lutze: "The fact that we got the contract to ship this equipment, in this sensitive area, shows us that our customers acknowledge the good jobs we delivered in the past with project shipments to the CIS."

The contract is extraordinary in many respects. TENEX (Techsnabexport AG), the Russian exporter, one of the world's leading suppliers in the nuclear sector, buys big equipment in France. Thus, M&M as the project manager holds a special responsibility for the reliable execution of this forwarding job, where they are dealing with very specific, high-value equipment that requires high safety standards during shipment. Since the equipment has not been used before, there is no need though for radiation protection.

France is the logistics hub for the project: The parts that come from different locations in several countries are collected and

completed there and then shipped to Russia by rail in two big container lots with containers of different sizes and types. Apart from that, some extra heavy lift boxes will reach their Russian destination on a combined road-sea route via St. Petersburg, or by road and rail.

Valery Borisov, managing director of M&M Moscow, says they see the present project also as a sign that project business to Russia is being revitalized. "The country's economic growth will permit numerous investments." There is also, he says, a demand for modernization and renovation in this and other industrial sectors in the CIS.

### M&M Zwiesel and Hamburg execute heavy lift transport

In February, M&M Zwiesel transported glass making equipment from an Austrian exporter, complete with press and accessories, from Regenhütte to Hamburg.

The shipment consisted of 5 boxes with a total weight of 47 tons. The boxes were loaded



onto two oversized flat bed trucks (4.73 meters wide and 4.48 meters high) and one regular M&M truck. The transport traveled with a police escort and reached the autobahn via a highway that had to be closed to traffic in sections.

The convoy arrived safe at M&M Hamburg's packaging station where the goods were packed onto flats and stuffed

into a 20' container to be shipped to Bangkok, Thailand.

### M&M Ransbach broadens its service portfolio

The M&M branch at Ransbach-Baumbach, Germany, will extend its service portfolio to include the business segments international transports and, especially, sea and air freight. This is why the branch will be incorporated into M&M air sea cargo GmbH as of April 1st.

Ulrich Lahr and his team will still be the customers' contact persons; all valid M&M Ransbach-Baumbach offers will devolve on M&M air sea cargo GmbH. The Ransbach-Baumbach team will gladly answer any questions concerning the integration of the branch into M&M air sea cargo.

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### transport logistic 2007

There were 1333 participants from 51 countries at the "transport logistic" in 2005 – making this German leading trade show more international than ever. And, as the organizers say, it might well become a world event.

This year's fair will be held from June 12 to 15. All the key representatives of the trade will be showcasing their latest technologies, products, and visions in the areas of freight traffic, logistics, electronic data transmission, e-commerce, and materials flow.

There will also be interesting accompanying events such as the Air Cargo Europe, the third international conference of the

world's airfreight industry, or the "marilog", the fourth international maritime logistics conference. For details please visit [www.transportlogistic.de](http://www.transportlogistic.de).

M&M will participate again: EMEX Moscow, M&M China, M&M Poland, as well as M&M Morocco, Tunisia, and Libya will showcase their services at the M&M booth.

On all four days of the trade show, employees of the German M&M will be present so they can discuss with, and inform visitors. If you are interested in an individual consultation with M&M in hall 5, booth 221, please contact the M&M trade show team at [fair@mumnet.com](mailto:fair@mumnet.com).



Visit us in  
Hall A5,  
Stand 221

12 - 15 June 2007

### Groupage container service to Pakistan

This February, M&M air sea cargo GmbH, Germany, has begun offering groupage transport to Karachi, Pakistan. M&M is master loader/consignee for the forwarders that form Group 99.

In Pakistan, the cargo is handled by Excel Freight Systems PVT Ltd, Lahore, an FFSI partner.

Judging from our cooperation with Excel so far, we are confident that the new route will be a success, too.

Such cooperation models show the interesting synergies that the membership in the FFSI network can entail.

For information about departures, delivery details etc, please contact Sven Grabs at M&M air sea cargo, Hamburg. Phone: +49 40 23 61 11 13 [Sven.Grabs@mumnet.com](mailto:Sven.Grabs@mumnet.com)

### New branch manager in Shanghai

by Hans-Werner Rieker

William Wei has started his appointment as branch manager in Shanghai as of March 1st. He has an impressive professional background, having served in management positions with an Italian forwarder, a German shipping line and a local consolidator. The Shanghai office will greatly benefit from his experience and leadership.



William Wei

Shanghai is the strongest M&M office in South China and the basis for further expansion into the Yang-tse river delta, an economic core region of China and a major target area for foreign investment. Hangzhou office is under the guidance of Shanghai, as well as any other offices that will be opened in wealthy Zhejiang and Jiangsu Province. Operations at Shanghai and Ningbo Port, the various Yang-tse river ports, the Airports of Shanghai, Nanjing, Ningbo and Hangzhou are part of the logistics network in this area.

William Wei is succeeding Markus Benz, who took up a key position for M&M in Switzerland. M&M wish both of them good luck and plenty of success in their new positions.

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### New office at the Tunis-Carthage airport

M&M GTI, Tunisia, has opened its own office at the Tunis-Carthage airport.

The office helps boost sales and offers M&M's partners the possibility to have a contact person for airfreight directly at the airport. The new address:

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Please note that for LTA documentation, the consignee address does not change.

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