



## Market

For many years DHL has been synonymous with fast, reliable services around the world, and today DHL is the number one logistics provider worldwide - offering a wide range of cutting-edge solutions through the whole logistical supply chain that free customers to concentrate on their core competencies. Driven by globalisation and liberalisation, the express and logistics sector is one of the world's largest growth markets. According to Global Insight, world trade will increase by 9.5 per cent in 2007, compared to 7.2 per cent in 2006. The volume of road and rail freight worldwide will also grow - according to the forecast for 2007 - by four per cent, ocean freight by 4.2 per cent and air freight by 8.9 per cent. It is expected that in 2007, 28 million 20ft containers will be shipped from Chinese harbours alone - mostly with destinations in the US and Europe, and that number is increasing. In all segments of the express and logistics market, DHL is in a stronger position to strengthen its sales and revenue.

## Achievements

Thanks to its competence in air, road/rail and ocean transport, DHL is the world's leading brand for express and logistics services. DHL has 285,000 employees around the world, more than 76,000 vehicles and more than 420 airplanes. Each year around 1.5 billion DHL consignments arrive at almost 120,000 shipping destinations in more than 220 countries and territories. DHL's unique market position is the result of consistent alignment as a one-stop-shop for companies of every size. In the courier express parcel sector, DHL is the market leader in core European, Asian and emerging markets. Both in air and ocean freight, as in contract logistics, DHL is number one in each of these markets - often a clear distance ahead of its competitors. DHL Exel Supply Chain demonstrates exemplary customer focus and



professionalism: the customer list for contract logistics comprises more than 2,000 large and prominent companies in 40 countries, including three quarters of Europe's Top 500 companies.

## Product

The DHL brand consists of five strong service fields: DHL Express, DHL Global Forwarding, DHL Exel Supply Chain, DHL Freight and DHL Global Mail. DHL Express is globally present with same-day, overnight and classic parcel services. Its network includes fully automated trans-shipment centres, a high performance IT infrastructure, 4,000 subsidiaries and links to 120,000

destinations worldwide. As market leader for air and ocean freight, DHL Global Forwarding offers many useful value-added services, such as a house-to-house service, group shipments and customs clearance. This DHL service field is also heavily represented with regard to project shipping and heavy cargo, with transport for industries such as oil, gas, petrochemicals, electricity and mining. DHL Exel Supply Chain takes over all complex, global logistical tasks using custom-built solutions along the entire supply chain. With regards to procurement logistics, storage and sales logistics, the range of products available also includes upstream and downstream services such as packaging, co-packing, price marking, billing and order processing. DHL Freight specialises in international and domestic road and rail transportation for full or partial loads within Europe. Qualified specialists integrate innovative IT applications to develop custom-built transport solutions for industry and retail. Finally, DHL Global Mail is one of the world's leaders in the international mail business, with offices and production facilities on four continents and direct links with more than 200 countries. As well as its cross-border mail business, in many countries DHL Global Mail is increasingly focusing on domestic services, expanding upon its mail related value-added services.

## Recent Developments

One of the central tasks in 2006 was to integrate the logistics provider, Exel, into the DHL brand. Under the management of former Exel CEO John Allen, all worldwide logistics activities at DHL



were restructured and bundled into a separate executive division. The first quarter of 2006 saw the start of Exel rebranding. By the end of the year the switch to yellow and red was almost complete. Building on DHL's uniform visual presence, the company is intensifying its content direction to turn the brand into a global brand. The new DHL brand positioning pulls together the common values of a globally active provider integrating around 285,000 people from different cultures, with different traditions, languages and religions. DHL's employees are at the hub of the organisation as active ambassadors of the brand.

At the start of the 2006 season, DHL strengthened its logistics partnership with Formula One racing. The amalgamation with Exel meant that DHL was able to offer an enhanced portfolio for teams, management and sponsors. This included ocean transport of the racing cars, engines, tyres, replacement parts and TV equipment for the most popular racing series in the world. Furthermore, DHL transported more than one million litres of petrol for the 18 races which took place on four continents. Traditionally DHL has used its logistics knowledge to support aid campaigns after natural disasters, such as the South Asia tsunami or Hurricane Katrina. Based on these valuable experiences, in 2006 the company set up two DHL Disaster Response Teams (DRTs) in Singapore and Florida. They are available to the UN Office for the Co-ordination of Humanitarian Affairs (OCHA) and support this international community with relief efforts. As volunteers, members of DRT bring their experience in transportation and logistics to coordinate aid deliveries at airports and near areas affected by a natural disaster.

### Promotion

The three core elements of the DHL brand positioning - personal commitment, proactive solutions and local strength worldwide - are also fundamental to the present DHL global branding campaign. For this reason, DHL employees are seen as the heroes of the campaign. DHL presented itself as logistics partner for the film Mission: Impossible III during its launch in March 2006. The introductory motif showed dedicated employee, Dirk Ravensteiner, with a roll of film tucked under his arm, appearing to deliver the film to every cinema in the world. The TV ad mixed film sequences - including some with Tom Cruise - with images of the agile DHL deliveryman, underlain with original music from the film. "DHL is now even closer to your



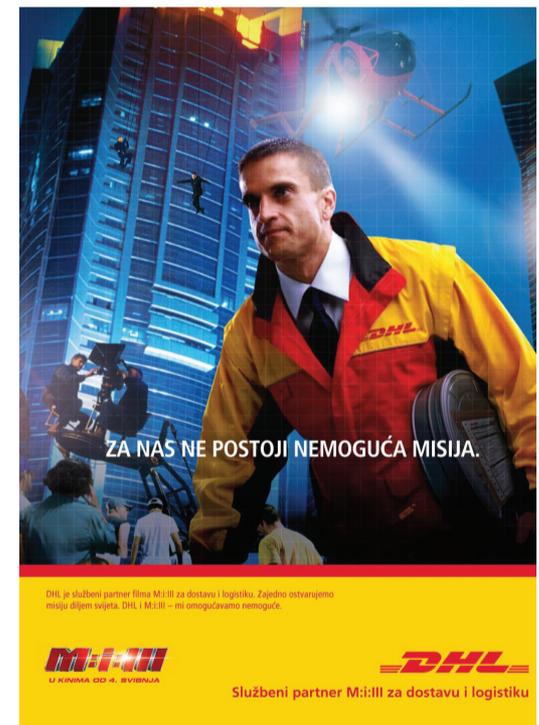
business" is the core message of a specialist campaign run in logistics and retail magazines. It promotes DHL's new strengths to logistics decision-makers in 23 countries after the integration of Exel into the areas of contract logistics and freight forwarding. Jeans, tablets, chocolate and computer chips all stamped with DHL's brand logo show how close the DHL logistics division is to key industries such as Fashion, Healthcare, Consumer, Technology, Automotive and Retail.

### Brand Values

By integrating a whole range of express and logistics companies, the global brand DHL has developed rapidly within only a few years. Uniform company clothing, vehicle decoration and advertising create a strong visual presence. The aim of DHL's consistent brand management is to be front of mind for its target audiences around the world. Moving forward, DHL aims to increase the proportion of customers who say they prefer DHL to a level higher than its actual market share. An important means to this end is the clear global brand positioning of DHL, which consists of three core elements. Firstly, 'personal commitment' which means each individual in the company takes on responsibility, from the executive board to the front line, that interact with customers. The second element is "proactive solutions"- instead of merely

reacting to problems, possible issues will be anticipated in order to develop appropriate resolutions. The third element is 'local strength worldwide'. If DHL is able to successfully combine local expertise with global resources, quality and continuity, then customers will truly receive the best of both worlds.

[www.dhl.hr](http://www.dhl.hr)



### THINGS YOU DIDN'T KNOW ABOUT...

#### DHL

- On May 8th, 2006, DHL Croatia received "A" certification from the Technology Asset Protection Association (TAPA) for its facilities in Croatia.
- TAPA is a unique forum that unites global manufactures, freight carriers, Police and other stakeholders with the common aim of reducing losses from international supply chains. TAPA is promoting a worldwide security standard, launching practical initiatives and supporting law enforcement.
- DHL has made substantial investments in security, and over the years has set the benchmark for security excellence in the air express businesses. DHL Croatia has received "A" certified status for its major hub and gateway in Croatia.

