Hellmann Rail Eurasia

Product presentation
Hellmann Rail Eurasia

- Rail Eurasia transport routes
- Regular departures and destinations
- Hellmann Gateway concept
- FCL/LCL/Buyer Consolidation-Service
- Comparison Air, Sea, Sea-Air, Rail
- Operational procedures
- Tracking and Tracing
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Rail solution as an alternative between Europe and China

- Investment in rail infrastructure
  - China, Russia and Europe make significant investment into the railway sector, whereby the rail networks have been extended rapidly over the past few years.
  - New high-speed trains enable capacities in existing networks

- Outsourcing of production facilities
  - "go west" strategy: Western China is logistically independent of port cities
  - New and efficient transport solution are strongly promoted by the central office and the Local Government

- Support from emerging countries
  - Rail is the most competitive mode of transport in Russia and Central Asia. The own domestic use is promoted by the increasing utilisation frequency

- Reliable & flexible service
  - Whole train service (minimum booking of 40 x 40" containers)
  - Public train service (single container service)
  - Variable routing options: Northern Route and Southern Route

- Shorter than seafreight transit time at lower than airfreight cost
- Environmentally friendly
Main connections between Europe and China

Distances / Transhipment

1. Vladivostok (RU) / Suifenhe (CHN)
2. Zabalkalsk (RU) / Manzhouli (CHN)
3. Zamyn-Uud (MGL) / Erenhot (CHN)
4. Dostyk (KZ) / Alashankou (CHN)
5. Malaszewicze (PL) / Brest (BLR)
6. Záhony (HU) & Dobra (SVK) / Chop (UKR)

**Northern Route:** Transit via Russia, Belarus to Poland is around 7,450 km. A transit time of 9-12 days will be achieved by the express block-train service. Currently the departure ex. Brest (BLR) is offered once a week.

**Southern Route:** Transit via Kazakhstan, Russia, Belarus to Poland is around 5,270 km. A transit time of 9 days will be achieved by the express block-train service. Due to Rail Eurasia, the departure frequency ex. Dostyk have increased enormously during recent years.

**Internationally recognised transport document is:** CIM / SMGS
Main connections between Europe and China

**Broad-gauge:**

**Russian broad-gauge:** The gauges in Russia and other CIS states, but also in Finland, Mongolia, Estonia, Latvia and Lithuania is exactly 1524 mm.

**Normal broad-gauge:** is almost exclusively used in China, Mexico and North America and up to 87% in the European Union railway network.

**Zuglänge**

1435 mm Normal broad-gauge
1520 mm Russian broad-gauge

Loading max — 53 * 40’
Loading — 41–62 * 40’
Loading max — 41 * 40’
The Eurasian Economic Union (EEU)
EEU is an economic union of states located primarily in northern Eurasia with an internal market and customs union.

Eurasia Customs Union (2010)
No customs control and customs taxes in Russia, Kazakhstan and Belarus simplify the transport.
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Current regular departures (Chongqing – Duisburg)

- **YXO block train service**
  - 2 to 3 times per week departures from Chongqing to Duisburg
  - from February 2 times per week departures from Duisburg to Chongqing
  - block train service from Chongqing to Dostyk with a transit time of 3 days
  - block train service from Dostyk to Malaszewicze via Brest with a transit time of 12 days
  - block train service from Malaszewicze to Duisburg with a transit time of 2 days
  - main customer: HP

Regular departures and destinations
Current regular departures (Zhengzhou – Hamburg)

Zhengzhou block train service
- 2 times per week departures from Zhengzhou to Hamburg
- 2 times per month departures from Hamburg to Zhengzhou
- rail carrier uses both routes: via Mongolia as well as via Kazakhstan.
- transit time of 17 days in total
Current regular departures (Suzhou – Warschau v.v.)

- Suzhou – Warsaw block train service
  - once a week departure from Suzhou to Warsaw
  - since December 2014 once a week from Warsaw to Suzhou
  - transportation via Russia and Belarus
  - transit time of 15 days in total
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Gateway concept in China

- domestic block train service between border towns and departure stations ensures a good transit time within China
- domestic truck service enables a quick transportation from eastern manufacturing plants to Western- and Central-China
- the domestic rail freight service is growing rapidly due to the strongly promoted block train service between border towns and inland towns. For example: there are 3 times per week departures with a transit time of 48 hours for the block train service from port Yangtian to Chongqing.
- electronical customs transit from departure station via the border town is possible
Germany already has a comparatively good infrastructure for the further development of rail services.

- excellent connections from Hamburg, Duisburg, Leipzig, Ludwigshafen, Nürnberg etc. to other European countries like Austria, Scandinavia, Italy, Switzerland and Spain.

- combined transport is especially a good market for long-distance transportation. For example from Duisburg to Goteborg with a transit time of 1 day and 12 hours in total.

## End to End Solutions

### Europe

- **HUB Service in PL**
  - Mala / Gadki / Warsaw to connect
    - Poland
    - Ukraine
    - Russia
    - Austria
    - Czech
    - Hungary
    - Latvia
    - Lithuania
    - Slovakia

- **HUB Service in Germany**
  - Hamburg / Duisburg / Ludwigshafen to connect
    - Germany
    - France
    - Benelux
    - Other west European countries

- **Train, Operations Management**

- **Container Management**

- **Customs Clearance in Transit Countries**

- **Loading, Unloading**

### China

- **HUB Service in Shanghai**
  - Ningbo - Nanjing -

- **HUB Service in North China**
  - Changchun - Dalian - Harbin - Qingdao - Shenyang - Tianjin -

- **HUB Service in Chengdu / Chongqing**
  - Guangzhou - Fuzhou / Xiamen - Wuhan -

### Hellmann Gateway concept

**THINKING AHEAD – MOVING FORWARD**
Hellmann Worldwide Logistics has been active in China since the 1980s and has expanded its network steadily.

- Hellmann branch in Hong Kong was opened in 1981.
- Hellmann branch in Taiwan was opened in 1983.
- Establishment of HWL Shanghai Ltd. as a joint venture with Shanghai Jinqiao International Logistics Ltd. in 1985.
- Hellmann opened a new warehouse in Shanghai in 1987-98.
- Hellmann opened a new warehouse in Shanghai in 2002.
- Hellmann branches in Guangzhou, Tianjin, Shanghai, Beijing, Qingdao, Xiamen and Dalian were opened in 2004.
- Hellmann has acquired 100% of Shanghai Hellmann Worldwide Logistics Ltd. in 2008-09.
- Hellmann branches in Wuhan and Shenyang were opened in 2010-12.
- Hellmann opened a new warehouse in Beijing; Hellmann branches in Chengdu and Zhengzhou were opened in 2010-12.
Hellmann now has 29 branches in 22 towns in Greater China. The further development is pursued in Central- and Western China.
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Hellmann End to End Service

- Rail transportation along the route Europe-China as a new transport alternative rapidly gain in importance. Hellmann Rail Eurasia offers following standard services:
  - Whole train service (block train service)
  - Single container service on several routes with competitive transit times for 40' DC and 40' HC
  - Hellmann-owned LCL consolidation: once a week departure for Westbound; Trial LCL-shipment for Eastbound will start in the second quarter of 2015

- Pre-carriage logistics
  - Container transportation / consolidation of goods / load planning / transport documentation / customs clearance

- On-carriage logistics
  - Container transportation/ distribution of goods / discharge planning / transport documentation / customs clearance

- Value Added Services
  - Hanging garments / temperature regulation / transportation of dangerous goods
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Comparison Air, Sea, Sea-Air, Rail

- Rail is not understood as a competing product compared to sea- or airfreight.
- Rail offers the perfect solution for transportation that requires short transit time and much lower prices compared to airfreight. Rail is understood as a good alternative for industries like automotive, mechanical engineering, high-tech und fashion goods.
- Rail transportation produces less CO2 emissions compared to airfreight. The produced amount of CO2 emission is almost comparable to seafreight.

<table>
<thead>
<tr>
<th>Mode</th>
<th>Volume</th>
<th>Distance</th>
<th>Delivery Time</th>
<th>Costs</th>
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</thead>
<tbody>
<tr>
<td>Air</td>
<td>less than 1%</td>
<td>~ 10,000 km</td>
<td>18–28 days</td>
<td>50-100% more expensive than sea</td>
</tr>
<tr>
<td>Sea</td>
<td>~ 99%</td>
<td>~ 20,000 km</td>
<td>30–45 days</td>
<td>Leadership prices</td>
</tr>
<tr>
<td>Sea-Air</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rail</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport Kosten in USD</td>
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<tr>
<td>Ocean</td>
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<tr>
<td>Seefracht</td>
<td>0,20 USD</td>
<td>38 Tage</td>
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<td>22 Tage</td>
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<tr>
<td>Sea Air</td>
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<tr>
<td>Air</td>
<td>1,60 USD</td>
<td>4 Tage</td>
<td></td>
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</tbody>
</table>

Produktion in Guangzhou und zustellen in Süddeutschland End to End
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Process flow of Rail Eurasia

**Booking**
- customer inquiry
- booking confirmation

**Container loading**
- empty container pick-up
- container loading
- transportation to departure terminal

**Terminal Handling**
- export customs clearance
- container loading on train

**Rail transportation**
- average transit time of 17 days

**Terminal Handling**
- import customs clearance
- Container release

**Delivery**
- organizing the on-carriage
- Empty container return
# Milestones

## February 2015

<table>
<thead>
<tr>
<th>CW 6</th>
<th>CW 7</th>
<th>CW 8</th>
<th>CW 9</th>
<th>CW 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>T-10</strong> Booking Deadline</td>
<td><strong>T-6</strong> Container loading</td>
<td><strong>T-2</strong> Export customs clearance closing</td>
<td><strong>T+0</strong> Train Departure</td>
<td><strong>T+17</strong> Train arrival</td>
</tr>
<tr>
<td><strong>T-6</strong> Document closing</td>
<td></td>
<td></td>
<td></td>
<td><strong>T+20</strong> Cargo delivery</td>
</tr>
</tbody>
</table>

## March 2015

| **T+18** Import customs clearance closing | **T+17** Train arrival |
| **T+18** Import customs clearance closing | **T+17** Train arrival |

## Documentation

- **T-10**: Booking Deadline
- **T-6**: Container loading
- **T-2**: Export customs clearance closing
- **T+0**: Train Departure
- **T+17**: Train arrival
- **T+20**: Cargo delivery
- **T+18**: Import customs clearance closing

## Pre-carriage

- **T-6** Document closing
- **T-3** Terminal Closing

## Main carriage

- **T+0** Train Departure

## On-carriage

- **T+17** Train arrival
- **T+20** Cargo delivery

**Documentation**

- **February 2015**: T-10 Booking Deadline, T-6 Container loading, T-2 Export customs clearance closing, T+0 Train Departure, T+17 Train arrival, T+20 Cargo delivery
- **March 2015**: T+18 Import customs clearance closing

**Pre-carriage**

- **T-6** Document closing, T-3 Terminal Closing

**Main carriage**

- **T+0** Train Departure

**On-carriage**

- **T+17** Train arrival, T+20 Cargo delivery
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Tracking of shipments

- in comparison to sea- and airfreight, the reporting tool of rail is now being developed

- a tracing report is provided to the customer on a daily basis

- the tracing report shows information like: current location, distance already covered, duration until the train arrives etc.

| Country | Action | Date | Current Location | Tracking Details | Actual Distance covered | Estimated Time | Distance | Duration |
|---------|--------|------|------------------|------------------|------------------------|---------------|---------|----------|---|
| China   | 1      | 12/Jan| Beijing Station  | 4:26             |                        |               |         |          |   |
|         | 2      | 13/Jan| Shanghai Station | 5:19             |                        |               |         |          |   |
|         | 3      | 14/Jan| Shanghai Station | 14:35            |                        |               |         |          |   |
|         | 4      | 15/Jan| Shanghai Station | 10:05            | 2.195                  | 1:107         |         |          |   |
|         | 5      | 16/Jan| Shanghai Station | 14:35            | 3.191                  | 2:00          |         |          |   |
|         | 6      | 17/Jan| Shanghai Station | 22:50            | 3.605                  | 2:34          |         |          |   |
|         | 7      | 18/Jan| Shanghai Station | 04:20            | 3.945                  | 4:50          |         |          |   |
|         | 8      | 19/Jan| Shanghai Station | 16:30            |                       |               |         |          |   |
| Russia  | 9      | 12/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |
|         | 10     | 13/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |
|         | 11     | 14/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |
|         | 12     | 15/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |
|         | 13     | 16/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |
|         | 14     | 17/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |
|         | 15     | 18/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |
|         | 16     | 19/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |
|         | 17     | 20/Feb| St Petersburg    | 19:05            | 9.515                  | 2:13          |         |          |   |

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**THINKING AHEAD – MOVING FORWARD**
Rail Eurasia Smart Visibility

- GPS signal can be received right around the clock
- the GPS-device is small, light weight, and easy to install
- stable functionality is guaranteed
- clear overview about the entire transport chain
- user-friendly customer portal
Thanks for your attention!