

## Gebrüder Weiss intensifies investment campaign

### Further 100 million Euros for more customer proximity

Vienna on February 27<sup>th</sup>, 2007 – In the coming years the Austrian transports and logistics organization Gebrüder Weiss (GW) will invest over 100 million Euros into the expansion of its network in Eastern Europe. Men, markets and infrastructure have top priority in this process. The preliminary figures for 2006 show promising results for this investment campaign which was launched in 2005. In comparison to 2005, GW achieved a growth in sales of 10 % due to net sales of approximately 870 million Euros and a stable cash flow of over 50 million Euros. The annual average number of employees also rose to 4.050 and lies 11.5 % above last year's average.

CEO Wolfgang Niessner is pleased that with a turnover of 870 million Euros GW is, according to first calculations, well on its way to reach the objective for 2010 (a turnover of over a billion Euros) already in 2008. Moreover, Gebrüder Weiss recorded growth in all areas, thus, again proving its effective development.

The detailed revenues: The largest part with 32 % is still earned through *international surface transports*. The *logistics* sector with its 26 % is also playing an always more important role. Mr. Niessner additionally emphasizes that logistics solutions have a big market potential and that GW has the right size and structure to offer individualized customer solutions. As a consequence, GW will continue to focus on this sector in the years to come.

Next to the forwarding and logistics sector the parcel service presents another important pillar of the organization's success. The Gebrüder Weiss parcel service offers DPD services in the majority of the Austrian Federal Provinces. According to Peter Kloiber, the Board of Management member in charge of the parcel service, first-rate customer service really pays off. In the past year GW was again able to increase the turnover in the parcel service sector by 8 % to 110 million Euros while maintaining an exceptionally high quality level. With respect to the consulting sector Mr. Kloiber reports that the supply chain software solutions by Inet-Logistics and the consulting

services by the logistics consulting company xwise have also developed satisfactorily in 2006. The two subsidiary companies and their 50 employees achieved a turnover of about 5 million Euros.

### **The investment campaign**

The year 2006 was not only one of successful business development but also a milestone in the investment area for Gebrüder Weiss. Following the strategic objectives, the 150 mil. Euro investment program launched in 2005 was continued without delays. CFO Wolfram Senger-Weiss explains as follows: "Last year we invested 60 million Euros and despite those high investments our equity ratio lies at a good and stable level of over 49 %." In 2007 the organization plans investments in the same extent as last year particularly in Austria, Germany, Switzerland and Hungary. Those plans include amongst other things a new terminal in Pöchlarn (Austria), the construction of a new handling terminal in Hungary, the completion of the extensions of the GWP warehouses (GWP = Gebrüder Weiss Parcel service) in Pöchlarn, Leobendorf and Kalsdorf (all in Austria) as well as new storage and handling facilities in Memmingen (Germany). In Switzerland 10 million Euros shall be invested into a new logistics terminal in Basel.

### **Further 100 million Euros for a strong East European logistics network**

Gebrüder Weiss have also resolved upon a new investment program worth over 100 million Euros for the coming years which will focus on Central and Eastern Europe. In a first stage, GW plans the intensive acquisition of new real estate. In 2007 GW will look for and purchase real estates in Romania, Bulgaria, Slovakia, Serbia and Czechia.

In 2007 and 2008 Gebrüder Weiss will invest 4 million Euros into the extension of the facility in Senec and 2.5 million Euros into a new forwarding terminal in Banska Bystrica both situated in strategically important Slovakia. Wolfgang Niessner explains this strategy as follows: "From 2008 onwards we will continue to densify the GW network in Central and Eastern Europe. We will improve the routes for our customer's goods. As a seamless organization we offer a technically efficient logistics network which is based on a joint company culture."

### **First steps towards an own network in India**

Heinz Senger-Weiss, the Board of Management member in charge of Air & Sea, is highly pleased with the development in his sector. The joint turnover of the network with joint-venture partner Röhlig rose by nearly 100 million Euros to 250 million Euros within only two years. In 2006 the

consolidated turnover of Gebrüder Weiss Air & Sea amounted to approximately 160 million Euros. All parts of the global network are developing satisfactorily. India is the next country where GW plans to expand. Heinz Senger-Weiss emphasizes this plan as follows: "We will soon send our own employees to India as this will allow us to offer GW standards to our customers in this important region. Our objective is clear. By 2008 at the latest we want our own network solution for India."

### **A focus on good qualification**

As already in the past years, GW invested a lot into the training and further education of its employees. Currently 25 participants of the second "Orange Future" trainee program are being prepared for a professional future at GW. Peter Kloiber, Board of Management member, is particularly pleased that for the first time 50 % of the trainees are female this year, which is an important step in this traditionally male-dominated branch. In spring 2007 a completely new logistics curriculum will be launched. During one and a half years a first group of 15 participants will be trained as practically-oriented logistics experts. There are already plans for a second group. In 2006 GW created a total of 236 new jobs in Austria.

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