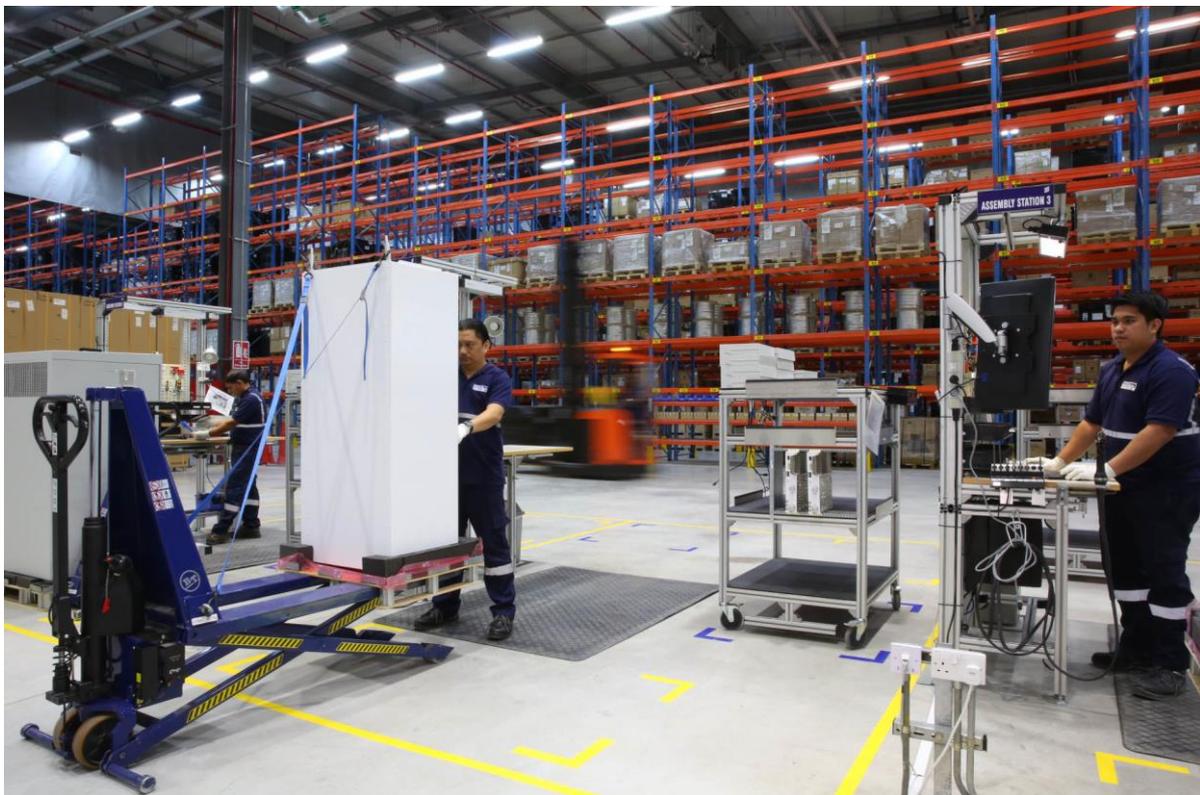


## MEDIA RELEASE

Basel, March 15, 2017

### **Panalpina opens new logistics manufacturing hub in Dubai South**

**Today, in the presence of His Highness Sheikh Ahmed bin Saeed Al Maktoum, Panalpina CEO Stefan Karlen officially opened the company's new logistics manufacturing center in Dubai South. The 40,000 m<sup>2</sup> facility, adjacent to Al Maktoum International Airport, supports circular supply chains and will enable Panalpina to grow its logistics and freight forwarding business in the Middle East, Africa and CIS (MEAC) region. Three times bigger than the previous facility and with state-of-the-art infrastructure, it offers plenty of room to further grow with both existing and new customers.**



“Dubai, strategically located between East and West, and with excellent airport, port and road connections, is ideal for operating a regional supply chain hub for the Middle East, Africa and CIS,” said Panalpina CEO Stefan Karlen at the opening ceremony in Dubai South earlier today. “We first set foot in the United Arab Emirates 25 years ago and today’s official inauguration of our new logistics manufacturing center, which was built exactly to our business needs and those of our customers, opens a new exciting chapter for our logistics and freight forwarding activities in the region. It is the biggest facility of this type that we currently operate.”

His Highness Sheikh Ahmed bin Saeed Al Maktoum commented: “We highly welcome Panalpina’s continued strong commitment in the UAE and share the company’s vision of how supply chains in a circular economy are shaping the future. The new logistics center will further strengthen the relationship between Panalpina and Dubai South and help attract additional industries to the region such as high fashion, automotive, and aerospace as well as research organizations and think tanks.”

The sheer size and flexible space within the building gives Panalpina plenty of room to scale its business. Currently, Panalpina mainly serves customers from the technology, oil and gas as well as consumer and retail sectors in Dubai. Important telecom and consumer electronics customers were smoothly moved right across the street from the previous 13,000 m<sup>2</sup> building to the new 40,800 m<sup>2</sup> facility when it was completed in October of 2016.

The site is located in Dubai Logistics City and forms part of the bonded logistics corridor that links the adjacent Al Maktoum International Airport and nearby Jebel Ali Port. Most of the operational space of 37,800 m<sup>2</sup> is used for inbound to manufacturing (I2M) and vendor managed inventory (VMI) services in support of Logistics Manufacturing Services (LMS) and also for outbound distribution services. There are separate areas for the break-down or build-up of air freight, for the safe intermediary storage of valuable goods, and for other special activities.

Goods are kept and handled in clean and fully air-conditioned chambers where the room climate is monitored and controlled around the clock. “Customers are increasingly demanding that their products be protected against heat and humidity. Our new facility is one of only few of this size in Dubai that can offer this,” explained Pascal Sieber, Panalpina managing director for the United Arab Emirates.

In a separate repair room, equipped with antistatic flooring and special lighting, specialists grade used mobile phones, tablets and laptops before they are reintroduced into the supply chain, recycled or discarded. Specialists also refurbish game consoles, which involves diagnostics, repair and testing. In the LMS area, also equipped with special lighting and electrical supply points, Panalpina engineers and technicians pick semi-knocked down units, configure, assemble and test them with the latest software uploaded.

More and more companies want to configure and customize their products closer to market and then deliver them to the end customer as quickly and efficiently as possible. As part of a circular economy, Panalpina is also seeing increased demand for reverse logistics including diagnostics and ultimately repairs for their customers’ products. “Our hub here in Dubai is designed to take advantage of the changing dynamics of supply chains. With the trend of distributed manufacturing close to point of consumption, the emphasis on sustainability, the Internet of Things and the makerspace movement, as well as technological advances such as additive manufacturing, we will see more logistics facilities like this one in the future, where we can add value to our customers’ supply chains,” said Mike Wilson, global head of Logistics and Manufacturing at Panalpina.

-ENDS-

*Notes to the editor:*

His Highness Sheikh Ahmed bin Saeed Al Maktoum, is Chairman and Chief Executive of the Emirates Airline & Group, and Chairman of the Dubai Aviation City Corporation. Also attending the opening ceremony was His Excellency Khalifa Al Zaffin, Executive Chairman of the Dubai Aviation City Corporation and Dubai South.

Table: Key features of Panalpina's Logistics facility in Dubai

Location	Dubai Logistics City (DLC), United Arab Emirates Coordinates: 24.878143, 55.140513
Multimodal connections	Air, ocean, road; the facility is adjacent to Al Maktoum International Airport (< 1 km) and linked to the Jebel Ali Free Zone and Port (7 km) via a "logistics corridor"
Official opening	March 15, 2017; fully operational since October 2016
Certifications / licenses	TAPA <sup>1</sup> -A, AEO <sup>2</sup> accreditation - Dubai customs, assembly license
Engineers and technicians	14
Surface in use	40,800 m <sup>2</sup> in total, including 3,000 m <sup>2</sup> of office space; the operational space of 37,800 m <sup>2</sup> is divided into one unit of 17,400 m <sup>2</sup> and two units of 10,200 m <sup>2</sup> ; out-of-gauge and bulk oil and gas equipment that is not sensitive to extreme weather can be stored in the 4,000 m <sup>2</sup> open yard
Column grid	As wide as possible (17.2 m x 29.85 m) to allow additional floor space and racking
24/7 room climate control	Entire facility is fully air-conditioned; building management system monitors and controls ambient temperature (25°C)
24/7 security	Monitoring with CCTV
24/7 fire protection	Full ceiling sprinklers throughout; Dubai Civil Defense approved
Other services offered	Legally permitted dangerous goods handling, high value and special activity areas
Truck docks and ramps	20 truck docks and 3 elevated ramps on north side 20 truck docks and 3 elevated ramps on south side

<sup>1</sup>Transported Asset Protection Association

<sup>2</sup>Authorized Economic Operator

#### About Panalpina

The Panalpina Group is one of the world's leading providers of supply chain solutions. The company combines its core products of Air Freight, Ocean Freight, as well as Logistics and Manufacturing to deliver globally integrated, tailor-made end-to-end solutions for eleven core industries. Drawing on in-depth industry know-how and customized IT systems, Panalpina manages the needs of its customers' supply chains, no matter how demanding they might be. Energy and Project Solutions is a specialized service for the energy and capital projects sector. The Panalpina Group operates a global network with some 500 offices in more than 70 countries, and it works with partner companies in another 100 countries. Panalpina employs approximately 14,500 people worldwide who deliver a comprehensive service to the highest quality standards – wherever and whenever.

[www.panalpina.com](http://www.panalpina.com)

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