

Greetings from Beijing!

By Jörg Roos

Welcome to the first edition of our new Schenker on the Spot Newsletter for North China. This publication intends to keep our customers updated with all what's going on in the Schenker world and will be issued on a bi-monthly basis. We hope you will enjoy this month's edition with more to come!

Best regards,

BITCC celebrates 15th Anniversary

On May 30th 1991, the Joint Venture Partner of Schenker North China - Beijing International Technology Cooperation Center (BITCC) - established its corporation. Honoring their 15th Anniversary, a celebration was held on June 3rd 2006 in the Beijing Century Theatre.

In his speech addressing friends and partners, Mr. Geng Ping An, President of BITCC / BTETC expressed his deep appreciation for the continuous support over the past years. In the following ceremony of donation, he handed a cheque worth RMB 500,000 to China Disabled Persons' Federation (CDPF).

Highlighted by the famous Music Dance Drama "My Dream", performed by China Disabled People's Arts Troupe, the event was very well received and left the audience deeply moved in view of the remarkable talents and "high" spirits of the artists.



Start of Operations in the Public Bonded Warehouse

New service optimizes Schenker BITCC's product portfolio • Effective April 2006

After the successful opening of the Logistics Center in Beijing in 2005, Schenker BITCC Logistics (Beijing) Co., Ltd. recently received approval by Beijing Customs Authority to start operations of its Public Bonded Warehouse.

With an overall area of 2038 sqm and 2976 pallet positions, equipped with bar-coding and managed by HTS System, it marks an enhancement to Schenker BITCC's Logistics operations. It allows the customers to storage-in their shipment and saves them from pre-financing Import Duties and VAT upon arrival of their cargo in China. The payment of Import Duty and VAT only applies when the shipment is moved out of the Public Bonded Warehouse and forwarded to the final customer.

Additionally, it marks a further improvement to the Enter.China product by the ability to offer all services under one roof. Companies face various

challenges when exporting their goods into China, e.g. the Import restrictions in China, the number of parties involved and above all the Particularities of the Chinese market.

Schenker emphasizes on one-stop solutions for all kinds of transport modes and allows companies to smoothly enter the Chinese market simply by combining the knowledge of Schenker as a logistics expert with the local trading know-how of their Joint Venture Partner

BITCC as a well established Import/Export Corporation.

As one of only a few to obtain the approval for operating a Public Bonded Warehouse, Schenker BITCC continues to meet the increasing demand for integrated logistics services in the exponentially rapid growing Chinese market.

Should you require further information, please do not hesitate to contact us at: marketing.bjs@schenker.com!



A glance at the Warehouse of Schenker BITCC Logistics (Beijing) Co., Ltd.

Cooperation agreed between Chinese Rail and Deutsche Bahn

Mother company DB supports development of China's high speed transport network

On May 22nd 2006, an agreement between Chinese Rail and Deutsche Bahn AG has been signed in Beijing by Rail Minister Liu Zhijun and DB's CEO Hartmut Mehdorn, marking the begin of a close cooperation in future. It is planned to significantly increase rail transport between both countries by the way of the Trans-Siberian railroad as this route is considerably quicker than transport by sea.

"From our point of view China is an interesting market," explained Hartmut Mehdorn. "The market is growing rapidly, and the flow of goods between the Far East and Europe is likewise on the increase. So it is a logical step to enter into a closer cooperation. As a provider of mobility and logistics services, we need to be actively involved wherever our customers are to be found."

Both parties agreed on jointly developing procedures that are focused on the customers' needs and attuned to the market.

Furthermore DB will support China in the development and operation of its high speed transport system. The support will include operations, passenger information and reservation systems as well as safety management and marketing.