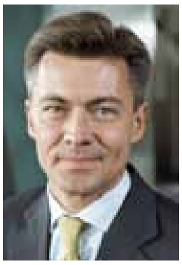
NORDIC LOGISTICS BAROMETER **2012**

EFFECTIVE LOGISTICS SOLUTIONS
THROUGH SUPPLY CHAIN COOPERATION

Foreword



Henrik Höjsgaard

Head of business
area Logistics
PostNord AB

The Nordic region is a very interesting area when it comes to identifying trends, market forces and customer needs that influence the development of logistics. Over 25 million people live here and logistics services are at the forefront of innovation and technology. We see significant differences between the Nordic countries regarding geography, infrastructure, centralization, purchasing power and cost - all of which are important for logistics needs.

PostNord have a clear strategy to become a leading Nordic player and to be a partner for our customers. In this year's Logistics Barometer, we have focused on the interaction between industry and transport sector, in particular the relationship between companies and logistics providers. When logistics was seen as a product of the same kind as the shelf type, buyers wanted to trade products and compare prices and quality in the same traditional way as with other commodities. But the economic structure is constantly changing as a result of globalization; we see new technologies, new patterns of production and changing environmental requirements. This leads to changes in more complexity in requirements of logistics, for example in customs, in relevant legal expertise, language, information and number of parties involved in the process. This means that business to a greater degree will focus on its overall delivery service and the cost of this.

From this perspective it becomes very important to get insight into how the relationship and integration between companies and logistics providers develops. In the Nordic Logistics Barometer you can read about how the various indexes are used to identify this perspective. Increased integration between customer and logistics provider through effective IT solutions that enable rapid exchange of information, opens up for better efficiency and quality and provide good customer value. The total cost in relation to logistics value creation is crucial. Delivery performance, reliability and quality are factors that must be in place.

The trend shows that higher environmental standards are constantly set for us as suppliers of logistics service. Compared to two years ago, the trend is significant, although many still criticize us. The Swedish industries make far greater demands than their Nordic colleagues and the Danes' are significantly lower in demand regarding this issue.

Many customers say that they do not believe in a price reduction caused by a larger volume, or that costs will decrease if they are willing to lower their demands regarding the requirements on when the packages should arrive. Increased volumes with a possibility of coordination are what we do best! It allows us to plan for a better utilization of the supply chain. This in turn leads to lower costs and less environmental impact. Of course, it is going benefit our customers.

Many say that they do not believe that a closer cooperation with the supplier will benefit their business. Give us a chance and we will prove that we can deliver!

Enjoy the reading!

About the survey

Nordic Logistics Barometer 2012 is developed by PostNord. The survey is based on a questionnaire answered during the period March-June among logistics managers or executives in various industries. Respondents are operating mainly in private sector. 1/3 represent production and industry, 1/3 represent goods, and the remaining represent service industry or other. The businesses are in terms of sales evenly split between MEUR 2,5 and EUR 0,6 bn with the exception of Finland, where the operations are slightly smaller. The report is based on responses from 460 logistics buyers in the North region.

The report is divided into two parts. The first part is based on responses from the questionnaire and the other on completed interviews with logistics managers or CEO of four businesses in the Nordic region.

The report is developed by Eirill Bø (Handelshøyskolen BI) och Marianne Rygvold (BDO). The full version of Nordic Logistics Barometer 2012 can be picked up and read on www.posten.com

Contents

The Logistics Barometer in two minutes

Increased demand on the efficiency of the supply chain requires closer cooperation between service owners and logistics providers. A closer integration leads to added value in the form of reduced costs and better service. The Logistics Barometer surveys shows us how collaboration helps to achieve a more effective logistics solution.

Integration and cooperation pays off

To increase integration, over seven out of ten Nordic companies has defined a main supplier of logistics. As many as nine out of ten Danish companies have chosen a main supplier, while the average in the Nordic countries is seven out of ten. When the need for transportation changes, four out of ten companies share this information immediately, while six out of ten reports within a day. This leads to effective collaboration. Six out of ten service owners expect logistics providers to find efficiency areas within their business logistics. These are conditions that make the foundation for a tight communication.

High degree of competence

Five out of ten Nordic service owners believe that education and skills are essential for competitiveness. Sweden values formal competence as more important than the other countries. The survey indicates that businesses with high educated logistics managers are more likely to achieve a more effective solution within logistics.

Express becomes more important

Demands are high on logistics providers when companies require quick deliveries. Companies today want 25% of the goods to be delivered within 8 hours, in another word by “express”. Beside this, the most common requirement is that the goods shall be delivered within + / - 1 day. Fast delivery requirements are often done at the expense of the optimum utilization of the supply chain, leading to higher costs and environmental impact.

Inadequate review of transport

Only half of the businesses use accounting to calculate the actual logistics costs. When developed, the use of IT can help to reduce costs to some extent, improve quality and give companies a better overall view of their own logistics. These are services that a professional logistics provider can deliver.

Companies does not believe that increased volume and longer time window reduces the price

With increased transport volumes, capacity is often utilized better and costs can be reduced. Only five of the ten companies believe, however, that the transport cost will be reduced when the transport volume increases. It provides an incentive for the company to plan better. In addition, only three out of ten believe that the price will be reduced by an extension of the time window that is set to today's deliveries.

Increased environmental awareness

In two years the requirement that logistics providers shall keep records of climate change and emisssions among Nordic companies, have increased. Today three out of ten desire this. The requirement for logistics suppliers to be certified has increased dramatically and now five out of ten of the Nordic companies demand an ISO certification within environment. Meanwhile, the willingness to pay for more environmentally friendly solutions is low. Sweden differs positively from the other countries in that 15% are willing to switch to a more environmentally friendly transport solution, even if the price increases with 10%. In many cases, environmentally friendly solutions lead to reduced costs.

Sweden has the lowest logistics costs

Swedish service owners have the lowest logistics costs related to the management of logistics. Costs represent only 1% of Swedish service owners’ turnover while for Finnish service owners it represents nearly 5%.

Denmark reduces the number of warehouses and production sites

There has been a general trend in reducing the number of warehouses and production sites and instead preferring a longer transport distance. This trend has reached a greater extent compared to Danish and Finnish companies. Nearly four in ten Danish companies have the last five years reduced the number of stock or production sites, while far below one in ten Finnish companies have done the same.

1. The relationship between companies and logistics suppliers

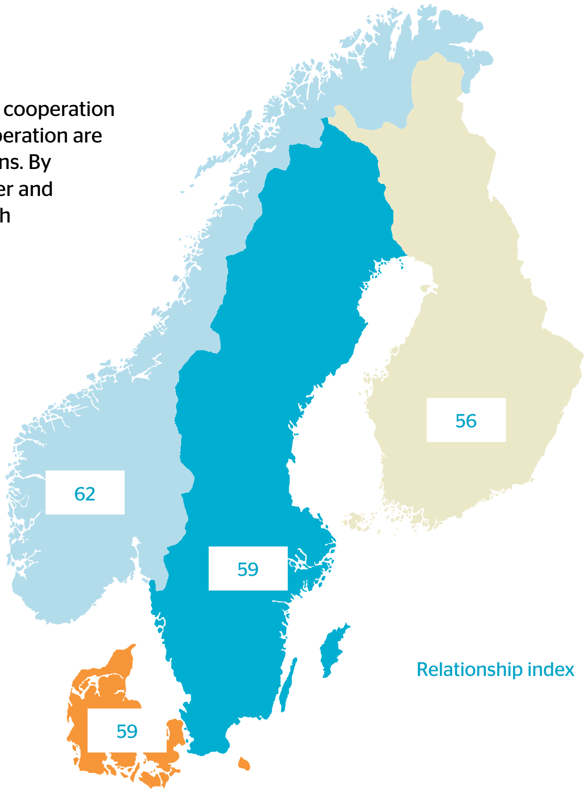
To what extent are Nordic companies good at building relationships, cooperation and development of information flow with their logistics suppliers in order to develop efficient logistics?

Index: 59

The relationship between companies and logistics suppliers

Increased demand for efficiency in the supply chain requires closer cooperation between companies and logistics providers. Opportunities for cooperation are many and the complexity of the supply chain is forcing new solutions. By sharing shipping information through modern IT systems, the owner and logistics providers are able to plan so that goods arrive on time, with minimal cost and minimal environmental impact.

The index shows a summarized picture of the ability to cooperate, in order to assess the relationship with focus on the opportunity to utilize each other's resources to develop solutions regarding types of follow-up meetings, discussion level, frequency and forms of information exchange. Average index of 59 out of 100 shows that the level of cooperation would benefit from further development and information sharing takes place on a relatively traditional corporate level. Differences are relatively small between the individual countries, but Norway has a higher index than the others (62), while Finland has the lowest index (56).

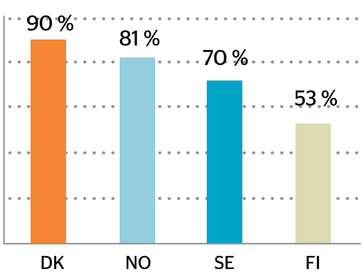


Relationship index

The choice of main supplier

74% of the Nordic companies have defined a main supplier of logistics. A good relationship requires time and resources. It may therefore be critical not to have too many parties to deal with. In efforts to develop functional relationships the choice of supplier is crucial. The difference between countries is huge. In Denmark, 90% chose a main provider of logistics, while those who defined a main supplier in Finland are only 53%.

Half of our Nordic companies value the secure delivery as the most important criterion for a logistics provider. The price is the second most important in priority. Swedish service owners differ strongly and prioritize delivery, IT solution, environment and skills prior to price. For the Nordic countries skills are third in priority, while the environment is what usually is prioritized least. Nordic companies prioritize delivery.



Companies that has defined a main supplier of logistics

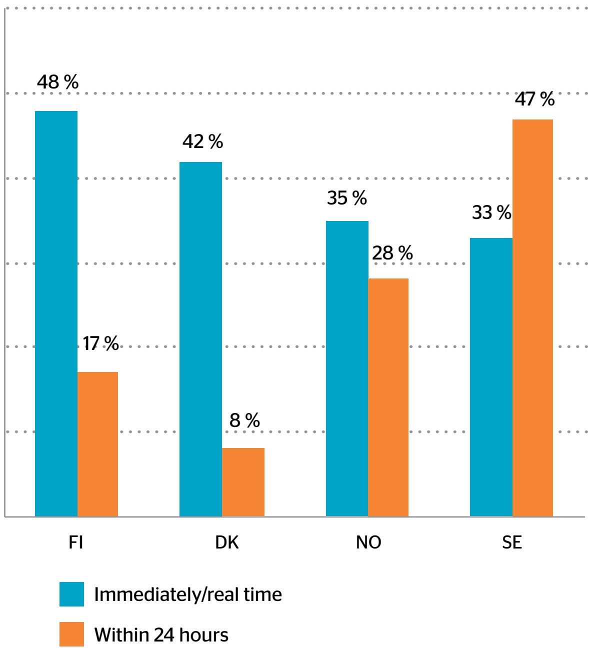
	Highest priority	2. pri	3. pri	Lowest priority
Nordic	Delivery performance 51 %	Price 33 %	Competence 30 %	Environment 35 %
Sweden	Delivery performance 32 %	IT-solution 25 %	Environment 28 %	Nationwide 29 %
Norway	Delivery performance 62 %	Price 47 %	Competence 36 %	Environment 44 %
Finland	Delivery performance 66 %	Price 38 %	Competence 35 %	Environment / Nationwide 46-44 %
Denmark	Delivery performance 43 %	Price 35 %	IT-solution / Competence 28 %	Environment 40 %

The relationship between companies and logistics providers

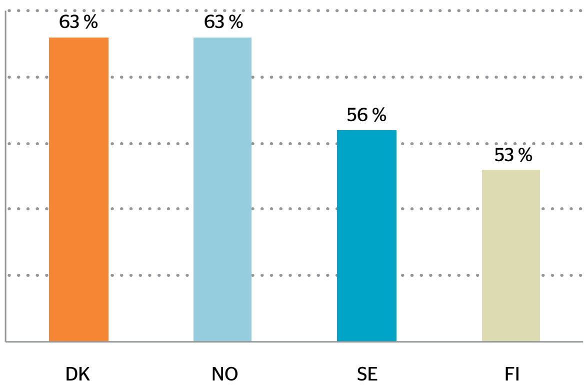
30% of the Nordic companies have quarterly follow-up meetings. These meetings are important for the development of the logistics solutions, to clarify requirements and preferences, but also to develop good relationships that facilitate collaboration. Good IT solutions and information exchange systems could reduce the length of the agendas at these meetings. 40% of companies give immediate information on changes in transportation needs, while 25% share such information in the course of 24 hours. This shows that quite a few have seen the value in the exchange of information and to have partially integrated systems with the logistics provider. 13% said that the carrier is not informed at all. This can have a relatively large impact regarding cost and delivery service for both companies and logistics providers.

Through relationships, each party may learn from each other if they own the right competence. 59% of our companies use logistics providers as a resource for finding efficient areas within the business area of logistics. This indicates that the companies in Denmark and Norway benefit the most from the cooperation with logistics companies, as 63% use the expertise they possess, while only 53% use this competence in Finland.

In return, companies should offer suggestions for improving logistics. Finnish companies argue that they are improving in assisting logistics (74%), while in Norway and Denmark about half are stating that the companies feedback is part of the relationship. The Swedes are the ones that are less likely to believe that they can help to improve their logistics and streamline logistics provider information (37%).



Information sharing between companies and logistics providers regarding sudden changes in transport volume due to variation in demand/ unforeseen seasonal fluctuations.



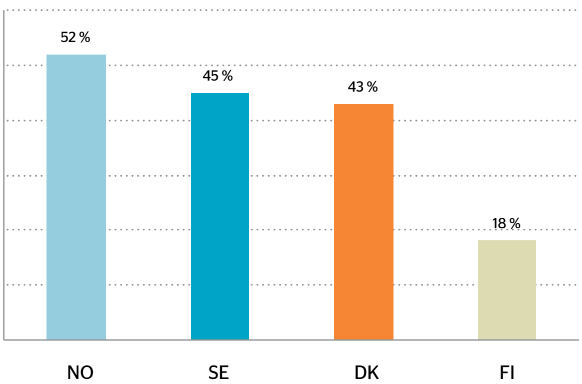
Percentage using logistics providers as a resource for finding efficient areas within the own organization

Incentives for cooperation

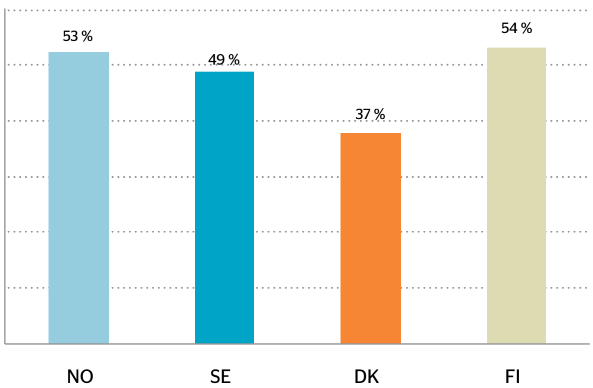
In a relationship, it is interesting to see the effect of incentives to encourage a close relationship. A small indication shows that close cooperation with logistics providers and those who use the expertise of logistics companies, has lower transport costs (cost share of sales). It ranges from 1 to 3.5 percent lower costs comparatively. Many factors come into play, but the trend shows that close cooperation and the use of logistic enterprises' capability leads to lower transport costs.

It is important that all parties perceive a benefit of investing time in collaboration towards common efficiency solutions. Over 50% of Norwegian companies believe that they will help to make a change and development in their logistics, while Finland to a lesser degree believe they will benefit. The reason why the Finnish companies do not experience the same type of benefit may be that they are less likely to have defined a main supplier of logistics and therefore generally do not see the development of partnerships as valuable.

Another incentive for cooperation would be if the logictics manager thought a change in transport volume would change the cost of transport. About half say they do not think the price of transportation would be reduced, which means that the service company's motivation to put a lot of effort to plan better for the carrier is relatively limited. In Denmark, the situation is slightly better; with one third believing that higher volumes will lead to changes in transportation costs.



Percentage of businesses who believe they benefit from a change of its logistics solution in cooperation with supplier



Percentage on who do not believe in a change of price as a result of adjusting the transport volume

2. Efficiency in the supply chain

How good are Nordic companies at developing efficient logistics and ensuring efficiency in the supply chain?

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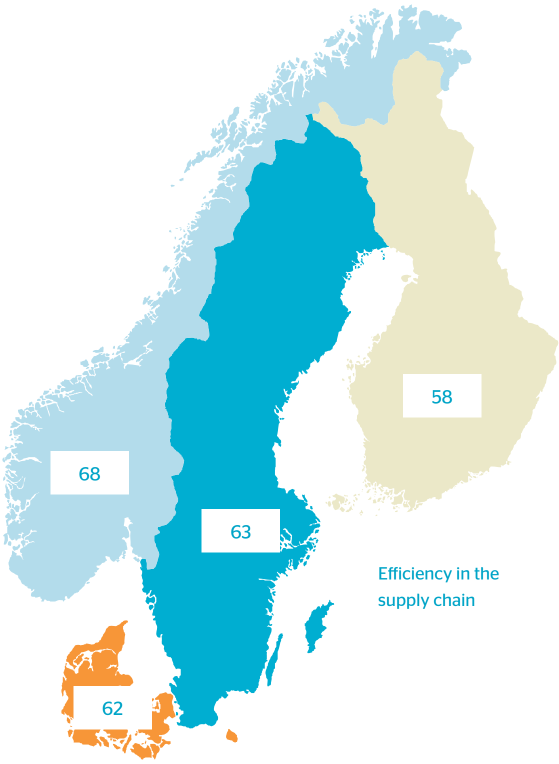
Efficiency in the supply chain



Efficiency in the supply chain

In an efficient supply chain all resources are fully utilized, and the selected transport way is optimal. Differentiated supply chains, which means that a company's products are delivered to customers in different ways depending on the volume and time requirements, is the solution. This complexity makes great demands on all involved in the supply chain.

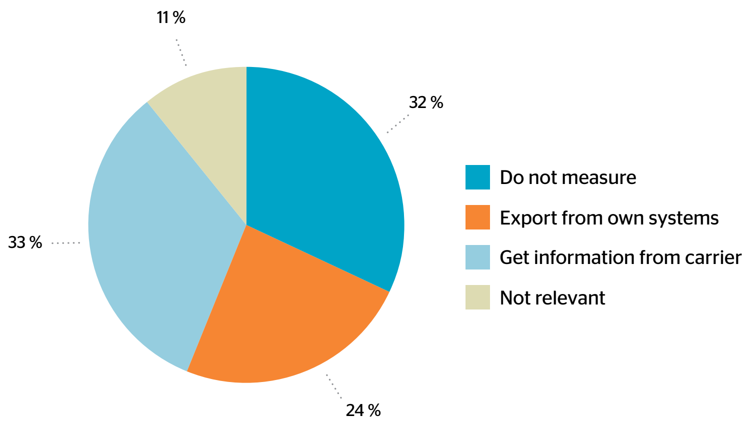
Globalization has resulted in longer distances in transport and increased lead times. The focus must therefore be on balancing the costs associated with transportation and storage, in order to meet demand for quick and efficient delivery times to customers. Index in connection with the supply chain efficiency is measured by:

- How to work to utilize transportation possibilities better
- To what extent do you share information and collaborate with stakeholders in the supply chain
- What is the role and influence of the Logistics manager in operations

Efficiency Index of the supply chain has an average of 64, in which Norway has the highest index (68) and Finland the lowest (58). The Nordic countries have potential to streamline their logistics.

Measuring efficiency creates focus

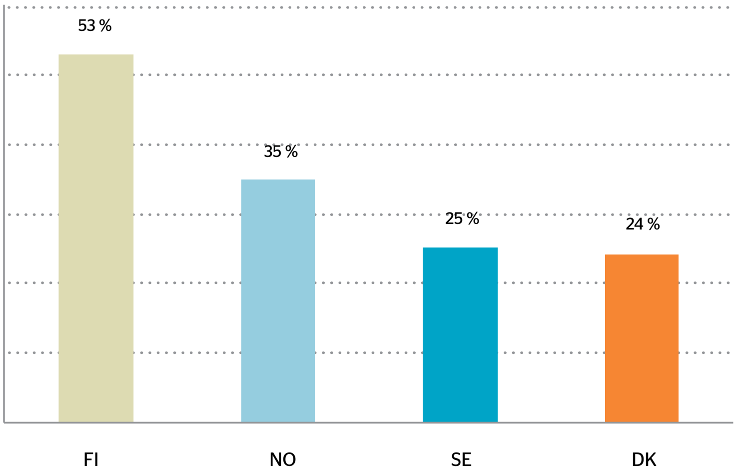
It's easy to add both service and cost targets in logistics, and monitoring of these is very important. A secure delivery is the most important parameter for Nordic companies. 32% do not measure it, either because they can not break out financial targets (13%) or that it simply is not done. 57% of the companies measure the delivery performance, 24% get it from their own systems, while 33% receive reports from their carrier.



Measurement of delivery

Measurement and Control

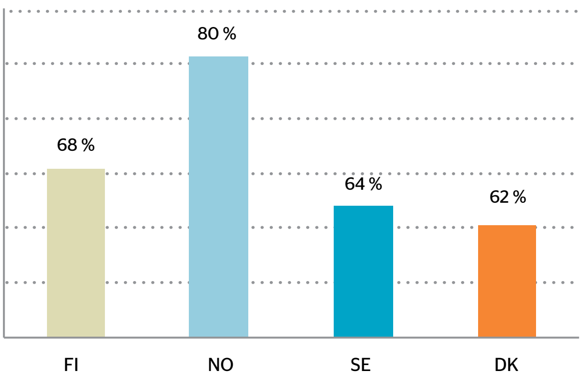
46% of our Nordic companies have no overview of their logistics costs, but rather uses the estimates. Over half of the Finnish companies have exact numbers, while the Danes as far as possible work with the help of estimates. With today's IT systems should allow for more people to get exact figures. The question is why not all companies see the importance of getting an overview of accrued logistics.



The degree to which the Nordic businesses have overview of their own transportation costs

The effect of seasonality and the variability in demand

Fluctuations in demand creates challenges in logistics to align resources in different periods. 69% of the Nordic companies experience fluctuations; Norway stands out with 80%. What is interesting is that 70% believe that less than 10% of the fluctuations are unpredictable domestic demand. Conclusion is that Nordic companies have good control of fluctuations in demand for their goods.



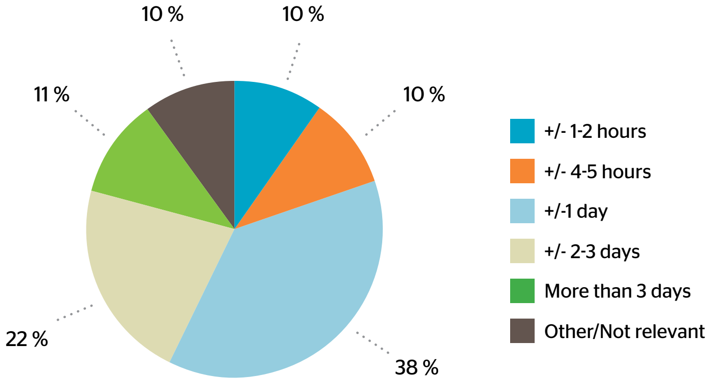
Percentage on experience of seasonal fluctuations affecting the transport volume

Mechanisms for efficiency

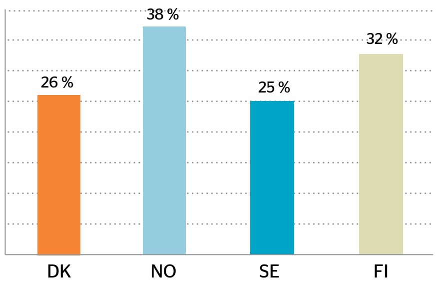
Tools that can be used to streamline logistics and supply chain are several. Tools that involves awareness of the determination of the time window to the customer, pure efficiency utilization of physical resources, capacity utilization and the reduction of storage.

A time window is a predefined period of time the customer face in a delivery. A small time window make great demands on the logistics, providing greater challenges in terms of capacity utilization.

10% of all shipments are delivered in a time window of 1-2 hours. Norway has the highest percentage of deliveries in this window (15%). 9% of the deliveries are made in the range of 4-8 hours and a total of 25% of shipments within 8 hours, which is considered a very high level of service. Only 30% of the Nordic companies believe that transportation costs will be reduced with an extension of the time window. This percentage should be much higher, because transportation costs are to a large extent determined by the time delivery demands.

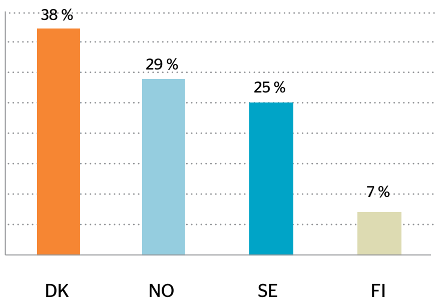


How did you define your company's time window for delivery?



Percentage on who believes that extending the time window will reduce the price of transport

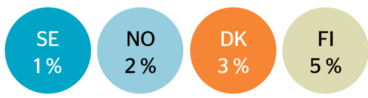
A general trend is that the number of warehouses and production sites are becoming fewer. It creates a long distance to customers and more traffic, but is often economically viable. We see that 25% of the respondents have reduced the number of production or reduced storage in the past five years. It varies greatly between the countries; Finland has the minimum of 7% and Denmark the maximum of over 38%.



Percentage on reduction of storage/production sites the past 5 years

Cost efficiency in logistics

Costs to manage the logistics varies widely from country to country. Finland has the highest cost, with 5% of sales, while Sweden has the lowest with 1%. The average is using 2.6% of their turnover to manage logistics.



Cost of administration and control of logistics as % of turnover

3. Competence as a competition parameter

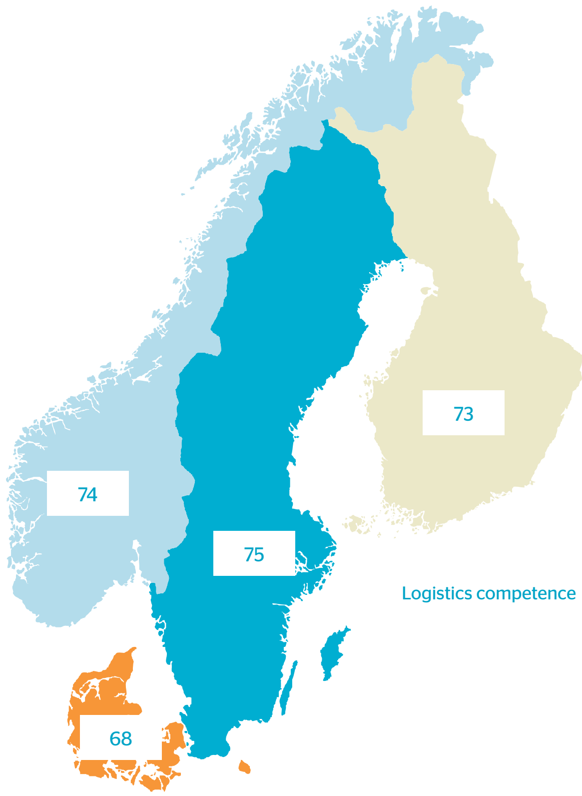
To what extent have the Nordic companies logistics expertise that is good enough to control their relationships and their supply chain effectively?

Index: 97

Logistics competence - a prerequisite

Competence is an increasingly important factor for managing a supply chain efficiently. Today's supply chains are a complexity in systems, tool use and management of relationships.

Skills Index is focusing on companies ability to solve complex logistical challenges based on skill level and how much influence business area logistics have in the operating business. With an average index of 73 points, the Nordic companies still have potential to use the expertise they possess better, but they have nevertheless been some progress.

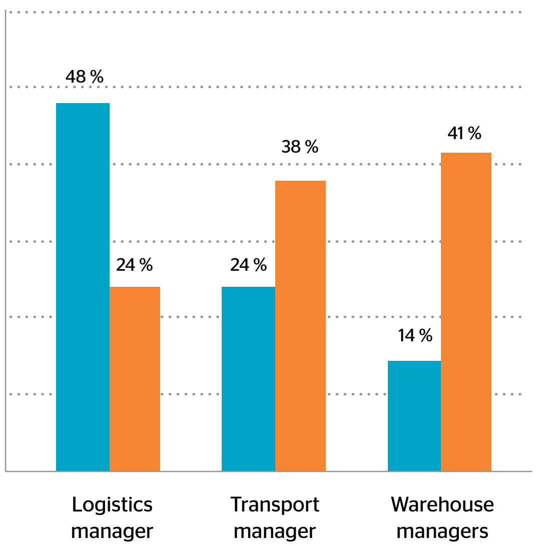


Logistics competence

Proportion of education increases

Expertise in logistics is relatively high in the Nordic countries. The trend shows that people working in logistics to a greater extent are well educated. Of the Nordic service owners:

- Almost half of the logistics managers holds a Master's or Bachelor's degree (48%)
- 24% of Transport managers holds a bachelor's or master's degree, while 37% are further educated
- 41% of Warehouse Managers have completed high school, while 23% have practical experience
- Norway and Sweden have a relatively higher proportion of logistics personnel with masters/bachelors compared to Finland and Denmark among their logistics and transport managers

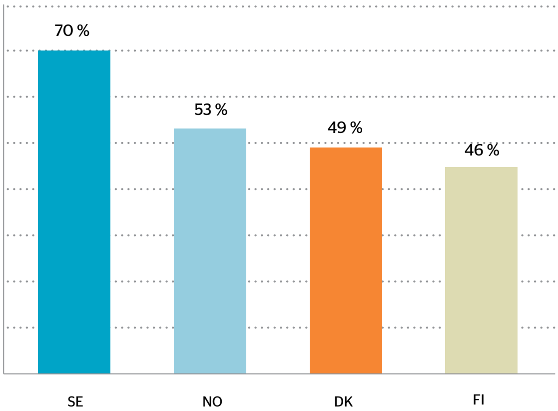


Education in the Nordic

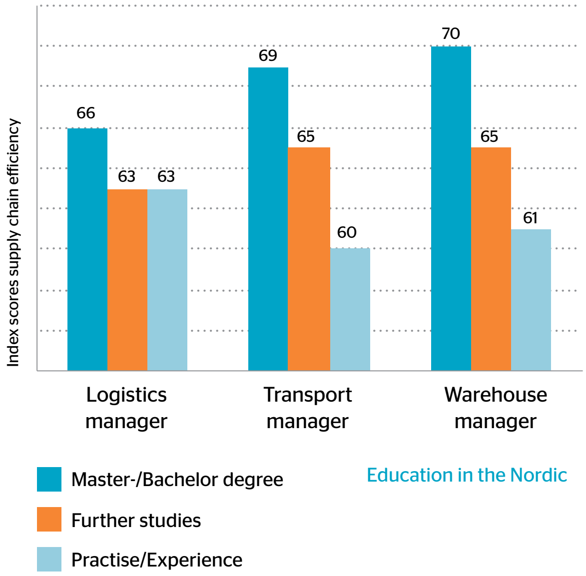
Competitiveness

Expertise can be crucial to develop efficient logistics. 55% of the Nordic companies argue that skills through education are very important for the competitiveness of companies. Finland and Denmark see education as less important than the other countries. Sweden is the country with the greatest faith in education as a key competitive factor.

The combination of competence and efficiency in the supply chain has a clear connection. Index shows that efficiency increases by about 10 index points for those with a Master's or Bachelor's degree compared to those who do not have logistics expertise. The analysis reveals that expertise pays off!

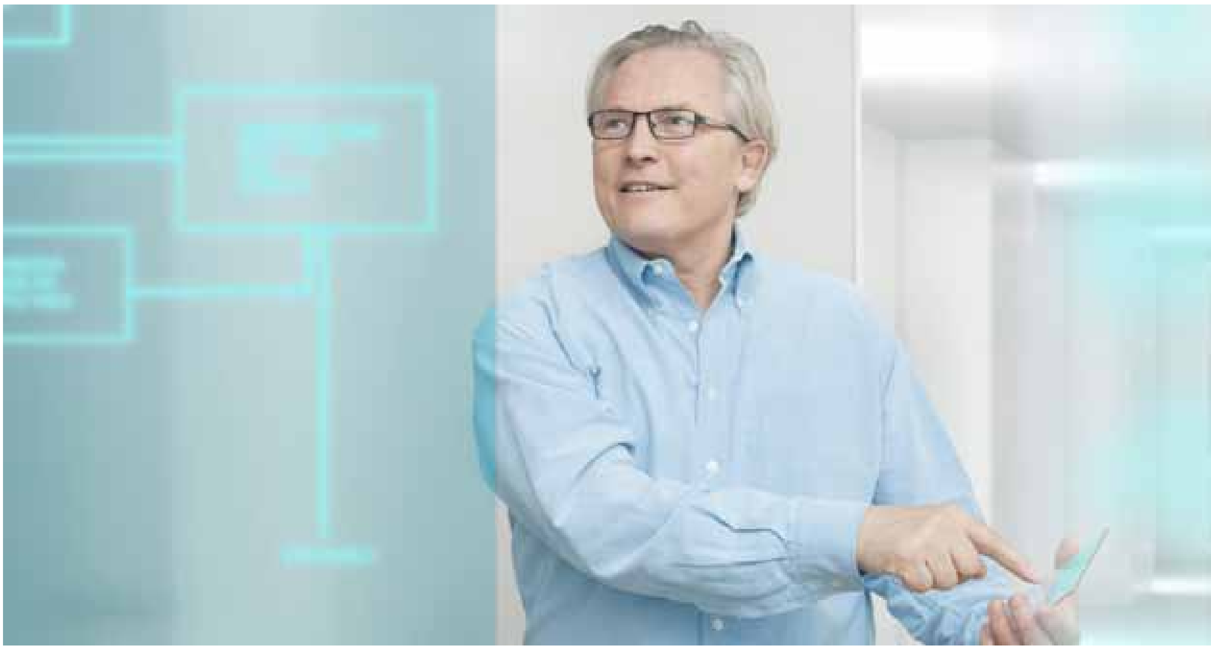


Percentage on opinion that skills are important for service owner's competitiveness



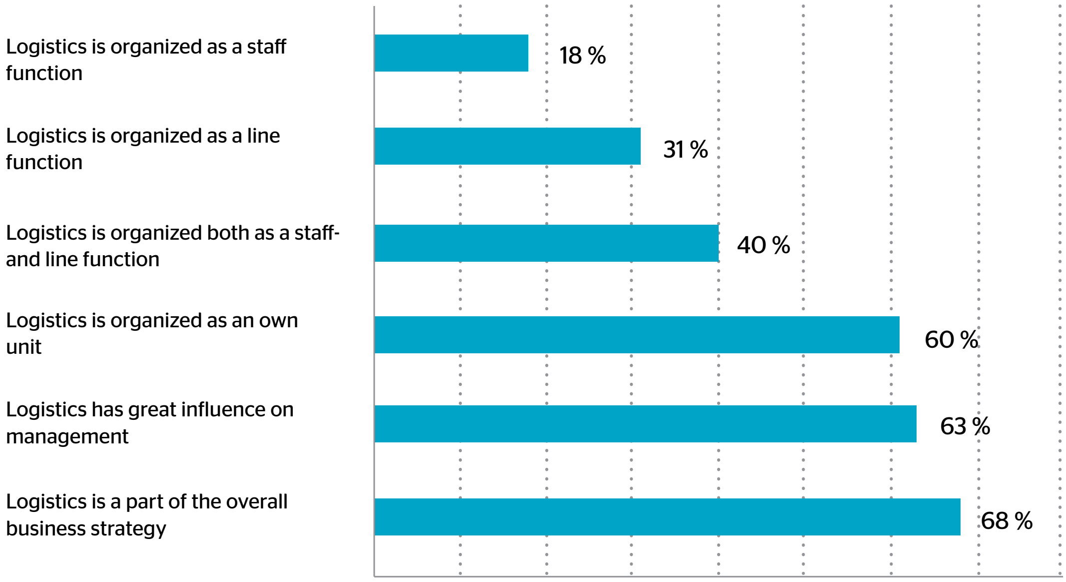
Education in the Nordic

Expertise promotes influence



Expertise in logistics leads to greater influence and greater ability to create strategic logistics solutions. In the Nordic countries, 68% of our logistics managers have a strong impact on the company's senior executives. Sweden and Norway stand out in that almost 75% claim to have great influence. The logistics area is to a relatively large extent raised to a strategic level in the Nordic countries:

- Logistics is for 68% of our business owners included as part of the overall business strategy. Sweden and Norway pulls up the average by 71% and 78%.
- In Sweden and Norway, 64% and 69% have organized responsibility in the logistics field in its own logistics department, while the average for the Nordic countries is 61%.



Organizing the logistics of Nordic service owners

4. Environmentally friendly logistics

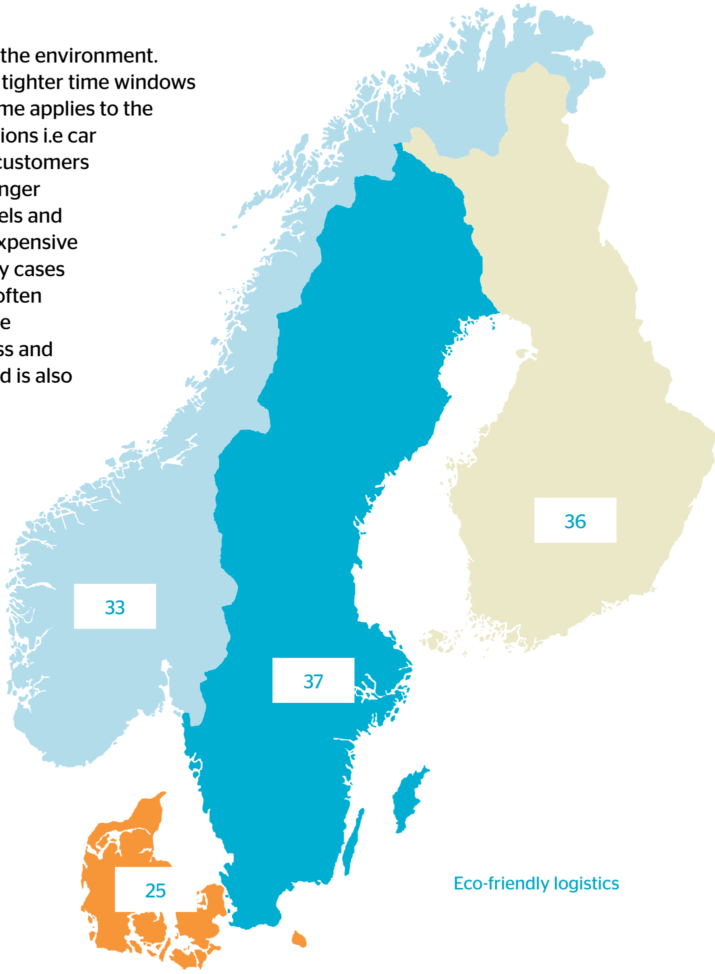
How good are Nordic businesses on implementing concrete environmentally friendly logistics solutions?

Index: 33

Environmentally friendly logistics – still an extra cost?

The logistics solution choice is of great importance for the environment. Demands for faster and more frequent shipments with tighter time windows can lead to a sub-optimal use of transportation. The same applies to the choice of faster and less environmentally friendly solutions i.e car instead of train and boat. If the train's reliability is low, customers prefer a car. Centralization of inventory often means longer transport distances. Use of environmentally friendly fuels and environmentally friendly engines are generally more expensive than a less environmentally friendly option, but in many cases it may result in lower costs and better logistics. This is often forgotten when the environment is on the agenda in the debate. The use of the train instead of a car, sending less and using the capacity of vehicles, helps to reduce costs and is also environmentally friendly.

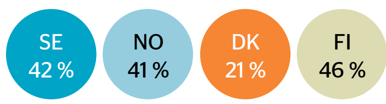
Index of environmentally friendly logistics is on low 37 points and shows that logistics has the potential to demonstrate the benefits that can be achieved by focusing on the environment. The index is based on requirements and the will to pay more for environmentally friendly solutions.



Eco-friendly logistics

Conflict between service delivery and environmental friendliness

An average of 37% say they experience a conflict between being environmentally friendly and having a desire for increased service. This shows that the negative environmental effect can be reduced by lowering the high need for service. The Danes do not experience this dilemma to the same extent as their neighbors.

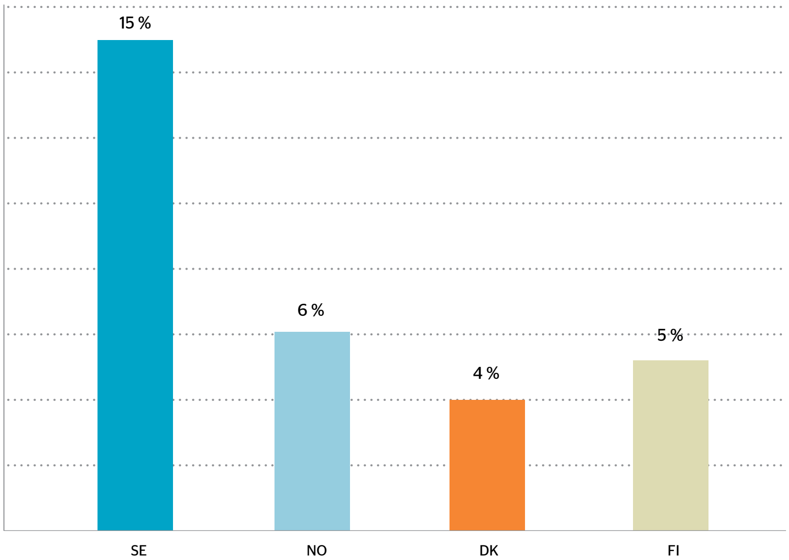


Perceived conflict between delivery service and environmentally friendly logistics

Low willingness to pay for more environmentally friendly solutions

Only 8% of our companies are willing to switch to a more environmentally friendly supplier if it means that the price would increase by 10%. In Sweden, the willingness to pay for environmentally friendly solutions is relatively high, as many as 15% are willing to pay more.

15 % of Swedish companies are willing to pay more for environmentally friendly solutions



Want to replace existing transport more environmentally friendly solutions at a 10% price increase.

Increasing environmental demands of logistics

The environmental requirement from companies are increasing. The most common requirements are the choice of train or boat, documentation of environmental impact, eco-efficient fuel and ISO certification. ISO certification is the most frequent requirement (46%). There has been an 18% increase from the measurement of the 2010 Nordic Logistics Barometer, Denmark pulls down the average with a score of 32%.

The requirement to provide an environmental calculator has also increased dramatically, from 16% in the survey of 2010 to the current 30%. The requirement to provide an environmental counter has thus doubled in two years. This means that the company knows exactly what type of energy consumption and emissions the freight transport have caused, and may use this information in communication to their customers.

Swedish companies are more keen to prioritize the environment in logistics issues than their Nordic colleagues. Besides that they are willing to pay more for environmentally friendly solutions, they also raise higher demands for ISO certification, biofuel and environmental documentation.

	Sweden	Norway	Finland	Denmark
ISO	51 %	47 %	44 %	32 %
Fuel	40 %	23 %	37 %	21 %
Environmental documentation	37 %	36 %	19 %	15 %
Railway	16 %	32 %	9 %	3 %
Boat	13 %	21 %	28 %	12 %

Environmental requirements for transporters in relation to environmentally friendly transports by country

Sweden – a role model in environmental issues

5. Case

Kwintet

Kwintet is Europe's leading supplier of professional work clothes. With 11 different brands, an organization with offices throughout Europe and a market that is spread throughout the world, the company is requiring a comprehensive assessment of the logistics sector to achieve efficiency and economies of scale. A consolidation project have been implemented over the past four years which has led to the following:

- Number of storages has been reduced from 30 to 20
- Number of transporters has been reduced from 40 to 15
- Positive impact on costs, current prices and service

Kwintet has worked a lot with the transport business, and changes in transport have been easier to implement than, say, delivery and procurement. The work focuses on a quality boost by creating a good balance in lead time and service to the market. Additionally, they try to achieve more economies of scale through coordination in the distribution of a closer partnership and reduction of national storage. By coordinating their imports, they want to create a custom gateway to Europe from Asia.

- The most important addition to cost and reliability of our collaboration with our logistics provider is the personal relationship. A close relation makes us more willing to meet in the middle and take more risks, says Niklas Millerton, Group Transport Manager.

- We expect our partners to take the role of strategic solution advisors. We outsource storage and transportation with the expectation that someone knows this better than we do, he says.

Kwintet AB

- Sells: Professional workwear
- Turnover: EUR 600
- Employees: 3,200
- Interview: Niklas Millerton, Group Transport Manager, Henry Malmrup, Manager S & OP

Komplett

Komplett started selling online 1996. Until nine years ago, they were also into retail sales in stores. From 2003 the company has been fully focused on e-commerce - and today the company is a leading Scandinavian operator with 10 online stores. Komplett sell everything from computer components to computers, TVs, cameras and other electronic products such as tools, household items and beauty- and wellness products.

To be competitive in e-commerce in Norway you require picking efficiency and low transaction costs. Komplett therefore use an automated inventory system, AutoStore. AutoStore consists of a cubic grid that provides storage for the goods. The goods can be accessed by robots that move on rails on top of the cubes. Orders come into the IT system and AutoStore send the actual items to a robot arm that picks the object of the shelf and robot arms around the cube make the package of the products. AutoStore allows automatic reorganization of locations so that the products with the highest turnover is at the top of the system.

In 2011, Komplett shipped 1,454,776 orders with a total of 4,547,226 products. This gives an average of one order every 21 seconds (24/7/365). On the busiest hour an order was registered every 1.9 seconds.

Customers choose how their goods are to be delivered. 30% of deliveries are made via Pick-up Points, the rest is sent via either stores or through home delivery. Efficient transport is crucial and Komplett is constantly working to improve their offer in this area.

Komplett

- Sell: Electronics
- Turnover: MEUR 530
- Employees: 430
- Interview: Paul Vindegg, Logistics Officer and Steffan Andre Welfler, Logistics

DropinMarket

Dropinmarket is selling street fashion and has become one of the leading e-commerce companies in Finland. The company was crowned the Finnish premier online store in 2010. Their mission is to provide the highest possible service in delivering the best street fashion products.

Dropinmarket is using a multi-channel concept where products are offered through many different channels. In order to meet consumers they use online stores, mobile solutions, concept stores, shop-in-shop, pick-up in retail stores, outlets and events. In the company's own stores, customers have the opportunity to try a limited range of goods, while the full range is available online. In the B2B market, dealers can make orders in the web shop. Service is an important part of the business philosophy, with a strong focus on cost effectiveness.

To get total control the company uses a fully integrated system, which is linked together with the logistics company. The system displays all the necessary information for all parties, including the customers.

- Customers can order products online, go to the store, try the products and then pay the goods, says Juha Valvanne. Thus, we get customers into the stores, avoid returns and payment is made immediately. 16-17% of revenues consist of goods that the customer get in stores. Besides stores, Dropinmarket has 1100 pick-up points where customers can collect their goods, he said.

B2B customers can pre-book large orders online. All items are coordinated with the logistics supplier and delivered directly to the customer. This solves the challenge of packing small orders from individuals and large orders from B2B customers. Work continues with developing a voice picking solution in the storage and an optimization of delivery routes.

DropinMarket

- Sells: Street wear
- Turnover: EUR 1.5
- Employees: 20
- Interview: Juha Valvanne, CEO

Deichmann

Deichmann

- Sells: Shoes and fashion
- Turnover: MDR EUR 4.13
- Employees: 32,500
- Interview: Mikkel Link, Director Deichmann Denmark and Rebecca Lauge Arlnaes, Online Shop Manager

Deichmann is one of the largest footwear chains in Europe that also make most of its collections themselves. Deichmanns' logistics solution is crucial to competitiveness. The company buys directly from manufacturers in approximately 40 countries and thereby achieve very favorable prices.

In Germany, two large distribution centers manage supplies from manufacturers. These are sent out daily to national hubs where shipments are packed and shipped to stores. 15-1600 pair of shoes are delivered daily from the distribution center in Denmark either to consumers or to some of the many shops in Denmark or Sweden. It amounts to more than 2 million pair of shoes. The logistics are managed through a global system that links both the warehouse, shop and online store, which means that inventory is updated in real time and that information is visible to all parties. The system is very reliable and it detects almost no errors. The system also provides market data in real time, as well as data on finance and procurement. Partnerships in logistics are very crucial for Deichmanns' business.

- Secure delivery is the key factor, especially in relation to the online store. Flexibility is also important because the demand can vary greatly. Finally, the price is a key element, because we offer free shipping to customers and margins are constantly squeezed, says Mikkel Link, Director Deichmann Denmark.

About PostNord

PostNord delivers superior communication and logistics solutions to companies and individuals in the North. When letters and packages are to be sent to, from or within the Nordic countries, PostNord will be the obvious - and environmentally friendly - choice.

PostNord was founded in 2009 by a merger of Post Danmark A/S and Posten AB. The group has a turnover of approximately EUR 4 billion. and approximately 40,000 employees. Operations are divided into three business areas, Mail Denmark, Mail Sweden, Logistics and Stralfors.

PostNord has a unique infrastructure for communication and logistics services to, from and within the Nordic region.

Business area Logistics has 6500 employees and a turnover of 12,5 bn SEK in 2011.

PostNord has approximately 4,400 parcel distribution centers with long opening hours in Sweden, Denmark, Finland and Norway.

PostNord AB Contact
105 00 Stockholm, Sweden
Adress: Terminalvägen 24,
Solna, Sweden
Phone: +46 10 436 00 00

Tietgensgade 37,
1566 København V, Denmark
Phone: +45 33 61 00 00
www.postnord.com

Tollpost Globe
Alfaset, 3. Industrivei 25, 0668 Oslo
P.O Box 6441 Etterstad
0605 Oslo, Norway
E-mail: salg@tollpost.no
Phone: +47 09300
www.tollpost.no

Posten Logistik SCM Oy
Osumakuja 3/ PL 179
01530 VANTAA, Finland
Phone: +35 10 572 80 80

Contact:

Sweden
Jan Jakobsson
E-mail: jan.jakobsson@posten.se
Phone: +46 104365282

Norway
Bjørn Thorvaldsen
E-mail: bth@tollpost.no
Phone: +47 91 82 34 39

Danmark
Kurt Madsen
E-mail: kurt.madsen@post.dk
Phone: +46 33 61 48 30

Finland
Meri Mäkkylä
E-mail: meri.makkyla@postenlogistik.com
Phone: +358 40 82 65 665