

ONline

The newsletter of VTG RAIL UK LTD 

VTG RAIL UK LTD

The take-over of the operational business of Brambles European Rail Division (ERD) by VTG-Lehnkering creates Europe's leading private sector, integrated, rail logistics services company. John Jagger, Managing Director, explains the exciting development.

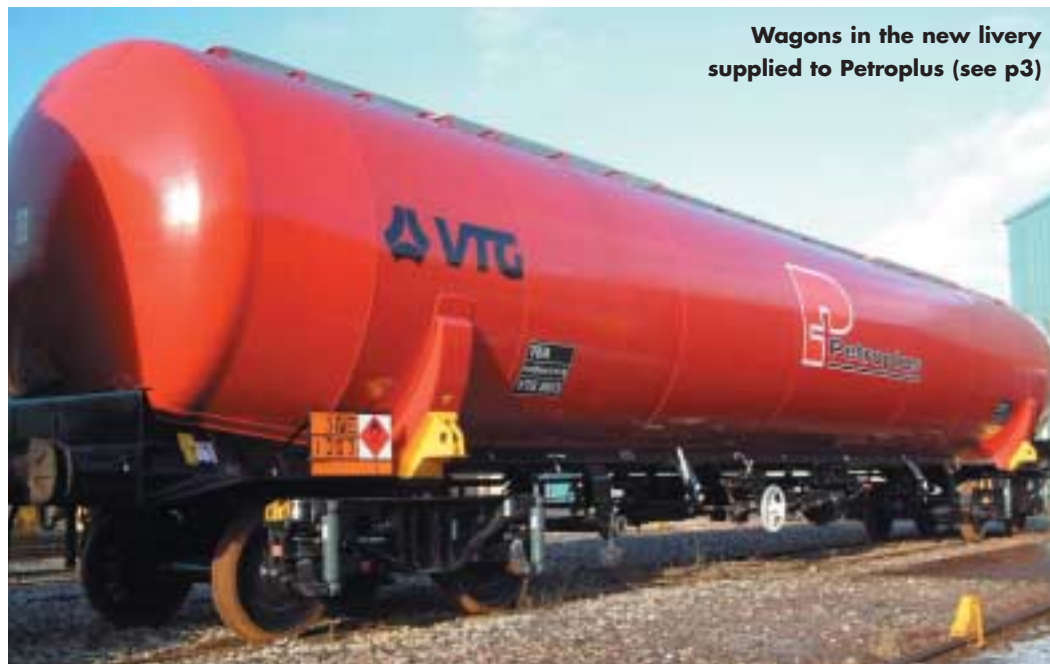
As the globalisation of economic life accelerates and raw materials and commodity flows increase over greater distances, Europe's rail transportation system assumes ever-greater importance.

The acquisition of ERD by VTG-Lehnkering and their shareholder Hapag-Lloyd as well as a private bank is a timely reaction to this trend. It creates a world-class company, perfectly positioned and set to deliver a world-class service to its clients. The UK arm of the organisation is VTG Rail UK Ltd.

VTG-Lehnkering employs around 3,000 personnel and provides specialised logistics services, with its own equipment, in the chemical, petrochemical and oil industries. It has an enviable reputation in the transportation and storage of hazardous goods. Formerly the company operated



John Jagger
- VTG Rail UK,
Managing Director



Wagons in the new livery supplied to Petroplus (see p3)

a total of approximately 18,500-rail tank wagons, 9,000 flat and large-capacity freight wagons, 200 inland barges, 4,700 tank containers, 500 road trucks as well as hazardous goods stores and tank farms.

Now, integrated into this impressive team and array of logistics hardware, are ERD's specialist team and its 21,400-pan European freight fleet together with a sophisticated information system that tracks and monitors wagon condition and location. It has been calculated that with the new combined fleet of 49,000 wagons VTG-Lehnkering is today the largest private-sector partner of our customers requiring transport services and European railways!

What will all this mean to the most important people in our business-the customer? Ultimately

it will mean that existing services will continue and improve now we are part of a larger group with more technical and business resources. Many of the *services offered by VTG in other parts of Europe, will become available in the UK. Day to day management and contact will continue from our Worcester office whilst our corporate headquarters are located in Hamburg.

The new merger has created a company, which is one of the European market leaders. The new structure will enable us to improve our customer service and satisfaction levels by innovation, appropriate application of information technology and shared best practice.

**These services are explained in full on page 4 of this edition of OnLine.*

EWS Hire Styrene Monomer Wagons

Greater Reliability and Payloads for Polystyrene Manufacturer



Thirteen new VTG Rail UK 102 tonne wagons have been hired to carry styrene monomer for Atofina UK Ltd. Moved by EWS, the wagons travel from Immingham to Stalybridge near Manchester where the raw material is processed into polystyrene products. The new wagons are capable of carrying an improved payload of 77 tonnes.

The transport of the bulk raw material has been undertaken for many years, the rail traffic eliminating thousands of lorry journeys every year from the UK's overburdened motorway and road network.

Paul Lugg VTG Rail UK's Tank Fleet Manager comments, "The styrene monomer traffic is another example of how bulk products can be transported by rail in a safe and environmentally friendly way. These new wagons will ensure reliable deliveries for our client for years to come.

"Built by Marcroft Engineering, based at Stoke on Trent, a company co-ordinated by VTG-Lehnkering, the wagons are fitted with TF25 'track friendly' bogies. These ensure a more compliant, flexible suspension, delivering lower track forces and better ride characteristics. The suspension also produces quieter running and reduced wheel wear.

Paul adds, "There are still many products that could move from road to rail. VTG Rail UK has the expertise to evaluate, establish feasibility and provide solutions for most bulk logistic problems."

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CUSTOMER PROFILE

EXTENDED CONTRACT WITH CASTLE CEMENT

Castle Cement Ltd has recently renewed their existing contract with VTG Rail UK Ltd for the hire of their rail fleet for a further five years.

The deal is to continue to supply a fleet of 64 Jefflow pressure discharge powder wagons. The fleet is used to transport Portland cement from the Castle Cement's Ketton works in Lincolnshire to Kings Cross London depot. All 64 wagons have recently undergone a conversion to fit them with high capacity

motorised discharge valves enabling the faster unloading and quicker turnaround times required for use with Castle's main depot facilities.

Capable of moving up to 2,200 tonnes per day, the wagons are also being repainted at Marcroft Engineering's Stoke on Trent state of the art facility, in Castle Cement's new corporate livery. A three-man team from Marcroft Engineering Ltd situated on the customer's site is responsible for the planned

maintenance programme of the fleet in addition to loading the cement and maintaining the mile length of private track.

Ian Shaw, VTG Rail UK's Bulk Fleet Manager comments, "We enjoy a constructive working relationship with our client. Part of our success is directly attributable to the quality of the work carried out by our maintenance contractors. Over a five year period the wagons have kept moving and we've experienced only two 'red card' stoppages throughout that period, an enviable performance level.

VTG Rail UK has a long established reputation for providing rail solutions to the transportation of powders, aggregates and liquids. Ian adds, "We are constantly seeking to introduce innovative rail applications to assist bulk supply chain operations".

NEW LIVERY FOR 64-WAGON FLEET



The Maintenance Team L to R: Trevor Nicholls, Tony Wheatcroft and Andy Faulkner.



New Team Members

Two new members have joined the VTG Rail team at Worcester:

Emma Wilkes

Emma joined the team in September 2002 as a Secretary/Receptionist, having previously worked in the hotel trade handling reservations and as a Conference and Banqueting Coordinator. Emma enjoys the varied work that her new role provides. As well as manning the office reception, Emma manages purchase orders and stationery, and also enjoys making travel arrangements when necessary. Outside work she is a frequent visitor to her local gym and enjoys walking her Cavalier King Charles spaniel 'Jasmine'. One day Emma hopes to realise an ambition to help under privileged children by possibly undertaking an assignment with Voluntary Services Overseas.

Nigel Day

Nigel has recently joined the company as Fleet Engineer. Nigel's responsibilities will be to look after the day-to-day engineering issues of the VTG Rail UK wagon fleet and to represent the interests of the company in the event of rail incidents. Previously, Nigel's experience has been as a consultant mechanical engineer with Transys Projects Ltd where he worked on the prestigious Virgin Voyager project and prior to that Nigel worked at Birmingham based Metro Cammell as an Apprentice Engineer. Nigel relaxes by playing 'lots' of golf and has a handicap of 'around' twenty-one. When not so relaxed, Nigel, who is a licensed practitioner, studies and participates in the ancient Chinese martial art of Shaolin Kung Fu.

Emma Wilkes with Nigel Day



ALCAN ALUMINA WAGONS

'FLUIDISED FLEET TO FEED FURNACE'

Alcan Smelting & Power UK has bought twenty wagons from VTG Rail UK to meet an increase in demand for the company's aluminium products.

The newly refurbished wagons will join an existing fleet to transport alumina from the

quayside at Blyth and transport it the twelve miles to the company's smelting facility at Lynemouth near Newcastle on Tyne. The plant produces aluminium ingots.

Modification work, which is being undertaken at Marcroft Engineering Ltd, is project managed by Nigel Green

Consultants rail engineers. Nigel comments, "The work involved modifying the tankers' existing hatches and adding another hatch. The wagons are fitted with aeration pipes in the bottom of the tank. When connected to an airline at the discharge point, the alumina is 'fluidised' which helps to

discharge the contents more efficiently." The alumina is dump discharged straight into a hopper.

SRA GRANT

The whole project was awarded a SRA Freight Facilities Grant. It is estimated that the move from road to rail will save over 9,630 lorry trips over a ten-year period.

Conoco and Petroplus go for New Wagons

Conoco have hired sixty brand new 102 tonne wagons to replace their fleet of seven-year-old 90 tonne wagons. Capable of transporting the full range of petroleum products, the new wagons principally operate between Conoco's Humberside refinery and storage facilities at Jarrow and Kingsbury near Tamworth in Staffordshire. Built/assembled by Marcroft Engineering and fitted with the latest TF 25 'Track Friendly' bogies, the wagons are finished in Conoco's smart, new corporate 'Ultramarine Blue' livery.



Newly designed 102 tonne petroleum product wagons are proving a winner by increasing efficiency.

Paul Lugg VTG Rail UK's Tank Fleet Manager comments, "The new wagons are much more efficient. They have allowed Conoco to run the UK's first 2000 tonne payload petroleum products train. Each train hauls an impressive extra 349 tonnes-equivalent to 5 additional 90 tonne wagons.

Petroplus has also opted for the new 102 tonne wagon. (See front page). Twenty-one

new tank and sub frame assemblies have been built in Poland by Wagony Swidnica to replace twenty-four 35 year old wagons. Bearing the Petroplus logo these new wagons operate between Petroplus' Teesside refinery and Terminals at Bedworth and Westerleigh. The wagons, which have a cost saving, frame mounted braking system became fully operational in December 2002.

Enhanced Fleet to move Petroleum Products

VTG Rail UK Ltd has recently purchased the BP wagon fleet which BP hired to other parties operating across the UK. The tank fleet transports gasoline, diesel oil, aviation kerosene bitumen and fuel oil.

John Jagger, VTG Rail's Managing Director explains, "We concluded the arrangements in September 2001. BP no longer envisaged hiring out wagons to third parties as part of the company's core business. As hiring and

VTG RAIL UK LTD PURCHASE BP HIRE FLEET

maintaining wagons is very much our core business-it is natural for VTG Rail UK to purchase the fleet.

"Six former BP clients continue to be serviced by VTG Rail UK, four of them are existing VTG customers, and two are new clients. "The transition was pretty seamless," comments John. BP chose VTG, as it wanted to transfer its hiring business to a company that it trusted to continue giving a reliable service to

their hiring clients.

John adds, "This addition to our fleet has significantly increased our capacity in the petrochemical sector from 500 to 700 wagons. The increase in trade will be worth several million pounds over five years." In addition to the petroleum products fleet, VTG Rail UK has the capacity to transport other petrochemicals including gas condensate, various alcohols, and acetic acid.

VTG-LEHNKERING'S RAIL LOGISTICS SERVICES:

- Rail tank, bulk and special freight car hire
- Rail logistics systems solutions
- Europe-wide forwarding services
- Managing and maintaining other vehicle fleets
- Maintaining and expanding technical expertise relating to rail transport for hazardous and other goods
- Undertaking vehicle checks and repairs as well as new-builds and conversions in workshops
- Development and sales of fittings
- Controlled expansion of own haulage services

VTG Rail UK Acquire and Manage Total Fina ELF Wagons

VTG Rail UK Ltd has recently acquired, and is subsequently managing, more of the Total Fina Elf (TFE) petroleum products wagon fleet.

The part of the TFE fleet recently purchased comprises 28 one hundred tonne wagons; fourteen Class A wagons which transport clean petroleum products such as petrol, DERV, kerosene and gas oil; and 14 Class B wagons which carry heavy fuel oil. The wagons will continue to operate with TFE under a hire agreement with VTG Rail.

Paul Lugg, VTG Rail UK's Tank Fleet Manager, comments, "As with many of our customers, TFE are clear that the maintenance and management of the fleet should be the responsibility of rail experts-allowing them to concentrate on the core business issues of the refining, marketing and sales of petroleum products.

"The wagons will be incorporated into VTG UK's fleet where they will continue to be maintained by Marcroft Engineering to the same rigorous planned maintenance regime, as they were when they were managed directly by TFE.

The wagons operate out of TFE's Lindsey Oil Refinery and deliver product to destinations and power stations across the UK.

Hapag-Lloyd: From Sail to Global Logistics

STAFF PROFILE

VTG-Lehnkering is part of the internationally renowned Hapag-Lloyd Group.

The Group traces its corporate roots back to 1847 when a group of Hamburg businessmen and ship owners founded the Hamburg-American Line or Hapag and appointed one Adolph Godeffroy as Chairman Director.

Were he alive today, Adolph would certainly be proud of the modern company his fledgling enterprise has become. Employing 9000 personnel, the group achieved revenues of €3.8 billion in 2002 and operating profit of €202m.

The Group's business strands include global door-to-door container transport services (Hapag-Lloyd Container Line), cruises, European groupage cargo and logistics solutions (Pracht forwarding), containermodules for temporary premises (Algeco) and VTG-Lehnkering, which specialises in rail logistics across Europe.

VTG-Lehnkering Group

Apart from wagon hire, VTG-Lehnkering provides technical support, maintenance and management expertise for wagon fleets belonging to third parties. Other key rail activities are:

Transpetrol

The hiring business of VTG-Lehnkering is supplemented by forwarding services provided via TRANSPETROL, in which VTG-Lehnkering has a majority shareholding.

TRANSPETROL is an international supplier of comprehensive logistics solutions for transporting oil and chemical products, liquefied gases and bulk cargo by rail. The company is represented at locations in nine European countries. It offers access to the deregulated rail transport market throughout Europe. Its services also include freight and fleet management and tracking and tracing.

TRANSWAGGON

TRANSWAGGON provides wagons for transporting dry cargo of all types. It is a leading rail logistics business in the automotive, paper and forest product sectors. Customers can select either a time or consignment charter. Prompt delivery is essential, especially when supplying major car plants with component deliveries.

rail4chem

The company provides dedicated rail haulage to the industry with its own locomotives and personnel. Demand is growing especially as rail4chem is specialising in long haul traffic.

It has recently had locomotives deployed in cross border traffic between Germany, Belgium, Poland, Austria and the Netherlands.

VOTG

Using tank containers, VOTG can offer international services by road, rail and/or ship - without reloading merchandise, thus ensuring cost-efficient door-to-door services.

VOTG which was established in 1997 as a joint venture between VTG-LEHNKERING AG and ROYAL VOPAK provides almost the entire logistic chain for liquid transport services, carrying liquid chemical and petrochemical products, gases liquefied under pressure and temperature-controlled products, as well as offering fleet management for customers and a comprehensive service.

VOTG provides full worldwide operations with its staff of 135 at its Hamburg headquarters and branches in Duisburg (D), Mutterstadt (D), Helsinki (SF), Rotterdam (NL), Uggiate (I), West Chester (USA) and Singapore. It focuses on Europe (Germany-Benelux-UK, Scandinavia, Finland and Italy), in addition to the CIS countries, the Balkans and overseas.

Other services of VTG-Lehnkering include chemical and petroleum storage, integrated road transport and inland shipping via cargo barge. Now, with an established presence in the UK with VTG Rail UK Ltd an integral part of a major international business, the company aims to deploy its resources and provide added value services to its UK based customers.

Having joined VTG Rail UK Ltd in March 2001 as Project Engineer, responsible for new builds and technical tendering activities, Ian Shaw



has recently been appointed Bulk Fleet Manager. As such he is responsible for the company's fleet of "non-tank" wagons including boxes, hoppers, flats and various specialised vehicles.

Prior to joining VTG Rail UK, Ian gained experience within the passenger side of the industry when he worked for Alston Transport, formerly Metro Cammell based in Birmingham. His last assignment was working on Virgin's new 'Tilting Train' project.

Ian comments, "I hope to bring to the freight side of the industry some of the skills and methodology I picked up working on passenger trains. Naturally," he adds, "some of them, such as interior aesthetics, are not too applicable!"

Outside work Ian enjoys hill walking, cycling and 'knocking our house into shape!' Originally a Wiltshire man, Ian now lives in North Warwickshire with his wife Debbie and their two children Ellen aged 8 and Ben who is 6. The family takes an active part in village life. Debbie is a Parent Governor at Ellen and Ben's school.

Ian adds, "In spite of the uncertainty of the global economy and the difficulties the UK rail industry is facing, enquiries are very buoyant and I feel the rail freight industry has a bright future."

STOP PRESS



In March of this year, Thomas Freyer from the Sales Department in VTG Hamburg joined the UK team to learn about the rail business in the UK.

Thomas has been with VTG in Hamburg since 1999 and will be working in the UK for 18 months. Thomas's wife, Martina, and his 3 year old daughter Lena have joined him in the UK and have rented a property close to the office.

In his spare time Thomas enjoys exploring the English countryside with his family.



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