

GIGANTIC



EDITORIAL

Dear Reader,

“Individual solutions from a single source” has been the motto of SSI SCHAEFER since it was first founded. We have consistently pursued this basic concept contrary to the outsourcing trend and adapted to changing logistics requirements.

With the integration of SSI Schaefer Noell and SSI Schaefer Peem, the company essentially has continuously added value and competence for complex logistics solutions right within its own company. Our customers generally truly appreciate the fact that the more multi-layered interface issues are always resolved internally at Schaefer.

This issue of the update illustrates that we can impress many customers and win new ones with innovative logistics concepts. Here our strong, global presence has played a key role, particularly for internationally active companies. The decisive factors were the ability to find solutions through partnerships and a collaboration based on trust. That is why we owe our customers a big debt of gratitude. In the end, it is they who determine the success of a company strategy.

Best regards

Rudolf Keller
CEO Int. Operations

Mega Distribution Center for US industry Giant Walgreens

Anderson, South Carolina is the construction site for one of the largest and most technically advanced distribution centers in the US. Walgreens, Co., the leading drugstore chain has started in March 2005, the construction works of the 70,000 sq. m. facility. When finished in the beginning of 2007 it will provide more than 500,000 storage locations for pallets and containers and contain 925,000 m³.

SSI Schaefer is the main contractor for the material handling equipment on this challenging project. Controlled by a material flow controller, 43 automatic storage and retrieval machines, over 15 km of conveyor and sorting technology, automatic guided vehicles, over

100 horizontal carousels (SCS's Schaefer Carousel Systems), and other innovative technologies ensure a seamless interaction between technology, users and customers.

The piece-picking based upon the “goods to man” principle with the support of the SCS's for the dynamic supply of SSI Schaefer totes to the picker is a completely unique application to supply individual stores.

Based upon the efficient flow of goods and information, Walgreens will have the most modern, automated distribution center in the US to support the supply to approx. 700 stores in the south-eastern US.



Major order
by retail group
Coles Myer Ltd., Australia



High-tech for athletes
Asics Logistics center
Europe equipped



Pharmaceutical news
Short lead times
in Austria and Hungary



New: Box with inlays
for the perfect fit
when transporting goods

Further SCS carousel systems
for mail-order company Witt

Contract for project expansion

Approximately six months after completion of the first project phase, the Witt group of companies in Weiden has commissioned Schaefer with expansion of the new RFID-supported order picking and return warehouse.



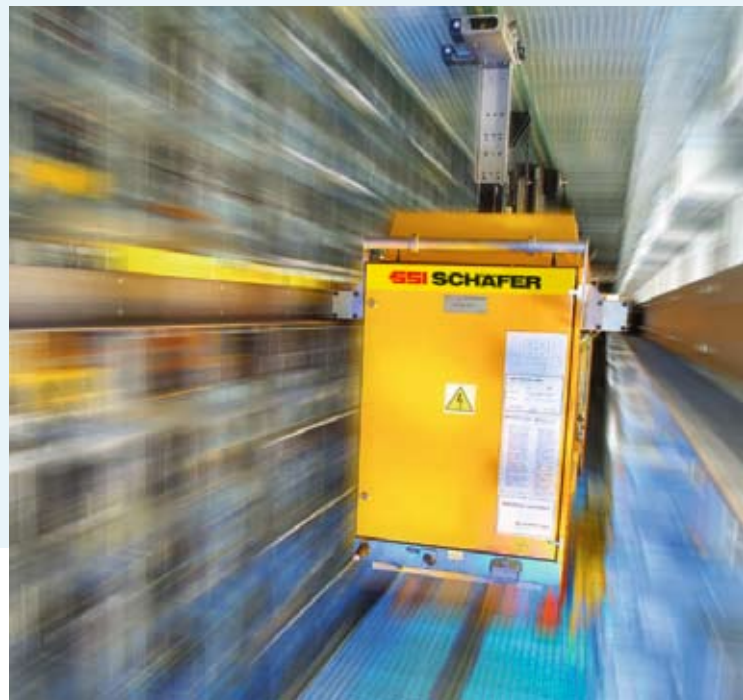
“The expansion of the facility was already provided for in the project plan but a decision on the timeframe and contractors was left open”, SSI Schaefer Project Manager Dirk Endter explains. Germany’s oldest textile mail-order house wanted to obtain experience with the new highly dynamic logistics solution, train its employees and successively convert the processes in the new warehouse complex.

With 15 Schaefer carousels added to a future 25 SCS carousels and 6 additional work stations for a total of 10 order picking areas, the capacity and output will be more than doubled. After completion of the second construction phase, still planned to occur in 2006, over 5,000 containers can be sent out simultaneously per hour, prepared for picking, and then put back into storage.

Reduced warehousing costs, optimised use of space,
faster response and access times –

Reference project for the „Schaefer Quad System (SQS)“ at BELL, Switzerland

the Swiss company BELL AG had set some demanding objectives for the redesign of its production and distribution center in Zell near Lucerne. The company is one of the largest meat producers in Switzerland. The most important production, warehousing and distribution center for the poultry sector is the site in Zell. In 2005 SSI Schaefer implemented a warehouse and picking concept that has signaled the way forward: As a direct complement to the poultry meat business, a raw product and ready-made product warehouse was established which both met the high requirements in terms of hygiene and constant chain of cold storage units and for maximum warehouse efficiency. Fifteen modern SQS narrow aisles with 18,000 container positions form the heart of the system solution which permits a throughput up to ten times greater than standard small-parts warehouse solutions.



State-of-the-art order picking at Ter Hoeven



Currently one of the most state-of-the-art order picking warehouses has been built in Apeldoorn, Netherlands for Ter Hoeven. After a thorough inspection of the opportunities available for automatic small part warehousing and order picking, Ter Hoeven B.V., a supplier for paint and lacquer companies, decided to acquire the Schaefer carousel system. The deciding factor was the enormous output of the SCS – 500 picks per person and hour are executed at Ter Hoeven at the four upstream work stations.

Eight SCS carousels provide 6,500 storage locations for products which turn at a fast speed. Both the warehouse containers from the carousel and the order containers are fed to the employees according to the “Pick to Tote” principle. In addition, a “Pick by Light” operator guidance system is used. Some warehouse containers are divided into 2 or 4 compartments. The compartment with the item to be removed is indicated to the order pick-

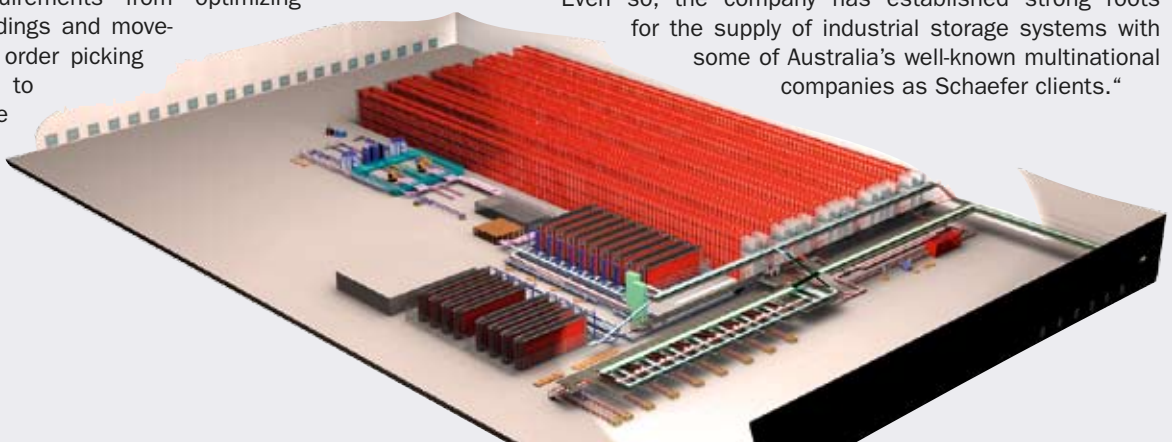
ing person by a red light. A classic automatic small parts warehouse with 12,000 storage places and two automatic storage and retrieval machines is used as a buffer warehouse for the SCS. Empty containers are automatically replaced with new ones by the small parts warehouse. 18,000 plastic boxes and approximately 500 meters of conveyors run through the order picking zone. Completion of the facility is planned for June, 2006.

SSI Schaefer Australia awarded major Coles Myer contracts

Schaefer Systems International Pty, have been awarded the contract for the supply of storage and distribution systems for the new Coles Myer National Distribution Centers (NDC) in Sydney and Melbourne. Coles Myer Ltd. (CML) is one of the leading retailers in Australia. The major contract was awarded to SSI Schaefer in September 2005, following 12 months of technical clarifications where SSI Schaefer's engineers undertook detailed studies of CML requirements from optimizing stock holdings and movements to order picking practices to ensure the

system met with CML own inhouse service requirements.

Both the Sydney and Melbourne NDCs are scheduled to open in 2007. Alan Clark, Director of Sales and Marketing for SSI Australia said: “It is indeed a compliment to have been chosen as the supplier of this prestigious project. Whilst the Group is very well known in Europe, Asia and the USA, we are relative newcomers to the Australian market. Even so, the company has established strong roots for the supply of industrial storage systems with some of Australia's well-known multinational companies as Schaefer clients.”



bestpractice

In October 2005, the ASICS organization instituted the new European logistics center "ASICS EUROPE B.V. Distribution Center Middle Europe" (DCM) at the Neuss facility.

High-tech for athletes

New ASICS logistics center equipped



ASICS is the no. 5 top manufacturer of sports shoes in the world and is number 3 in Germany for sports shoes and sports clothing. The warehouse technology required for the 18,500 sq. m. facility comes from SSI Schaefer. Textiles as horizon-

tally stored items and sports shoes are picked from live storage racking and modular shelving. The live storage system with its 8,600 channels is already prepared for a two-story expansion if the need for capacity increases. A pallet racking with just

about 4,000 storage spaces is used for stock storage. The shipment also included a conveyor line, an incoming goods sorter with a capacity of 1,600 cartons/hour and the combination of outgoing goods with a shipping weight check and labeling.



Automated Store Expansion

Fitting specialist Julius Blum, headquartered in Hoechst, Austria, has affiliates worldwide. Six production facilities in Austria produce hinges, drawers, chests of drawers, flap doors and furniture. Other locations include Brazil and the US.

The Blum plant in Stanley, NC has been expanded several times in the past few years by Schaefer USA. The most recent expansion added 6,000 pallet storage locations, for a total of 18,000 automated storage locations.



Applications in the foodstuff area are among the particular challenges in intralogistics. Safeguarding hygiene standards according to the Hazard Analysis Critical Control Point (HACCP) concept and the most conventional temperature-controlled goods handling in the industry require a high degree of professional competence. Example: The new high bay warehouse of Olma S.A. in the Czech city of Olomouc. In the light of decreasing margins with growing cost pressure, the Czech manufacturer of dairy products has restructured its production processes. A refrigerated warehouse was built at the company headquarters for reorganization. SSI Schaefer received the contract for the pallet silo with 2,800 storage places and storage and retrieval machines, control, and pallet conveyor technology as a general contractor.

"The awarding of this contract signifies a completely new development", explains SSI Schaefer Project Manager Helmut Fluhrer: "So far the customers have primarily enlisted the services of Czech companies with projects of this type".



System variety for a quick lead time

TEVA Pharmaceutical Industries Ltd. is among the 25 largest pharmaceutical companies in the world. In the past five years, TEVA has already relied on the know-how of Schaefer at the headquarters in Israel and in England as well.

The logistics center in Gödöllő, near Budapest, has been in operation since February of this year. Unlike the manual picking which has occurred so far, the processes are now streamlined and primarily automated. SSI Schaefer planned and supplied the diverse warehouse equipment: Pallet racking

as well as modular shelving and live storage racking - partially for cool storage of temperature-sensitive medications -, the automatic picking systems S- and K-Pemat, "Pick by Light" and "Multi Light" operator guidance systems, containers and conveyor technology, the warehouse management software Convey 2005 as well as inspection work areas. The pallet racking is used as buffer storage. The order picking containers run through the logistics center on conveyors and are first filled with fast-turning medications in the automatic picking zone. After a weight control, the

containers move to the semi-automatic picking area to the live storage racking and modular shelving. The employees compile the orders here guided by lights.

After a subsequent check, the containers are automatically labeled, covered and banded and fed to the appropriate shipping conveyor. Currently the orders leave the logistics center within 2 to 3 hours after an order is placed - rather than in several days as previously - and are shipped to customers on the same day.



Quick reaction Lead time of 15 minutes at the Kwizda pharmaceutical center, Linz

"For a long time we have not been able to position ourselves on the market through the price in the pharmacy industry", states Alfred Panholzer, Director of the new pharmaceutical center which has been built in Linz, Austria. "For us, the goal is efficient logistics processes, a high level of availability and short reaction times as characteristics which distinguish us from the competition".

With approx. 450 million euros in annual sales, the Kwizda company group is the second largest pharmaceutical wholesaler in Austria. After taking over a pharmaceutical company in Linz, the warehouse logistics and order processing were restructured. Just 18 months after the first ground-breaking ceremony, the new pharmaceutical center opened for business in Linz in summer 2005. SSI Schaefer delivered the order-picking and conveyor technology and installed a material flow controller and also equipped several special stations in addition to the racking systems and mezzanine constructions. The central system component is a modularly designed CFC order-picking automat.

Stored at an angle



Technische Unie, a leading Dutch supplier of technical installation materials, has expanded the existing long material logistics center. When planning the warehouse facility, the ability to quickly and safely place 2 to 3 meter long goods into storage and remove them from storage is particularly important. Previously this was a cumbersome and time-consuming process.

The cantilever racking supplied by SSI Schaefer was placed at an angle to the main order-picking aisle, allowing the picker to reach the lowest storage areas easily. Due to the diagonal configuration, he can reach the stored items both from the front and from the top and push the products onto the order-picking trolley. The shelves are loaded using a forklift, which now stands at any angle to the main aisle, not crossways as it was previously.

Since the beginning of the year, SSI Schaefer has been selling drive-in racks on the Asian market for the compact storage of pallet products.

Drive-in rack is operated by storage satellite



Also new is the version which makes it possible to operate drive-in racks via a Schaefer storage satellite. A storage satellite is not connected with a certain warehouse channel. It is lowered down by the forklift onto the tracks attached on the shelving uprights, moves independently into the canal, positions itself under the pallet on the tracks and transports them



to the end of the canal. Here the forklift picks up the pallet and the satellite. Often a forklift has several radio-controlled satellites.

The Schaefer satellites can save 30-40 work orders in automatic mode and work for up to 20 hours without interruption. Existing drive-in racks can also be subsequently retrofitted with the equipment needed for storage satellites.

Maximized storage space



SSI Schaefer UK was in charge of implementing the warehouse facility of the new production and distribution center in Yatton, Somerset for the company Smart Systems, manufacturer of aluminium systems and subsidiary of the Belgian company Aliplast. A two-story mezzanine construction picks up small parts in cantilever arm shelves with modular shelving while large parts are available in pallet racking. Aaron Thornton, Project Manager at SSI Schaefer UK explains: "The most important thing for Smart Systems was that both existing as well as new racking be designed for any future increases in stock capacities". Satisfied customer Adrian Ellis, Smart Systems concludes: "The new shelf systems maximise the storage area and make it possible for us to maintain an efficient central warehouse".

Perfect fit

New product line in the Schaefer box range



A container has to go through a lot during operations. With the function of a "load carrier", it carries the goods through different stations and must be able to withstand manual as well as fully automatic handling as well as external transports with no damage. SSI Schaefer is now offering container inlays so that sensitive products can also be sent safely and securely. Because they are manufactured from different materials, the inlays have a tailor-made product form so that the articles can sit firmly and be transported while being protected from damage.

Optare, a fully rounded automotive business, capable not only of making, but designing from scratch, a wide range of vehicles for the passenger transport industry, called upon the support of SSI Schaefer to look at the most effective method to relocate and improve their spares division in Hellaby, Rotherham.

Spare parts handling at the bus manufacturer Optare Unitec



David Long, Schaefer's Product Manager, suggested installing the vertical lift Pickomat along with shelving and pallet racking. This was agreed and within two weeks the project was completed. David Long on the advantages of Pickomat: "Compared to the static systems, we are able to achieve much better picking output with the Pickomat. The fast-moving spare parts are also compact, securely stowed and are provided to the employees on two issue counters according to the "goods to picker" principle". Derek Searle from Optare Unitec is satisfied: "With the vertical carousel we make our processes run more smoothly and have an extraordinary level of precision in inventory management".

▶ ▶ ▶ Rush order for the logistics provider Unipart

In no time flat

"When the contract was awarded, we knew that it would be a challenge to deliver within such a short period of time", said Ian Cook, Sales Consultant at SSI Schaefer, UK.

Unipart Technology Logistics (UTL), logistics provider of logistics services active worldwide, needed 3,000 conical Schaefer multiple-use containers. Just four weeks after the order was received, SSI Schaefer supplied the containers with a volume of 58 litres in the corporate design colour green as required for the end customer and with the engraved company name lettering on the side walls.





The 15th German Material handling conference took place in Munich on March 2nd and 3rd. The professional exchange of ideas between representatives of the logistics, financial, science and technology sectors was very fruitful. SSI Schaefer was among the participants and gave an invitation to the first evening of the conference for a pleasant get-together. All in all a very nice thing.



Arts meet logistics

Customer day at Schaefer Belgium

SSI Schaefer Belgium made the invitations and approximately 70 customers and interested parties came to Zaventem on February 23rd. Mobile racking systems and the Pickomat vertical carousel were the main focus of the presentation. Multiple use containers were presented such as the foldable box and the KMB conical container as well as boxes for automatic handling like the LTB container. The event was rounded out with an exhibition by the Belgian painter Linda Vermeiren on the premises of the Belgian Schaefer office.

Visit us at these trade fairs 2006

MATEX | SYDNEY
30 MAY - 02 JUNE

EXPOLOGISTICA | MEXICO-CITY
31 MAY - 02 JUNE

SUBCONTRACTING FAIR Z 2006 | LEIPZIG
20 - 22 JUNE

CILT - THE LOGISTICS EVENT | BIRMINGHAM
27 - 28 JUNE

EXPO PACK MEXICO | MEXICO-CITY
27 - 30 JUNE

inbrief

BVL Regional conference at SSI Schaefer

The 72nd conference of the Ruhr regional group of the „BVL-Bundesvereinigung Logistik“ (German Logistics Association) had the motto “Components for operative logistics”. On February 9th, approximately 35 participants met to exchange information at the international headquarters of SSI Schaefer in Neunkirchen near Siegen.

imprint Schaefer update

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