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Case Study DHL




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Deutsche Post World Net Key facts and figures

Deutsche Post World Net (DPWN) is the world's leading logistics group. Its integrated DHL, Deutsche Post, and Postbank companies offer tailored, customer-focused solutions for the management and transport of goods, information and payments through a global network combined with local expertise.

Deutsche Post World Net is also the leading provider of Dialog Marketing services, with a unique portfolio of efficient outsourcing and system solutions for the mail business. Some 380,000 employees in more than 220 countries and territories worldwide generated revenue of € 43 billion (\$ 58 billion) in 2004.

In addition, DPWN has more than:

- Approx. 72,000 DHL Express vehicles
- Over 400 Aircraft operating for or on behalf of DHL
- 4.2 million DHL customers
- 4,400 DHL offices worldwide
- 1 billion DHL shipments per year
- 450 Hubs, Warehouses and Terminals
- 230 Gateways

DPWN IT Services

In April 2003, the creation of new DHL, formed by the integration of DHL, Danzas, and Deutsche Post EuroExpress, meant that none of the existing IT data centers in Europe had the capacity to support the business volumes of the new DHL or the anticipated growth.

After an extensive review of alternative locations against a number of stringent selection criteria, Prague was chosen as the site for the new IT Services Center. The facility was constructed and fitted out in record time to be opened and ready for operation in June 2004.

Between June and December 2004, more than 600 highly skilled IT professionals were recruited, the majority of whom are Czech nationals. At the same time, more than 500 servers were installed and configured to enable the migration of the processing of business transactions from the IT Data Centers in the Staines, UK and Basel, Switzerland. By the 1st January, 2005, the migration was largely complete and the IT Services Center Prague became fully operational.

From 1st January, 2005, the IT Services organization has been integrated to support the DPWN Mail, Express & Logistics businesses from four key locations the IT Services Centers in Prague; Scottsdale, USA; Cyberjaya, Malaysia; and Bonn, Germany.

IT Services Center, Prague - Facts & Figures

- More than 900 highly qualified employees working in skilled jobs. The current expected final headcount is 1500.
- 15,000 m² office space.
- Total investment € 500 million over five years.
- The Europe center in Prague together with DHL's centers in the USA, Malaysia and Bonn, interconnected via a global corporate broadband IP telecommunications network, form a global IT infrastructure to support DHL's activities around the world.

State of the Art Facility

To be able to support DPWN's business needs, the new IT Services Center in Prague, has been built to the highest standards, including:

Power

Two independent commercial providers supply up to 4.1 MW power to the building. In addition there are four generators with enough fuel on site to power the IT Services Center continuously for five days. Approximately 4,800 batteries on site provide uninterrupted transfer from Mains to Generator power.

Telecommunications Network

Underpinning the business, DHL has two independently managed Metropolitan Area Networks (MANs), providing the company with a highly available and resilient IP (Internet Protocol) telecommunications network connecting the IT Services Centre to international and domestic telecommunication partners' facilities in Prague. The network consists of 56 km of 48-strand optical fiber and 1,000 km of copper cabling and supports 60 million transactions, or 65 terabytes of data throughput, every day.

The MANs enable high speed interconnectivity with DHL's international network (DHLNET) connecting more than 220 countries and territories worldwide and its global IT Services Centers in Scottsdale, USA, Cyberjaya, Malaysia and Bonn, Germany. This creates a seamless core IT infrastructure supporting DHL's business across the world.

Data Center

The IT Services Center hosts data rooms of 3,500 sqm with over 1,000 servers and 30,000 connections. The data room is capable of housing up to 5,000 servers.

DPWN Revenue figures by division (in EUR billion)

Division	2003	2004
Express	15,293	15,293
Logistics	5,878	5,878
Mail	12,495	12,495
Financial Services	7,661	7,349

"To build a team of 900 people from scratch is a pretty massive task. To build a facility of 17,000 square meters is a big task. To migrate 600 servers is a huge task. Put them all together in one project and it's phenomenal, and to do it all in 18 months, that's unbelievable."

Stephen McGuckin, Managing Director, IT Services

"We have been able to put in a complete new infrastructure, which gives us a great platform. We should be able to run a very efficient cost-effective organization. We're in a great new building and we're really well set for the future growth of Deutsche Post World Net."

Chris Williams, Technical Infrastructure, DHL

"The IT Services Center in Prague supports DPWN's business integration, which is a key strategic objective. Together with the other global IT Services Centers in Kuala Lumpur, Scottsdale, and Bonn, we have created the global backbone which supports IT services across the DPWN organization."

Alex Pilar, Head of IT Services Center Prague



DHL was awarded for its creation of DPWN IT Services in Prague, Czech Republic at the “La Baule 2005 – World Investment Conference” in the category of “Best Foreign Investments in Europe”.



Since 1995 the Czech Republic has been a “model investment location” in the Central European region; DPWN's investment clearly demonstrates the feasibility of operating global state-of-the-art facilities from the Czech Republic and that the Czech Republic has become a major center for business support services.

Key factors that influenced DHL's decision invest in the Czech Republic:

- Qualified and flexible work force skilled in Information Technology;
- An established telecommunications network;
- Located in the geographical heart of Europe;
- Good flight connections;
- The best transport network in Central and Eastern Europe;
- Lower costs;
- Government support, including investment Incentives scheme.



“With an established logistics network, DHL and Deutsche Post World Net have been operating in the Czech Republic for 17 years. The decision to locate the IT Services Center in a region with a highly qualified workforce and dynamic economy enables us to excel in global competition and better serve our clients. We are confident that our IT Center in Prague will help further strengthen not only our own internal network, but also the integration between our neighborhood countries as Europe increasingly grows together.”

Dr. Klaus Zumwinkel, Chairman, DPWN Board

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