



DHL wins major contract extension for Heathrow Consolidation Center

- **Two and a half year contract until 2012 worth up to £22.5 million**
- **Continued reductions in congestion and carbon emissions**
- **Heathrow Airport Limited expands contract to support investment**

London, 16. November 2009: Heathrow Airport Limited (HAL) has extended its contract with DHL Supply Chain for the operation of the Heathrow Consolidation Center (HCC) until October 2012. The contract worth around £9 million (approx 9.8 million Euros) a year will extend the partnership for the consolidation of deliveries to 323 retail and catering outlets, pubs and restaurants within the airport beyond the duration of the London Olympic Games when passenger levels are expected to rise. The new agreement has almost doubled in size for DHL and supports significant investment at the HCC including a new mezzanine floor which will increase capacity and provide additional services to retailers and other airport businesses.

Since 2001 DHL has managed the HCC which creates significant reductions in congestion and carbon emissions as part of the Heathrow City Logistics strategy. The facility is based one and a half miles from the airport where retailers deliver inbound goods. DHL cross-docks merchandise, manages a booking system and security screening process and delivers to both landside and airside stores. The process enables retailers an easier and quicker turnaround of stock as the HCC manages all airside security with deliveries made direct to stores.

By consolidating 700 in-bound deliveries a week into 300 outbound, the center achieves significant environmental and operational benefits for HAL. In 2008 a total of 218,000 km were saved from the consolidated deliveries on the DHL fleet, including an electric vehicle, which amounted to 158,000 kg fewer CO₂ emissions and a significant reduction in congestion.



Steve Buckley, Head of Category at BAA, says, “On the back of last year's strong operational performance and improved efficiencies at the HCC, HAL has awarded DHL a contract extension until 2012 which in turn supports our long-term vision and short-term challenges. Through its strong partnership and understanding of airport rules of operation, DHL has consistently delivered a high level of customer service to the retailers by developing systems to meet security demands.”

Paul Richardson, Managing Director UK, DHL Supply Chain Fashion, adds, “The contract extension enables DHL to continue to develop its capabilities; the introduction of our sophisticated in-house warehouse consolidation software which underpins the core retail operation, plus the very latest track and trace technology to further deliver efficiencies. DHL’s continued investment in the facility will result in a new mezzanine floor which will enable the further expansion of services to the Heathrow terminals.”

All retail and catering concessions operating at Heathrow airport use the consolidation center as part of their agreement and the facility handles ambient, chilled and frozen goods. HCC operations have been efficiently streamlined, increasing accuracy to 99.9 per cent on all deliveries. Consolidation services were a prerequisite in the planning permission to build Terminal 5 and are part of the future development of the airport including the new building replacements at Terminals 1 and 2. Heathrow is the busiest international airport in the world with in excess of 67.5 million passengers in 2008.

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DHL is part of Deutsche Post DHL. The Group generated revenue of more than 54 billion euros in 2008.