

The Netherlands comes out top as most desirable location for European distribution centers

Paris (DECEMBER 7) - A recent survey commissioned by global consulting company Capgemini and ProLogis, a global leader in industrial real estate, has revealed that The Netherlands is Europe's most wanted distribution center location. The research, which involved more than 100 supply chain leaders in a wide range of industries, showed that whilst the UK is currently the largest employer in the distribution network, the country of choice for European Distribution Centers in the High Tech and Electronics industry as well as those in the Food and Beverage industry is The Netherlands, with neighbours Belgium and Germany not far behind. The only industry which has bucked the trend is Consumer Products, which has made France their favourite location with Belgium as a distant second choice. Life Sciences and Pharmaceutical companies appear not to have a current favoured location for their distribution centers, as their network structure is highly decentralized, with many relatively small national distribution centers.

"The Netherlands and Belgium have a relatively large number of distribution centers compared to their population size. One reason for this is that these countries are close to the major demand markets, have good transport infrastructures and have access to two large international sea harbors (Antwerp and Rotterdam) to handle large overseas flows", says Bert Angel, Senior Vice President Global Services Europe at ProLogis.

"The survey reveals some interesting facts and insights into the choices, strategies and challenges of the global operating companies that took part," continues Roy Lenders, Vice President at Capgemini Consulting Services. "One significant fact to emerge is that, in large companies at least, the logistics department is often responsible for making strategic supply chain decisions, although the board of directors is also vital".

As for the future, respondents feel that the picture will be quite different. Anticipated changes include:

- Consolidation by reducing supply chain costs, complexity and numbers of distribution centers, and by merging networks.



- Increased regional distribution to take advantage of opportunities in Eastern European markets, such as Poland and Romania, and to reduce the impact of increased transport costs.
- Meeting change by adopting strategies that include outsourcing of logistics, leasing property, taking shorter lease contracts and using flexible warehouse space.

The report is based on a survey conducted in the second half of 2006 with a wide range of global operating companies with a significant pan-European distribution network. The goal of this report is to give a high-level overview of the pan-European distribution footprint over different industry sectors and address key challenges per industry sector. About a hundred supply chain leaders from various industry sectors provided insight into their current footprint and the main issues facing them. In all, the survey evaluated:

- 300 distribution center locations
- 18,000 FTEs (full-time equivalents) in the realm of employment
- 2.4 million square meters of distribution center surface area.

The findings in this report are based entirely on the results of the survey.

Copies of the key findings of the survey can be downloaded at www.capgemini.com

About Capgemini

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, which it calls the Collaborative Business Experience. Through commitment to mutual success and the achievement of tangible value, Capgemini helps businesses implement growth strategies, leverage technology, and thrive through the power of collaboration. Capgemini employs approximately 65,000 people worldwide and reported 2005 global revenues of 6,954 million euros. More information about individual service lines, offices and research is available at www.capgemini.com

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 81 markets across North America, Europe and Asia. The company has \$25.3 billion of assets owned, managed and under development, comprising 406.9 million square feet (37.8 million square meters) in 2,406 properties as of September 30, 2006. ProLogis' customers include manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs. Headquartered in Denver, Colorado,



ProLogis employs more than 1,200 people worldwide.. For additional information about the company, go to www.prologis.com.

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