



NDL ALGEMENE LEDENVERGADERING & SEMINAR

1 NOVEMBER 2011 - NOOTDORP

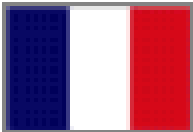
BENCHMARK - LOGISTICS LOCATIONS IN WESTERN EUROPE

THE CLAIM FOR A UNIQUE BUSINESS PROPOSITION?



“..... the Wallonia region offers a straightforward and attractive system of business incentives. The exact scope of these grants varies according to the strategic value of the project, with larger incentives if it is located in a development area.....”

Source: www.investinwallonia.be



“.....In terms of overall business costs, France is a low-cost leader in Europe. Business setup costs in France, including labor, facility costs, transport, utility costs and corporate taxes, are very competitive.....”

Source: www.invest-in-france.org



“.....Germany enjoys international recognition as a high-tech location with a globally unique concentration of R&D networks and infrastructure.....”

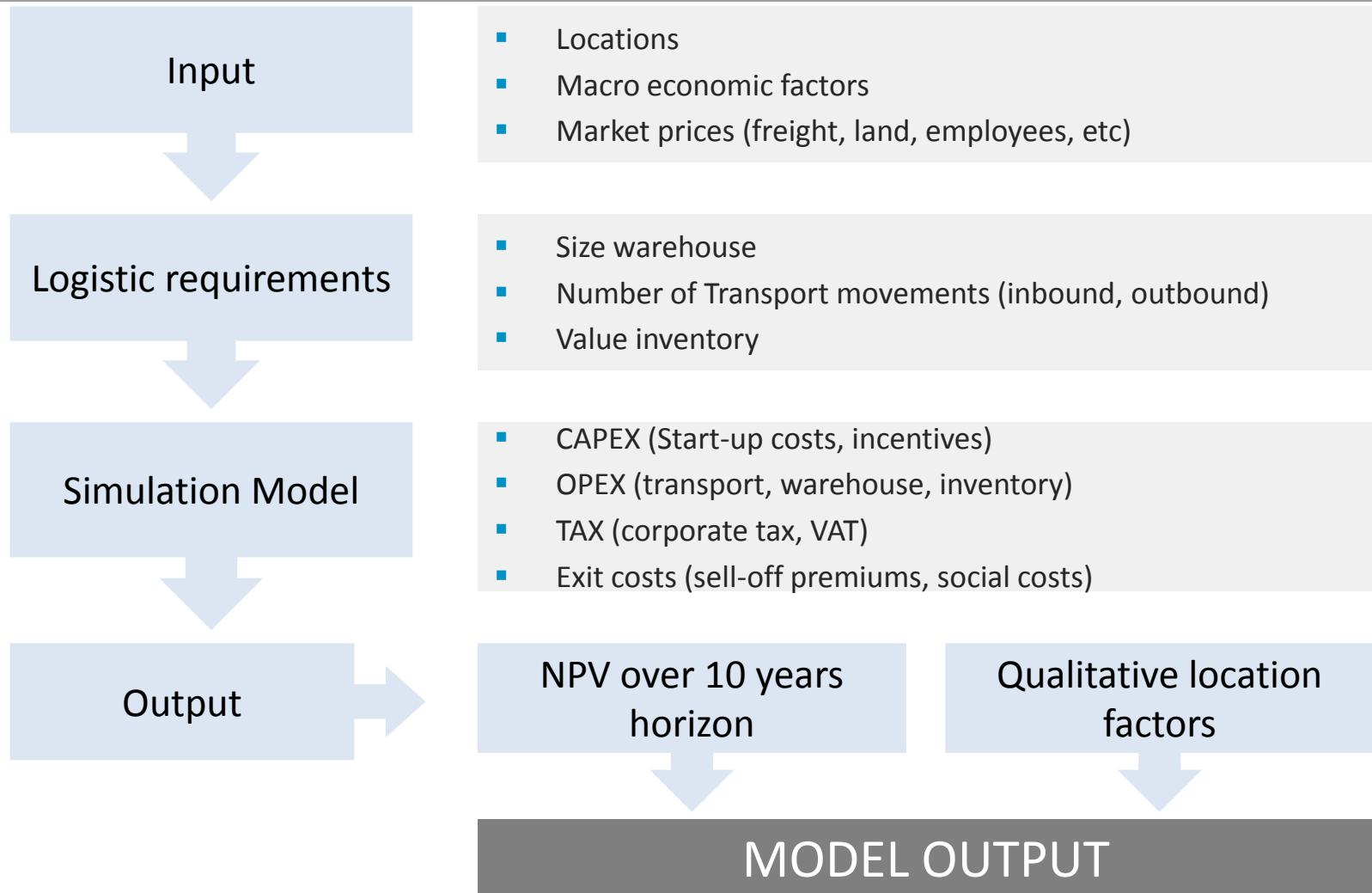
Source: www.gtai.com



“.....The Netherlands: your logistics gateway to the European market and beyond. The Netherlands is famous for its expertise in international trade, and excellence in transport and logistics.....”

Source: www.hidc.nl

BENCHMARK MODEL



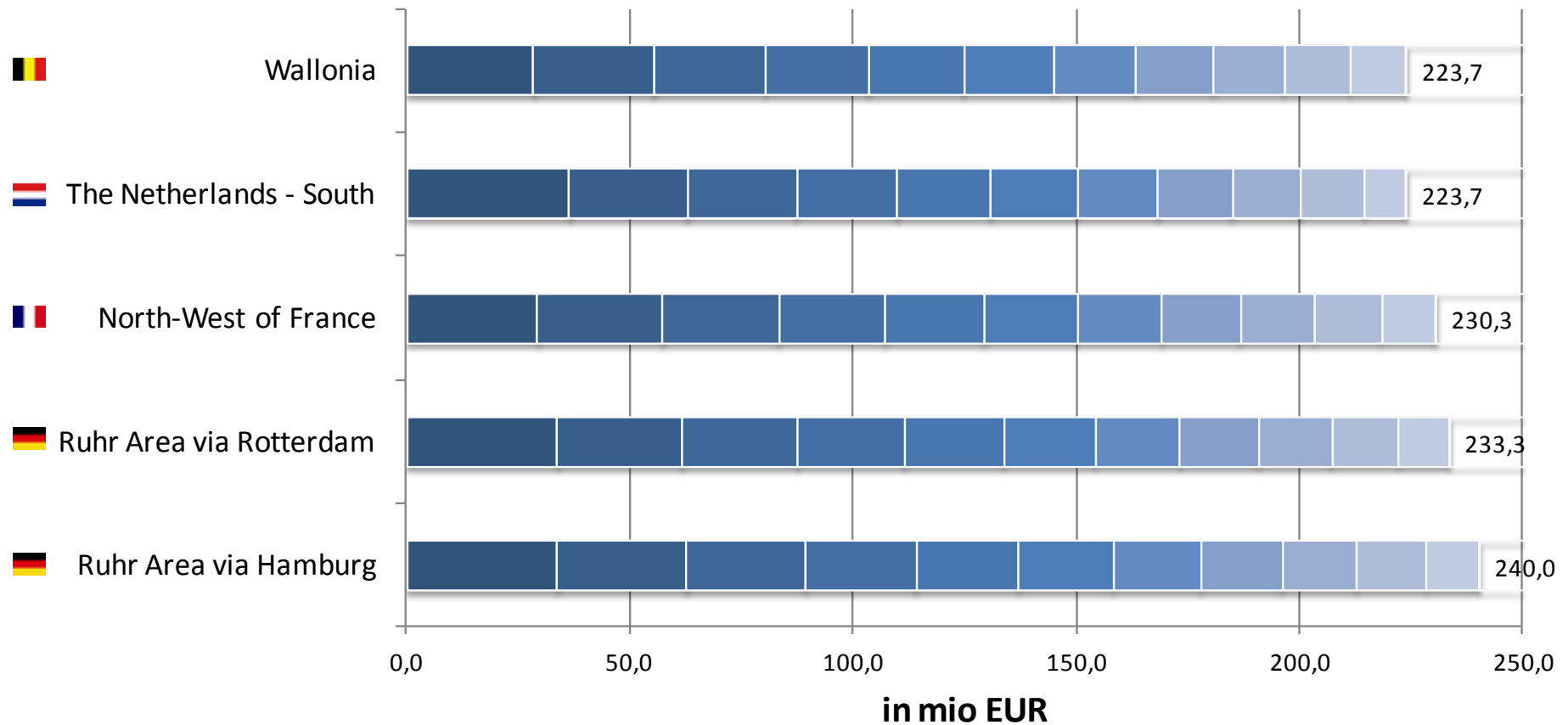
A “REPRESENTATIVE” BUSINESS CASE

- Electronics - EDC for customers in Europe
- Annual volume is 400.000 m³,
 - from which 80% is shipped as pallets (groupage network)...
 - ... and 20% as parcels
- Sales is subject to seasonality – 2 peak months, with volume 25 % higher than average
- Sales value per M³ = 2.500 Euro
- Inventory level = 4 weeks sales coverage
- Warehouse property = 25.000 M²
- Warehouse operation = 20 FTE indirects / 80 FTWE directs
- Employee turnover is 8 % annually
- Profit margin = 8 % on operational costs



NET PRESENT VALUE (NPV) - RESULTS

INCL. START-UP COSTS, INCENTIVES, TAXES, EXIT-COSTS



Wallonia & The Netherlands rank first on 10 years NPV

NET PRESENT VALUE (NPV)

SOME SIGNIFICANT DIFFERENTIATING FACTORS

- Regional incentives at start-up of the EDC
versus
- Remaining market value of logistics property when exiting
- TAX aspects (VAT)
- Labor legislation around temporary employment

NET PRESENT VALUE (NPV)

REGIONAL INCENTIVES & REMAINING PROPERTY VALUES

Countries1	Belgium	France	Germany	Netherlands
				
CAPEX INCENTIVES	15% - 30%	15% - 30%	-	-
RECRUITMENT / LABOR SUPPORT	-	-	recruitment 100% training 50%	recruitment € 1k / FTE training 50%
OTHERS	8.8% on total OPEX	-	-	-
INCENTIVES SUBJECT TO CORPORATE TAX	NO	CAPEX: NO OTHER: YES	YES	YES
Ranking based on incentives	1	2	3	4
ESTIMATES VALUE LOGISTICS PROPERTY (>10 YRS)	15%	15%	40%	40%
Ranking based on property value > 10yrs	2	2	1	1

The Netherlands & Germany rank fourth on regional incentives, but first on the estimations on the value of the remaining logistics property

NET PRESENT VALUE (NPV)

CORPORATE TAXES & VAT

Countries	Belgium 	France 	Germany 	Netherlands 
MAXIMUM NATIONAL CORPORATE TAX	33.99%	33.33% + 3.3% (**)	15% + 5.5% (****)	25%
LOCAL CORPORATE TAX	-		17.15% (*)	-
TOTAL CORPORATE TAX	33.99%	34.43%	35.97%	25%
VAT PERCENTAGE	21%	19.6%	19%	19%
FINANCING PERIOD (***)	2 WEEKS	4 WEEKS	4 WEEKS	0 WEEKS
Ranking based on TAX arrangements	4	2	3	1

(*) Regional tax Duisburg (Gewerbsteuer)

(**) Surtax percentage increase on corporate tax

(***) Based upon 4 weeks inventory

(****) Solidaritätszuschlag percentage increase on corporate tax

The Netherlands ranks first on overall corporate tax pressure as well as VAT

NET PRESENT VALUE (NPV)

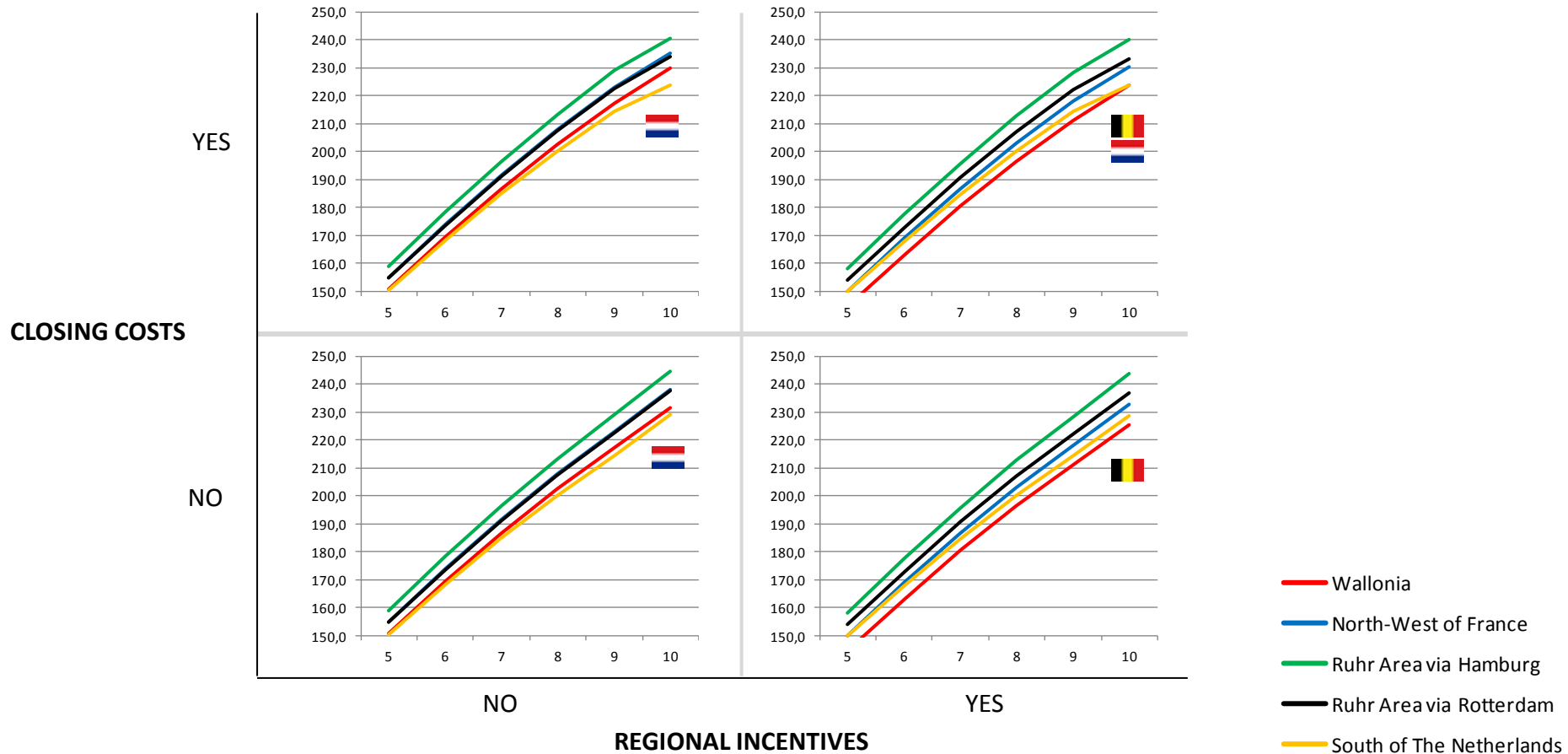
LABOR LEGISLATION TEMPORARY WORKFORCE

Countries	Belgium	France	Germany	Netherlands
				
	Temporary employment only allowed in case of			
	• replacement of a regular employee • temporary increase in work or temporary “a-typical” work.			
LEGISLATION ON TEMP WORKFORCE			liberal legislation regarding the use of temporary workers.	
Ranking based on temp labor arrangements	2	2	1	1
DISMISSAL FEE PERSONEL	0.5 months	0.5 months	1 months	0.75 months
Ranking based on social costs	1	1	3	2

The Netherlands ranks first in temp labor and second in dismissal fees

WHAT IF....

NPV CALCULATED FOR DIFFERENT SCENARIOS



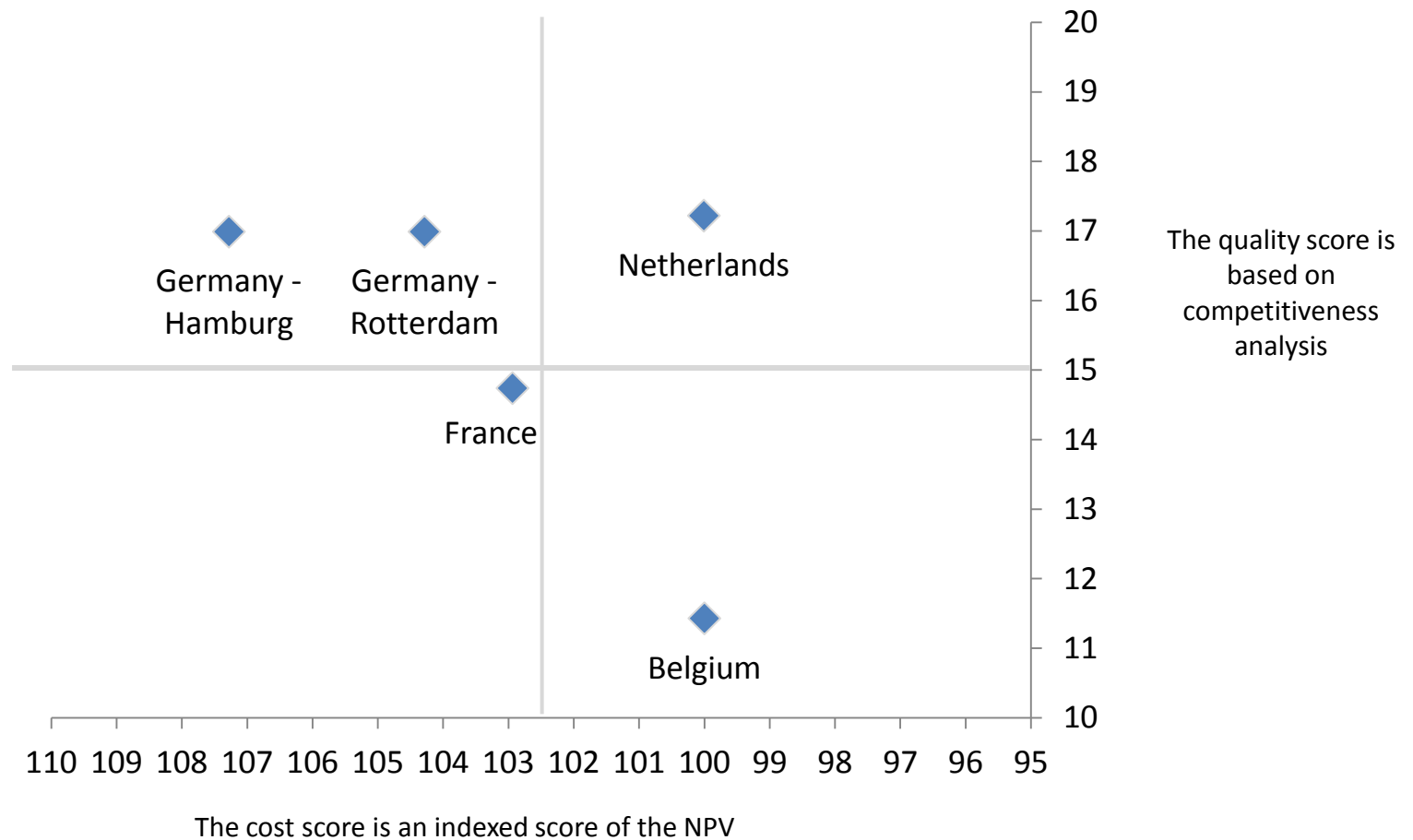
QUALITATIVE ANALYSIS - RESULTS

Countries	Cumulative Weight	Belgium	France	Germany	Netherlands
Score for Location Groups					
BUSINESS ENVIRONMENT	35%	18.80	15.92	22.47	20.19
FUTURES FORECASTS	35%	10.73	21.94	23.80	22.72
INFRASTRUCTURE	20%	13.33	15.06	15.44	18.20
TAX	10%	2.86	6.04	6.25	7.75
Competitiveness Score		11.43	14.74	16.99	17.22
Ranking based on weighted analysis by Location Group		4	3	2	1

Source: LocationSelector.com 2011

The Netherlands and Germany rank first and second, with positive business environment rankings. Also the future forecast indicators contribute positively to the rankings of both countries.

LOGISTISCS POSITION IN WESTERN EUROPE - OUTCOME



ANNEX

BUSINESS ENVIRONMENT - 35%

Location Factors

Closing a business Ranking

Dealing with construction permits Ranking

Employing workers Ranking

Enforcing contracts Ranking

Getting credit Ranking

Paying taxes Ranking

Protecting investors Ranking

Registering property Ranking

Starting a business Ranking

Trading across borders Ranking

Global Competitiveness Score (GCI) - WEF

IMD Competitiveness Index

TAX - 10%

Location Factors

Ease of paying taxes

Resident individuals, Income tax rates

Total Tax Rate

Turnover taxes, VAT/GST (standard)

EXPERIAN - GLOBAL FUTURES FORECASTS - 35%

Location Factors

Experian - Current Balance (% of GDP)

Experian - Domestic Demand growth (%)

Experian - Exports of Goods and Services (Volume index in US\$ billion)

Experian - Exports of Goods and Services (%)

Experian - Exports of Goods and Services (Value index in US\$ billion)

Experian - GDP per capita (US\$)

Experian - Growth in Working Age Population (%)

Experian - Imports of Goods and Services (%)

Experian - Imports of Goods and Services (Value index in US\$ billion)

Experian - Imports of Goods and Services (Volume index in US\$ billion)

Experian - Population (000')

Experian - Population Growth (%)

INFRASTRUCTURE - 20%

Location Factors

Fixed broadband Internet subscribers (per 100 people)

Quality of Overall Infrastructure

Quality of Port Infrastructure

Quality of Railroad Infrastructure