



WERNER GLOBAL

Local Logistics, Applied Worldwide

LOGISTICS

**Los Angeles
Transportation Club
March 13, 2007**



Agenda

- **Werner Overview**
- **Trans-Pacific Trends**
- **Mexico Cross Border Program**
- **Q & A**





Werner Enterprises, Inc.

- Premium provider of Transportation and Logistics services
- Operating offices throughout North America and Asia
- Founded in 1956, by current Chairman C.L. Werner
- 9,000+ trucks, 25,000+ trailers
- 2006 Results: Revenue \$2B Net Income \$98M
- World Headquarters: Omaha, Nebraska
- NASDAQ: WERN

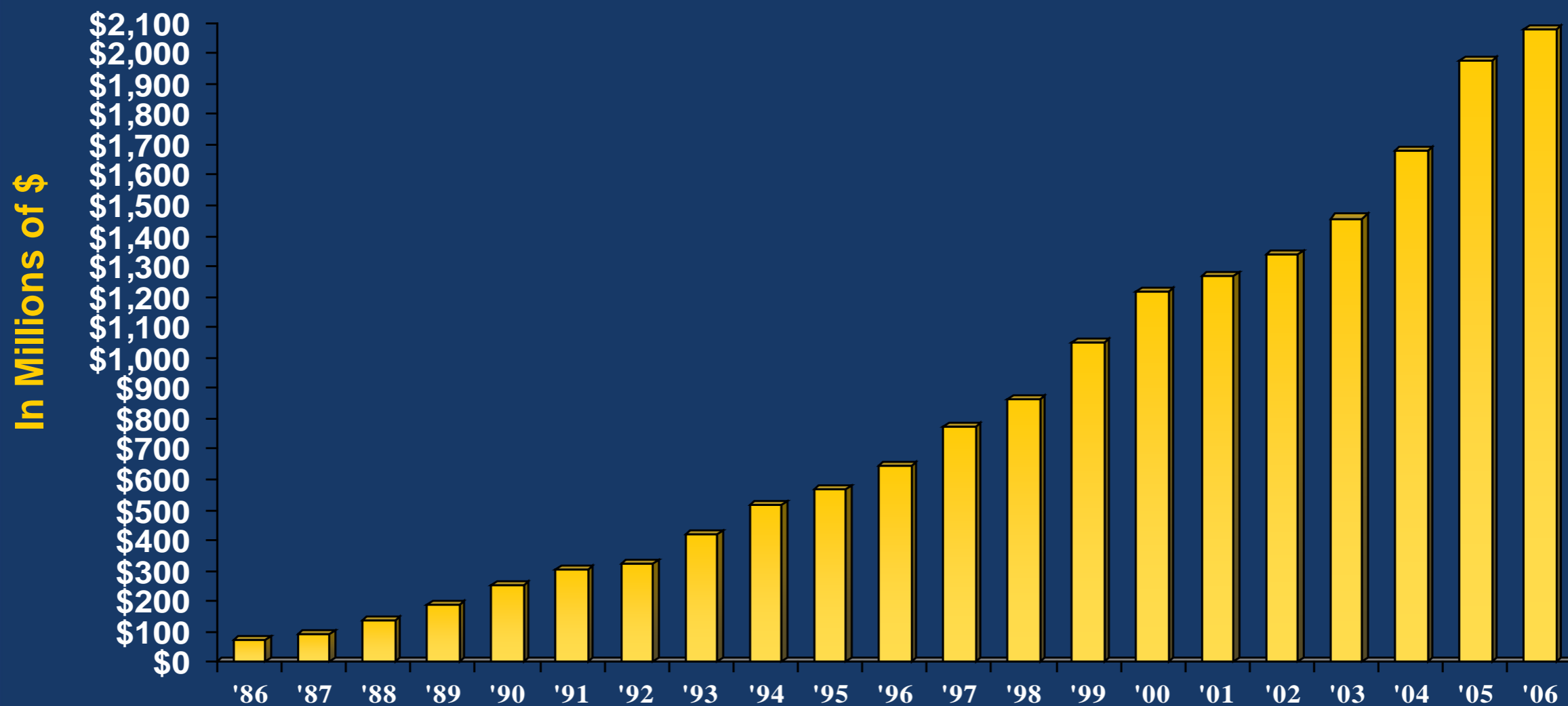


Werner Services:

- One-Way Van
- Expedited
- Dedicated
- International FF / Customs
- Intermodal / IMC
- Brokerage
- Freight Management
- Flatbed
- Temperature Controlled
- Analysis and Information Systems



Werner Enterprises Revenue Growth



Average Annual Revenue Growth 19%



Carrier Divisions

Van Division

- Irregular Route / 48 State Long Haul
3000+ Trucks
- Regional Fleets
1400+ Trucks
- Engineered Fleet Solutions
200+ Trucks



Dedicated Division

- Multiple Equipment Options
3600+ Trucks





Werner Domestic Brokerage Network



- 5,000 + Contracted providers in all transportation modes from Vans, TCU, Flatbed, Drayage, Cross-Dock, Consolidation, Power-only and LTL
- Mexico trans-load facilities to expedite the cross-border movement of freight.



Werner Intermodal Solutions

- Truck – Rail Capacity Programs
- Railcar Transload Programs
- Import Container Transload Programs



Strategic Solutions

- Multiple Equipment Options
- Werner Private 53' Trailers
- Domestic Rail-owned Containers
- 20 and 40 foot Steamship Containers



Beyond 48 State Coverage



Werner Enterprises launched our Mexico service in 1999. Since that time, Werner has exemplified its commitment to quality and technology. Werner established meaningful partnerships with Mexican transportation companies possessing the same core values Werner has demonstrated since 1956. Today, Werner Enterprises is one of the top 5 U.S. Truckload carriers providing Mexico services, crossing over 350 truckloads per day across various border ports.



The same commitment and quality that helped Werner Enterprises become one of the leading carriers in the U.S., is driving our success in Canada. Werner's entrance into the growing and dynamic Canadian marketplace represents a challenging and opportunistic time for Werner Enterprises.



Werner Enterprises expands our International product offering beyond North America to Asia. Being a licensed NVOCC, Freight Forwarder and U.S. Customs broker, Werner has the capacity to manage your freight from origin factory to your facilities, to and from Asia and North America.



Werner Global Logistics (Shanghai) Co. Ltd.

Werner is one of the first U.S. transportation and logistics companies to receive approval to establish a wholly-owned subsidiary in Shanghai, the heart of China's most dynamic region, following liberalization of the logistics sector in April 2006.

In fact, we are one of a very few select U.S. companies to receive a combined approval to conduct comprehensive forwarding and logistics business, as well import/export, wholesale and commission agency business.

This puts Werner in a position to provide sophisticated, tailor-made supply chain and distribution solutions in China that many of our competitors can't.

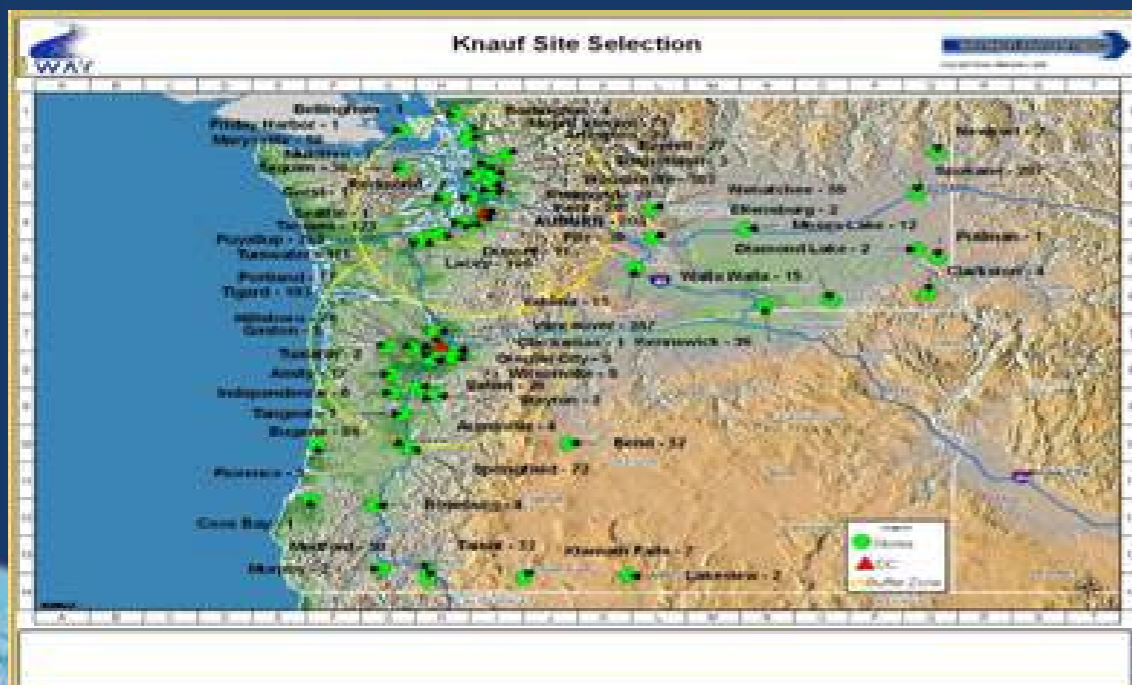
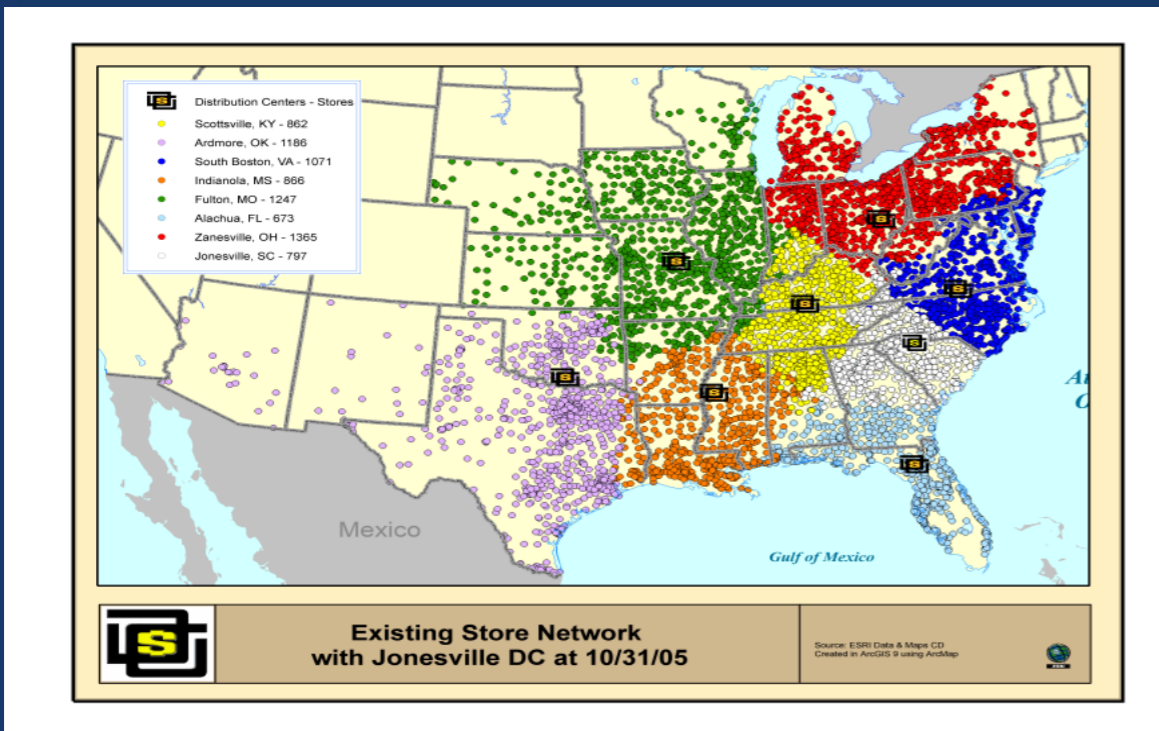


Werner Global Logistics

- Supply Chain Analysis, Design and Implementation
- Domestic, Import, and Export Freight Management
- Freight Brokerage
- Intermodal
- TMS and Optimization Systems
- Freight Forwarding
- NVOCC
- Transload/Warehousing
- Customs Brokerage
- Asset Backed



Supply Chain Analysis & Design





WGL Network in China





Trans-Pacific Trends

- 1. China Growth**
- 2. Domestic Challenges / Inland IPI**
- 3. West Coast Capacity**





Global Container Trade Growth

Transpacific Trade	> 10%
Asia - Europe Trade	> 12%
Transatlantic Trade	> 5%
Intra-Asia Trade	> 15%
China Export	> 14%





Asian Growth (RGDP) 2006 - 2007

<u>Country</u>	<u>2006</u>	<u>2007</u>	<u>Country</u>	<u>2006</u>	<u>2007</u>
China	9.7%	9.4%	Sri Lanka	5.5%	6.0%
India	8.4%	8.3%	Malaysia	5.3%	5.7%
Vietnam	7.8%	7.9%	S. Korea	5.2%	5.0%
Bangladesh	6.8%	6.2%	Indonesia	5.0%	6.2%
Singapore	6.7%	5.0%	Philippines	4.8%	4.2%
Pakistan	6.6%	6.4%	Thailand	4.8%	4.8%
Hong Kong	6.2%	5.9%	Taiwan	4.5%	3.9%





Logistics Trends - China

Over 2/3 of TEU imports from the Far East come from China

Traditional imports include

Furniture, Footware, Textiles, Appliances, Toys

Imports increasing in share include

Computers, Electronics...And Everything Else!





Supply Chain Complexity

Visibility Across Longer Transit Window

Multiple Modes of Transportation

Multiple Routes to Destination

New Partner Providers and Relationships

Varying Degrees of Costs and Service Levels

Communication Capabilities

Regulatory Compliance





2007 Challenges: Moving Upstream

Factory to port transit

Moving From FOB to FCA or Ex-Works

Warehousing, Consolidation and Value Added Services
Performed in Origin Country





2007 Challenges: Inland IPI Redesign

Lines Are Retrenching on Points Served

Higher Intermodal Costs

Equipment Utilization

2 Approaches:

Lane Density Approach

Customer Centric Approach

West Coast Capacity Effect



Responding to new Challenges

Analyze and Design the Network

Apply Optimal Mode and Manage Capacity

Challenge the Traditional Model

Multi-Modal Inland Delivery Solutions

By-Pass the U.S. Distribution Center

Cross Dock and Transload Location Flexibility





Mexico - U.S. Border Opening





U.S. – Mexico Open Border Program

- One Year Program
- Open Both Directions
- Open to 100 Mexico Carriers (< 1,000 Trucks)





Border Program Challenges

- **U.S. Carrier Standards Apply**
- **Equipment Safety Standards**
- **CDL Driver Standards**
- **Hours of Service**
- **U.S. Insurance**
- **Medical Certificate , English Proficiency, Etc.**
- **Cabotage Laws Apply**





International Freight Management Complexities

What You Will Need

In Country Relationships – Local Resources

Local Carriers

Vendor Management Partners

Government Agencies

Local Freight Forwarding

Export Compliance Partners





International Freight Management Complexities What You Will Need

Comprehensive Logistics Services

Warehousing

Consolidation

Licensed Forwarding

Trading / Export / Licensing

Compliance Management





International Freight Management Complexities What You Will Need

Systems Flexibility !

Network Design / Supply Chain Modeling

Integration with multiple partners across multiple modes

Door-to-door Visibility





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Thank You!

Q & A

www.joc.com/conferences/tpm/speakers.asp