

Memphis Distribution Center

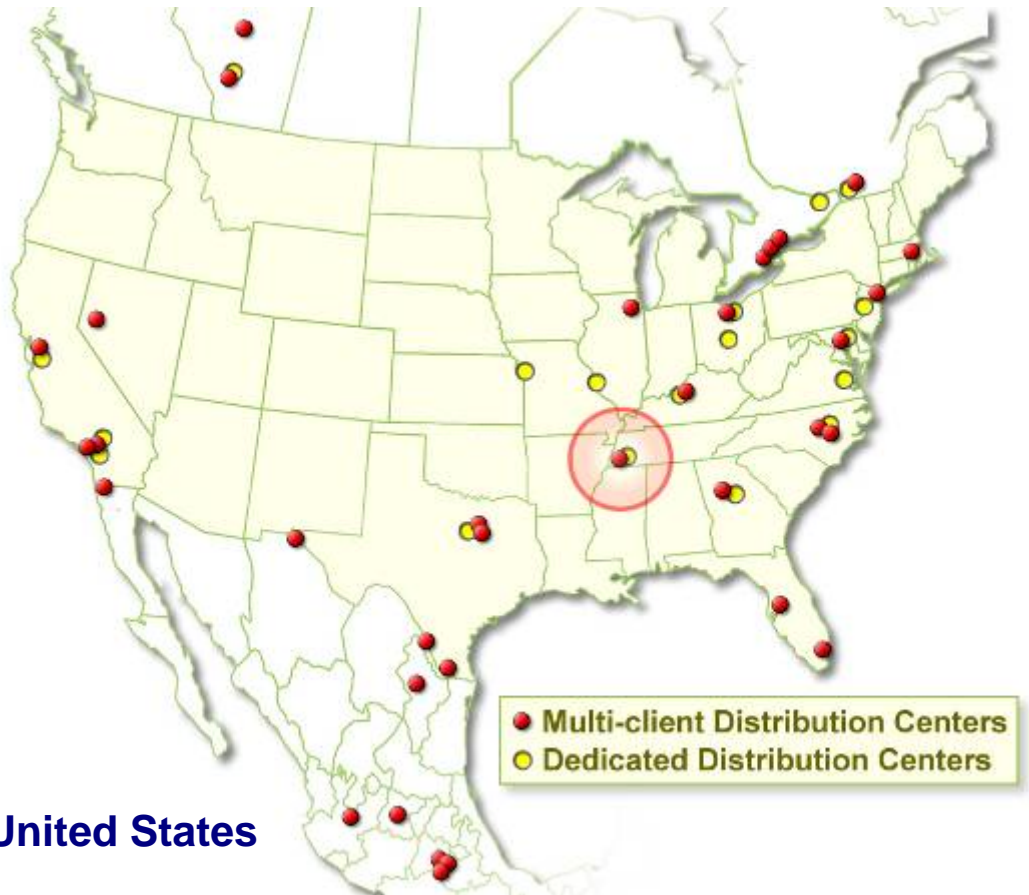
6005 Freeport Avenue, Memphis, TN 38141

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Serving Central United States

**Part of the Broadest Network of
Distribution Centers across North America**



March 2007

KUEHNE+NAGEL



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The Kuehne + Nagel Advantage:

Only 10 Minutes from the busiest cargo airport in the United States. Our large Memphis Distribution Center is located in a world-class distribution and transportation hub. The DC staff has extensive experience meeting the demanding requirements of customers in the pharmaceutical / healthcare and high-tech industries. Shipments can reach 80% of the United States within 24 to 48 hours.

Kuehne + Nagel's integrated North American network of multi-client facilities delivers maximum flexibility and agility while ensuring the strictest quality control standards – in a variable-cost environment. Our Memphis facility is an important part of our network, serving the central United States. It is a convenient staging and distribution point for companies using airfreight services in or out of Memphis International Airport. Kuehne + Nagel is licensed to distribute Legend Drugs to all 50 states from Memphis in the East and Reno in the West.

Facility Overview:

- **The Facility:** The Memphis Distribution Center is only 5 years old. It has a total area of 225,000 square feet with 32 feet clear, concrete-sided and 36 truck doors. There is 75,000 sq ft of temperature-controlled space and a 2,000 sq ft cooler.
- **Operations & Security:** Jim Schmersal, Distribution Center Manager, has more than 15 years experience with the company. Working with Jim are Operations Manager Matt Wyatt, who oversees day-to-day warehouse operations, and Office Manager Debbie Forsyth.

Security systems include burglar and ESFR fire protection; card access to all doors and secure areas; and surveillance cameras on the loading dock.

- **Quality & Sanitation:** As are all our multi-client DCs, our Memphis facility is ISO-9001: 2000 certified. All procedures have been documented and all personnel have gone through classroom and operational training.



The American Sanitation Institute (ASI) annually audits all of our facilities. ASI, an independent auditing agency, is used by Kuehne + Nagel to assess each facility's housekeeping and sanitation practices. The maximum assessment score is 1000; scores exceeding 900 are deemed excellent. Memphis' 2004 ASI score was 988. Because of annual audits by the Tennessee Board of Pharmacy and our pharmaceutical clients, Memphis actually maintains higher quality standards than those mandated by ISO or ASI.



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Services

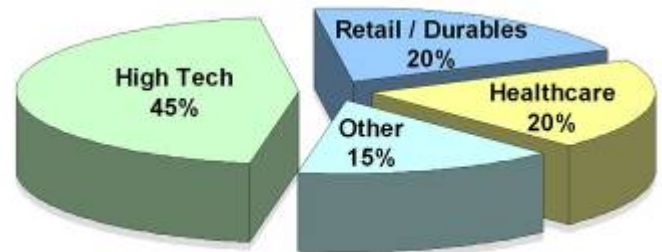
Kuehne + Nagel offers numerous value-added services, which may vary by facility depending on customer needs. Not all of the services listed below may be presently offered in Memphis.

- Pick & pack
- Consolidation
- Bundling, strapping, & wrapping
- Customer system order processing
- Returns processing
- Quality inspection
- UL-certified assembly
- Damaged returns management
- Exporting packing & order processing
- Climate control
- Bar code processing
- Labeling & ticketing
- Pooled distribution
- Cross docking
- Lot & serial control
- EDI services
- Cycle counts
- Kit assembly
- Sub-assembly
- Build to order
- Facility management
- Recall services
- Literature fulfillment
- Inventory management
- Transportation management
- Repacking / custom packing

Customer Segments Serviced

Kuehne + Nagel serves a variety of customers in the high-tech, retail & durables, and healthcare industries – as represented in the graph to the right. These customers require varied and specialized services that are unique and specific to their businesses.

Memphis presently services a wide variety of industry segments including pharmaceutical products, medical devices and supplies, telecommunications equipment, retail/consumer goods, and food service products.



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Location Overview:

- Close to Memphis International Airport
- Close to all major interstate highways

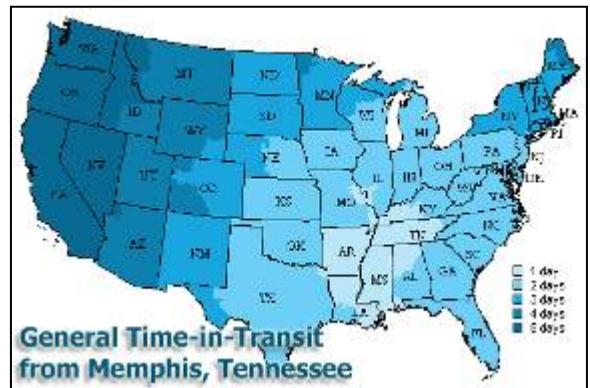
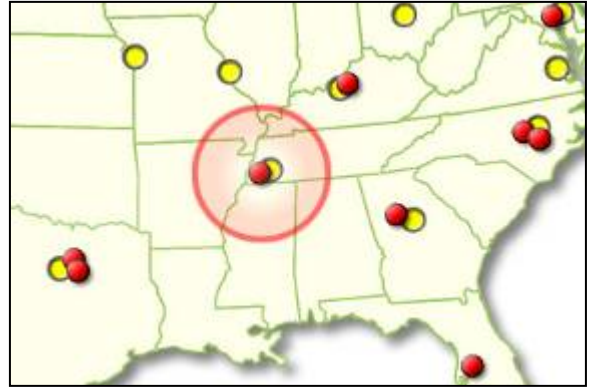
Delivery Times:

General ground transport transit times from the Memphis distribution center vary by carrier. The typical number of transit days indicated does not include the day of pick up, weekends and holidays. Kuehne + Nagel's network of multi-client warehouses can be used to further reduce transit times as appropriate.

Directions:

From Memphis International Airport:

- Take E. Winchester
- Take right onto Hickory Hill
- You will see three red lights
- At the third red light will be Shelby Drive
- Look to your left and you will see a sign for Chickasaw Distribution Center (gray & blue sign)
- Turn left at the sign
- Go to the end and Kuehne + Nagel will be on the right



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Facility Facts:

Distribution Center:

- 225,000 square feet
- Tilt-up concrete
- 32-foot clearance
- 36 truck dock doors

Security & Sanitation:

- Miller Burglar & Fire Protection
- All doors and areas on individual
- 24-hour supervised system
- Pest Control: Terminix (inspected weekly)
- Licenses for Legend Drugs
- Caged areas for quarantined products

Clear Stack Height:

- 32 feet

Racking Configuration:

- Beam Length = 12 feet
- Upright height = 22 feet
- Aisle width = 10 feet

Bulk Configuration:

- Max bulk bay depth = 20 feet
- Bulk aisle width = 10 feet

Sprinkler Density:

- ESFR

Temperature Control:

- 75,000 sq ft
- 2,000 sq ft cooler

Facility Features:

Services:

- Pick and pack
- Multi-shift operation
- Cycle counts
- Inventory control
- Bar code scanners
- Repack/customer packaging
- Handling & storage
- Clerical services
- Premium fulfillment
- Inventory control / interface (EDI)
- Import & export
- FDA-secured space
- FedEx pick-up 10:30 PM

Primary Product:

- Pharmaceuticals
- Medical / surgical equipment
- Retail / consumer goods
- Telecommunications equipment
- Food service products

Location:

- Close to Memphis International Airport & all major interstate

