



HERMANN SERVICES, INC.

Spring '09 Newsletter

In this Issue:

- **Hermann Helps Out with Dismantling of Shea Stadium**
- **Hermann Wins Grainger Performance Award**
- **Complying with Regulations through Hazmat Reverse Logistics**
- **Satisfied Customers Renew Leasing Contracts**



A MESSAGE FROM THE PRESIDENT

In Logistics, Service Can Be Your Best Asset

Service. I am not sure that any other word can mean so much to our business. As our corporate name conveys, we are in the business of providing services – logistics, transportation, warehousing, maintenance, packaging. While we own major assets such as equipment, technology, and warehouse buildings, it is the service we provide that makes us successful.

Time and again I hear that Hermann Services makes our customers feel special – that we go to bat for them each and every day, taking a pro-active approach to service. So it comes as no surprise to learn that we are strengthening customer relationships, forming new ones, and even receiving service awards.

Please take a moment to read this issue of our newsletter and you will find that:

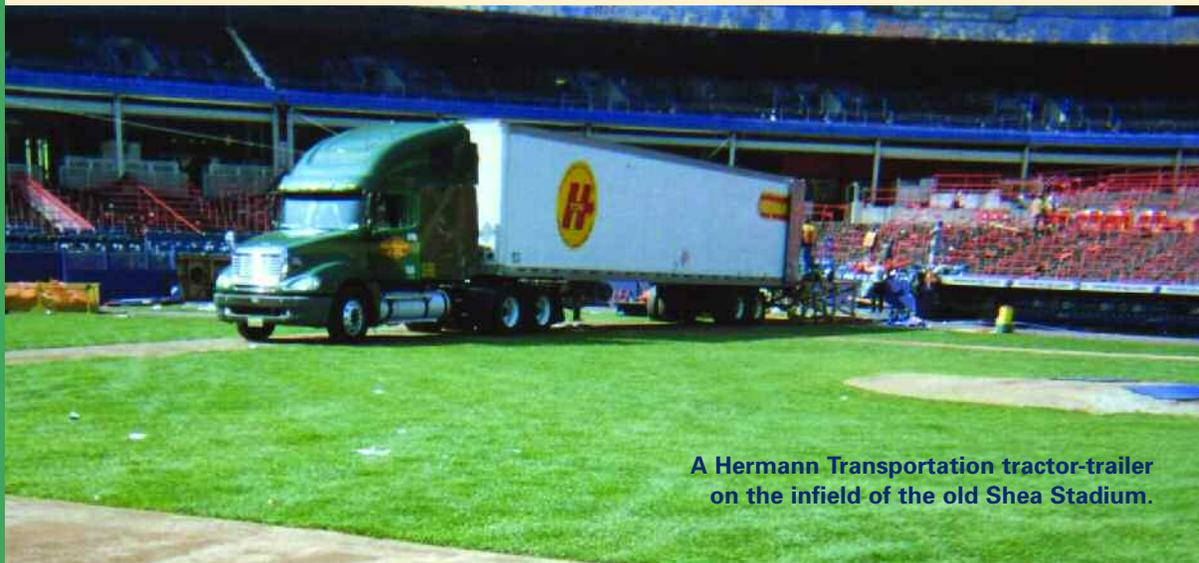
- Grainger presented us with its 2008 Partners in Performance Award.
- Evonik Degusa presented us with a Peak Performance Service Award.
- Current clients renewed leases for equipment and maintenance.
- Our solid reputation in the industry precedes us in developing new customers.
- Most of all, our employees go the extra mile for our clients and the company.

As Mr. Noble, the author of our featured quotation also said, "Success is not a place at which one arrives, but rather the spirit with which one undertakes and continues the journey." I am proud to be taking that journey with all of my associates here at Hermann Services and glad to be of service.

Richard J. Hermann, President

Now Batting Cleanup – Hermann Transportation!

Bottom of the ninth. Everyone's out of their seats. In fact, the seats need to be removed from the old Shea Stadium, home of the New York Mets. Hermann Services recently completed the transportation of Shea Stadium seats to Indiana for refurbishing. We then transported them to various distribution centers for re-use and for sale as collectors items.



A Hermann Transportation tractor-trailer on the infield of the old Shea Stadium.

"If I have been of service...it has been a successful day."

– Alex Noble

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Hermann Services Recognized as Outstanding Supplier by Grainger!

Grainger, one of Fortune magazine's "Most Admired Companies," just showed some admiration for Hermann Services with the distinction of its "2008 Partners in Performance Award." Grainger, a leading supplier of facilities maintenance products throughout North America, presents the award annually to a select group of suppliers for outstanding performance.

"Grainger is proud to honor Hermann Services' commitment to the highest standards of performance," said D.G. Macpherson, Grainger's Senior Vice President, Global Supply Chain.

Hermann Services provides three levels of logistics to Grainger:

1) Branch Replenishment – We provide dedicated fleet and warehousing to service 56 Grainger branches from Washington D.C. to Connecticut. Hermann shuttle drivers transport product from Grainger's Robbinsville Distribution Center to our cross dock facility. Inbound product also arrives from Grainger's Greenville, SC Distribution Center. We conduct an intensive sort process and make deliveries by 7:00 am every day to the branches.

2) Yard Management – We provide the Grainger Robbinsville facility with 24/5 terminal operations management, which involves inbound/outbound carrier movement for over 60 doors. Hermann drivers deliver trailers to their keys and bring the freight out to carriers that drop empty trailers and pick up loads.

3) Hub Market Program – Hermann Services runs the daily deliveries among three Northeastern market hubs: Cranford, NJ; Masbeth Queens, NY; and Stratford, CT. Each hub services 10 spoke branches. Hermann box trucks make 3-4 delivery runs at least 2-3 times a day for same day order deliveries.

"We're proud to earn this award from one of the most respected Fortune 500 companies," said Richard F. Hermann, Vice President, Hermann Leasing Company. "This is testimony to the hard work and logistics expertise of the entire Hermann team dedicated to the project including that of Chuck Capra, Warehouse Manager, and Jerry Bruno, Operations Manager. A large part of our success is evidenced in the discrepancy reports, which for 6 months have averaged at an impressive 99.3% accuracy rate."

Evonik Degussa Honors Hermann Warehouse with Performance Award

On the heels of executing a renewal for warehousing services at the Hermann Warehouse Corporation's Delaware facility, Evonik Degussa presented Hermann Services with its Peak Performance Service Award.

The award acknowledges our service as a third party public warehouse provider based on timeliness and accuracy of order processing; warehouse CSR performance, safe handling of product, inventory control, product labeling and bar coding, responsiveness to urgent requests, quality processes, and other measures.

"Hermann Warehouse Corporation achieved top ratings and has been a positive contributor to the success of Evonik's business units shipping from the Northeast," said Osama Arabi-Katbi, Director of Logistics based in Parsippany.

GREEN UPDATE

Hermann Services Launches Hazmat Reverse Logistics Services



Hermann Services is committed to implementing energy efficient, sustainable initiatives organization-wide. From adding aerodynamic, fuel-efficient vehicles to our fleet to reducing waste and energy use at our facilities, we are putting best practices into place in an effort to become more green.

We are also helping our clients along the path to becoming more green as well. A major initiative on this front is the packaging, transport, storage, and dissolution of customer returns classified as hazardous materials. Hermann can help companies handle hazmat reverse logistics with the least possible impact to the environment and in compliance with local, national, and international regulations. We begin with a preliminary assessment of current reverse logistics operating procedures.

Our Complimentary Initial Consultation Includes a Confidential Review of:

- Existing product returns management plan
- Product returns hazardous classifications
- Shipper's or hauler's compliance permitting
- Disposition practices
- Regulatory training requirements

Many companies unknowingly accept customer returns that are classified as hazardous material or waste. As transportation and environmental laws are enforced, hefty fines are being meted out to those companies that are not handling returned merchandise in compliance with legal regulations.

As one of the nation's most respected logistics firms, Hermann Services can resolve any concerns regarding your company's movement and dissolution of potentially hazardous product returns. Through the environmentally-responsible transportation, storage, and disposal of hazmat materials, Hermann Services can ensure that your company is in compliance with all applicable laws. We have over 30 years of experience in managing these regulations including those of the DOT, EPA, and OSHA.



TMD Logistics Strengthens Relationship with Hermann Leasing

TMD Logistics, which is responsible for daily deliveries of Chrysler Auto Parts throughout the tri-state area, is now relying on Hermann Services to help run their operation like clockwork.

As of December 2008 and January 2009, Hermann began supplying TMD with a fleet of six dedicated sleeper tractors. Our drivers deliver trailers to Chrysler distribution centers in Marysville, MI, and return with full loads to the Hermann drop yards in South Brunswick, NJ and Williamsport, MD.

According to Roger Boschetto, Executive Vice President Operations and Jerry Bruno, Operations Manager, the logistics require a very rigorous schedule. It's a very time sensitive operation as drivers must depart and arrive at very specific times.

All auto parts are computer coded and tracked to detail exactly what is on each trailer, as well as when and where the deliveries must be made. TMD collects the freight at the Hermann drop yard and dispatches LTL shipments to Chrysler dealerships throughout New York, New Jersey, and Pennsylvania.

While Hermann has performed other services for TMD affiliated companies, this operation signifies growth in the relationship.

According to Mr. Boschetto, "TMD has been satisfied with our work and chose Hermann for the project as they needed to depend on a more reliable carrier. They were having service-related issues so they reached out to us. It's a nice compliment to our entire organization."

Tunnel Signs Full Service Lease

Hermann Services signed on a new leasing account with Tunnel Barrel & Drum, of Carlstadt, NJ. The 3-year lease includes five new Volvo tractors and maintenance. According to Tunnel president, Anthony Uricoli, Hermann's favorable reputation influenced his decision. Two months into the relationship Mr. Uricoli is very pleased. "Hermann doesn't just let you sign the lease and then walk away. They check in to make sure things are running smoothly. They will do anything to help out – provide loaners, drivers – you name it and they will do it," he says.

ABOVE & BEYOND

Tractor-trailer drivers, Al Wilcox and Amadio Virgili, noticed some room for improvement around the leasing offices. They felt there was a dire need for new key boxes. So they got to talking about it and challenged each other to build a solution. Each took it upon himself to take the time to design and build a key cabinet for the department. They even went out and purchased the materials themselves.

"Al and Amadio are not only doing a great job as drivers, they took the initiative to go above and beyond the call of duty," said Roger Boschetto of Hermann Leasing.

The results are fantastic. Both are very functional and aesthetically pleasing. But in all contests, there must be a winner. Richard F. and Richard J. Hermann were appointed as judges and after much deliberation, they chose Al's cabinet as the winner. Congratulations Al!

For going above and beyond the call of duty, Hermann Services has awarded both Al and Amadio a cash award for their efforts.



S&M Transport Contracts for State-of-the-Art Fleet Lease

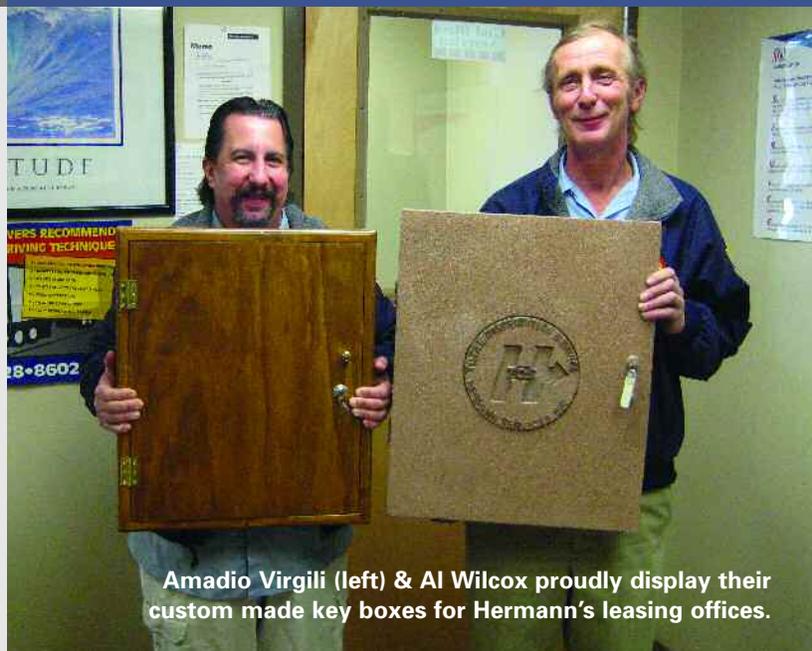
Joe Waldner, Hermann Leasing Sales Representative, is proud to report that S&M Transport of Edison, NJ has renewed their contract for 10 Volvo VNL64T Tandem Axle Tractors. The 5-year full service lease includes nearly \$1,000,000 worth of equipment and maintenance for the vehicles. Eight of the vehicles are 2009 models, and two are 2008. All are Volvo Clean Air Certified, which means they actually clean the air. Diesel emission testing at Hermann confirms that the exhaust contains .0% particulates.

The tractors are equipped with onboard computers featuring PeopleNet Fleet Manager Tracking Systems that report GPS and ECM information. Therefore S&M management has secure control of their communications and fleet management functions at their fingertips. At any given time they can see where all of the trucks are located. Monitors display aerial views of trucks at their last known locations.

"We can monitor vehicle and driver performance information and see if a truck is running fast or too hot," says Mr. Waldner. "We can tell from a maintenance standpoint if something is not quite right and address a problem before the vehicle fails, so breakdowns are kept to a minimum."

According to S&M President Bobby Stacer, "From what we see so far, the Volvos are fantastic – and very much what we expected, if not more. But the reason we work with Hermann is the personalized service and direct contact we have with them. I've worked with many other national leasing companies and from my experience with Hermann, I know that when issues must be taken care of, they are taken care of right there and then."

S&M is a common carrier specializing in quick-turn deliveries throughout the tri-state area. The company's unique business model often calls for three shifts, which demands constant use of the equipment and 24/7 access to maintenance. We have risen to the challenge to meet S&M Transport's demands for perfection with the perfect suite of equipment and services.



Amadio Virgili (left) & Al Wilcox proudly display their custom made key boxes for Hermann's leasing offices.

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