



To:
Licence holders of EPAL and
all users of EPAL/EUR pallets

Düsseldorf, 10th January 2013

Dear Sir/Madam,

We have already informed you that EPAL will be working together with a new inspection company, the international auditing association Bureau Veritas, with effect from the 01.01.2013.

Within the framework of a multi-stage international tender process Bureau Veritas impressed EPAL with a professional concept and appropriate, fair market conditions. These new conditions enable EPAL to further optimise quality assurance in the interests of the users of EPAL-Europallets and boxpallets, as well as all participants in the open EPAL-Europalletpool.

With regards to the new partner for independent quality assurance, Bureau Veritas Industry Services GmbH, based in Hamburg, will assume principal responsibility. The company will utilise the respective national companies of Bureau Veritas within each of the many countries in which EPAL has production and repair organisations as well as licensed dealers, for the purpose of coordinating and carrying out ongoing and unannounced quality controls. The inspectors of Bureau Veritas commenced with their activities at the beginning of 2013.

The strict division between the licence business of EPAL and the organisation and execution of quality controlling will guarantee the independence and efficiency of the quality assurance system. In this way it will also be possible to ensure that new, used and repaired pallets and box pallets continue to meet with the high quality demands of users in the future. This constitutes the basis for the comprehensive suitability of EPAL cargo carriers for exchange.

Within the scope of the new awarding of the assignment for the execution of quality controls, differences of opinion have unfortunately emerged between EPAL and the UIC working group "Questions of palletisation" - the former cooperation partner of EPAL from within the international railways association (UIC). The UIC working group rejected both the tender process, as well as the subsequent new awarding of the controlling assignment on the basis of the tender results. However, despite the many years of contractual relations with the former contracting partner, EPAL was unable to find any comprehensible reason for ignoring the clear results of the tender and instead complying with the request of the UIC working group to continue cooperation with the unsuccessful bidder.



For reasons that are not known to EPAL, the UIC working group decided to terminate the lengthy cooperation with EPAL following the latter's decision in relation to the audit assignment, and remove EPAL from the list of UIC pallet organisations in the so-called UIC codices in the future.

EPAL regrets the decision of the UIC working group and would like to thank the group for the many years of cooperation. Irrespective of the decision of the UIC working group, EPAL remains the leading pallet organisation in the open exchange pool segment due to the large number of licence holders (presently around 1500), the large volume of newly produced EPAL-Europallets (2012: approx. 67 million) and the even greater number of EPAL-Europallets currently in circulation (approx. 450 million).

The decision of the UIC working group does not bring with it any negative effects for the EPAL-Europalletpool and the users of EPAL-Europallets and box pallets.

EPAL-Europallets and box pallets produced and repaired by EPAL licence holders in the past, and indeed those produced and repaired in the future, are and remain fully exchangeable within the open EPAL-Europalletpool. The basis for this is the consistent and independent quality controlling mentioned above, as well as the continued labelling of the pallets and box pallets with the EPAL/oval mark.

EPAL is presently in advanced negotiations with DB Intermodal Services GmbH, the Deutsche Bahn AG company responsible for pallet business. EPAL is therefore confident that EPAL cargo carriers will continue in the future - as in the past - to bear not only the EPAL/oval but also the EUR/oval mark.

However, this does not significantly affect the comprehensive exchangeability of EPAL-Europallets and box pallets because this is verified alone by the EPAL/oval mark and the additional labelling components (control staple or quality seal, as well as manufacturer and production code).

We shall inform you of further developments on a regular basis. If you should have any questions please send us an email. We shall respond to any questions without delay and publish the most important or frequently asked questions/answers on the EPAL website (www.epal.eu).

For your information we have enclosed EPAL's current press release regarding the aforementioned issue. You are naturally permitted to use this press release - as well as this letter - for the purpose of informing your customers and commercial partners.

We would like to thank you for your confidence in us in the past and in the future. We shall endeavour to justify this through further improvements and the constant expansion of the EPAL pool.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M. Leibrandt'.

Martin Leibrandt (CEO)