



Tesco Intermodal Terminal

PROLOGIS RFI DIRFT II

THE IMPORTANCE OF RAIL FREIGHT TO OUR CUSTOMERS

Introduction

Building on the success of the original Daventry International Rail Freight Terminal (DIRFT), Prologis has invested in the second phase of the development. DIRFT I has an open access rail terminal, which is owned by Prologis and operated by Malcolm Group, together with rail-connected distribution facilities that are occupied by both the Malcolm Group and DHL.

The second phase, which is known as Prologis RFI DIRFT II is now fully let to Tesco (840,000 sq ft); Sainsbury's (1 million sq ft) and Eddie Stobart (420,000 sq ft). One of the main reasons that all three customers have decided to take facilities at DIRFT II is because of the site's road and rail connectivity. Each company will be taking a different approach to the way in which they use rail to transport goods, but their reasons for doing so are similar.

Customers: Approach to Rail

• Tesco: Domestic Intermodal (unitized load)

Tesco uses rail to transport ambient general merchandise from its National Distribution Centre (NDC) at DIRFT II to its regional network of distribution centres around the country. Rail currently accounts for 50% of all outbound stock.

Tesco's building, which completed in 2011, has a 220m long dedicated intermodal terminal with three embedded sidings. It receives and dispatches three trains a day to and from Wentloog in South Wales, Barking in East London and Mossend in Scotland. It is understood that Tesco is now considering a fourth train to and from Teesport in the North East.

• Sainsbury's: Port Intermodal

The Sainsbury's building will receive trains transporting ambient general merchandise from the ports. By establishing its Import Centre at DIRFT II, Sainsbury's will not be tied to one port, but will be able to use the most appropriate port to meet specific needs.

The facility, which will complete in early 2015, will include a 400m long dedicated intermodal terminal with two sidings on ballasted track.

• Eddie Stobart: Domestic Intermodal

Eddie Stobart first entered the rail sector in 2006 and the company has become a keen advocate of rail freight. It already operates an open access intermodal terminal at Widnes. The new building gives Eddie Stobart a dedicated intermodal hub at DIRFT from which it can service the logistics requirements of a number of customers.

The facility, which completes in summer 2015, has a 350m canopied siding along the rear of unit, where forklifts can load and unload trains. This configuration is particularly suited to bulkier good such as wine, bottled water and automotive parts.



Customers: Reasons for Choosing Rail

- **Sustainability:** Transporting goods by rail can help companies reduce their environmental impact. Tesco, for example saves 14 million road miles a year and 9.3 million kg of CO2 a year by using rail freight.
- **Cost effective:** One gallon of diesel can move a tonne of freight 246 miles by rail, but only 88 miles by road. Further, the increasing electrification of the rail network provides a hedge against the rising cost of diesel.
- **Reliability:** Traffic on the rail network is planned and timed and it is therefore more reliable than the roads. Tesco has been operating its rail network since 2006 and it achieves 98% on time deliveries.

“Aware of increasing fuel costs, growing road congestion and the relative environmental impacts of road versus rail, our ambition is to explore the viability of rail freight as a component of our logistics operation.”

Simon Polmear, Strategic Transport Development Manager, Sainsbury's

