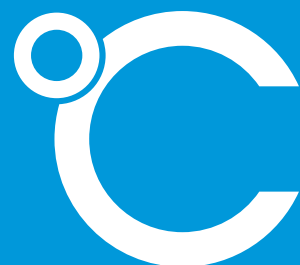




Winter 2012  
THE NEWSLETTER FROM DAIKIN REEFER



DEGREE CELSIUS

## LXE SERIES

The art of continuous improvement



## Two-model strategy

Pioneering technologies to meet market demands and global responsibilities



## zESTIA

Ultimate energy efficiency

# Welcome

From Katsuhiro Tetsuya,  
Director of Daikin Reefer  
Container Division

**A**s we prepare to welcome customers and colleagues from around the world to our stand at the annual Intermodal Europe exhibition this November, it is my great pleasure to announce another important milestone for Daikin in 2012: the approaching sale of our 200,000th container refrigeration unit.

We have also maintained year-on-year growth in our customer base. As of this November, we are honoured to serve 179 reefer customers worldwide, including the major European-headquartered ocean carriers and leasing companies.

With the sustained growth in global reefer container volumes, energy consumption on board container vessels, as well as at marine and inland terminals, is an ever-



Katsuhiro Tetsuya, Director of  
Reefer Container Sales Division

increasing challenge for the whole industry. This has a major impact on operating costs, financial performance and environmental footprint. Helping the reefer industry to tackle these challenges without compromising cargo care is a major focus of attention for Daikin. Our R&D efforts will continue to investigate new approaches to further reduce power consumption and CO<sub>2</sub> emissions.

As discussed in our last newsletter, since introducing our new energy-saving ZESTIA unit with unique inverter

compressor technology in November 2011, Daikin has delivered more than 5,000 units to customers including MOL (through Cronos and Beacon), Royal Arctic Line and Japanese domestic carriers. At the same time, we have continued to invest in further improvements to the established LXE10E machine, which is now 50% more energy efficient than the original design that was launched in 2001.

While world reefer container trade continues to grow in size and

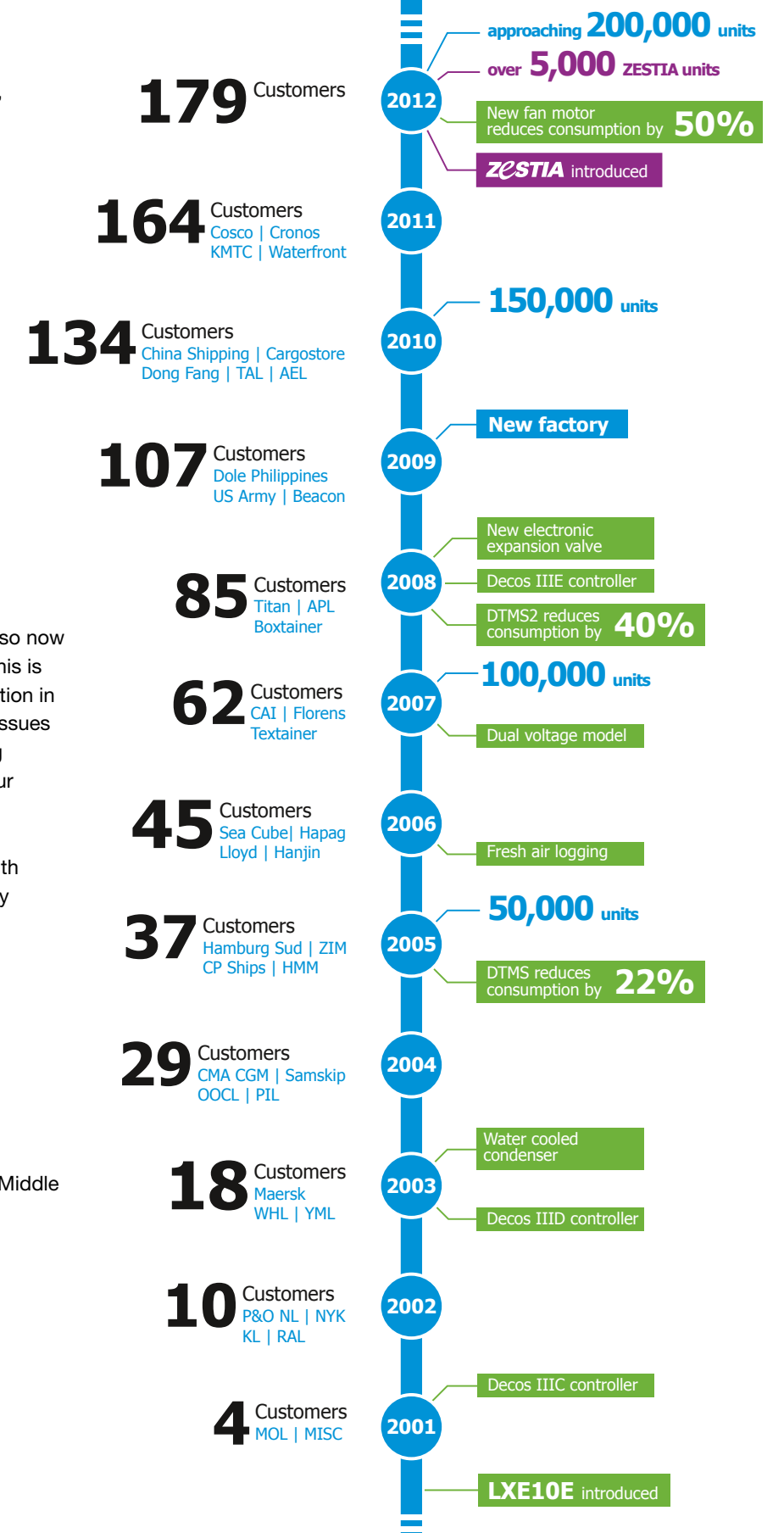
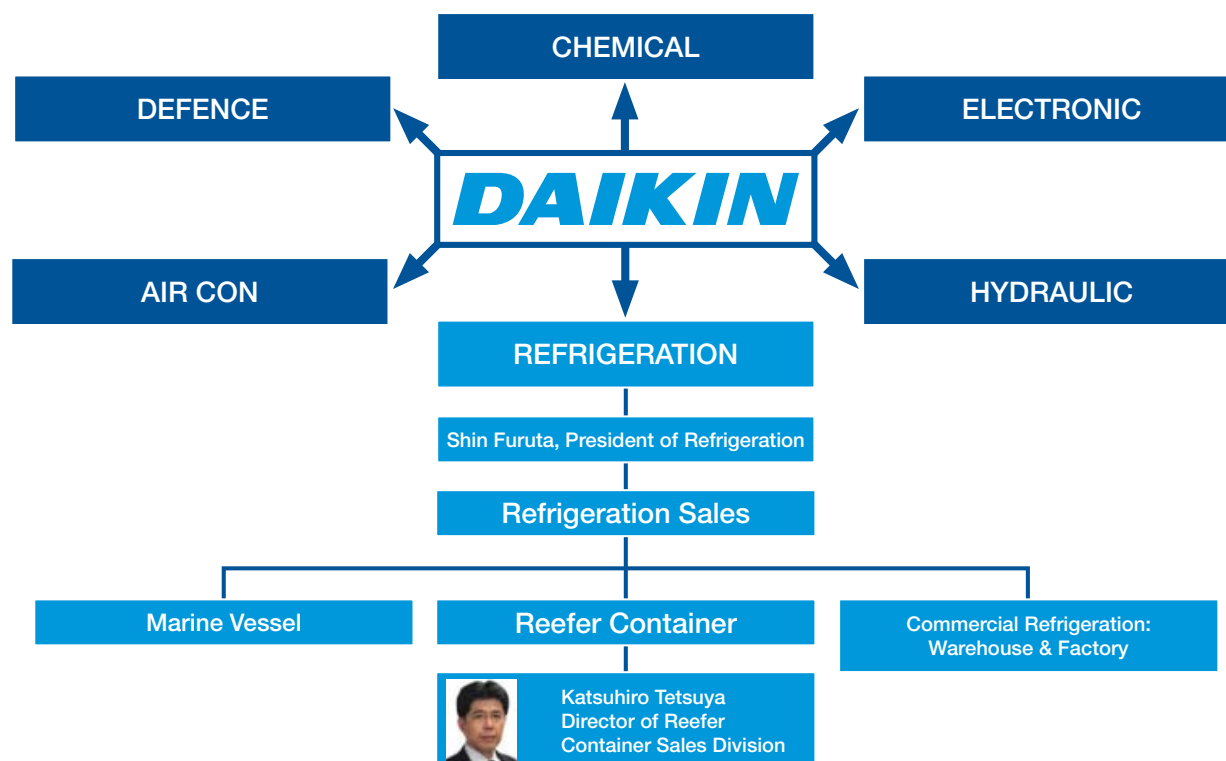
*We are delighted to announce the impending sale of our 200,000th unit*

scope, Daikin recognizes that our clients also now face unprecedented business pressures. This is due in part to the uncertain economic situation in Europe, the USA and China, plus industry issues including the cost of equipment positioning and erosion of reefer transport rates. For our part, we remain completely committed to supporting our customers in Europe and globally through these challenging times with the latest energy-efficient technology, highly

*We remain committed to supporting our customers in Europe and globally in these challenging times*

experienced people, and the best levels of service and after sales care for our clients' activities in Europe, Russia, Africa and the Middle East, Asia, Oceania and the Americas.

**Katsuhiro Tetsuya**  
**Director**  
**Reefer Container Sales Division**







## Customer focus

### AEL counts on Daikin's LXE10E

Specialist West Africa-Europe carrier AEL relies on LXE10E's precise temperature control for the transport of fresh fruits, including bananas and pineapples

**F**ounded in January 2002, UK headquartered Africa Express Line (AEL) has just celebrated its 10th anniversary year as a leader in the reefer trades between West Africa and Europe and the Mediterranean.

Owned by the Compagnie Fruitière Group of France, AEL operates a fleet of eight modern reefer vessels on a number of dedicated weekly liner services both north- and southbound. Established in Marseilles in 1939 to import fruit from Africa, the 70-year old Compagnie Fruitière is family-controlled, but has counted global fruit giant Dole as a 40% shareholder since 1992.

Today, Compagnie Fruitière owns and operates plantations in Senegal, Ghana, Ivory Coast and Cameroon, principally producing bananas, pineapples and cherry tomatoes. AEL's growing fresh cargo volumes now include 620,000 tonnes shipped northbound per year and 370,000 tonnes headed southbound. The

company's vessels are equipped to carry conventional and containerized reefer cargo and Daikin's LXE10E is its reefer unit of choice. AEL took its first 250 LXE units in 2010, and now operates over 500 of them.

"The Daikin LXE10E machinery is very reliable and operates excellently in AEL's challenging trades," says Mathew Shed, Container Manager at AEL. "The main advantages of the LXE10E for us are its reliability and quick pull-down performance, as

*"The main advantage of the LXE10E is its reliability and quick pull-down performance"*

well as the good after-sales service from Daikin. Since fast pull-down is required for sensitive fresh fruit and vegetable cargoes, this feature was very important in our purchasing decision. In this respect, the Daikin LXE10E gives us exactly what we need for the trades we are in."

To support AEL's introduction of the LXE10E, Daikin organized extensive Touch & Feel (T&F) familiarization and training seminars in West Africa in 2010 and 2012. Specifically focused on supporting AEL's trades, the seminars gave service companies key technical knowledge about the Daikin machinery, plus training in cooling technology in general.

Additional T&F familiarization and technical training sessions are now being scheduled to take place in Africa in the future.

**For more information, please visit [www.africaexpressline.com](http://www.africaexpressline.com)**





Titan has been using the Daikin LXE for innovative containerized cold store solutions since 2008



## Customer focus

### A titanic success story

TITAN Containers has adopted the Daikin LXE for innovative containerized cold store solutions to domestic and commercial customers worldwide

**T**ITAN Containers has been active in the container market for over 20 years. Today it is one of the few privately-owned companies offering new and used containers for sale and hire on a worldwide basis.

The company has a unique product line-up and prides itself on developing innovative container products to meet diverse storage and transport needs in the domestic, commercial, military and offshore markets. TITAN's ArcticStore division supplies a range of custom, container-

based, cold storage solutions to the catering, festival and retail industries, including the revolutionary modular SuperStore™ concept. For offshore customers, TITAN has also developed the DNV reefer unit.

Headquartered in Denmark, TITAN serves the European market through regional offices and more than 100 depot locations across the Continent, ensuring that equipment is positioned close to demand locations. Outside Europe, the company operates a network of well-established partners

providing service in markets including Asia, Australasia, North and South America.

TITAN has been using the Daikin LXE since 2008, when the first machines were installed on ArcticStore containers. "We are pleased with LXE10E because of the machine's reliability and its ease of operation," says Layland Barker,

*"We are pleased with the LXE10E because of its reliability and ease of operation. It simply does the job in any of our cold storage solutions"*

Manager Director, TITAN Containers. "It simply does the job in any of our cold storage solutions."

Daikin is very pleased to support TITAN with its continued product innovation and global market development, for

example by customizing the LXE controller software for use in ArcticStores, and by providing technical Touch & Feel (T&F) training seminars.

Most recently, Daikin provided T&F seminars for customers in inland Brazil. In a typical carnival atmosphere, TITAN introduced its equipment to local customers, who were able to experience the difference between the hot and humid ambient temperatures and the cold temperatures inside the container cold storage units.

Daikin looks forward to working on future projects with TITAN, introducing Daikin machinery to a growing and diverse customer base, and supporting demand for new and used machines in secondary sale markets.

**For more information visit [www.titancontainers.com](http://www.titancontainers.com). You can also visit TITAN Containers on stand B2 during Intermodal Europe 2012, 27-29 November, Amsterdam – see [www.intermodal-events.com](http://www.intermodal-events.com)**



**TITAN has been using Daikin LXE since 2008, when the first machines were installed on ArcticStore containers**



# Customer focus

## Compañía Sudamericana de Vapores



Five LXE10E units have been successfully tested by Chilean carrier CSAV with fresh and frozen cargoes on multiple trade routes

**C**ompañía Sudamericana de Vapores (CSAV) has approved the Daikin LXE10E model after successful trials with five test units over a period of nearly eight months.

The carrier launched its evaluation programme in Hong Kong, loading its five Daikin-powered 40ft hi-cube reefer containers with chilled cargo destined for the Port of Itajai in Brazil. After the first trial shipment arrived in Brazil, CSAV subsequently sent the units to locations throughout Europe and Asia, loaded with both frozen and chilled cargoes, to test the operational functionality of the LXE10E with different cargoes at different set points and ambient

temperatures. Each container was loaded three times so that CSAV could obtain sufficient data over the 15 trips to fully evaluate performance.

Claudio Fernandez, M&R Manager for CSAV, explained that the main purpose of the trial was to evaluate

*“Daikin is a reliable brand and the LXE10E model is strong and easy to operate”*

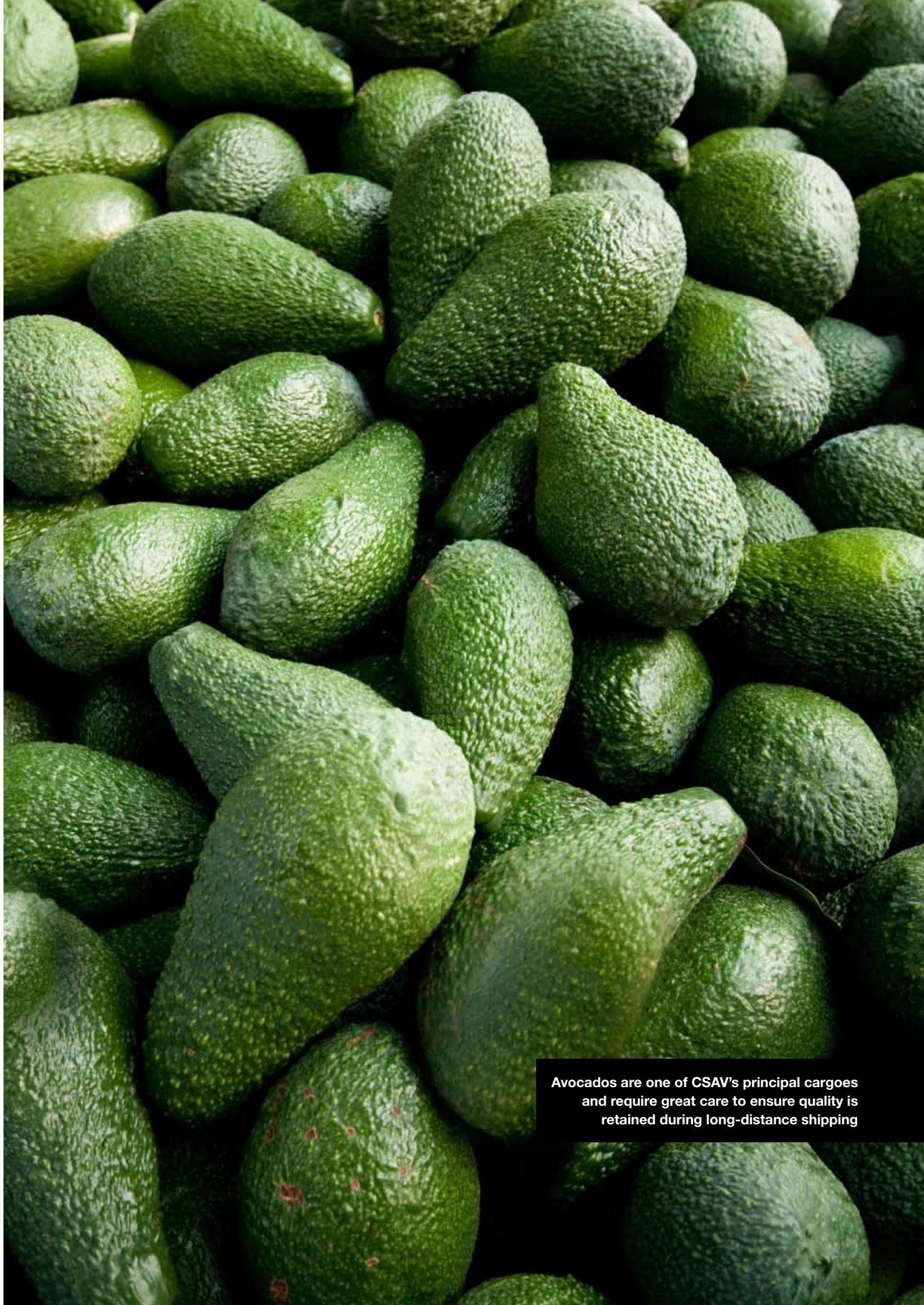
and prove the quality and reliability of the Daikin units. He confirmed that all five performed well, with no

operational or technical difficulties, and all of the cargoes arrived at their destinations in good condition. “Daikin seems to be a reliable brand and the LXE10E model is strong and easy to operate,” commented Mr Fernandez.

Founded in 1872 in Chile, where it is still headquartered, CSAV is one of the world’s oldest shipping companies and one of the largest in Latin America. Today, CSAV is a global company, with over 30 liner services and a commercial presence in nearly 200 cities. The company specializes in container shipping but also offers special services, including the transport of liquid and solid bulk cargoes, reefers and vehicles.



CSAV is a global company, with over 30 liner services and a commercial presence in nearly 200 cities



Avocados are one of CSAV’s principal cargoes and require great care to ensure quality is retained during long-distance shipping



# Daikin in Europe

Daikin and its affiliated companies have a significant presence across Europe

Daikin's reefer sales and service office for Europe, the Middle East and Africa is located in the Netherlands at Capelle aan den IJssel, near Rotterdam. The European reefer container service network includes a Regional Parts Centre in Belgium and a Satellite Parts Centre in Italy



Arjan Bezemer updated delegates on the November 2011 introduction of Daikin's ZESTIA unit

## Cool Logistics Global 2012

Daikin Reefer participated as sponsor and speaker at the fourth Cool Logistics Global conference, staged in Antwerp this September



With nearly 250 high-level participants from 29 countries, the fourth Cool Logistics Global conference provided a chance for all the expert stakeholders in perishable logistics and transport to discuss how to tackle common challenges along international cold chains.

Daikin participated for the third time as a silver event sponsor, as well as having a speaking slot, and delegates attended both from Daikin Reefer and our global sales partner ITOCHU Corporation. With cargo owners, ocean, air and short-sea carriers, logistics companies, ports, terminals, cold stores, inland transport operators and providers of equipment and technology all represented, the event was a great occasion to compare experiences, share expertise and assess the way forward for the global movement of fresh and frozen goods.

Key speakers included Maersk Line CEO Søren Skou, who detailed the financial challenges faced by

the global reefer container transport industry. Skou warned customers to expect a 30% increase in Maersk's reefer container rates from January 2013. Other major reefer container carriers and logistics companies attending agreed that the ocean

*ZESTIA offers solutions to the major challenges encountered by both carriers and shippers*

carrier industry needs to move to a stronger financial footing with better returns if it is to continue to offer the levels of service needed to support expanding global trade in temperature-controlled cargoes. From the shipper side, the main call was for service reliability and consistency, plus higher levels of cargo care.

Modern technologies such as those provided by Daikin, which enable a wider range of perishable goods to be transported in an

economic and sustainable way over long distances between continents, are critical for meeting shipper and carrier needs. Ways to improve operating efficiencies and costs were high on the agenda, both in the main conference and at the operations and technology workshop, where Daikin Reefer's General Manager EMEA, Arjan Bezemer, took part in two panel discussions on reefer container operations and technology.

Addressing an audience of over 80 executives, Bezemer updated delegates on the November 2011 introduction of Daikin's ZESTIA unit which, with its patented reluctance DC motor inverter compressor technology, provides a breakthrough combination of power savings, precise temperate control and eco-friendly performance.

Daikin believes ZESTIA addresses the major challenges encountered by carriers and shippers, enabling cargo to be transported in a more energy and cost-efficient way without compromising cargo care.



Noriyuki Inoue, Chairman and CEO of Daikin (left) and David L. Swift, President and CEO of Goodman (right)

# Daikin acquires Goodman

Daikin secures this major US HVAC player for \$3.7 billion

The purchase of Goodman expands Daikin's geographic reach and strengthens its global leadership in domestic and commercial heating, ventilation and air conditioning competing modes

**A**t the end of August, Daikin Industries signed a definitive agreement to acquire Goodman Global Group, the leading manufacturer and distributor in the US residential unitary heating, ventilation and air conditioning (HVAC) sector.

Under the terms of the deal, Daikin will purchase 100% of Goodman's stock from the company and its major shareholder, private equity investment firm Hellman & Friedman LLC (H&F), for US\$3.7 billion. The transaction, pending regulatory approval, is expected to be completed during the fourth quarter of 2012. Goodman has a significant presence in the ducted-style residential

unitary HVAC segment in North America, where Daikin currently has limited presence. The company generates strong financial performance through its low-cost US manufacturing operations and an extensive network of over 900 distribution points, of which 192 are company operated, and has over 4,500 employees, based mainly in Texas and Tennessee. In 2011, Goodman recorded sales of US\$2.1 billion, primarily in North America.

The acquisition strongly complements Daikin's market-leading global portfolio of energy-saving and environmentally-friendly HVAC technology for commercial and residential applications, and will allow Daikin to fully

enter the residential and commercial HVAC market in North America. Goodman has established leadership in the North American residential market of ducted-style

*The acquisition will help Daikin to fully enter the residential and commercial HVAC market in North America*

HVAC systems through its excellent management team and lean operating structure. It will continue to manage itself as an independent business organization under the direction of its current management team, who will strive to maximize the business expansion of both companies.

The combination of Daikin and Goodman will produce a number of strategic benefits and general efficiencies:

- Enabling Daikin to enter the mainstream ducted-type residential unitary segment in North America and establish a strong fourth pillar for Daikin's global operations, adding North America to Japan, China and Europe.
- Growing Goodman's business by introducing Daikin's innovative energy saving and power management technologies, such as remote monitoring, into its value product offerings. These technologies will make significant contributions to environmental initiatives in the US residential HVAC market.
- Growing Daikin's global business more efficiently by

transferring Goodman's low-cost product know-how and lean management expertise, especially in the area of supply chain management (SCM), into Daikin's global operations. By utilizing Goodman's cost competitiveness, Daikin will be able to target the high volume 'value' segment in many cost-sensitive global markets. Goodman's ducted-style products and furnace heating equipment can be sold through Daikin's global sales channels in over 90 countries.

- Growing Daikin's ductless business in North America through Goodman's leading distribution network.

"This is an opportunity for Goodman to grow globally as well as in the North American market, by leveraging Daikin Group's technical expertise, environmental technologies, and North American commercial expertise," said David L. Swift, President and CEO of Goodman.

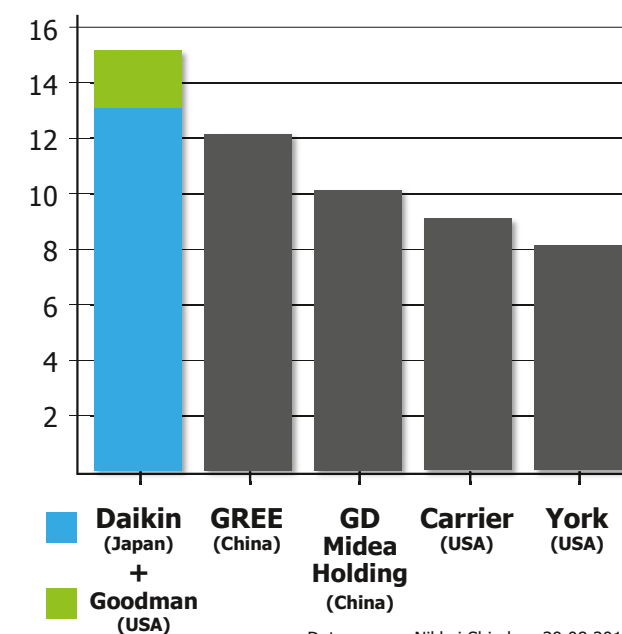
*Daikin will bring innovative energy saving technologies to Goodman*

"With complementary core businesses, we are in a very competitive position to grow all segments of Goodman's and Daikin's business. We look forward to a successful future as part of a winning team and are enthusiastic about creating more opportunities to excel."

Noriyuki Inoue, Chairman and CEO of Daikin said, "Goodman is the best partner for Daikin in North America as we aim to become the leading global HVAC manufacturer. North America is the largest global HVAC market and most systems in this market are ducted-style, a segment where we have little presence. Goodman and Daikin can enjoy a complementary relationship by having more channels in the market to offer Goodman's market-leading ducted products and Daikin's existing products. Daikin will also capitalize on Goodman's lean management know-how to improve the earning power of the entire Daikin Group and expand our business in emerging and high volume markets globally."

Globally, Daikin develops, manufactures, sells and provides aftermarket support for HVAC equipment and systems, refrigerants and other chemicals, as well as oil hydraulic products. Its consolidated sales for the fiscal year ending March 2012 were ¥1,219 billion (US\$15.36 billion), with net income of more than ¥41 billion (US\$0.52billion). Daikin has over 44,000 employees, with manufacturing and sales activities in more than 90 countries.

net sales 2011 (USD billions)  
main worldwide air conditioning manufacturers







# Daikin news

## DAIKIN Marine Group hosts exhibit and seminars at SMM Hamburg 2012

**S**MM Hamburg 2012 took place this September, and a great time was had by all. Many visitors stopped by the Daikin Marine Group's exhibition stand throughout the four-day event in order to learn more about the wide variety of HVAC and refrigeration solutions on offer for the marine and offshore markets.

During the week, Daikin Marine

Group also held seminars for European ship owners and builders, introducing additional products and

*Our seminars were well attended by many ship owners and builders*

services for specialized sectors such as cruise vessels. The hour-long seminars were well-attended

and greatly appreciated by many owners and builders. Daikin remains committed to improving and expanding its level of service and support for both the marine and offshore sector.

This year's proceedings at SMM Hamburg were a fantastic success and the Daikin Marine Group looks forward to attending additional events in the very near future.



Many visitors stopped by the Daikin Marine Group stand during the four-day show in Hamburg

## DAIKIN people



**Steven Fedor**  
After Sales Service Engineer  
Daikin AC (Americas), Inc  
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steven.fedor@daikinac.com

Daikin Reefer is pleased to welcome Steven Fedor to Daikin AC (Americas) Inc. As an After-Sales Service Engineer, Steven's role is to further strengthen Daikin's service network and technical support for customers in North America. He will also provide

technical training both for service contracts and customers, and will work closely with Daikin's global Refrigeration Service Dept and After Sales Service Division.

Steven has over 12 years' technical experience with transportation refrigeration equipment. He lives in Elk Mound, WI and will be relocating to the Irvine, CA area with his wife Claudia and five-year-old son, Felix. His hobbies include swimming, skiing, and working on his own cars.

**Daisuke Tokuyama**  
Global Refrigeration Group  
ITOCHU Metals Corporation  
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d-tokuyama@itochu-metals.co.jp

"I joined ITOCHU Metals Corporation in 2006 with my first assignment in the raw materials department, where I spent three years. I then moved to the Global Refrigeration Group,

where I am responsible for North Asia sales for the Daikin Reefer unit.

"I have experienced the past three years working on Daikin Reefer sales with great pleasure, honour and excitement. I will dedicate myself to coming up with the best proposals to the reefer industry for further development and innovation and I am always looking forward to meeting you as a good partner."



**Tomohiro (Tomo) Tada**  
Global Refrigeration Group  
ITOCHU Metals Corporation  
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In April 2012, Tomohiro (Tomo) Tada joined the Daikin Global sales team at ITOCHU Metals Corporation, having previously worked since 2007 with another group in the Metals division. His current main responsibility for Daikin Reefer sales covers the South

East Asia and Oceania markets.

"I officially started with Daikin Global reefer sales in April 2012 and am honoured and excited to take up this new challenge in global reefer sales. It is my pleasure to work with the talented and experienced sales team at Daikin Global and I am really glad to make a contribution to the growth of the Daikin Reefer business. I look forward to working closely with our customers and meeting their expectation to build win-win relationships."





# Premium cargo care. Ultimate energy efficiency.

## Your container refrigeration choices just got better with DAIKIN.

For more than a decade, the DAIKIN LXE10E scroll compressor unit has proven itself as the technology of choice for reliable container refrigeration performance. Now, LXE is joined by the next generation ZESTIA™ design. ZESTIA harnesses world-leading DC inverter technology to deliver high cooling capacity and precise temperature control at the lowest ever power levels. New user-friendly features for easy operation, maintenance and troubleshooting complete the picture. Engineered for premium energy-efficient performance, ZESTIA allows you to further reduce your fossil fuel consumption and costs while delivering the best cargo care in all climates.

**ZESTIA™ and LXE: sustainable refrigeration solutions  
for global perishables transport.**



# ZESTIA™