

# Intersections\*

Global Transportation and Logistics  
mergers and acquisitions analysis  
Second quarter 2008





Kenneth H. Evans Jr.  
North America  
Industry Leader



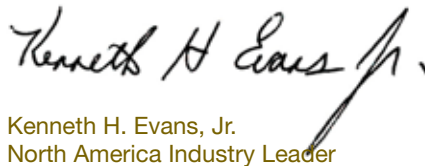
Klaus-Dieter Ruske  
Global Industry  
Leader

Welcome to the fourth edition of *Intersections*, our global transportation & logistics mergers and acquisitions analysis. In our previous update, we noted a more dilatory pace of overall deal value and number of deals announced for transportation & logistics targets during the first quarter of 2008 as compared with deals announced during 2007, primarily driven by a slowdown in the US deal activity.

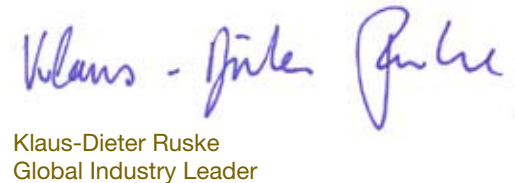
Interestingly, deal value for the first half of 2008 (1H08) is now on pace to surpass 2007 totals. Although the pace of the deal activity in the United States as measured by the number of deals announced during 1H08 continues to lag well behind the number in the same period last year, several large deals announced during the most recent quarter have boosted total deal value in the United States—now on pace to exceed total deal value announced for transportation & logistics targets during 2007. When looking at deal activity outside the United States, Q2 has shown signs of slowing down compared with last quarter in both the United Kingdom/Eurozone and Asia & Oceania. However, 1H08 activity outside the United States is still on pace to match last year's level as measured by number of deals and to exceed it as measured by value.

Several intriguing trends are noted in this analysis. First, the pace of large deals announced during the 1H08 (regardless of acquirer or target nation) exceeds the pace of 2006 and 2007, and of these announcements, the ones involving US entities have contributed to this trend of increasing activity. The largest deal during this quarter was a preferred bid in the privatization of the Pennsylvania Turnpike, which was also the first deal announced since 2006 with a disclosed value exceeding \$10 billion. Second, transportation & logistics consolidation within China kept apace and exceeded the overall rate of local market (within-border) consolidation for all nations. Finally, negative market reactions to deal announcements involving public companies (as measured by acquirer and target stock price changes post-announcement) may be attributable to weaker global equity markets, lower deal valuations, and more concern over whether shareholder value can be added through M&A deals should the operating and financing environment fail to improve.

We continue to expect strategic investors to account for the majority of deal activity for transportation & logistics targets, given their propensity to have relatively adequate access to capital. We also believe that passenger air targets may continue to account for a significant proportion of overall transportation & logistics deal value, given the lower regulatory barriers and need to reduce industry capacity. As we had expected, the accelerated pace of overall transportation & logistics deal activity by value announced during second quarter was largely dependent on a recovery in deal involvement by US entities.



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### Deal activity by number of deals

Measured by number of deals worth \$50 million or more



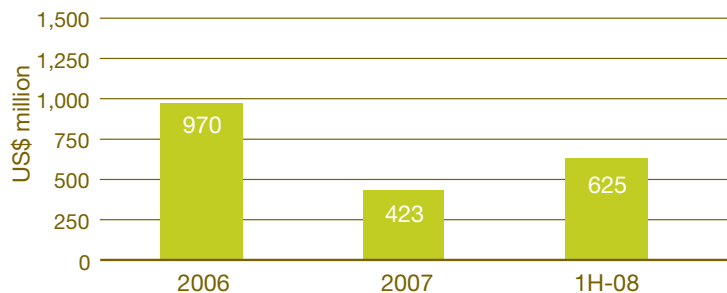
### Deal activity by total deal value

Measured by value of deals worth \$50 million or more



### Deal activity by average deal value

Measured by value of deals worth \$50 million or more



## Deal activity

The pace of deal activity, as measured by the number of deals announced during the first half of 2008 for transportation & logistics targets, continues to lag the pace set in 2007 but exceeds the pace set in 2006. In the first-quarter 2008 report, it was noted that deal activity, as measured by number of deals, was ahead of the pace set in 2006 and 2007 when excluding deals that involved a US acquirer and/or target. This trend remained in effect during the second quarter. When excluding deals with a US acquirer and/or target, deal activity as measured by the number of deals announced during the first half of 2008 (68) remains on pace to reach the level of deals announced during 2007 (137) and exceed the level of deals announced during 2006 (119). The robust pace of deal announcements not pertaining to US acquirers and/or targets, coupled with the more attenuated pace of deal announcements for all transportation & logistics deals, is attributed to concern over an economic slowdown in the United States, which may have lessened the appeal of US targets and curbed the ability and willingness of US acquirers to engage in new deals. In addition, the weakened state of US bank balance sheets, which has made it more difficult to obtain local financing, is a likely contributing factor.

The total deal value announced for transportation & logistics targets during the first half of 2008 is on pace to exceed the total deal value announced for transportation & logistics targets in 2007. This is an improvement from the aggregate pace of deal value noted in the first quarter 2008 report. The expeditious pace of announced deal value over the course of 2008 has been driven primarily by the growing interest in the large transportation & logistics deals (defined as deals with a disclosed value of at least \$1 billion). Four of the five largest deals announced during the first half of 2008 were announced during the second quarter.

Large deal announcements in the second quarter also served to increase the average deal value for deals announced during the first half of 2008, as the two largest surpassed any deals announced during the first quarter of 2008 (or 2007). The announcement of a preferred bidder, at a bid of \$12.8 billion, in the privatization of the Pennsylvania Turnpike, is the first deal announced since 2006 with a value in excess of \$10 billion. It is also the largest potential privatization of a US infrastructure asset (though this deal must still be approved by the Pennsylvania Legislature). In 2006, four deals valued at more than \$10 billion were announced, including three passenger air deals (i.e., competing bids for BAA PLC, a UK-based owner and operator of airports, and a US Airways bid for Delta) and an announced passenger ground deal (i.e., the Abertis Infraestructuras proposed acquisition of Autostrade, which would have created the largest highway operator in the world). Three of these deals were subsequently withdrawn, though several parties involved in these 2006 bids have been involved in more recent large deal announcements. These parties include Delta, which announced an acquisition of Northwest, and Abertis Infraestructuras, which participated in the consortium that submitted the preferred bid in the Pennsylvania Turnpike privatization.

## Deals by transportation and logistics category

Passenger ground targets led all modes of transportation for deals announced during the first half of 2008, driven by the Pennsylvania Turnpike auction, which contributed almost one-quarter of the deal value announced for all transportation & logistics targets during the first half of 2008 (\$12.8 billion of \$52.5 billion total). Interest in rail and logistics targets also increased during the first half of 2008 compared with 2006 and 2007. The divestiture of Angel Trains, a UK rolling stock company, by Royal Bank of Scotland to an investor group—led by Babcock & Brown, Access Capital Advisers, AMP Ltd and Deutsche Bank—contributed to the increase in rail deal value. Likewise, the three large deals announced for logistics targets during the first half of 2008 (Korea Express, Logista and XB Luxembourg Holdings) account for the increased proportion of overall deal value ascribed to the logistics category.

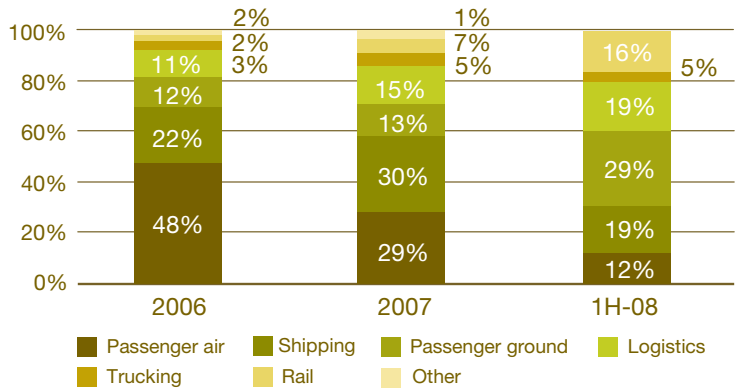
Although the proportion of deal value announced for passenger air targets declined during the first half of 2008 relative to 2006 and 2007, the passenger air category may contribute substantially to total deal value announced for transportation & logistics targets in future quarters. During 2006 and 2007, the passenger air category represented a significant proportion of transportation & logistics deal value due to the prevalence of large deal announcements for passenger air targets, including BAA PLC, Delta Airlines and Qantas Airways in 2006, and Iberia Lineas Aereas de Espana and Sabiha Gokcen International in 2007. Passenger air deal interest may be driven by the need to reduce industry capacity in order to improve margins. Though airlines are reportedly exploring new or expanded alliances as potential alternatives to M&A, these alliances are unlikely to adequately rationalize capacity. In addition, open skies agreements and investor pressures are also factors that may contribute to higher interest in passenger air deals.

## Deals by investor groups

Financial investment, as measured by the number of deals announced during the first half of 2008, continues to suffer because of the credit market tightening, though financial investors remained involved in the large deals announced during the period. Financial investors accounted for approximately one-third of the number of deals announced during the first half of 2008, which is lower than the proportion of financial investment in both 2006 and 2007. While financial investors demonstrated interest in targets across a variety of transportation & logistics categories during the first half of 2008, announced deal value by financial investors was highest in the shipping and logistics categories. The high level of risk premiums and the decline in debt market liquidity that were prevalent in the second half of 2007 are likely to continue to act as a headwind for financial investment in the transportation & logistics industry during the balance of 2008, leaving well-capitalized strategic investors in the best relative position to engage in new deals.

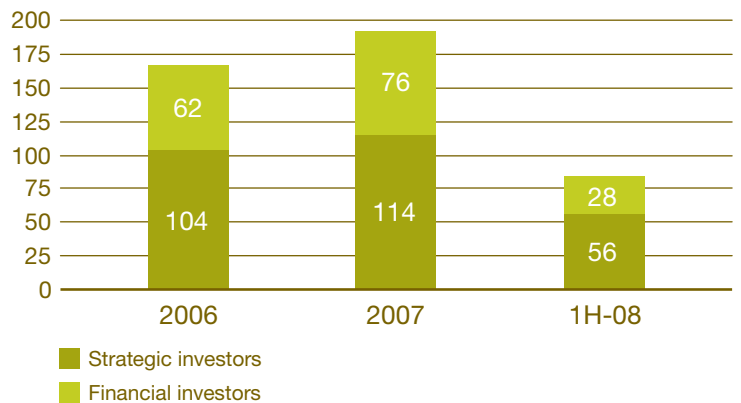
## Deal value composition by percent of announced deals

Measured by value of deals worth \$50 million or more



## Deals by investor group

Measured by number of deals worth \$50 million or more



## Large deals

Interest in large deals was robust during the first half of 2008, with the 11 large deals announced during this period ahead of pace, as compared with deals announced in 2006 and 2007 (20 deals and 16 deals, respectively). This is despite the absence of competing bids, which were a significant contributing factor to the large deal totals in 2006 (six of 20 large deals were competing bids, including offers for BAA PLC, Associated British Ports Holding and Hanshin Electric Railway) and 2007 (four of 16 large deals were competing bids, including offers for Iberia Lineas Aereas and EGL).

The largest deal announced during the first half of 2008 was the emergence of a preferred bid by a group led by Abertis Infraestructuras and Citigroup for a 75-year lease of the Pennsylvania Turnpike. This bid came in ahead of a rival bid from a group led by Goldman Sachs and Transurban Group (Australia's second-largest toll-road operator). Several barriers remain to the actual privatization of the turnpike, including approval by the state Legislature and the denial of Pennsylvania's application by the US government to charge tolls for portions of Interstate 80. The latter is a barrier because the governor of Pennsylvania has indicated that charging tolls for the use of this interstate is the preferred fundraising option for closing a gap in state transportation funding. Pennsylvania Turnpike and Rodoanel Oeste deals import a trend of higher interest in the privatization of transportation infrastructure. These investments can be attractive for acquirers due to stable returns, predictable cash flows, and relatively low competition while giving the government or selling party access to capital for other transportation funding needs. However, the acquisition of infrastructure targets is made more difficult by the potential for high political barriers.

### Large deals in 2006

Month announced	Target name	Target nation	Acquirer name	Acquirer nation	Status	Value of transaction in US\$ bln	Category
Feb	BAA PLC	United Kingdom	Airport Development	Spain	Completed	21.81	Passenger Air
Mar	BAA PLC	United Kingdom	Investor Group	United States	Withdrawn	19.33	Passenger Air
Nov	Delta Air Lines Inc	United States	US Airways Group Inc	United States	Withdrawn	17.96	Passenger Air
Apr	Autostrade SpA	Italy	Abertis Infraestructuras SA	Spain	Withdrawn	16.02	Passenger Ground
Dec	Qantas Airways Ltd	Australia	Airline Partners Australia	Australia	Withdrawn	8.70	Passenger Air
Jan	Peninsular & Oriental Steam	United Kingdom	PSA Venture(UK)Ltd	United Kingdom	Withdrawn	6.14	Shipping
Dec	Toll-Transport Infrastructure (Asciano Group)	Australia	Shareholders, Investors (Non-US)	Australia	Completed	5.75	Logistics
Mar	Assoc British Ports Hldgs PLC	United Kingdom	Admiral Acquisitions UK Ltd	United Kingdom	Completed	5.11	Shipping
Jun	Assoc British Ports Hldgs PLC	United Kingdom	Investor Group	United Kingdom	Withdrawn	4.76	Shipping
Apr	Hutchison Port Holdings Ltd	Hong Kong	PSA Corp Ltd	Singapore	Completed	4.39	Shipping
Nov	Swift Transportation Co Inc	United States	Investor Group	United States	Completed	2.78	Trucking
Nov	Orient Overseas (Intl)-US	United States	Ontario Teachers' Pension Plan	Canada	Completed	2.41	Shipping
Apr	Hanshin Electric Railway Co	Japan	Hankyu Holdings Inc	Japan	Completed	2.22	Mixed Mode
Aug	TNT NV-Logistics Div	Netherlands	Apollo Management LP	United States	Completed	1.90	Logistics
Mar	EnCana Corp-Gas Storage Bus	United States	Carlyle Riverstone Global	United States	Completed	1.50	Logistics
Oct	Aer Lingus PLC	Ireland-Rep	Coinside Ltd	Ireland-Rep	Withdrawn	1.41	Passenger Air
Aug	Songa Shipholding AS	Norway	Eitzen Chemical ASA	Norway	Completed	1.28	Shipping
Jun	Shanghai Port Container	China	Shanghai Intl Port (Grp)	China	Completed	1.11	Shipping
May	Hanshin Electric Railway Co	Japan	Hankyu Holdings Inc	Japan	Completed	1.10	Mixed Mode
Jun	Hong Kong Dragon Airlines Ltd	Hong Kong	Cathay Pacific Airways Ltd	Hong Kong	Completed	1.02	Passenger Air

## Large deals in 2007

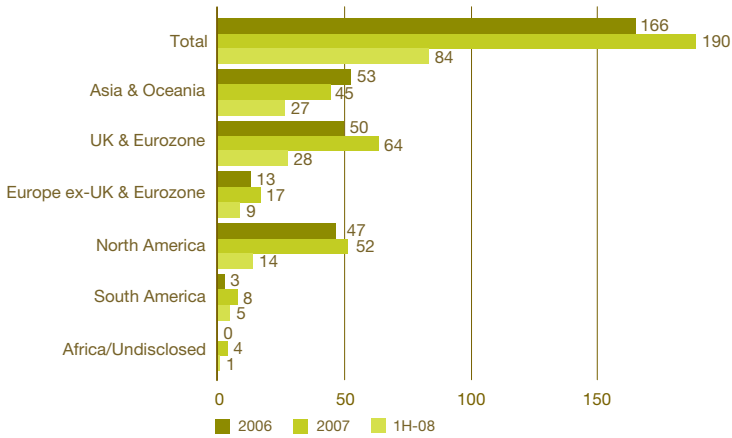
Month announced	Target name	Target nation	Acquirer name	Acquirer nation	Status	Value of transaction in US\$ bln	Category
Nov	Iberia Lineas Aereas de Espana	Spain	Investor Group	Spain	Intended	5.47	Passenger Air
Mar	Iberia Lineas Aereas de Espana	Spain	Investor Group	Spain	Withdrawn	4.59	Passenger Air
Aug	Mexican Toll Roads	Mexico	Investor Group	Mexico	Pending	4.03	Passenger Ground
Feb	Laidlaw International Inc	United States	FirstGroup PLC	United Kingdom	Completed	2.82	Passenger Ground
Jul	Sabiha Gokcen International	Turkey	Investor Group	India	Pending	2.66	Passenger Air
Sep	Dakota, Minnesota & Estn RR	United States	Canadian Pacific Railway Ltd	Canada	Completed	2.54	Rail
Mar	EGL Inc	United States	CEVA Group PLC	United Kingdom	Completed	2.24	Logistics
May	Florida East Coast Inds Inc	United States	Fortress Investment Group LLC	United States	Completed	2.24	Rail
Jun	Scandlines AG	Germany	Investor Group	United Kingdom	Completed	2.09	Shipping
Jan	EGL Inc	United States	Investor Group	United States	Withdrawn	1.92	Logistics
Apr	OMI Corp	United States	Investor Group	Bahamas	Completed	1.81	Shipping
Oct	Labroy Marine Ltd	Singapore	Dubai Drydocks World LLC	Utd Arab Em	Completed	1.60	Shipping
Jan	Guggenheim Aviation-Asts(38)	United States	Aircastle Ltd	United States	Completed	1.60	Passenger Air
Oct	UN Ro-Ro Management Inc	Turkey	Kohlberg Kravis Roberts & Co	United States	Completed	1.30	Shipping
May	Port of Izmir	Turkey	Investor Group	Hong Kong	Pending	1.28	Shipping
Aug	NCL Corp Ltd	Bermuda	NCL Investment Ltd	Bermuda	Completed	1.00	Shipping

## Large deals in 1H08

Month announced	Target name	Target nation	Acquirer name	Acquirer nation	Status	Value of transaction in US\$ bln	Category
May	Pennsylvania Turnpike	United States	Investor Group	Spain	Pending	12.80	Passenger Ground
Jun	Angel Trains Ltd	United Kingdom	Investor Group	Australia	Pending	7.01	Rail
Jan	Korea Express Co Ltd	South Korea	Investor Group	South Korea	Completed	4.33	Logistics
Apr	Northwest Airlines Corp	United States	Delta Air Lines Inc	United States	Pending	2.96	Passenger Air
Apr	Prosafe SE-FPSO Business	Cyprus	Shareholders	Cyprus	Completed	1.66	Shipping
Jan	Quintana Maritime Ltd	Greece	Excel Maritime Carriers Ltd	Greece	Completed	1.63	Shipping
Feb	Japan Airlines Corp	Japan	Investor Group	Japan	Completed	1.48	Passenger Air
Jan	Logista	Spain	Imperial Tobacco Group PLC	United Kingdom	Completed	1.40	Logistics
Mar	Rodoanel Oeste	Brazil	Integracao Oeste	Brazil	Pending	1.18	Passenger Ground
Jun	XB Luxembourg Holdings 1 SA	Luxembourg	DSV A/S	Denmark	Pending	1.17	Logistics
Mar	Global Ship Lease Inc	United Kingdom	Marathon Acquisition Corp	United States	Pending	1.03	Shipping

### Regional distribution of all deals by target region

Measured by number of deals worth \$50 million or more



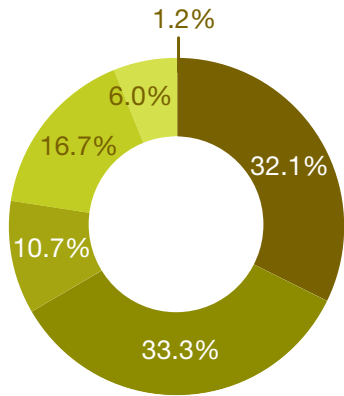
### Regional distribution of deals

When looking at deal activity outside the United States, Q2 has shown signs of slow down compared with last quarter in Asia & Oceania and UK/Eurozone although 1H08 activity is still on pace to match last year's level of 45 deals and 64 deals, respectively.

The regional distribution of deals indicates that firms in the UK & Eurozone region were the leading targets as measured by both number and value of deals, as well as the leading acquirers as measured by value of deals. Firms in the Asia & Oceania region were the leading acquirers as measured by the number of deals. In addition, firms in the Asia & Oceania region also contributed significantly to deal activity as measured the number of deals by target region and value of deals by acquirer region.

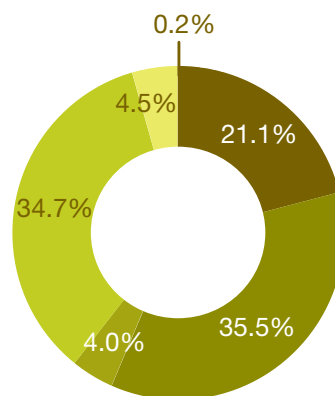
### By target region

Measured by number of deals worth \$50 million or more



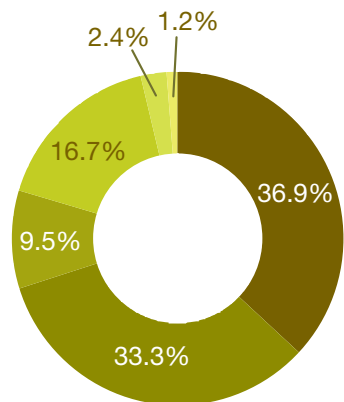
### By target region

Measured by value of deals worth \$50 million or more



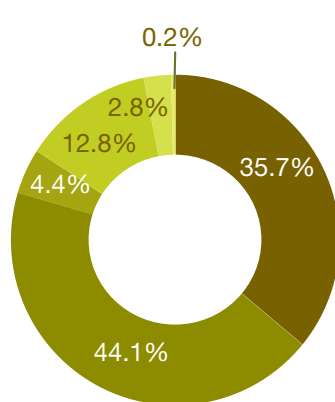
### By acquirer region

Measured by number of deals worth \$50 million or more



### By acquirer region

Measured by value of deals worth \$50 million or more



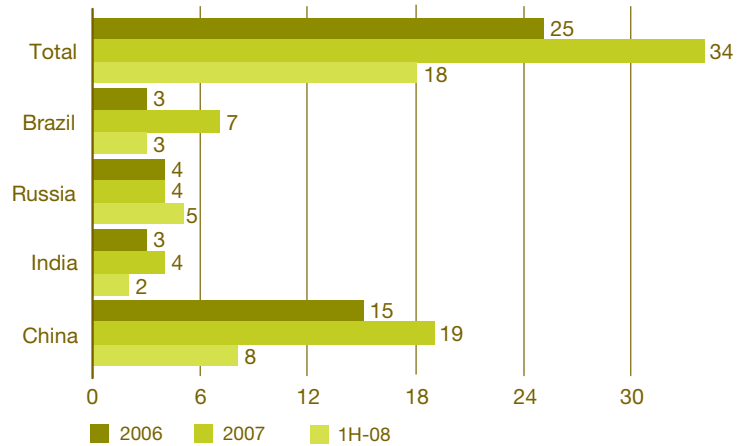
■ Asia & Oceania ■ UK & Eurozone ■ Europe ex-UK & Eurozone ■ North America ■ South America ■ Africa/Undisclosed

### Pace of deals for targets remains strong

The relatively significant level of deal interest in targets from China has been noted in previous updates, and the interest in targets from China kept apace for deals announced during the first half of 2008, accounting for approximately 45 percent of deals for BRIC targets. All but one of the eight deals announced during the first half of 2008 for targets in China were within-border deals (the acquirer and target for each deal were both entities from China), a propensity for consolidation within the nation that was noted in previous reports. This rate of consolidation within China compares with the percentage of all deals that were local market (within-border) deals, regardless of target nation, which has generally declined over time. It represented approximately 58 percent of the deals announced during the first half of 2008.

### Distribution of BRIC deals

Measured by number of deals worth \$50 million or more

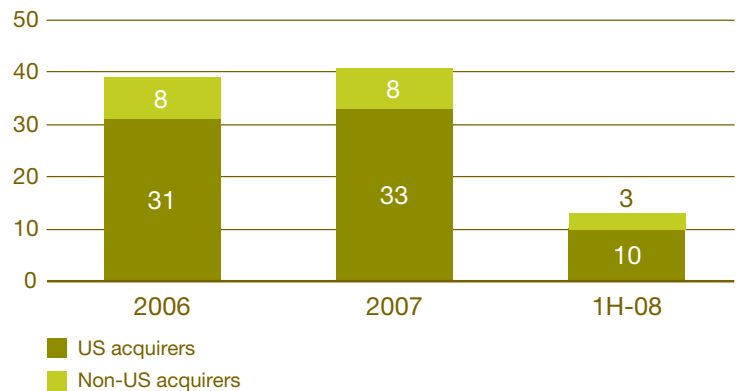


### Capital deals for US targets

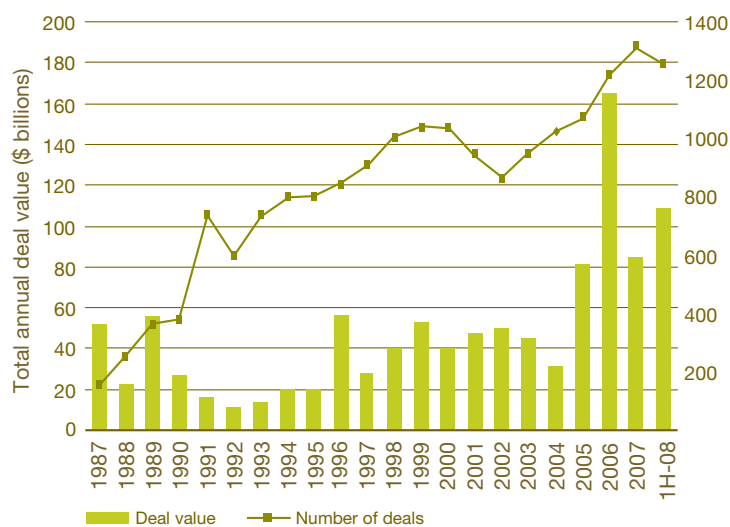
Given the relative weakness of the US dollar, it was expected that the proportion of non-US acquirers of US targets would increase in 2008 relative to 2006 and 2007. Instead, there were no deals announced by foreign investors in Q1 on US targets. In Q2, however, foreign investors have been more active in the United States, and the proportion of cross-border deals announced during the first half of 2008 (23 percent of deals for US targets were cross-border deals) is now similar to the level of previous years. Although the relatively weak US currency has bolstered the deal-making positions of foreign acquirers, difficulty in obtaining local financing due to deteriorating US bank balance sheets and economic weakness in the United States are factors that could mitigate future growth in cross-border deals for US targets.

### US vs. non-US acquirers of US targets

Measured by number of deals worth \$50 million or more



## Historical deal value and volume

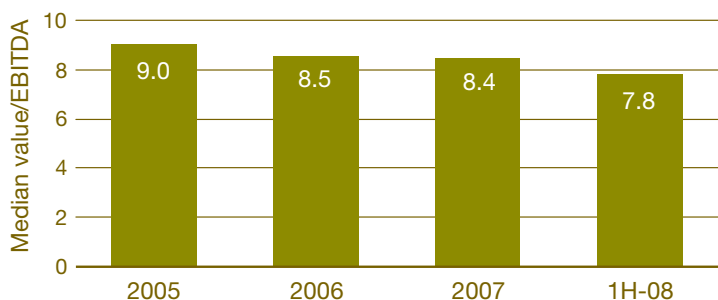


## Historical perspective

The annualized level of total deal value (all deals with a disclosed value) for deals announced during the first half of 2008 was lower than the 20-year high set in 2006 (\$108.4 billion versus \$165.5 billion, respectively) but higher than the total deal value announced during 2007 (\$83.7 billion). The annualized total number of deals (all deals with disclosed and undisclosed values) announced during the first half of 2008 was 1,256—close to the 20-year high set in 2007 of 1,313 deals. This is congruent with the aforementioned trends in the number of deals and value of deals for deals with disclosed values of at least \$50 million. It appears that deal activity as measured by both total deal value and total number of deals has declined during recessionary periods (e.g., in the United States, July 1990 through March 1991 and March 2001 through November 2001), a factor that contributed to the expectation that improving economic output will spur transportation & logistics deal activity.

## Deal valuation

Measured by value/EBITDA for deals worth \$50 million or more



## Deal valuation

The median deal value to target earnings before interest, taxes, depreciation and amortization (EBITDA) ratio for deals announced during the first half of 2008 was lower than the levels of the prior three years, indicating that valuations have dropped because of the paucity of available financing. The decline of financial investment into transportation & logistics targets, a corollary of tighter markets for credit, also has depressed deal valuation. The available sample of deal value/EBITDA data was limited in each period (30, 55, 60 and 23 deals in 2005, 2006, 2007 and the first half of 2008, respectively) thus the median value was selected as a measure of central tendency in order to reduce the influence of outliers. Notwithstanding, greater variability would generally be expected in the deal valuation trend when comparing shorter periods (i.e., valuation of deals announced during the first half of 2008) with longer periods (i.e., valuation of deals announced during 2005, 2006 and 2007). This is due to the relatively small sample size of valuation data available for shorter periods.

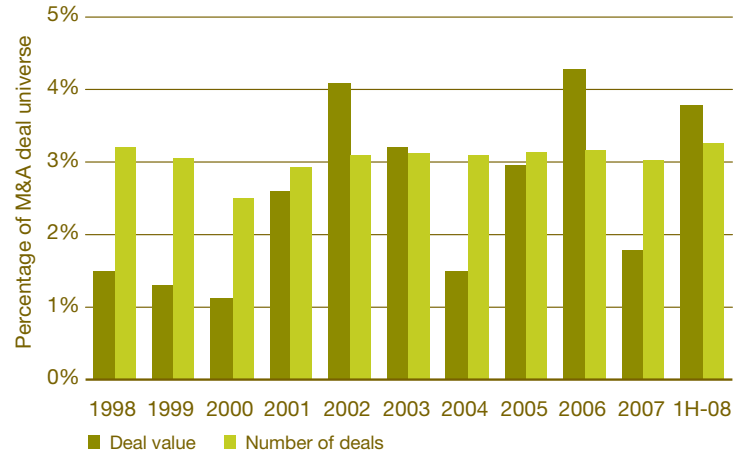
## T&L deal activity relative to all sectors

The relative level of deal activity for transportation & logistics targets, as measured by number of deals, has remained relatively consistent over time with transportation & logistics deals approximating 3 percent of the total number of M&A deals (i.e., all M&A deals, regardless of target industry or sector). There has been more variability over time in the percentage of announced deal value for transportation & logistics targets relative to overall announced M&A deal value, with this percentage ranging from more than 1 percent to slightly more than 4 percent across periods. Higher interest in large transportation & logistics deals during the first half of 2008 led to an increase in the proportion of deal value for transportation & logistics targets (relative to overall deal value) during this period as compared with 2007.

Investor reaction, as measured by the change in the stock prices of target and acquirer entities for the four-week period after the deal announcement, generally has worsened over time. This trend was particularly acute when examining the median stock price change for targets of deals announced during the first half of 2008 as compared with the median stock price change for targets of deals announced during 2007. The stock prices for parties involved in deals announced during the first half of 2008 tended to trade at a discount to the announcement day stock prices. As the available sample of stock price change data was limited in each period (64, 74 and 35 acquirer price changes; and 45, 55 and 22 target price changes; for 2006, 2007 and the first half of 2008, respectively), the median value was used in order to mitigate the influence of outliers. This trend of relatively weak stock prices post-announcement may be partially explained by a decline in global equity markets, but other contributing factors may be lower deal valuations and greater investor concern over whether these deals can be consummated and create shareholder value.

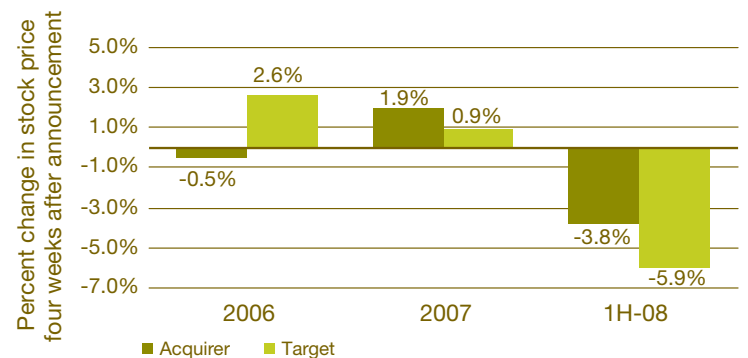
## T&L deal activity relative to all M&A deals

Measured by value and number of all deals



## Investor reaction to T&L deal announcements

Measured by median change in stock price for deals worth \$50 million or more



## PricewaterhouseCoopers Corporate Advisory & Restructuring Services<sup>1</sup>

PricewaterhouseCoopers Corporate Advisory & Restructuring LLC (1) (“PwC CAR”) offers the focus of an investment banking boutique with access to the resources, integrated advisory services and industry expertise of the PricewaterhouseCoopers global network.

With the U.S. economy in a state of flux, some businesses may be experiencing financial performance issues, including violation of financial covenants, constrained operating liquidity, or a distressed/ underperforming business or business unit.

PwC CAR assists and advises domestic and international clients (excluding PwC’s SEC registrant audit clients) on strategic and financial alternatives and solutions for capital sourcing, restructuring or M&A (distressed business or business unit divestitures and cross-border) transactions.

Advisory	Financial restructuring	Capital sourcing	Mergers & acquisitions
<ul style="list-style-type: none"> <li>• Strategic and financial alternatives analysis</li> <li>• Capital structure advisory</li> <li>• Core/non-core business analysis</li> <li>• Non-performing loan advisory</li> </ul>	<ul style="list-style-type: none"> <li>• Restructuring strategy</li> <li>• Capital structure design and sourcing</li> <li>• Negotiation with creditors</li> <li>• Exchange offers</li> <li>• Out-of-court restructurings</li> <li>• Chapter 11                             <ul style="list-style-type: none"> <li>• Planning and implementation</li> <li>• Pre-packaged bankruptcy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Capital structure design</li> <li>• Identification and solicitation of, and negotiations with capital sources</li> <li>• Leveraged recapitalizations                             <ul style="list-style-type: none"> <li>• Senior debt</li> <li>• Second lien</li> <li>• Mezzanine debt</li> <li>• Private equity</li> <li>• Chapter 11</li> <li>• DIP financing</li> <li>• Exit financing</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Distressed business / business unit divestitures</li> <li>• Cross-border transactions</li> <li>• Design M&amp;A strategy</li> <li>• Identification and solicitation of potential buyers</li> <li>• Negotiation of transaction terms</li> <li>• Transactions through Chapter 11</li> <li>• Buy-side advisory</li> </ul>

<sup>1</sup> PricewaterhouseCoopers Corporate Advisory & Restructuring LLC is owned by PricewaterhouseCoopers LLP, a member firm of the PricewaterhouseCoopers Network, and is a member of FINRA and SIPC. PricewaterhouseCoopers Corporate Advisory & Restructuring LLC is not engaged in the practice of public accountancy.

## Transportation company case study

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<b>Client issue</b>	A foreign-owned multinational business was experiencing significant financial issues due to high leverage and limited liquidity. The company provides passenger and freight transport and marine container leasing.
<b>Approach</b>	PwC United Kingdom and PwC Corporate Advisory and Restructuring (CAR) advised the company on its strategic and financial alternatives, including the sale of assets/businesses, restructuring existing debt, and raising new capital. Among other items, PwC UK and PwC CAR assisted the company in its restructuring of \$200 million in pension liabilities and \$400 million in unsecured bond obligations, as well as in the placing of \$160 million of financing to assist the company as it operated under Chapter 11.
<b>Impact</b>	The company will emerge from Chapter 11 with a properly leveraged capital structure while preserving the full value of the enterprise. The company will reorganize around its core marine container leasing business.

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## Methodology

*Intersections* is an analysis of deals in the global transportation & logistics industry. Deal information was sourced from Thomson Financial and includes deals for which targets have primary NAICS codes that fall into one of the following NAICS industry groups, NAICS industries or national industries: Scheduled Air Transportation; Nonscheduled Air Transportation; Rail Transportation; Deep Sea, Coastal, and Great Lakes Water Transportation; Inland Water Transportation, General Freight Trucking; Specialized Freight Trucking; Urban Transit Systems; Interurban and Rural Bus Transportation; Taxi and Limousine Service; School and Employee Bus Transportation; Charter Bus Industry; Other Transit and Ground Passenger Transportation; Support Activities for Air Transportation; Support Activities for Rail Transportation; Support Activities for Water Transportation; Other Support Activities for Road Transportation; Freight Transportation Arrangement; Other Support Activities for Transportation; Postal Service; Local Messengers and Local Delivery; General Warehousing and Storage; Refrigerated Warehousing and Storage; Other Warehousing and Storage; and Process, Physical Distribution, and Logistics Consulting.

This analysis includes all individual mergers and acquisitions for disclosed or undisclosed values, leveraged buyouts, privatizations, minority stake purchases and acquisitions of remaining interest announced between January 1, 2005 and March 31, 2008, with a deal status of completed, intended, partially completed, pending, pending regulatory approval, unconditional (i.e., initial conditions set forth by the acquirer have been met but deal has not been completed) or withdrawn. The term “deals,” when referenced herein, refers to deals with a disclosed value of at least \$50 million unless otherwise noted.

Regional categories used in this report approximate United Nations (UN) Regional Groups, as determined by the UN Statistics Division, with the exception of the North America region (includes Northern America and Latin and the Caribbean UN groups), the Asia & Oceania region (includes Asia and Oceania UN groups) and Europe (divided into UK & Eurozone and Europe ex-UK & Eurozone regions). The Eurozone includes Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Spain. Oceania includes Australia, New Zealand, Melanesia, Micronesia and Polynesia. Overseas territories were included in the region of the parent country and China, when referenced separately, includes Hong Kong.

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PricewaterhouseCoopers' Transportation & Logistics practice provides industry-focused assurance, tax and advisory services. Through our global network, we can draw upon the in-depth industry experience of specialists in every country your company operates in. Our people can help you deal with the challenges of today, and they understand the implications for tomorrow. The team consists of:

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