

# CEVA Logistics

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MAKING BUSINESS FLOW





# Agenda



I

**Increasingly complex  
global supply chains**

II

**Creation of CEVA Logistics**

III

**Satisfying new  
customer requirements**

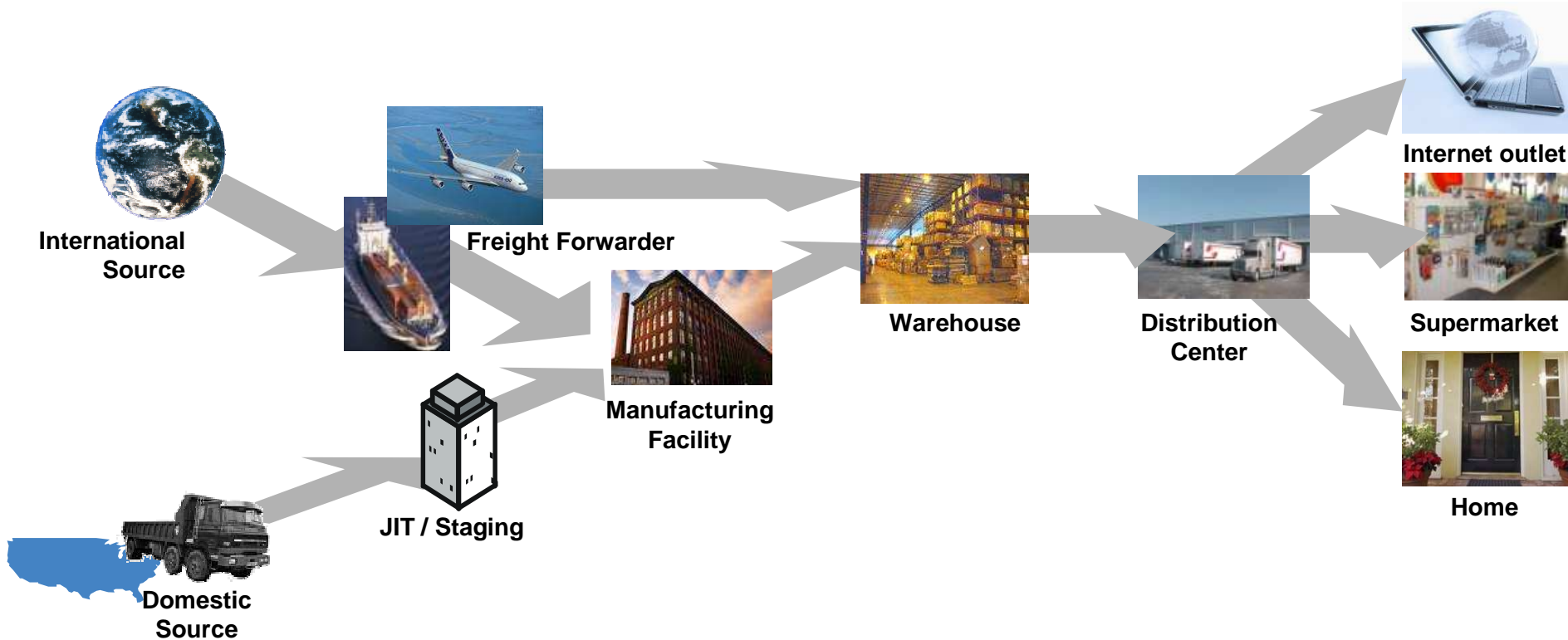


# Increased Complexity in Global Supply Chains...

## Old World Supply Chain



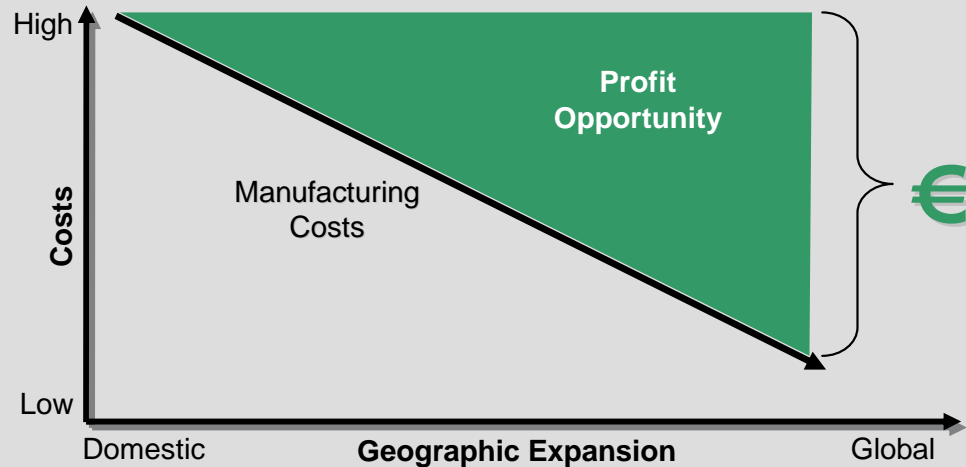
## New World Supply Chain



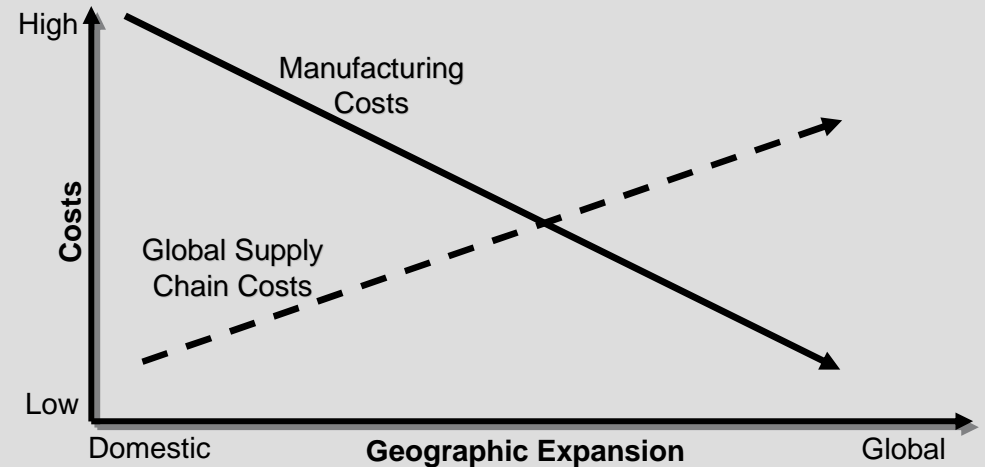


# Globalization - Impacts, Risks and Opportunities

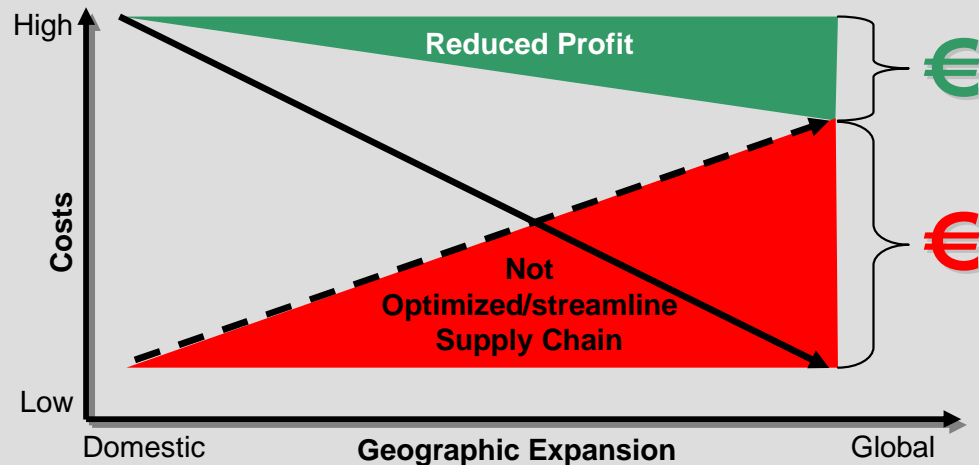
## 1. Producing Offshore Creates Profit Opportunities...



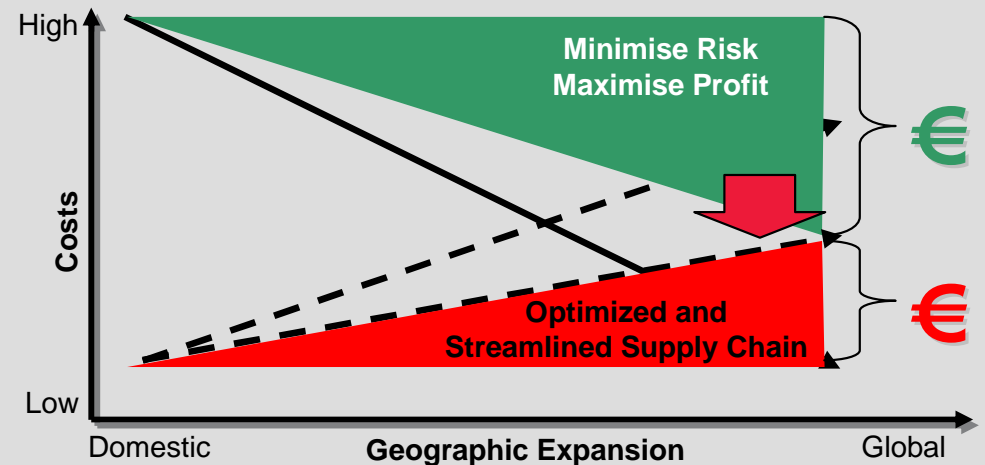
## 2. And Increases Global Supply Chain Costs...



## 3. Leading to Reduced Profit When Not Operated Optimized

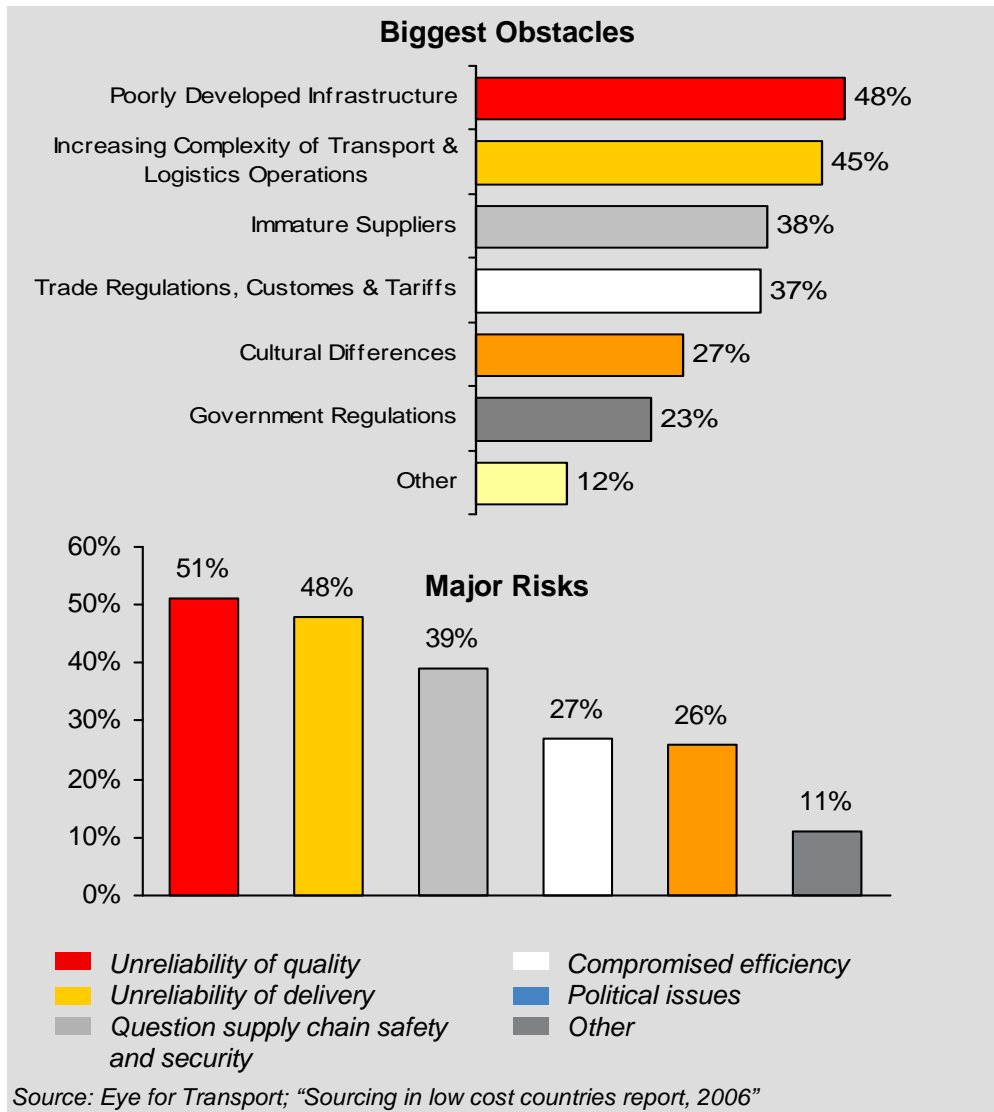


## 4. Optimize And Streamline Global Supply Chains





# Complex and Unreliable Global Supply Chains are Important Hurdles



## Consequences

- ▶ **Poorly developed infrastructure**
  - ▶ Supply Chain is still in infant stages and understood as segregated and simple transportation and warehousing activities
- ▶ **Increasing complexity**
  - ▶ Additionally required but not available or segregated supply chain visibility leads to a less reliable supply chain
- ▶ **Immature suppliers**
  - ▶ Not disciplined
  - ▶ Lack of interfaces capabilities
- ▶ **Trade Regulations, Customs & tariffs**
  - ▶ Local capabilities and knowledge is required to deal with local regulations and customs
- ▶ **Cultural differences**
  - ▶ Different perception on what is important on GLOBAL supply chain execution
- ▶ **Government Regulations**
  - ▶ Increased security regulation (post 9/11)



# Often Supply Chains Start in Emerging Markets...

Trucks



Transportation



Packaging



Ports



Warehousing



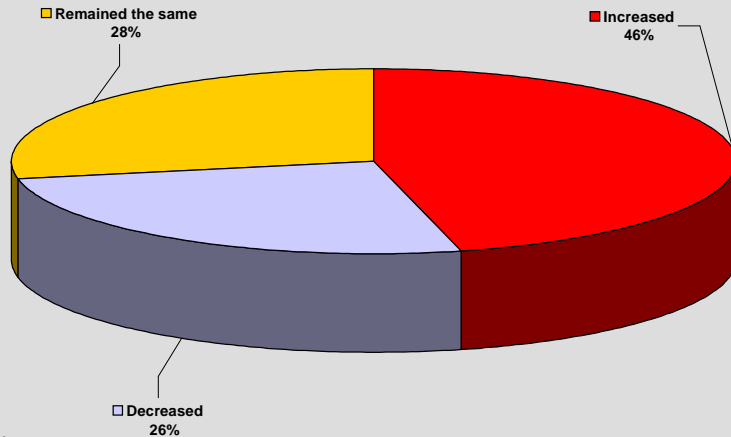
Infrastructure





# How Customers Perceive the Impact of Global Supply Chains?

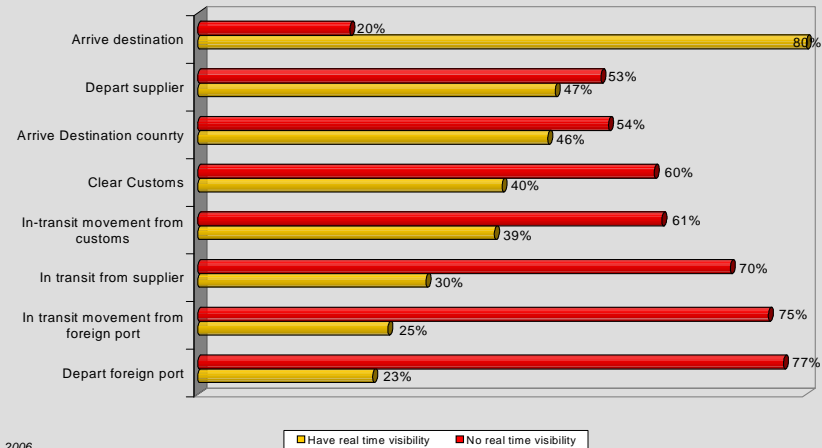
Over the past 2 years, the incidence of expedited shipments has...



Source: AIAG, 2006

74% of the respondents continue to incur the cost of expediting to support business needs.

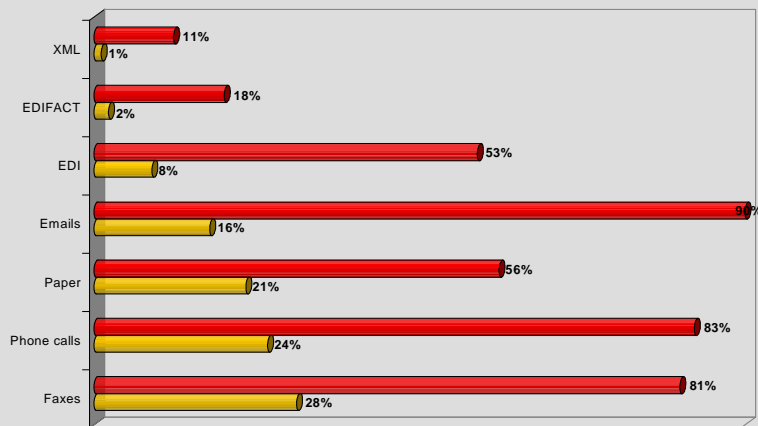
Have you got visibility through each stage of global flow of material?



Source: AIAG, 2006

87% of respondents indicated improvement needed in visibility.

Which communication methods cause the greatest number of problems?



Source: AIAG, 2006

79% believe standardizing 'exchange of info' will reduce disruptions in supply chain.

## Survey Summary

- ▶ 91% still use manual procedures to correct shipments, communicate status and visibility.
- ▶ 15% of shipments experience delays due to inaccurate or incomplete data.
- ▶ 79% believe standardizing 'exchange of info' will reduce disruptions in supply chain.
- ▶ 87% believe improvement in long distance supply chains is needed.

Source: Global Supply Chain Survey, AIAG 2006





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# Apollo Is A Global Leader In Private Equity And Capital Markets Investing

## History

Founded in 1990

40% gross annualized return (29% net) on private equity investments

- 90% of private equity investments have generated positive returns
- No Apollo fund has lost capital

## Team

175 investment professionals in New York, Los Angeles, London, Singapore, Frankfurt and Paris

Founding partners have worked together for 20 years and the firm's senior partners have worked together for 13 years

## Investors

US investors

- State pension funds: California, Colorado, Florida, Illinois, Louisiana, New York, North Carolina, Texas and Wisconsin
- Corporate pension funds: AIG, Eli Lilly, General Electric, General Motors and 3M
- Endowments and foundations: Dartmouth, Kresge, Robert Wood Johnson, and University of California

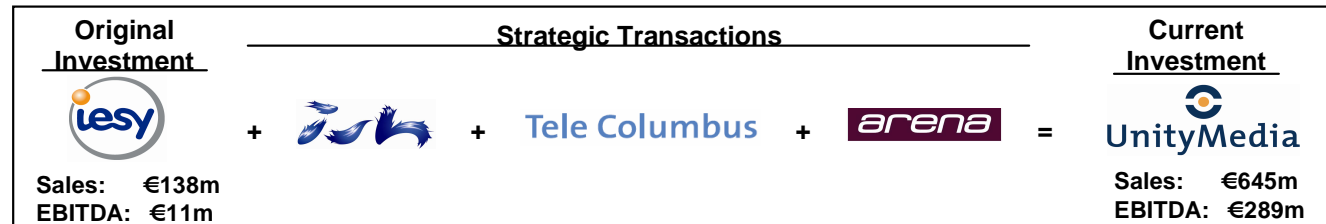
International investors

- Pension funds: AlpInvest, BP, BPMT Metal, Canada PPIB, Ontario Teachers and Shell
- Other institutions: Abu Dhabi Investment Authority, GIC (Singapore) and Partners Group



# Apollo Builds Businesses Through Strategic Acquisitions And Organic Growth

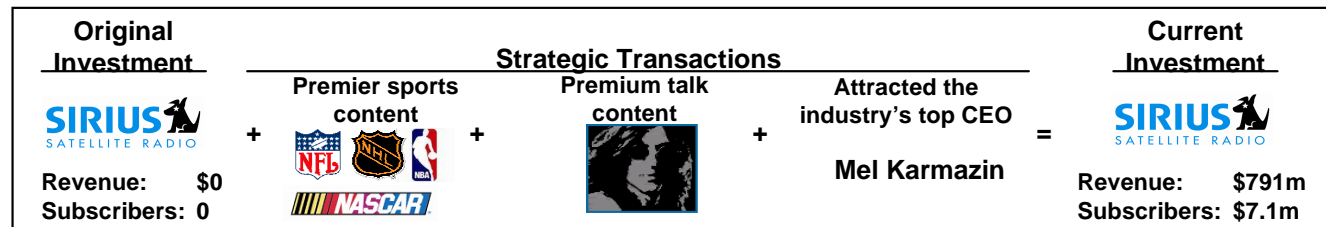
## Cable



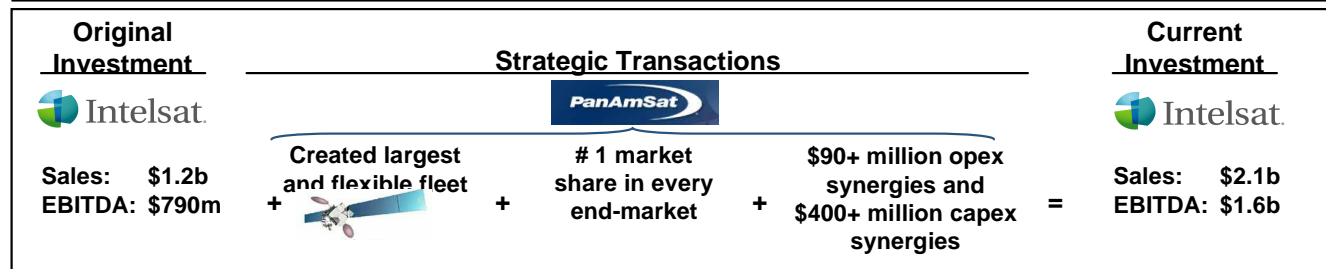
## Chemicals



## Media



## Satellite





# Apollo's Investment Thesis in CEVA

## **Favorable Industry Growth Drivers**

**Globalization increasing the complexity and length of supply chains**

**Continued outsourcing of supply chains by manufacturers and retailers**

## **Our Vision Of Winning Model**

**Integrated end-to-end supply chain management**

- **Focused on operational excellence**
- **Totally customer driven**
- **Excellent management team to drive the process**

## **Global Platform Created**

**Full service capability**

- **Division (1): Contract Logistics**
- **Division (2): Freight Management**

## **Unique Franchise Value**




**Difficult to re-create global platform of CEVA today**

- **Merger combined strategic fit, geographical fit, and created a more diversified customer base**







# Apollo Builds Businesses Through Strategic Acquisitions And Organic Growth





## Logistics

Original Investment	Strategic Transactions						Current Investment	
 Sales: €3.5b EBITDA: €237m	+		+	?	+	...	=	 Sales: €6.5b EBITDA: €400m






## Cable

Original Investment	Strategic Transactions					Current Investment		
	+		+	Tele Columbus	+		=	
Sales: €138m EBITDA: €11m								Sales: €645m EBITDA: €289m





## Chemicals

Original Investment	Strategic Transactions					Current Investment		
 RESOLUTION PERFORMANCE PRODUCTS  Sales: \$932m EBITDA: \$160m	+		+		+	 Borden Chemical	=	 HEXION™ Specialty Chemicals  Sales: \$5.6b EBITDA: \$695m

## Media

Original Investment	Strategic Transactions					Current Investment		
	+	Premier sports content  	+	Premium talk content 	+	Attracted the industry's top CEO  Mel Karmazin	=	
Revenue: \$0 Subscribers: 0								Revenue: \$791m Subscribers: \$7.1m

## Satellite

Original Investment	Strategic Transactions					Current Investment		
								
Sales: \$1.2b EBITDA: \$790m	+	Created largest and flexible fleet 	+	# 1 market share in every end-market	+	\$90+ million opex synergies and \$400+ million capex synergies	=	Sales: \$2.1b EBITDA: \$1.6b



# CEVA: Merger Between TNT Logistics and EGL



- > € 6,5 billion revenue
- > 55,000 employees
- > 1,100 locations in > 100 countries
- > Well funded and backed by private equity



# Strong And Diversified Customer Base



**Customer Base**

**15,000+**

**Top 5 Customers**

**18%**

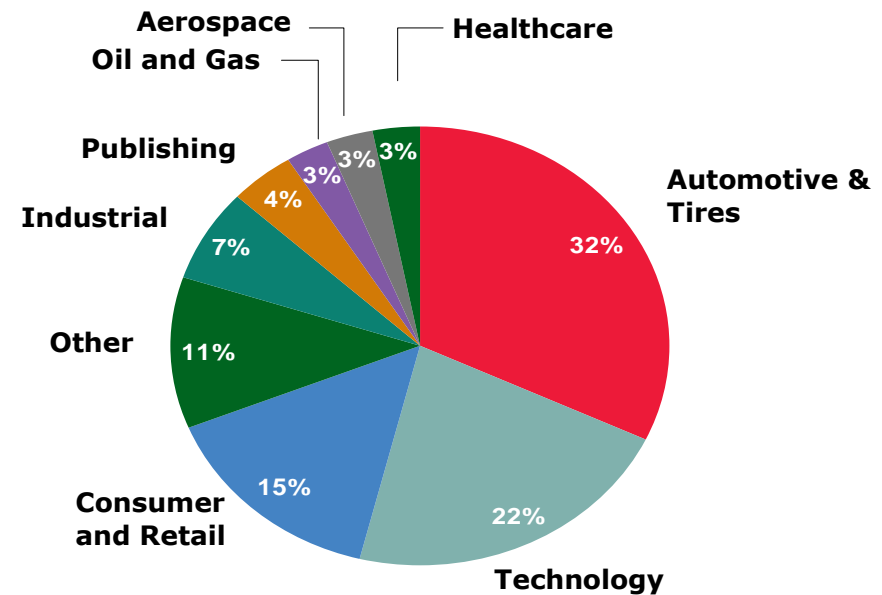
**Top 10 Customers**

**25%**

**Top 20 Customers**

**33%**

## Sector Split:





# CEVA's Global Footprint - 2008

## Europe, Middle East, Africa

Employees: 21,700 +  
# Countries: 100+  
Revenue '07: €2.9bn – 48%

## The Americas

Employees: 19,300 +  
# Countries: 40+  
Revenue '07: €2.1bn – 32%

## Asia Pacific

Employees: 13,100 +  
# Countries: 30+  
Revenue '07: €1.5bn - 20%



# Straightforward Integration - Now Complete

The contrasting integrations in the logistics industry are as follows:

## EXAMPLES

FM & FM

- ◆ 2 to 3 years of integration
- ◆ Benefits achieved upon integration at operational level
- ◆ Complex systems integration

EGL & Circle  
DHL & EXEL  
ASG & AEI & DANZAS

CL & CL

- ◆ 12 months of integration work
- ◆ Benefits achieved through overhead integration

EXEL &  
TIBBETT&BRITTEN








CL & FM

- ◆ 6 months as the standard
- ◆ Benefits through corporate integration and cross selling opportunities
- ◆ Minimal or no systems integration

CEVA & EGL  
MSAS & EXEL  
ACR & KUEHNE&NAGEL



# Established an Ambitious Management Team

NAME	POSITION	DATE	PREVIOUS EMPLOYER
<b>New Hires - Executive Board</b>			
John Pattullo	CEO	Aug-07	EXEL 
Stuart Young	CFO	Feb-07	EXEL 
Peter Dew	CIO	Apr-08	Linde /GIST
Jerry Riordan	COO CL Americas	Aug-07	Ryder
<b>Additional Responsibilities</b>			
Bruno Sidler	COO CL Northern Europe	Dec-07	PANALPINA 
Dana O'Brien	CLO	Aug-07	EGL 
Sam Slater	COO FM Americas	Aug-07	EGL 
<b>Other Senior Hires</b>			
Bill Aldridge	EVP International Logistics Solutions	Jan-08	EXEL 
Nick Cullen	MD CL UK	Jun-08	DHL 
Ralf Senden	CFO CL Northern Europe	Dec-07	EXEL 
Axel Gietz	Group Communications Director	Jan-08	DHL 
Clay Halla	COO Select Carrier Group	Jan-08	Con-way
Corey Mahjoubian	SVP Operations	Nov-07	Expeditors



# Transformed Performance and Positioning

## Transformed Operational Performance



logistics



- Internally focused
- Operated in “silos”
- Inconsistent performer
- Operational delivery poor



- Global interdependent organisation
- Strong Key Account Management (KAM)
- Operational excellence through LEAN

## Created An Integrated Global Enterprise



logistics



- Limited global credibility
- No integrated product
- Minimal strategy



- Major global player (see all major tenders)
- Joint FM/CL proposition
- Robust 3 year strategy developed



# 4th Largest Global Supply Chain Company



Company	'07 rev (€ MM)
1. DHL	25,739
2. Schenker	14,057
3. Kuehne & Nagel	10,348
4. UPS Supply Chain	5,773
5. Panalpina	5,249
6. CH Robinson	5,013
7. Sinotrans	3,646
8. Nippon Express	3,644
9. NYK Logistics	3,604
10. Expeditors	3,587
11. CEVA CL	3,463
12. UTI Worldwide	2,953
13. Wincanton	2,844
14. CEVA FM	2,832
15. Public Warehousing	2,656

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11. Expeditors	3,587
12. UTI Worldwide	2,953
13. Wincanton	2,844
14. Public Warehousing	2,656
15. Hellmann Worldwide	2,158









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