

ASIAN TRANSPORT & LOGISTICS NEWSLETTER

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A Quarterly newsletter of developments in the transport and logistics industries

Welcome to the Asian Transport & Logistics Newsletter. This publication was initiated to address the growth of opportunities in the growing and consolidating Asian logistics market. We hope you find it informative.

Business Development Asia (“BDA”) is an investment banking firm specializing in executing cross-border transactions involving Asia, including acquisitions, divestments, JVs, capital raising, and restructuring. We have offices and professional staff throughout Asia, the Middle East, Europe, and the US.

If you think that BDA’s services may be useful to you, please contact us at any one of our offices or email me a pdigiacom@bdallc.com. Contact details for our offices are at the back of this newsletter. We look forward to speaking with you in the future.

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Australia



Air New Zealand, an international air carrier, has agreed to acquire a 15% stake in **Virgin Blue Holding**, an Australian airline, for US\$144m.

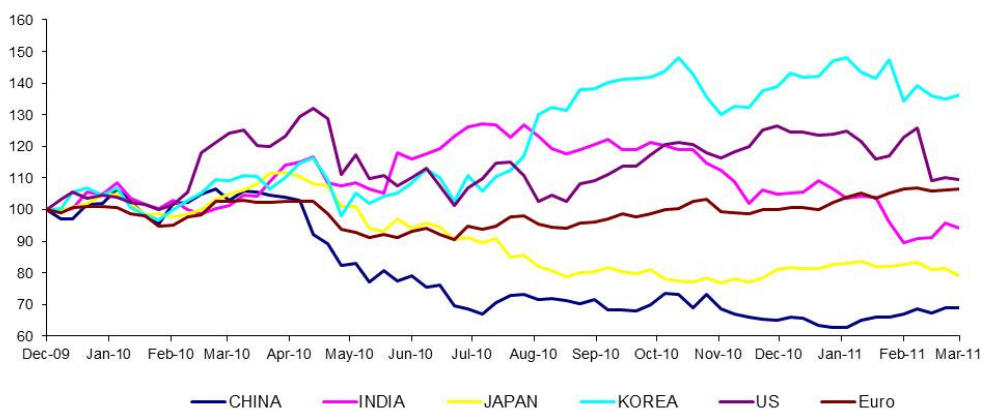
January 20, 2011

BIS Industries, an Australian provider of industrial and logistics services to the mining sector and a portfolio company of **KKR**, the private equity firm, has acquired **The Gulf Group**, an Australian transport and logistics company, for an undisclosed amount.

December 16, 2010

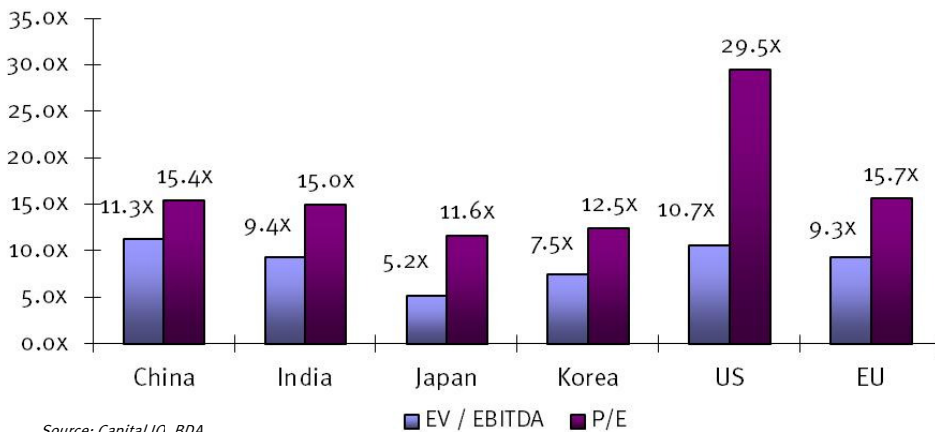
Citi Infrastructure Investors, a UK based infrastructure investment firm and subsidiary of Citigroup Alternative

Logistics Stock Indices (12 months ending 16Mar11)



Source: Capital IQ, BDA

Logistics LTM Trading Multiples (14Mar11)



Source: Capital IQ, BDA

Investments, a US based alternative investments firm, has agreed to acquire a 75% stake in **DP World Australia**, an Australian container terminal operator, from **DP World**, a UAE based marine terminal operator, for US\$1.36bn.

February 22, 2011

Q Port Holdings has acquired the **Port of Brisbane**, an operator of the Australian port, from the **Government of Queensland**, for US\$2.1bn. Q Port Holdings is a consortium consisting of US-based private equity firm **Global Infrastructure Partners**, Australian PE firm **Industry Funds Management**, Australian investment services company **QIC**, and Abu Dhabi Investment Authority subsidiary **Tawreed Investments**.

November 11, 2010

China



Huaneng Power International, a

Chinese power plant development and management company, has agreed to acquire a 50% stake in **Shanghai Time Shipping**, a Chinese transportation and cargo shipping company, from **Huaneng Energy & Transports Holdings**, a provider of marine transportation services with investments in coal infrastructure, for US\$159m.

December 2, 2010

Jiangyin Lidian Coal Transportation & Marketing, a Chinese coal transportation company, has agreed to acquire **Shanghai Citic Shipping Corporation**, a Chinese provider of shipping services, from **CITIC Hong Kong**, and **CITIC Investment Management (Shanghai)**, for US\$18m.

January 26, 2011

Pacific Concord Holding, a Hong Kong based subsidiary of **Eva Airways**, a Taiwanese airline, together with

Singapore Airlines Cargo, a Singaporean commercial cargo services provider, have agreed to acquire a 32% stake of **China Cargo Airlines**, a Chinese provider of air freight services, for US\$98m.

December 20, 2010

Hong Kong



CLSA Capital Partner's transportation focused investment fund **Pacific Transportation Asia** has acquired a majority stake in **OSL Holdings** by investing US\$80m into the company. OSL is a Hong Kong based handysize dry bulk ship owner and operator serving trading house, forestry companies and engineering firms. The investment will allow OSL to expand its fleet size and route network.

December 8, 2010

India



Infrastructure India, a UK based closed-ended investment company, has agreed to acquire 50% of **India Hydropower Development**, an Indian hydropower asset developer, and 37% of **Vikram Logistics & Maritime Services**, an Indian full-service logistics provider, from **Guggenheim Global Infrastructure**, a US based owner and operator of energy and infrastructure projects, for US\$191m.

February 11, 2011

Tanglin Retail Reality Development, an Indian operator of beverage outlets, has agreed to acquire a 41% stake in

Sical Logistics, an Indian provider of integrated logistics services, for US\$27m. *November 13, 2010*

Japan



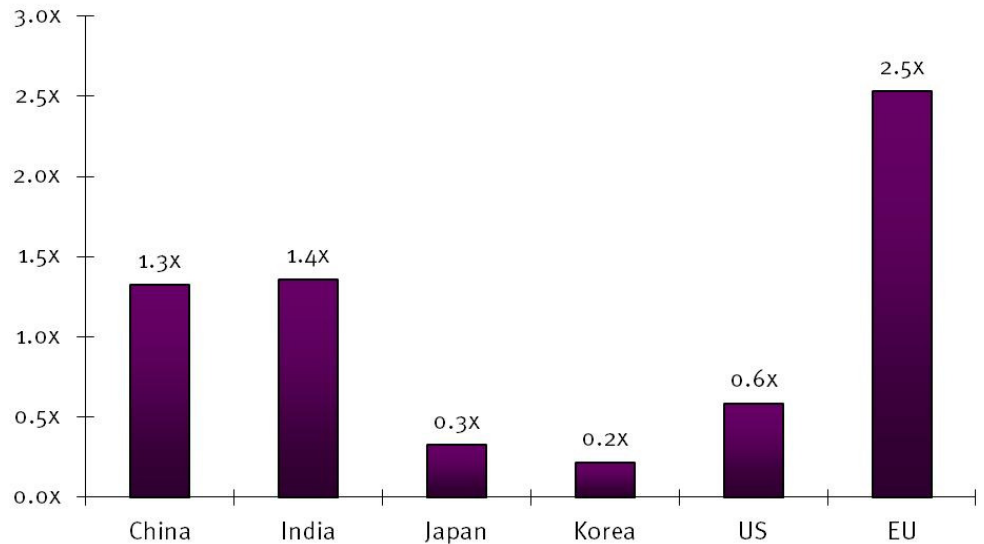
km Holdings, a Japanese provider of transportation services, signed an agreement to acquire **ANZEN Group**, a Japan based taxi operator, from **Valiant Partners**, a Japanese private equity firm, for US\$12m. *December 13, 2010*

Mitsui-Soko, a Japanese warehousing and logistics services provider, has agreed to acquire **JTB Air Cargo**, a Japanese international freight forwarder, for US\$56m. *November 26, 2010*

Terrada Warehouse Company, a Japanese provider of warehousing and logistics services, has agreed to acquire **Nihon Unisys Supply**, a Japanese provider of shipping services, from **Nihon Unisys**, a Japan based IT company, for US\$15m. *February 25, 2011*

Trancon, a Japanese provider of logistic management and logistic information services, has agreed to acquire **Tradia Corporation**, a Japanese provider of freight transportation, customs clearing and warehousing services, from **RISA Partners**, a Japanese investment bank, for an undisclosed amount. *December 30, 2010*

Logistics LTM Price/Rev Ratios (14Mar11)



Source: Capital IQ, BDA

■ Price / Revenue

Korea



Mirae Asset Group, a Korean investment company, has agreed to acquire a 71% stake in **Logen Logistics**, a Korean logistics and shipping company, from **Eugene Corporation**, a Korean construction material maker, for US\$51m. *December 12, 2010*

SK Networks Company, a South Korea based company engaged in energy marketing, trading, and telecommunications, has agreed to acquire **Kumho Rent A Car**, a South Korea based car rental services provider, from **KT Corp**, a South Korea based provider of telecom services, for an undisclosed amount. *November 8, 2010*

to purchase the remaining 40% of **Syarikat Borcos Shipping**, a Malaysia based marine transportation company, from **Dayang Enterprise Holdings**, a Malaysian marine transportation company, for US\$43m. *December 8, 2010*

Perisai Petroleum Teknologi, a Malaysia based provider of corrosion control products, has agreed to acquire a 51% stake in **Intan Offshore**, a Malaysia based owner and operator of cargo ships, from **Emas Offshore**, a Malaysia based provider of ship chartering services, for US\$15m.

January 15, 2011

Malaysia



AWH Equity Holdings, a Malaysian based investment company, has agreed

New Zealand



Hertz, a US based car and equipment rental company, agreed to acquire **Ace Rental Cars**, a New Zealand based

budget economy car rental company, for an undisclosed amount. *February 15, 2011*

Singapore

Cathay Asset Management, a private investment holding company owned by **Deutsche Bank**, has agreed to acquire 55% of Singaporean shipping company **Jaya Holdings**, from **Nautical Offshore Services** and two **individual investors**, for US\$418m. *February 22, 2011*

Goldtron, a Singaporean electronics manufacturing services company, has agreed to acquire **Daiho Maritime**, a Singaporean provider of shipping services to the oil & gas industry, from **individual investors** for US\$12m. *February 22, 2011*

Thailand

Vallianz Holdings, a Singaporean vessel and operator and provider of marine support services, has agreed to acquire 51% of **CSTOL Offshore**, a Thai owner and operator of offshore vessels to support installation and construction projects, from **CUEL**, the Thai oilfield contractor, for US\$20m. **LS Finans**, a Norwegian shipping financing company, acquired the remaining 49% from CUEL for US\$19m. *February 2, 2011*

Asian Logistics Transactions with LTM Multiples (12 months ending in 16Mar11)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Percentage Acquired	EV / EBITDA	EV / Revenue	P/E
11-Feb-11	Jaya Holdings	Singapore	Cathay Asset Management	Thailand	\$418.3	54.7%	3.9x	1.7x	5.2x
1-Dec-10	Aboitiz Transport System	Philippines	Negros Navigation	Philippines	\$200.9	100%	12.9x	0.6x	-
26-Nov-10	Integrax Bhd	Malaysia	Taipan Merit Sdn Bhd	Malaysia	\$9.7	6.7%	4.6x	5.8x	-
15-Nov-10	SpiceJet Ltd	India	Kal Airways Private Limited	India	\$157.8	38.7%	1.1x	13.6x	-
23-Jul-10	AC system Corp	Japan	TL Logicom Co	Japan	\$10.9	100.0%	-	1.0x	11.2x
2-Jun-10	Eng Kong Holdings	Singapore	NEK Container Group Pte	Singapore	\$53.4	94.2%	4.4x	0.7x	8.9x
25-May-10	SANYO Electric Logistics Co	Japan	LS Holdings Co	Japan	\$197.5	99.5%	7.1x	0.5x	18.1x
20-May-10	Nippon Steel Shipping Co	Japan	Shinwa Kaiun Kaisha	Japan	\$196.3	-	-	0.5x	7.8x
12-May-10	Transurban Group	Australia	Investor Group	Canada	\$3,676	-	28.1x	15.6x	-
1-Apr-10	Second Seohaean Express Co	Korea	Kumho Trading Co	Korea	\$3.6	30.0%	-	-	-
10-Mar-10	Asiana Airlines	Korea	Kumho Industrial Co	Korea	\$83.9	12.7%	-	1.1x	-
10-Feb-10	RCI Sekiju	Japan	KFC	Japan	\$1.7	-	-	0.3x	22.2x
5-Feb-10	CH Offshore	Singapore	Falcon Energy Group	Singapore	\$101.0	29.1%	6.7x	4.9x	7.2x
21-Dec-09	Asiana Airlines	Korea	Kumho Petrochemical	Korea	\$80.4	12.7%	21.7x	1.1x	-
1-Dec-09	Chuo Warehouse	Japan	Investor Group	Japan	\$6.9	4.4%	6.7x	0.8x	15.9x
24-Nov-09	Hembly International	HK	Waste Resources GP	HK	\$20.1	-	8.7x	0.7x	-
17-Nov-09	Sinwa	Singapore	Sinohit Offshore	China	\$25.4	-	6.1x	1.1x	8.1x
16-Nov-09	Yantai Raffles Shipyard	Singapore	China Intl Marine Containers	China	\$142.5	36.9%	8.8x	0.8x	19.8x
5-Nov-09	Transurban Group	Australia	Investor Group	Canada	\$4,590.5	-	25.9x	14.3x	-
20-Oct-09	GZI Transport	HK	Shareholders	HK	\$303.1	-	5.5x	3.9x	8.5x
15-Oct-09	Unique Mining Services PCL	Thailand	Hermelin Shipping Co	Thailand	\$79.7	55.1%	16.5x	2.2x	21.6x
			Median		\$83.9	37.8%	6.9x	1.1x	10.0x

Source: Capital IQ, BDA

The stock indices and trading multiples graphs shown in this newsletter represent the ten largest publicly traded transport and logistics companies (by market capitalization) in China, India, Japan, Korea, the EU and the US.

Business Development Asia is an investment banking firm which assists multinational companies in expanding their businesses in Asia through acquisitions, divestments, JVs and capital raising. For further information on BDA's services or on any of the articles in this newsletter, please contact the offices listed.

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