

Q2/ Q3 2012

CEP Industry M&A Update



Dear Readers,

Welcome to the new edition of our CEP Industry Quarterly M&A Update providing you with an overview of the developments in the field of mergers and acquisitions (M&A) in the Courier, Express and Postal (CEP) market. This issue covers CEP market transactions closed in Q3 2012 while financial data is based on results of Q2 2012.

While numerous acquisitions have again been announced in the CEP sector, the dominating topic within the industry continues to be the pending acquisition of TNT by UPS. Following the European Commission's decision to enter into a phase two review of the merger proposal, the Commission has sent out a formal Statement of Objections outlining their issues with the deal. Suspense is growing in the market with speculation as to whether the transaction will eventually be approved and if so what remedies might be required for the deal to pass.

Judging from the Commission's public statements thus far, a particular concern of the European Commission appears to be a further concentration in the international express market segment which is essentially already limited to the services offered by the Integrators DHL, UPS, TNT and FedEx.

For further information on this newsletter or on our transaction support services, please don't hesitate to contact us. We also welcome your feedback and suggestions.

Happy reading!

The ITA Consulting team

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Q2-Q3 2012 Highlights

- 16 transactions completed in Q3 2012 with a strong European focus
- Overall sustained revenue growth and improved profitability
- Adjusted EBIT Multiple of 9,36 and adjusted EBITDA Multiple of 6,66 as of 30.06.2012
- Stagnating/ slightly decreasing stock prices of the integrators compared to last quarter

Financial Performance and Benchmark

LTM Revenue (in M)				Revenue Growth Q2 2012 vs. Q2 2011	
	Local currency		Euro		
Deutsche Post AG	Euro	54.347	54.347	Deutsche Post AG	7%
UPS Inc.	US\$	53.817	42.499	UPS Inc.	1%
FedEx Corporation	US\$	42.680	33.704	FedEx Corporation	4%
TNT Express NV	Euro	7.299	7.299	TNT Express NV	2%
Österreich. Post AG	Euro	2.384	2.384	Österreich. Post AG	0%
Post NL	Euro	4.268	4.268	Post NL	2%
Aramex PJSC	AED	2.861	615	Aramex PJSC	21%
Singapore Post Ltd.	Sin\$	588	366	Singapore Post Ltd.	7%
Blue Dart Express	Rs	16.267	231	Blue Dart Express	16%
Gati Ltd.	Rs	9.324	132	Gati Ltd.	11%

Profitability (LTM EBITDA / LTM Revenue)		Profitability Change (EBITDA Q2 2012 vs. Q2 2011)	
Deutsche Post AG	7%	Deutsche Post AG	0%
UPS Inc.	15%	UPS Inc.	3%
FedEx Corporation	12%	FedEx Corporation	1%
TNT Express NV	5%	TNT Express NV	15%
Österreich. Post AG	12%	Österreich. Post AG	6%
Post NL	12%	Post NL	-8%
Aramex PJSC	12%	Aramex PJSC	22%
Singapore Post Ltd.	36%	Singapore Post Ltd.	-3%
Blue Dart Express	13%	Blue Dart Express	17%
Gati Ltd.	18%	Gati Ltd.	249%

EURO foreign exchange rates as per 30.06.2012:

1,266	US\$
4,651	AED
1,605	Sin\$
70,42	INR

Source: www.oanda.com

Market Value of Equity

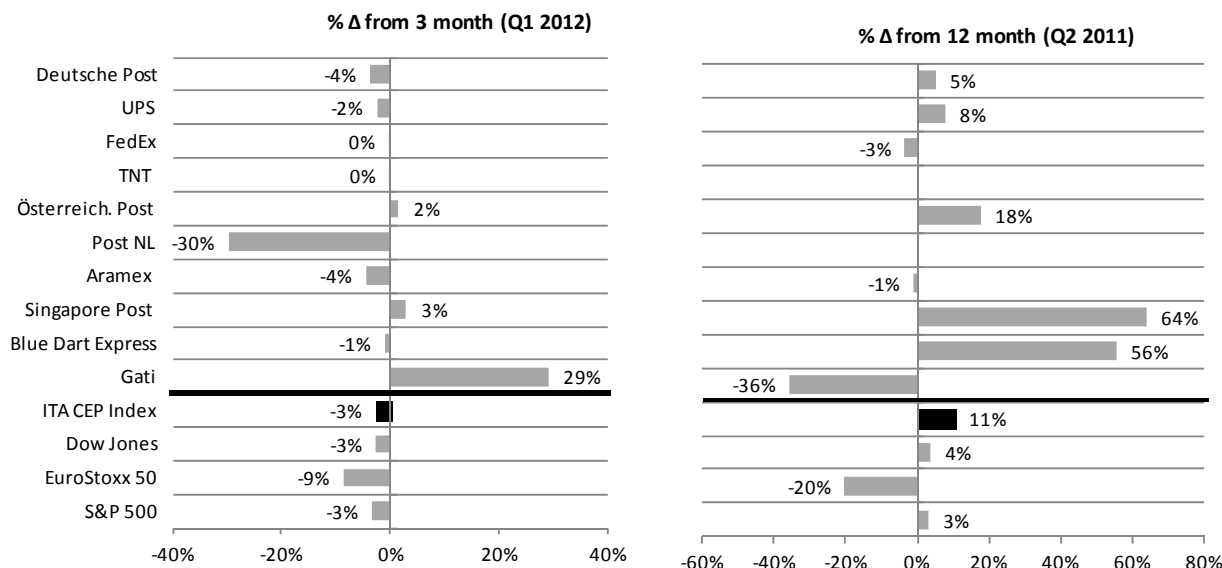
Integrators	Currency	Stock Price 30.06.2012	52-week high	52-week low	Market Cap (M)	Market Cap (M Euro)	Latest 12-Month Multiples		
							EV/ Revenue	EV/ EBITDA	EV/ EBIT
Deutsche Post AG	Euro	13,92	14,83	9,13	16.827	16.827	0,33	4,71	7,21
UPS Inc.	US\$	78,76	81,79	60,74	57.101	45.093	1,32	8,81	11,38
FedEx Corporation ¹	US\$	91,61	98,66	64,07	28.857	22.788	0,80	6,42	10,68
TNT Express NV	Euro	9,24	10,24	4,46	5.019	5.019	0,69	12,72	119,37

Other Public	Currency	Stock Price 30.06.2012	52-week high	52-week low	Market Cap (M)	Market Cap (M Euro)	Latest 12-Month Multiples		
							EV/ Revenue	EV/ EBITDA	EV/ EBIT
Österreich. Post AG	Euro	26,50	27,60	18,50	1.790	1.790	0,81	6,61	10,72
Post NL	Euro	3,25	6,05	1,98	1.346	1.346	0,58	4,81	6,21
Aramex PJSC	AED	1,74	1,99	1,65	2.548	548	0,92	7,58	9,30
Singapore Post Ltd.	S\$	1,05	1,16	0,93	1.984	1.236	3,10	8,59	10,06
Blue Dart Express ²	INR	1976,60	2210,00	1380,00	46.905	666	2,87	22,80	26,05
Gati Ltd. ²	INR	40,70	79,00	23,20	3.524	50	0,49	5,71	3,33

1. Financial Year ends February 29th
 2. Financial Year ends June 30th
 3. Excludes Singapore Post, Blue Dart for Revenues; TNT and Blue Dart for EBIT and Gati, Blue Dart and TNT for EBITDA Mean

Multiples	EV/ Revenue	EV/ EBITDA	EV/ EBIT
Low	0,33	4,71	3,33
High	3,10	22,80	119,37
Mean	1,19	8,88	21,43
Median	0,80	7,09	10,06
Adj. Mean ³	0,74	6,66	9,36

Market Value of Equity - Development and Benchmark



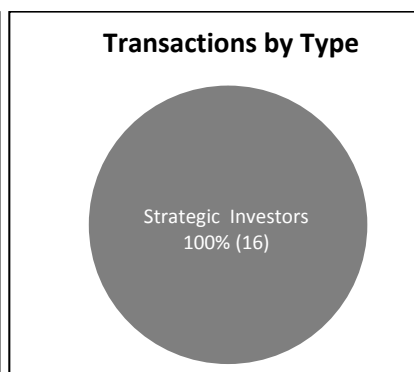
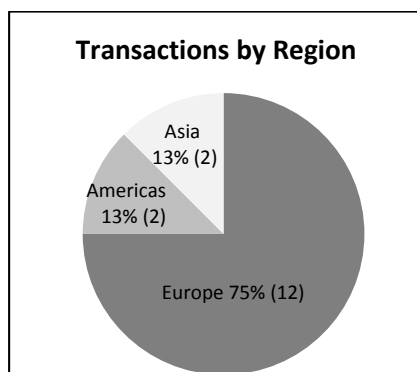
- Development of ITA CEP Index in Q2 2012 continues in line with major stock indices compared to last quarter while ranging well above indices in LTM development with an increase of 11%
- Rather constant/ slightly decreasing value of equity for major players in last quarter and heavily fluctuating development of Asian players
- Post NL stock impacted strongly with a stock price decrease of 30% in Q2 compared to Q1 2012

Q3 2012 CEP Market M&A Transaction within the period July 1st, 2012 – September 30th, 2012

Date	Buyer			Target			Acquisition scope
	Name	Country	Sector	Name	Country	Sector	
EUROPE							
July	Swiss Post / La Poste	Switzerland / France	CEP	Asendia	Switzerland / France	Mail	JV
July	Deutsche Post	Germany	CEP	IntelliAd Media	Germany	Marketing	100%
Aug	UPS	USA	CEP	Shutl	UK	CEP	6%
Aug	Geopost	France	CEP	Shutl	UK	CEP	6%
Aug	Geopost	France	CEP	Worldnet Direct	UK	CEP	n/a
Aug	Post Danmark	Denmark	CEP	ZimmerGroup	Denmark	CEP	n/a
Sep	Geopost ¹	France	CEP	Seur	Spain	CEP	Now 55%
Sep	IN tIME	Germany	CEP	LTE Transport	Germany	CEP	100%
Sep	La Poste	France	CEP	Orium	France	Fulfillment	100%
Sep	PostNL ²	Netherlands	CEP	Scoopy	Netherlands	Mobile Coupons	Minority stake
Sep	PostNord	Denmark / Sweden	CEP	Harlem Transport AS	Norway	logistics	100%
Sep	PostNL	Netherlands	CEP	Valid Express	Netherlands	Courier	100%
AMERICAS							
Aug	Newgistics	USA	CEP	AtLast Fulfillment	USA	Fulfillment	100%
Sep	R.R. Donnelley	USA	communications	Express Postal Options Intl.	USA	Mail	100%
ASIA							
July	Toll Group	Australia	Logistics	Automotive Holdings	Australia	Logistics	n/a
Sep	Kerry Logistics	HK	Logistics	Taishan Insurance Brokers	Philippines	Insurance brokerage	100%

1. Acquisition of Zamora, Málaga, Sevilla and Melilla franchises taking Geopost from 39,84% to a 55% controlling stake in SEUR

2. Subject to approval of competition authorities



- No acquisition by financial investors in Q3
- 75% of acquisitions closed in Europe

End Notes & Glossary

- Enterprise Value (EV) = Market capitalization + Net debt
- EBITDA = Earnings before interest, taxes, depreciation and amortization
- EBIT = Earnings before interest and taxes
- LTM = Latest 12-month period
- M = Million
- n/a = Not available

Calculation of the ITA CEP Market Index

The ITA CEP Market Index is based on the stock-market performance of all the CEP public companies included in this report. The Index is weighted by their market capitalization. In order to establish a comparable base, all stock prices were converted in Euro, applying the same exchange rates for the respective reference period.

About ITA Consulting

ITA Consulting is an independent advisory firm specialized on Mergers & Acquisitions (M&A) and focused on the logistics industry. We provide the full range of M&A advisory services. We represent the seller, the buyer or the management of the target company. Our clients are medium-sized to large logistics companies, postal operators, investment funds, private investors, as well as publicly listed companies.

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