



# Supply Chain Solutions that Deliver



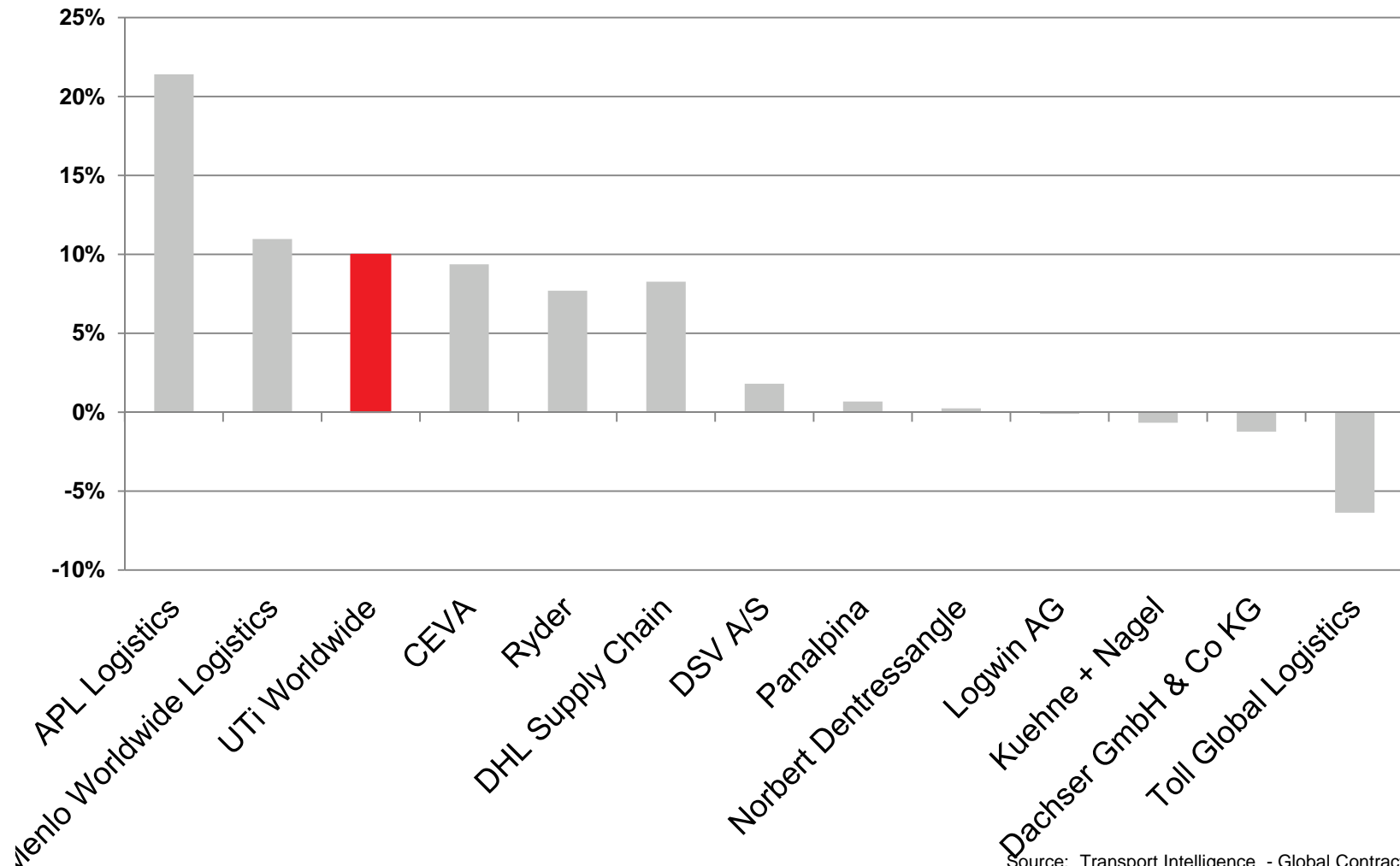
## UTi Worldwide 2011 Investor Day Contract Logistics & Distribution

Ed Feitzinger

EVP – Global Contract Logistics and Distribution

June 23, 2011

# Global Contract Logistics: Revenue Growth Rates



Source: Transport Intelligence - Global Contract Logistics 2011



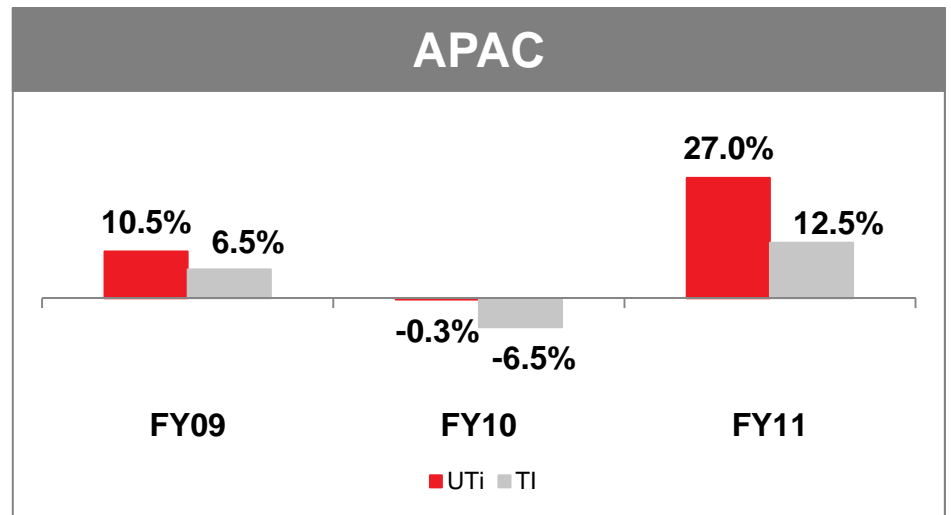
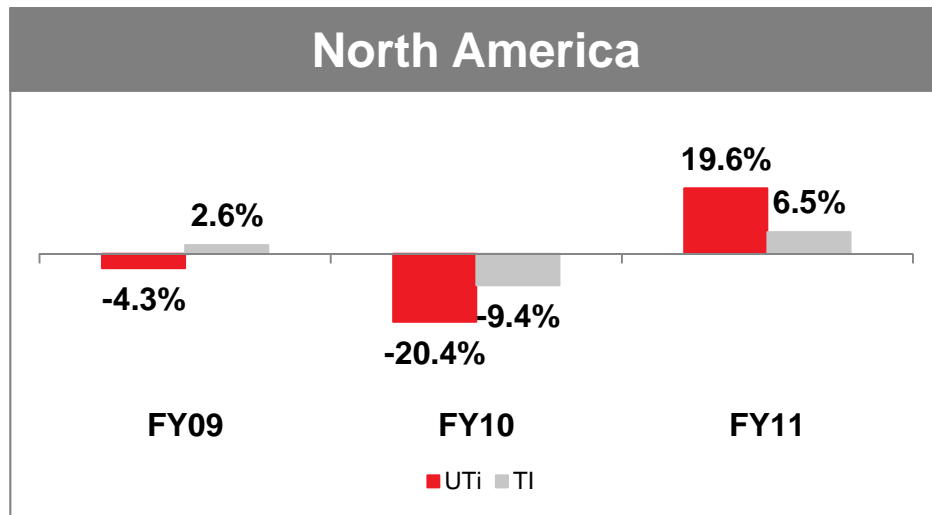
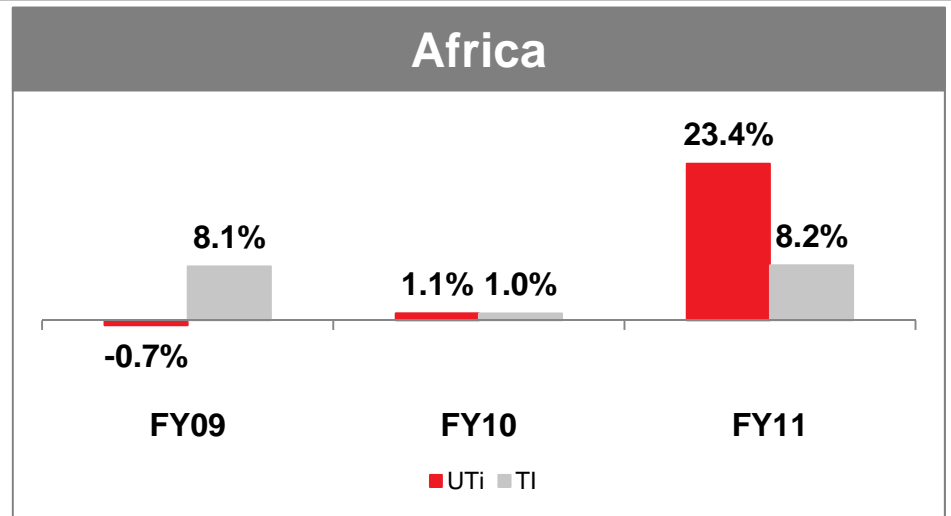
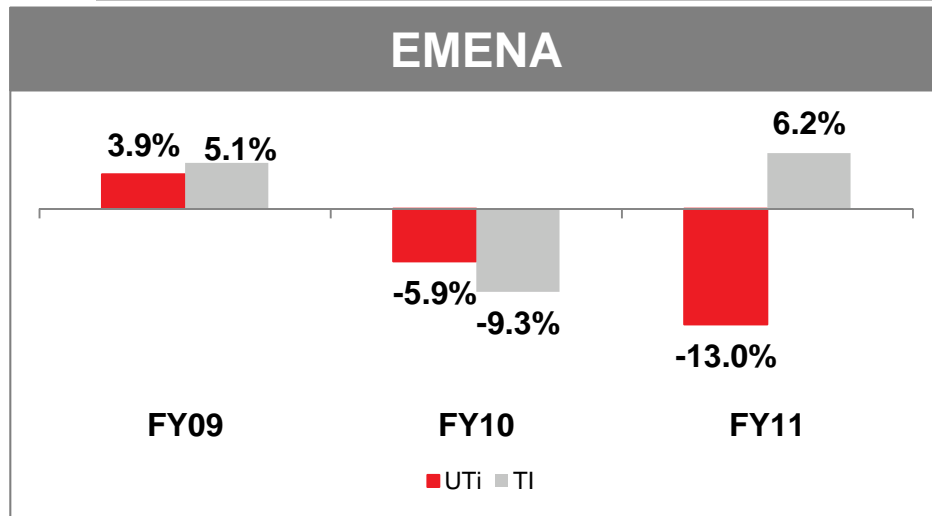
# Global Contract Logistics Margin Trend

Operating Profit as a % of Gross Revenue					
	2007	2008	2009	2010	2007-2010 Change
	%	%	%	%	%
CEVA	3.3	2.2	5.7	6.0	82
Con-Way	2.0	-1.6	2.1	1.8	-10
Deutsche Post DHL	4.0	-4.9	-1.7	1.8	-55
DSV	5.4	4.1	5.1	6.1	13
Kuehne+Nagel	2.1	1.1	1.5	1.8	-14
Logwin	3.1	1.4	0.1	1.2	-61
Norbert Dentressangle	5.9	4.7	3.9	5.1	-14
Ryder	3.9	4.2	4.6	4.5	15
Toll	10.5	10.1	6.5	7.5	-29
<b>UTi</b>	<b>3.7</b>	<b>2.9</b>	<b>4.4</b>	<b>5.1</b>	<b>38</b>
Wincanton	2.4	2.4	2.5	2.5	4

Source: Transport Intelligence - Global Contract Logistics 2011



# UTi Contract Logistics and Distribution - Revenue vs. Market Growth



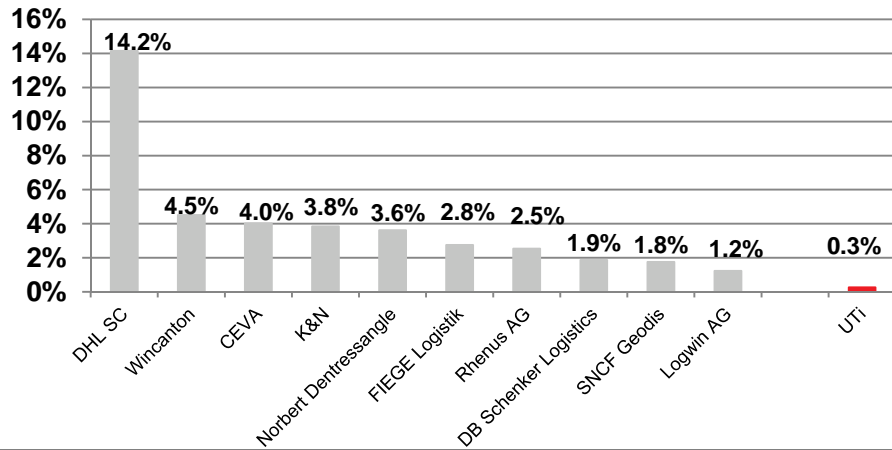
Source: Transport Intelligence - Global Contract Logistics 2011



# Market Share By Region

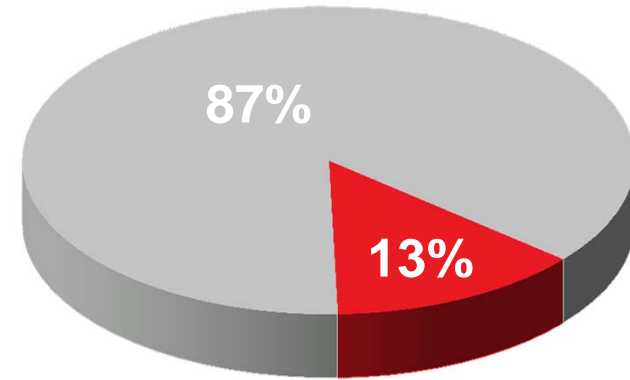
## Europe

\$80B



## Africa

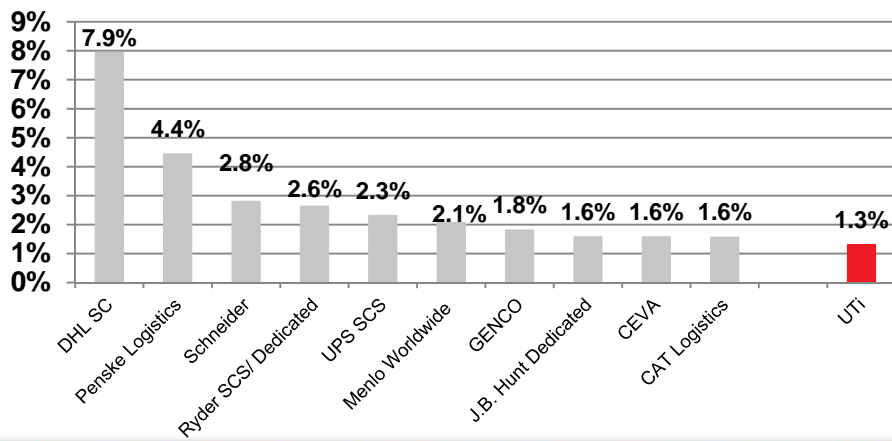
\$2.6B



No competitive breakout available

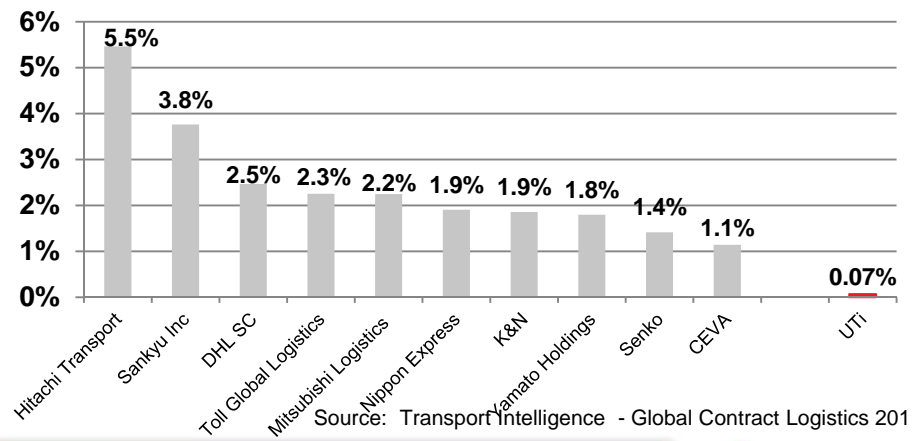
## North America

\$57B



## APAC

\$61B



Source: Transport Intelligence - Global Contract Logistics 2011



# Why Contract Logistics and Distribution?

Service	Contract Length	Pricing Commitment	Switching Risk
Freight Forwarding	1 – 2 years	<12 months	Low
Dedicated Warehousing	3 – 4 years	Length of contract	Very High
Transport Management	2 – 3 years	Length of contract	High
Distribution	1 – 2 years	Annual	Low



# UTi Contract Logistics & Distribution Service Portfolio

Multi-Client Warehousing	●
Dedicated Warehousing	●
Value Added Services	◐
Inventory Management	●
Repair & Reverse Logistics	◐
Spares Fulfillment	◐
Contract Assembly	◐
Electronics Manufacturing	◑
Truck Brokerage	◑
Transport Management	◐
Distribution	◐
Full Truck Load	◑
Dedicated Contract Carriage	◑
Banking Lead Logistics Provider	◑
Pharma Wholesaler /Distributor	◑

◑ Region Specific    ◐ In Deployment    ● Globally Deployed



# Contract Logistics & Distribution Path to 10% Margin

Improvement Initiatives	Segment Leadership	5 Star/ QMS	Advanced Quality Planning	Universal Pricing Model	Extending the Enterprise	"Top 10" Base Processes
	Best Practice Pricing/Start-Up process adoption	X	X	X	X	
Back-office synergy from acquisitions	X					X
Selling Value Added Services to existing clients					X	X
Improved focus on multi-client performance	X	X		X		X
Address "Bottom 10" entities	X	X		X		X

FY11  
8.4%

10%



# Extending the Enterprise Creating “Economies of Experience”

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Extending the Enterprise: Replicate capabilities that exist in one region into another, one project at a time, selecting:

- » Right projects with acceptable risk and return
- » Clear responsibilities across regional and country boundaries
- » Best project teams to execute on our commitments to the client

What are we replicating:

- » Client relationship
- » Systems
- » Processes & Experience
- » Industry experience & “knowledge”



# Additional Growth Through Innovation

## “Alchemy of Growth” Horizons

### Horizon 1 *Operational*

**Defend and Expand**  
core businesses

- ❖ Existing product & existing customers

### Horizon 1a *Extend*

**Extend and Grow**  
core businesses

- ❖ New customers
- ❖ Variation on existing products

### Horizon 2 *Entrepreneurial*

**Build** new  
streams of  
revenue

- ❖ New products
- ❖ New geographies
- ❖ Examples
  - ❖ Apostore
  - ❖ IMS
  - ❖ India

### Horizon 3 *Futuristic*

**Create** viable growth  
options

- ❖ New industries
- ❖ New competitive arenas

# Case Study: Inbound Automotive Sequencing, India Verticals, Extending the Enterprise, QMS

## The Challenge

- Customer built a first world auto plant to service the Indian Market in a remote location
- Needed a robust and effective solution to manage local suppliers
- Poor road infrastructure created many obstacles

## The Scope

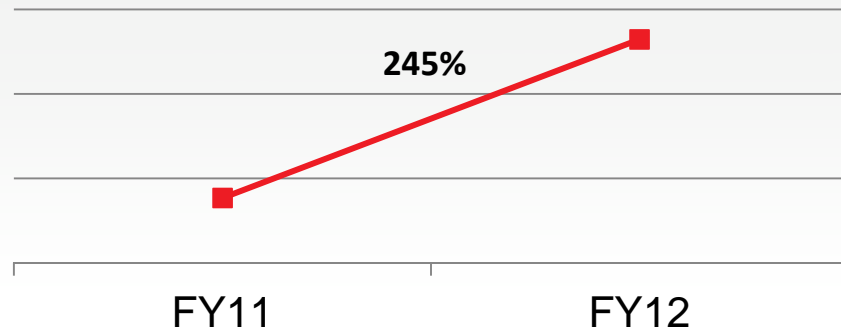
### Sequencing Suppliers

- Order Management
- Collection Service
- JIT Transportation
- Inventory Management
- Sequencing
- Line Feeding
- Empties Management

### Operations

- 3 shift operation
- 120 staff
- 150k unit/shift

## Program Net Revenue


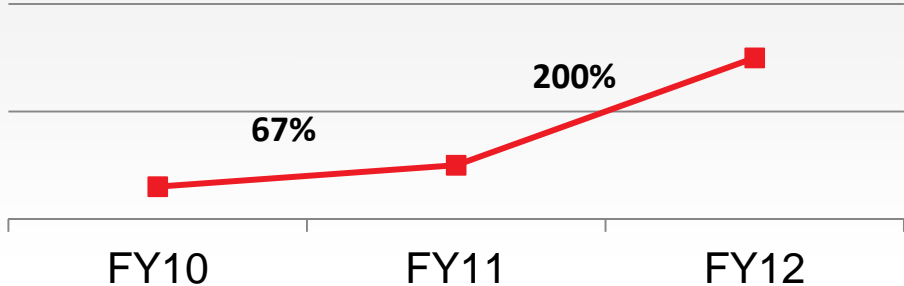


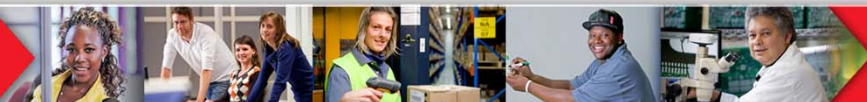
## Quantified Value

- Extending the Enterprise concept aligned with Sales Vertical approach allowed UTi to win & apply global best practices to site
- Seamless implementation using Advance Quality Planning and QMS
- Delivered a world-class solution to a remote location



# Case Study: Mobile Device Kitting, Reverse & Repair Verticals, Extending the Enterprise, QMS

The Challenge	Scope								
<p><b>Retail Accessory Kitting Program</b></p> <ul style="list-style-type: none"> <li>• Length of time from order to market</li> <li>• Freight costs</li> </ul> <p><b>Device Flashing (Firmware Upgrades)</b></p> <ul style="list-style-type: none"> <li>• Short New product launch window</li> </ul> <p><b>Certified Testing &amp; Repair Center</b></p> <ul style="list-style-type: none"> <li>• Over 50% of returned devices are “No Faults Found”</li> </ul>	 <p><b>Retail Accessory Kitting Program</b></p> <ul style="list-style-type: none"> <li>• Support customer’s North American models</li> <li>• Adoption rate at 10% and growing</li> </ul> <p><b>Device Flashing (Firmware Upgrades)</b></p> <ul style="list-style-type: none"> <li>• Co-load services on behalf of carriers</li> </ul> <p><b>Certified Testing &amp; Repair Center</b></p> <ul style="list-style-type: none"> <li>• Level 1 &amp; 2 repair</li> <li>• Certified by carrier and manufacturer</li> </ul>								
Program Net Revenue	Quantified Value								
 <table border="1"> <caption>Program Net Revenue Growth</caption> <thead> <tr> <th>Fiscal Year</th> <th>Revenue Change</th> </tr> </thead> <tbody> <tr> <td>FY10</td> <td>-</td> </tr> <tr> <td>FY11</td> <td>+67%</td> </tr> <tr> <td>FY12</td> <td>+200%</td> </tr> </tbody> </table>	Fiscal Year	Revenue Change	FY10	-	FY11	+67%	FY12	+200%	<ul style="list-style-type: none"> <li>• Reduce Inventory by 1 million in first 6 months</li> <li>• In-warehouse testing lab has reduced the triage costs by over 50%.</li> <li>• A 50% plus reduction in the per unit inbound freight costs</li> </ul>
Fiscal Year	Revenue Change								
FY10	-								
FY11	+67%								
FY12	+200%								



# Case Study: South African Aftermarket Solution Integrating Forwarding, Distribution, CL Services

## The Challenge

- Provide a reliable & cost effective solution by linking all elements within the Supply Chain
- Meeting the demands of a continually growing market



























## The Scope

- Outsourcing of national distribution centers
- Reaching all dealers in Southern Africa within 48 hours
- Continually reducing logistics cost
- Packaging & kitting services

## Quantified Value

- Enhanced dealer satisfaction results
- Reduction in damages and claims
- Improved inventory accuracy & client fill rates
- Door to door integrated solution

## Solutions Spotlights

Client	Freight Forwarding	Contract Logistics	Distribution
Automotive Client 1	 UTi	 UTi	 UTi
Automotive Client 2	 UTi	 UTi	 UTi
Automotive Client 3	 UTi	 UTi	 UTi
Automotive Client 4	 UTi	 UTi	 UTi
Automotive Client 5		 UTi	 UTi
Automotive Client 6	 UTi	 UTi	 UTi
Automotive Client 7	 UTi	 UTi	 UTi
Automotive Client 8	 UTi	 UTi	
Automotive Client 9	 UTi		 UTi
Automotive Client 10	 UTi		 UTi