



## press release

### CEVA Group Plc reports 2006 annual results

31 May 2007

*First annual disclosure after acquisition by Apollo Management L.P.*

**CEVA Group Plc, the leading global pure play contract logistics company released its first annual report today, following its acquisition by Apollo Management L.P. on November 4, 2006. These statements represent a major milestone in the company's history and include the following highlights:**

- **Aggregate revenue increased to €3,497 million from €3,354 million in 2005**
- **Pro forma adjusted EBITDA increased to €237 million from €228 million in 2005**
- **Operating income decreased to (€1) million from €7 million in 2005**
- **EBITDA decreased to €78 million from €81 million in 2005**
- **Operating income and EBITDA in 2006 were materially impacted by significant non-recurring acquisition and restructuring costs**
- **Net loss was €106 million compared to a net loss of €227 million in 2005**
- **Net cash flow was €220 million compared to €30 million in 2005**
- **Maintained high contract renewal rates**
- **Successful launch of our new brand CEVA in December 2006**

Commenting on the 2006 results, CEO Dave Kulik said: "During the long and challenging sale process which took place during 2006, our revenue and operating results remained robust. We managed a smooth transition from being a division of TNT N.V. to standing on our own as a pure play logistics company. Most important, however, was our capability to maintain the close relationships with our customers, continuing an impressive renewal rate and winning significant new contracts in 2006. This continuing success is the result of the hard work and experience of our management and our employees - the same team that will continue moving CEVA to become the world's most favoured logistics company."

<p>The revenue progression in 2006 was the result of growth in the Italy, Rest of World, and Rest of Europe regions. This was partially offset by a decline in North America. In 2006, certain non-recurring charges relating to the termination and restructuring of contracts incurred in advance of the acquisition by Apollo Management L.P. significantly impacted operating expenses and the resulting EBITDA. Nevertheless, a strong focus on business fundamentals ensured strong cash generation during the year.

**Visiting address**  
CEVA LHO  
Siriusdreef 20  
2132 WT Hoofddorp  
The Netherlands

**Mailing address**  
PO Box 483  
2130 AL Hoofddorp  
The Netherlands

[www.cevalogistics.com](http://www.cevalogistics.com)

**Banking connection**  
ABN AMRO Bank N.V.  
Bank account: 44.46.05.878



In the first quarter of 2007, CEVA announced that John Pattullo will take up the position of Chief Executive Officer in August 2007. Dave Kulik will then become Vice Chairman of CEVA. At the end of May 2007, CEVA announced that it will acquire freight forwarding company EGL, Inc. for approximately \$2 billion. CEVA currently intends to finance the acquisition with a combination of debt, with up to approximately \$200 million of cash equity from CEVA's balance sheet and up to approximately \$100 million new cash equity from Apollo (\$65 mm minimum commitment). The combination will create the world's fourth largest integrated supply chain management company, with global capabilities in freight forwarding and contract logistics. It is anticipated that the transaction will close in the third quarter of 2007, and is subject to EGL shareholder approval, regulatory approval and certain other conditions."

## 2006 FINANCIAL STATEMENTS CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF INCOME AND EXPENSE

in €millions

	Aggregated Successor and Predecessor 2006 (unaudited)	Successor period ended December 31, 2006 <sup>1</sup>	Predecessor period ended November 3, 2006	Predecessor 2005
Revenues and other income	3,497.1	553.2	2,943.9	3,354.2
Operating expenses	3,508.4	541.1	2,967.3	3,257.2
Operating income	(11.3)	12.1	(23.4)	97.0
Net financing costs	(76.5)	(27.0)	(49.5)	(79.3)
Results from investments in associates	(2.4)	0.1	(2.5)	(35.7)
Loss before income taxes	(90.2)	(14.8)	(75.4)	(18.0)
Income taxes	(9.6)	(5.8)	(3.8)	(16.6)
Loss from discontinued operations	(6.4)	-	(6.4)	(192.0)
Loss for the period	(106.2)	(20.6)	(85.6)	(226.6)
Attributable to:				
Shareholders	(108.4)	(21.8)	(86.6)	(227.3)
Minority interests	2.2	1.2	1.0	0.7

<sup>1</sup> The company was incorporated on August 9, 2006 and had no operations until the acquisition of the logistics business from TNT N.V. on November 4, 2006.

## CONDENSED CONSOLIDATED AND COMBINED BALANCE SHEETS in €millions

	Successor December 31, 2006	Predecessor December 31, 2005
Non-current assets	1,647.3	1,334.4

Current assets	1,113.6	1,090.8
Assets classified as held for sale	-	79.7
<b>Total assets</b>	<b>2,760.9</b>	<b>2,504.9</b>
Attributable to equity holders of the parent	285.6	(633.4)
Minority interests	33.2	5.9
Group equity	318.8	(627.5)
Non-current liabilities	1,548.6	523.8
Current liabilities	893.5	2,382.7
Liabilities classified as held for sale	-	225.9
<b>Total equity and liabilities</b>	<b>2,760.9</b>	<b>2,504.9</b>

### CONDENSED CONSOLIDATED AND COMBINED CASH FLOW STATEMENTS

in € millions

	Aggregated Successor and Predecessor 2006 (unaudited)	Successor period ended December 31, 2006 <sup>1</sup>	Predecessor period ended November 3, 2006	Predecessor 2005
Loss before income tax	(90.2)	(14.8)	(75.4)	(18.0)
Adjustments for:				
Depreciation, amortisation and impairments	89.1	20.8	68.3	84.1
Result on sale of property, plant and equipment	1.6	(0.7)	2.3	(2.1)
Investment income and results from investments in associates	79.0	27.0	52.0	115.0
Changes in working capital and provisions	(117.0)	61.6	(178.6)	(94.8)
Interest paid	(38.7)	(25.1)	(13.6)	(11.9)
Income taxes paid	(41.4)	(13.8)	(27.6)	(11.2)
Other	(2.8)	7.2	(10.0)	-
Net cash from operating activities	(120.4)	62.2	(182.6)	61.1
Net cash from investing activities	(129.3)	(94.0)	(35.3)	(36.2)
Net cash from financing activities	469.6	297.7	171.9	4.6
Begin period cash and cash equivalents	93.4	-	93.4	63.9
Change in cash and cash	219.9	265.9	(46.0)	29.5



equivalents				
Foreign exchange	(1.2)	(1.2)	0	0
End period cash and cash equivalents	264.7	264.7	47.4	93.4

<sup>1</sup> The company was incorporated on August 9, 2006 and had no operations until the acquisition of the logistics business from TNT N.V. on November 4, 2006.

## **NOTES TO THE CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

CEVA Group Plc (the "Company") is a company incorporated in the United Kingdom on August 9, 2006, with bond securities registered on the Alternative Securities Market of the Irish Stock Exchange.

The financial report of the Company for 2006 comprises the Company and its subsidiaries (together referred to as the "Group") and CEVA Group's interest in associates.

### **ACCOUNTING POLICIES**

The accounting policies are stated in the Annual Report 2006 of CEVA Group Plc. Comparative figures are pro forma on a combined basis.

### **FORWARD-LOOKING STATEMENTS NOTICE**

Some statements in this press release are "forward-looking statements" within the meaning of U.S. federal securities laws. We intend that these statements be covered by the safe harbors created under these laws. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management's beliefs and assumptions about future events. In addition to the assumptions specifically mentioned in this press release, important factors that could cause actual results to differ materially from those expressed or implied include, but are not limited to, the results and the timing of the conclusion of our tax investigations and our discussions or disagreements with other tax authorities and the other factors discussed in our annual report. Given these uncertainties, no assurance can be given as to our future results and achievements. You are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of this press release and are neither predictions nor guarantees of future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

#### **Note:**

For further information, please contact:  
CEVA Logistics  
Mr Paul Kwakkenbos



Marketing & Communications Director  
Tel +31 612 059086  
Fax +31 20 500 6217  
Email: [paul.kwakkenbos@cevalogistics.com](mailto:paul.kwakkenbos@cevalogistics.com)