

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 21, 2012**

**XPO LOGISTICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-32172**  
(Commission  
File Number)

**03-0450326**  
(I.R.S. Employer  
Identification No.)

**Five Greenwich Office Park, Greenwich, Connecticut 06831**  
(Address of principal executive offices)

**(855) 976-4636**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 7.01. Regulation FD Disclosure.**

On November 21, 2012, XPO Logistics, Inc. (the “Company”) released a script expected to be used by the Company in connection with certain future investor presentations. A copy of the script is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The script should be read in conjunction with the slide presentation described in Item 8.01 and with the Company’s Quarterly Report for the quarter ended September 30, 2012 and the Company’s other filings with the Securities and Exchange Commission (the “SEC”).

The information furnished in this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. This information shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the registrant specifically incorporates any such information by reference.

**Item 8.01. Other Events.**

On November 21, 2012, the Company released a slide presentation expected to be used by the Company in connection with the script described in Item 7.01. A copy of the slide presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K.

The slide presentation should be read in conjunction with the script described in Item 7.01 and with the Company’s Quarterly Report for the quarter ended September 30, 2012 and the Company’s other filings with the SEC.

**Item 9.01. Financial Statements and Exhibits.**

*(d) Exhibits*

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Investor Presentation Script, dated November 21, 2012.
99.2	Investor Presentation, dated November 21, 2012.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 23, 2012

XPO LOGISTICS, INC.

By: /s/ Gordon E. Devens

Gordon E. Devens

Senior Vice President and General Counsel

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Investor Presentation Script, dated November 21, 2012.
99.2	Investor Presentation, dated November 21, 2012.



November 21, 2012

**Investor Presentation Script**

*The following script should be read in conjunction with the accompanying slide presentation, which contains, among other information, source data for certain information set forth in the script.*

Thank you very much for joining us today.

XPO Logistics is a non-asset based transportation services provider in the logistics industry. We don't own trucks, airplanes or ships. We're a middleman between shippers and carriers who outsource their logistics to us as a third-party broker.

XPO Logistics reported \$177 million of revenue in 2011, and now we're rapidly approaching a \$500 million annual revenue run rate. This is just the first step. Since taking control of XPO last September, we've put a strategy in place to grow the company to several billion dollars in revenue over the next few years.

Our strategy has three prongs. Number one is acquisitions: we will acquire attractive truck brokerage operations that are scalable. The second prong is cold-starts: we will continue to open greenfield locations, mainly truck brokers, throughout North America. And third, we will optimize our existing operations.

In less than a year, we've completed four acquisitions and 15 cold-starts, eight of which are in truck brokerage. And we've grown our existing operations in our three business segments of expedite, freight forwarding, and truck brokerage. Brokerage is our main focus going forward. We've also put together a management team whose skill set matches this ambitious plan.

Our CEO, Bradley Jacobs, started four successful companies from scratch prior to XPO Logistics. He built each of those start-ups into a billion dollar or multi-billion dollar enterprise and created substantial shareholder value.

The two most recent companies were United Waste Systems, which he built into the fifth largest solid waste management company in North America, and United Rentals, which he grew to be the largest equipment rental company in the world. From 1992, when Brad took United Waste public, to 1997, when he sold it for \$2.5 billion to Waste Management, the earnings compounded at about 55% CAGR and the stock price outperformed the S&P 500 by 5.6 times. At United Rentals, over the 10 years he led the company, United Rentals stock outperformed the Index by 2.2 times.

Why did Brad pick logistics for his next attempt to create substantial shareholder value? In large part, because it is large, growing and fragmented.

Let's start with size. Logistics worldwide is more than \$3 trillion in annual revenues. In the United States alone, it's about a trillion dollars. Over-the-road trucking is about \$350 billion, with about 250,000 truckload carriers servicing millions of shippers. Truck brokerage, our primary focus, is currently getting \$50 billion of that \$350 billion.

We're building our company not just for the \$50 billion that's going through brokers right now, but for the \$300 billion that's currently going direct from shippers to carriers.

A critical factor, from our point of view, is that the logistics pie is expanding. Brokerage has been growing at about two to three times GDP, as opposed to asset-heavy trucking, which has been growing at around GDP. Still, the market is largely underpenetrated, with a 15% penetration rate of brokerage versus direct shipper-to-carrier cartage. Our bet is that the 15% is likely to increase substantially, and that our strategy will position our company to benefit from this long-term trend. Even in a sluggish macro environment like the current economy, we expect the trend toward greater penetration to create opportunities for us.

The main thing that's driving penetration is an outsourcing trend with both shippers and carriers. This is less about cycles and more about the fact that it makes economic sense for most companies to utilize third party logistics services. Instead of using internal staff to find freight or capacity, shippers and carriers are increasingly using brokers. Typically only the largest shippers have the freight volume to warrant in-house logistics.

And on the other side of the equation, from the trucker's perspective, a good, professionally-run broker can help increase utilization and decrease empty miles, giving them a better return on their own investment in assets.

In addition to being large and growing, the logistics industry is also fragmented. That makes it very appealing. There are over 10,000 licensed truck brokers in the United States, yet only about 25 of them – less than 1% – have revenue of over \$200 million. This creates a large potential acquisition universe for us, and in many cases a lack of access to working capital provides an incentive for these owners to sell.

The top line is not the main consideration for us. We're more interested in scalability – how much can we grow the operations? Typically, we like to find companies we believe we can grow by at least three times over several years by giving them access to our centralized truck capacity in Charlotte, moving them onto our advanced IT system, and recruiting, training and incenting a larger sales force at each branch.

Our most recent acquisition, Turbo Logistics, closed in October. Turbo is a 28-year-old company that serves customers through four locations: Gainesville, Georgia; Reno; Chicago; and Dallas. When we bought Turbo, it had 170 employees, trailing 12 months revenue of \$124 million, and strong customer and carrier relationships. We've already started the process to scale up Gainesville and Reno significantly. These two locations are located in strong markets for recruiting.

The Gainesville facility, which has physical space to expand by hundreds of people, is located within an hour's drive of 70,000 college students. We're tapping into that to hire energetic, talented salespeople who are hungry to build a career. In Reno, we expect that a lot of our hires will come from the University of Nevada, which has 18,000 students literally down the road from that office. So we foresee building up Gainesville and Reno very quickly. With Dallas and Chicago, we'll combine those offices with our existing operations to expand our platforms for growth.

Prior to Turbo, we purchased a company called Kelron Logistics. Kelron has been in the brokerage business for 20 years, and has offices in Toronto, Montreal, Vancouver and Cleveland. It was generating about \$100 million of annual revenue when we bought it. One very positive aspect of the Kelron deal is that it added thousands of carriers and customers to our XPO database, which benefits our entire network. Our intent is to scale Kelron up into a much larger organization over the next few years by adding salespeople, connecting them to our centralized capacity, and empowering them with our IT.

Our first acquisition took place back in May. Continental Freight Services was a 32-year-old truck brokerage business with deep relationships in the manufacturing and distribution sectors, particularly in the Carolinas, Texas and Florida. We completed the integration of Continental within 90 days of buying it, and the majority of Continental's loads are now being covered by our carrier team in Charlotte. Many of those loads are incremental business that Continental previously had to turn down for lack of available trucks. Our goal is to take Continental's \$22 million of historical revenue, add about 50 sales people over three years or so, and build it up to \$75 million of annual revenue.

While acquisitions are essential to our strategy, our cold-start program is just as important, particularly with truck brokerage. I'm happy to say that we're ahead of schedule on cold-starts. Our plan was to open five new branches in truck brokerage this year, and we've opened eight.

Each one of our cold-starts is led by a highly experienced branch president who has "been there and done that" before – an industry veteran with a strong track record of building a location up to tens or hundreds of millions of dollars in revenue. We look for energetic, charismatic leaders who can inspire people. Leadership is the most important factor for cold-starts.

When you get the right person in place, growth can happen quickly. Cold-starts can generate extremely high returns on invested capital, because the amount of invested capital is relatively slim: a million dollars or less. And there's a large component of variable-based incentive compensation.

Our plan for our typical cold-start projects \$5 million to \$10 million in revenue in the first year of operation. If you look at our first three cold-starts, one was opened around the first of January, another in late April, and the third in May. By October, the three together were on an annual run rate of more than \$30 million in revenues.

All of this expansion is being supported by our national operations center in Charlotte, North Carolina. It's the most important part of our infrastructure. In addition to our shared services for all back office functions, the Charlotte team has a separate unit that focuses exclusively on carriers. At the end of October, we had 75 people "dialing for diesel" – calling for trucks all day long to source capacity for the cold-starts and the companies we've acquired. The Charlotte team supports our field operations in two ways – by complementing carrier procurement at the branches, and by allowing our sales branch teams to focus on what they do best: customer sales and service.

It's a big advantage for our acquired companies to have Charlotte's capacity as a supplement to their own carrier sourcing. A typical brokerage branch might have two or three people working on covering a load. We have dozens of people dedicated to it. By year-end we should have over 100 people in carrier procurement in Charlotte, and several years from now we want to have several hundred people focused solely on carriers.

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Now let's talk about another backbone of our customer service organization: our information technology.

To grow at the pace we envision for XPO, we need great people using great technology. We've created a scalable IT platform across the company, with sales, service, carrier and track-and-trace capabilities. We rolled out the first phase of this platform in March. We added pricing tools in July. And we have a major leap forward on the horizon – our freight optimizer, which is in beta test right now. The algorithms that our IT team has created provide actionable pricing information and efficient ways to find the right carrier for each load. It has a fast, intuitive user interface, and the feedback from our test users has been extremely positive. We plan to roll it out to the rest of the organization before the end of the year.

Now let's spend a few minutes on our senior management team. We've assembled a team of highly qualified individuals with skill sets that mesh with our particular strategy for growth. Here are just a few examples:

Greg Ritter is our senior vice president of brokerage operations. Greg was at C.H. Robinson Worldwide, Inc. for 22 years. He also started Knight Brokerage, a subsidiary of Knight Transportation, and grew that business for more than six years as its president.

Mario Harik is our CIO. He was the CIO at Oakleaf Waste Management, a 3PL that was sold last year. Mario has been tapped over the years by Fortune 100 companies for his expertise in building comprehensive IT organizations and proprietary platforms, similar to what we're doing here at XPO.

In August, we brought Dave Rowe on board as chief technology officer, reporting to Mario. Dave is one of the top names in logistics technology. He was CTO at Echo Global Logistics, where he led the design and development of the company's highly regarded information systems, as well as the integration of acquisitions.

Two other recent additions to our management team are John Tuomala, our vice president of talent management, and Marie Fields, director of training. John is charged with building a sales force of several thousand people over the next few years, which is something he did successfully on an even larger scale for Compass Group North America. And Marie has 15 years of industry experience, including 12 years with C.H. Robinson, where she was responsible for the training and on boarding of new hires, systems training and sales development.

While our management team has deep bench strength in truck brokerage, their skill set is also applicable to our two other business segments: expedited transportation and freight forwarding.

Expedited transportation is a form of truck brokerage, but for loads that need to be picked up and moved on an urgent basis. As examples, think manufacturers of high-value parts or just-in-time auto suppliers. Like our brokerage segment, expedited is non-asset; we don't own the trucks. We contract with owner-operators and independent fleet owners to furnish the transportation. Our expedited division is called Express-1 and it generates almost \$100 million of annual revenue, which makes it one of the top five players in the space.



Our strategy with expedited is to build up sales to get more miles for our truck owners. The more miles we give them, the more owners we can attract. In August, we opened an office in Birmingham, Alabama, that will serve as Express-1's southeastern hub. While we continue to mine the broader market for expedited loads, we're also focusing on building our presence in three high-growth verticals: cross-border Mexico, temperature-controlled and defense.

Our freight forwarding business, Concert Group Logistics, currently has a \$65 million share in a \$150 billion industry, so we're a small player in this segment. Our strategy for CGL is to build it into a truly national network of freight forwarding locations in the U.S., both company-owned and agent-owned. We believe that this will take about 35 offices; right now we're at 28, including six we opened this year – Los Angeles, Houston, Kansas City, Charlotte, Atlanta and Newark. In addition, we've converted the Chicago and Minneapolis branches from agent-owned to company-owned. These are significant markets, and we're investing for growth.

Moving on to the financial picture: XPO was a \$177 million company in 2011. So far this year, we've added four acquisitions with a combined \$253 million of historical revenue. We opened 15 cold-starts, eight of them in truck brokerage. And we're generating internal growth in our existing operations. With these initiatives driving our expansion – and more to come – we're rapidly approaching a \$500 million revenue run rate.

Our liquidity is strong. As of October 31, we had approximately \$265 million in cash. The expected use of this cash is as follows: \$10 million earmarked for cold-starts and technology; \$10 million as a cushion; and the balance used for acquisitions. We're currently in the market for an accounts receivable facility to raise some low-cost debt.

And finally, it's worth noting that, based on SEC beneficial ownership rules, XPO management owns over half of the company's shares. Our interests are entirely aligned with shareholders to create substantial long-term shareholder value.

So to sum it up – we operate in an industry that has attractive fundamentals for long-term value creation. It's a large, growing, fragmented industry. We see the significant potential for value creation through cold-starts. We have a strong pipeline of acquisition targets, and the resources to scale up our acquired and existing operations. And we have a highly experienced management team aligned with shareholder interests.

We're on track or ahead of plan with all three parts of our strategy to grow XPO into a multi-billion dollar company: acquisitions, cold-starts and the optimization of our operations. Employee morale is high, due in large part to our many growth initiatives. And we have a highly skilled, strongly motivated management team in place, intently focused on our goals.

Thank you for your interest in XPO!

### **Forward Looking Statements**

*This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,”*

*“forecast,” “goal,” “guidance,” “outlook,” “effort,” “target” or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include, but are not limited to, those discussed in our filings with the SEC. Forward-looking statements set forth in this presentation speak only as of the date hereof and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events.*



## Management Presentation

November 2012

# Disclaimer

This presentation contains, and XPO Logistics, Inc. (the “Company”) may from time to time make, written or oral “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, made in this presentation that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), finding suitable merger or acquisition candidates, expansion and growth of the Company’s business and operations and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “may,” “will,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other comparable terms. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements. Factors that could adversely affect actual results and performance include, among others, economic conditions generally; competition; the Company’s ability to find suitable acquisition candidates and execute its acquisition strategy; the Company’s ability to raise capital; the Company’s ability to attract and retain key employees to execute its growth strategy; the Company’s ability to develop and implement a suitable information technology system; the Company’s ability to maintain positive relationships with its network of third-party transportation providers; litigation; and governmental regulation. Additional factors that could cause actual results to differ materially from those projected in the forward-looking statements can be found in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, and in the Company’s other filings with the Securities and Exchange Commission (the “SEC”). This presentation should be read in conjunction with the Company’s filings with the SEC, which are available to the public over the Internet at [www.sec.gov](http://www.sec.gov) and the Company’s website [www.xpologistics.com](http://www.xpologistics.com). All forward-looking statements made in this presentation speak only as of the date of this presentation. All forward-looking statements made in this presentation are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligation to update any such forward-looking statements.

# The XPO Growth Strategy

- Build a multi-billion dollar, non-asset based, third party logistics business
- Primary focus on truck brokerage
- Execute selective acquisitions and cold-starts
- Scale up operations company-wide
- Apply best practices with highly skilled management team

**Disciplined focus on creating shareholder value**

## Founded and led four highly successful companies

- **Amerex Oil Associates:** Built one of world's largest oil brokerage firms
- **Hamilton Resources:** Grew global oil trading company to ~\$1 billion
- **United Waste:** Created fifth largest solid waste business in North America
- **United Rentals:** Built world's largest equipment rental company

**United Waste stock outperformed S&P 500 by 5.6x from 1992 to 1997**

**United Rentals stock outperformed S&P 500 by 2.2x from 1997 to 2007**

# A Large Market Opportunity



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**Worldwide logistics: >\$3 trillion**

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**U.S. logistics: >\$1 trillion**

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**U.S. trucking: ~\$350 billion**

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**U.S. truck brokerage ~\$50 billion**

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Sources: American Trucking Association, Armstrong & Associates, EVE Partners LLC

# Truck Brokerage Growing at 2x to 3x GDP

- Long-term outsourcing trend
- Brokers add efficiency to both shippers and carriers
  - Shippers gain access to thousands of carriers
  - Carriers gain access to millions of loads
- 85% of shipments are not presently handled by brokers
- \$300 billion untapped opportunity

**15% penetration is likely to increase**

Sources: American Trucking Association, Armstrong & Associates



# Brokerage Is a Highly Fragmented Market

- More than 10,000 licensed brokers in the U.S.
- Only about 25 brokers with more than \$200 million in revenue
- Large potential acquisition universe
- Lack of working capital can motivate sellers

Sources: Armstrong & Associates

# Acquisition and Optimization Strategy

- Capitalize on attractive acquisition universe
  - Focus primarily on truck brokers
- Rapidly scale acquired companies
  - Provide access to centralized carrier capacity in Charlotte
  - Move onto technology platform
  - Aggressively expand sales force
- Benefit from added carriers, customers and lane histories with each acquisition

# Acquired Turbo Logistics

- 28-year-old business, acquired in October 2012
- Operations in Gainesville (Georgia), Reno, Chicago and Dallas
- \$124 million in annual brokerage revenue
- Highly scalable
  - Talented management team
  - Well-positioned geographically for hiring salespeople
  - Strong customer and carrier relationships
  - Attractive end markets

# Acquired Kelron Logistics

- 20-year-old business, acquired in August 2012
- Highly scalable operations in Toronto, Montreal, Vancouver and Cleveland
- \$100 million in annual brokerage revenue
- Strong base of over 1,000 customers
- Significant synergies with XPO

# Acquired Continental Freight Services

- 32-year-old business, acquired in May 2012
- Operations in South Carolina, North Carolina, Texas and Florida
- \$22 million in annual brokerage revenue
- Highly scalable; plan to triple in size
- Completed integration in 90 days

# Cold-starts Are High Return Opportunities

- Truck brokerage cold-start plan ahead of schedule
  - Q4 2011: Phoenix
  - Q2 2012: Ann Arbor and Dallas
  - Q3 2012: Chicago, Jacksonville, Montgomery and Tri-State (Morris County, NJ)
  - Q4 2012: Charlotte
- Led by industry veterans with strong track records
- Open additional locations over the next several years
- South Bend operation – good example of cold-start opportunity

# National Operations Center in Charlotte

- Provides carrier procurement and shared services
- Expand carrier procurement team to 100 people by December
- Cover freight more efficiently
- Enable sales offices to focus on new business

# Scalable Technology Platform

- Differentiate XPO through superior technology
- Purchase transportation more efficiently as data pool grows
- Rolled out first phase of platform in March 2012
- Added pricing tools in July 2012
- Currently beta testing enhanced pricing and truck-finding tools

Source: Company data



# Highly Skilled Management Team

Partial list below

<b>Sean Fernandez</b> <i>Chief Operating Officer</i>	NCR, Avery Dennison, Arrow Electronics
<b>John Hardig</b> <i>Chief Financial Officer</i>	Stifel Nicolaus, Alex. Brown
<b>Scott Malat</b> <i>Chief Strategy Officer</i>	Goldman Sachs, UBS, JPMorgan Chase
<b>Gordon Devens</b> <i>General Counsel</i>	AutoNation, Skadden Arps
<b>Mario Harik</b> <i>Chief Information Officer</i>	Oakleaf Waste Management
<b>David Rowe</b> <i>Chief Technology Officer</i>	Echo Global Logistics
<b>Troy Cooper</b> <i>SVP, Finance</i>	United Rentals, United Waste
<b>Greg Ritter</b> <i>SVP, Brokerage Operations</i>	C.H. Robinson, Knight Brokerage
<b>Lou Amo</b> <i>VP, Carrier Procurement</i>	Union Pacific, Odyssey Logistics
<b>John Tuomala</b> <i>VP, Talent Management</i>	Compass Group
<b>Marie Fields</b> <i>Director of Training</i>	C.H. Robinson, American Backhaulers

# Optimize Existing Operations

## **XPO**Logistics

### **Truck Brokerage**

Non-asset based  
premium freight  
brokerage services

### **Expedited Transportation**

Non-asset based  
expedited service  
provider through  
Express-1, Inc.

### **Freight Forwarding**

Non-asset based ground,  
air and ocean freight  
forwarding service  
through Concert Group  
Logistics, Inc.

# Expedited Transportation

- Top 5 provider of domestic expedite
- Grow business in attractive sectors
  - Cross-border Mexico
  - Temperature-controlled
  - Defense
- Opened new hub in Birmingham in August 2012
  - Positioned for shift in manufacturing to the southeast
- Synergies with Turbo Division

Source: Company data

# Freight Forwarding

- Currently a \$65 million player in a \$150 billion market
- Significant opportunity to grow market share
- Added locations in Los Angeles, Houston, Kansas City, Charlotte, Atlanta and Newark in 2012
  - Currently 28 locations
- Plan to build footprint to 35 locations over two years

Source: Company data



# Financial Overview

# Key Financial Statistics

- 2011 revenue: \$177 million
- Approaching a \$500 million annual revenue run rate
- Approximately \$265 million cash as of October 31, 2012
- Marketing new accounts receivable facility

# Incentivized Management

- Equity ownership aligns management team with shareholders
- Management and directors own 54% of the company<sup>(1)</sup>

## Common Stock Equivalent Capitalization (as of 9/30/12)

Common Shares	17.9 million
Preferred Shares	10.7 million
Warrants (Strike Price \$7 per share)	10.7 million (5.5 million dilutive) <sup>(2)</sup>
Convertible senior notes	8.7 million shares <sup>(3)</sup>
Stock options and RSUs	0.6 million shares dilutive <sup>(4)</sup>
<b>Fully Diluted Shares Outstanding</b>	<b>43.4 million shares</b>

(1) Based on SEC beneficial ownership calculation

(2) Dilutive effect of warrants calculated using treasury method (avg. market close price of \$14.43 for Q3 2012); total warrant proceeds of \$75 million

(3) Assumes conversion in full of \$143.75 million in aggregate principal amount of convertible senior notes issued in September and October 2012

(4) Dilutive effect of Q3 2012 weighted average outstanding RSUs and stock options calculated using treasury method (avg. market close price of \$14.43 for Q3 2012)



# Conclusion



# Summary of Opportunities

- Large, growing, fragmented industry
- Significant potential for value creation through cold-starts
- Strong pipeline of acquisition targets
- Resources to scale up acquired and existing operations
- Highly experienced management team aligned with shareholder interests