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): February 24, 2014

XPO LOGISTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-32172	03-0450326
(State or other jurisdiction of incorporation)	(Commission File Number)	(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 February 24, 2014, the Company released a slide presentation expected to be used by the Company in connection with certain future investor presentations, together with a corresponding script. Copies of the slide presentation and script are attached as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K.

The slide presentation and script should be read together and with the Company's filings with the Securities and Exchange Commission (the "SEC"), including the Annual Report on Form 10-K for the year ended December 31, 2013.

The information furnished in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, 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 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit Description
99.1	Investor Presentation, dated February 24, 2014
99.2	Investor Presentation Script, dated February 24, 2014

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: February 24, 2014

XPO LOGISTICS, INC.

By: /s/ Gordon E. Devens

Gordon E. Devens
Senior Vice President and General Counsel

EXHIBIT INDEX

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XPO Logistics

Exhibit 99.1

Management Presentation

February 2014

Disclaimer

Additional Information

In connection with the pending acquisition by XPO Logistics, Inc. ("XPO") of Pacer International, Inc. ("Pacer"), XPO has filed with the U.S. Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4 that includes a Proxy Statement of Pacer and a Prospectus of XPO, as well as other relevant documents concerning the proposed transaction (referred to herein as the "Merger"). XPO AND PACER SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT / PROSPECTUS REGARDING THE MERGER AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER, PACER AND XPO. Investors and shareholders may obtain copies of these documents (when they are available) and other documents filed with the SEC at the SEC's web site at www.sec.gov. Investors and shareholders may also obtain, free of charge, copies of these documents filed with the SEC by XPO through the investor relations page on XPO's corporate website at www.xpocorporate.com or by contacting XPO Logistics, Inc. at Five Greenwich Office Park, Greenwich, CT 06831, Attention: Investor Relations. In addition, investors and shareholders may also obtain, free of charge, copies of these documents filed with the SEC by Pacer through the investor relations page on Pacer's corporate website at www.pacer.com or by contacting Pacer International, Inc. at 6805 Perimeter Drive , Dublin, OH 43016, Attention: Investor Relations.

Participants in Solicitation

XPO, Pacer and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from Pacer shareholders with respect to the Merger. Information about XPO's executive officers and directors is available in XPO's proxy statement on Schedule 14A for its 2013 annual meeting of shareholders, filed with the SEC on April 27, 2013. Information about (1) Pacer's executive officers and directors is set forth in Pacer's Annual Report on Form 10-K filed with the SEC on February 8, 2013 and (2) their ownership of the Pacer shares is set forth in Pacer's proxy statement on Schedule 14A filed with the SEC on March 13, 2013. Investors and shareholders may obtain more detailed information regarding the direct and indirect interests of XPO, Pacer and their respective executive officers and directors in the Merger by reading the Proxy Statement/Prospectus regarding the merger. Copies of these documents may be obtained, free of charge, as described above. This document shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward Looking Statements

This document 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, including XPO's full year 2014 and full year 2017 financial targets. 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 XPO's and Pacer's filings with the SEC and the following: economic conditions generally; competition; XPO's ability to find suitable acquisition candidates and execute its acquisition strategy; the expected impact of the acquisition of Pacer, including the expected impact on XPO's results of operations; the ability to obtain the requisite regulatory approvals, Pacer shareholder approval and the satisfaction of other conditions to consummation of the transaction; the ability to realize anticipated synergies and cost savings; XPO's ability to raise debt and equity capital; XPO's ability to attract and retain key employees to execute its growth strategy, including retention of Pacer's management team; litigation, including litigation related to alleged misclassification of independent contractors; the ability to develop and implement a suitable information technology system; the ability to maintain positive relationships with XPO's and Pacer's networks of third-party transportation providers; the ability to retain XPO's and Pacer's largest customers; XPO's ability to successfully integrate Pacer and other acquired businesses; and governmental regulation. All forward-looking statements set forth in this document are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, XPO, Pacer or their respective businesses or operations. Forward-looking statements set forth in this document speak only as of the date hereof, and neither XPO nor Pacer undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events except to the extent required by law.

One of the Largest 3PLs in North America

We facilitate over 20,000 deliveries per day

- 4th largest freight brokerage firm and Top 50 logistics company
- Largest manager of expedited shipments
- #1 heavy goods, white glove provider of last-mile logistics
- International and domestic freight forwarder
- Growing presence in managed transportation and LTL
- Will be #3 provider of intermodal services and largest provider of cross-border Mexico intermodal following Pacer acquisition

Sources for rankings: Transport Topics, Journal of Commerce and company data

Clearly Defined Strategy for Value Creation

- Acquire companies that bring value and are highly scalable
- Significantly scale up and optimize existing operations
- Open cold-starts where sales recruitment can drive revenue

We are on track or ahead of plan with all three legs of our growth strategy

Precise Execution of Growth Plan

- Completed 10 strategic acquisitions and established 23 cold-starts in two years
- Created leading edge recruiting and training programs
- Introduced scalable IT platform
- Added national operations centers for shared services, carrier procurement and last-mile operations
- Stratified customers, assigned a single point of contact to each

Disciplined focus on operational excellence

Massive Commitment to Shipper Satisfaction

- Built integrated network across North America in two years
- Over 2,200 employees at 94 locations in the U.S. and Canada
- 9,500 customers in the manufacturing, industrial, retail, food and beverage, commercial, life sciences and government sectors
- Over 24,000 active, vetted carriers
- Approximately 400 additional trucks under exclusive contract

Planned Acquisition of Pacer International

Compelling reasons for the transaction

- Intermodal is one of the fastest-growing areas of transportation logistics in North America
- Pacer (NASDAQ: PACR) is the third largest provider of intermodal services
- Pacer is the largest provider of intermodal services in the high-growth cross-border U.S.-Mexico marketplace
- The combination will create company-wide cross-selling opportunities in every area of XPO service

Sources: Transport Topics and Pacer International company data

Strong Entry into Intermodal

With Pacer acquisition, XPO will gain instant scale and expertise in intermodal

- Pacer manages approximately 10% of all domestic intermodal loads in North America
- Trailing 12 months revenue of approximately $1.0 billion through December 2013
- Approximately 950 employees at 30 locations serving over 3,000 customers

Source: Pacer International company data

Major Intermodal Market Opportunity

- $15 billion intermodal sector in North America
- One of the fastest-growing areas of transportation logistics
- Enables shippers to lower transportation costs for freight traveling 600 miles or more
  - Rail can be more fuel-efficient than truckload
  - Intermodal can lower shipper's cost by up to 20%

Sources: SJ Consulting Group, Inc., FTR Associates and Pacer International company data

High-Growth Cross-Border Mexico Sector

- Mexico offers a highly attractive manufacturing environment
  - Competitively priced labor force
  - Faster speed-to-market than overseas locales
  - Can be more cost effective than cross-border truckload
- Large potential universe for conversion to intermodal: an estimated 2.8 million trucks move cross-border each year
- Pacer has industry-leading cross-border expertise

Sources: AlixPartners and Pacer International company data

Immediate Synergies of Service Offerings

- Combination will create company-wide cross-selling opportunities
  - XPO will market intermodal to our 9,500 customers
  - Pacer's intermodal customers will have access to XPO's full range of services
  - Combined sales force will use strongest single point of contact for each customer relationship
- Will enhance XPO's value proposition as a large, single-source logistics provider with deep capacity

Source: XPO Logistics company data

Pacer Transaction Highlights

Terms	Purchase price of $9.00 per share: $6.00 in cash, and $3.00 in stock subject to a price collar Enterprise value of approximately $296 million represents 11.5 times Pacer's 2013 consensus EBITDA of $25.8 million, and 8.9 times 2014 consensus EBITDA of $33.2 million
Financing	XPO intends to fund cash portion of transaction consideration with proceeds of recent common stock offering
Closing	Expected April 2014

Acquired 3PD in August 2013

- Largest provider of heavy goods, last-mile logistics in North America
- High value, high margin business serves a rapidly growing end market driven by growth in e-commerce and outsourcing
- Strengthens XPO's position with shippers as a large, single-source provider
- Industry-leading customer experience IT can be used by XPO
- Acquired Optima Service Solutions in November 2013
  - Highly scalable supplier to 3PD, leader in last-mile delivery of large appliances and electronics

Acquired NLM in December 2013

- Largest web-based expeditor in North America
- Manages approximately $500 million of annual gross transportation spend and facilitates over 450,000 loads a year
  - Proprietary online auction system allows carriers to bid on loads that are then awarded electronically
- Adds transportation management capabilities
- Capitalizes on trend toward just-in-time inventories
- Makes XPO the largest manager of expedited shipments in North America

Significant Growth Embedded in XPO's Model

- **Strategic accounts**: market to large shippers
- **Cold-starts:** expand footprint in markets with best access to sales talent
- **Scale and productivity:** recruit sales reps and provide state-of-the-art training and IT
- **Service offering:** build leadership positions in the fastest-growing areas of logistics
- **M&A program:** focus on the top 100 pipeline prospects

Leading Positions in High-Growth Sectors

Sector	Market Size ($ billions)	Projected Growth (x GDP)	Growth Drivers
Truck brokerage	$50	2-3 times	Outsourcing and technology
Intermodal	$15	3-5 times	Long-haul rail efficiencies and near-sourcing of manufacturing in Mexico
Heavy goods, last-mile	$13	5-6 times	Outsourcing and e-commerce

Sources: Armstrong & Associates, Norbridge, Inc., EVE Partners LLC, FTR Associates, SJ Consulting Group, Inc., Bureau of Economic Analysis, US Department of Commerce

Focused Sales and Marketing Effort

- Differentiate XPO by providing a complete suite of services
- Single point of contact for each customer
  - Strategic accounts team marketing to largest 1,200 shippers
  - National accounts team focused on next largest 5,000 companies
  - Branch network expands our reach to hundreds of thousands of small and medium-sized shippers
- Capture more of the $32 billion less-than-truckload (LTL) opportunity

Source: SJ Consulting Group, Inc.

Increasing Productivity through Technology

- One common platform for freight brokerage rolled out in all acquired companies
- Proprietary freight optimizer tools for pricing and load-covering put in place in 2012
- Highly scalable load execution and tendering via automated load-to-carrier matching
- IT budget of $36 million for 2014 (1)

(1) $21 million of operating expense and $15 million of capital expenditures; excludes IT budget for Pacer

Growth through Cold-starts

- Hire strong industry veterans as branch presidents
- Position in prime recruitment areas
- Rapidly scale up by adding salespeople
- Low capital investment can deliver outsized returns
- 23 cold-starts
  - 10 in freight brokerage, 12 in freight forwarding, one in expedited
  - Brokerage cold-starts on a combined annual revenue run rate of approximately $150 million

CEO Bradley S. Jacobs

Founded and led four highly successful companies, including world-class public corporations

- **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 5th 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

Highly Skilled Management Team Partial list

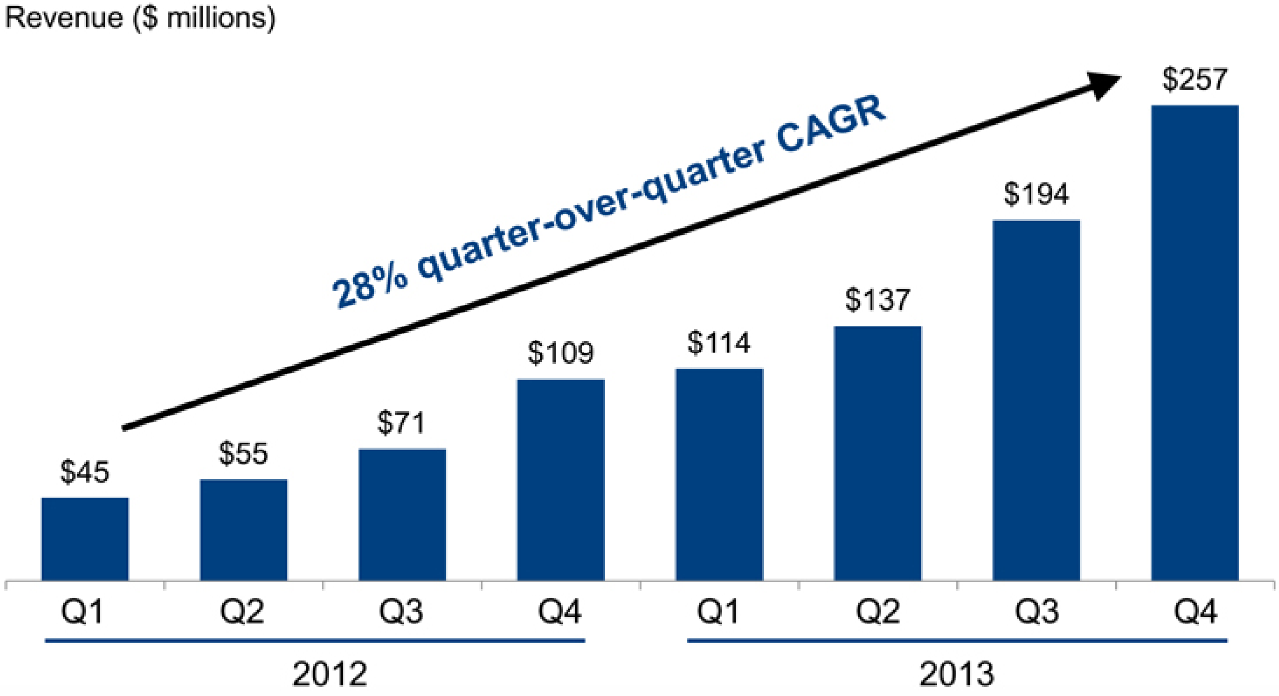
Sean Fernandez *Chief Operating Officer*	NCR, Avery Dennison, Arrow Electronics
John Hardig *Chief Financial Officer*	Stifel Nicolaus, Alex. Brown
Scott Malat *Chief Strategy Officer*	Goldman Sachs, UBS, JPMorgan Chase
Troy Cooper *Senior Vice President, Operations and Finance*	United Rentals, United Waste
Gordon Devens *General Counsel*	AutoNation, Skadden Arps
Mario Harik *Chief Information Officer*	Oakleaf Waste Management
Dave Rowe *Chief Technology Officer*	Echo Global Logistics
Karl Meyer *Chief Executive Officer, 3PD division*	3PD, Inc., Home Depot
Bud Workmon *President, 3PD division*	Cardinal Logistics
Tom Connolly *Senior Vice President, Acquisitions*	EVE Partners
Lou Amo *Vice President, Carrier Procurement*	Electrolux, Union Pacific, Odyssey Logistics

The full management team can be found on www.xpologistics.com

Deep Bench of Industry Experience Partial list

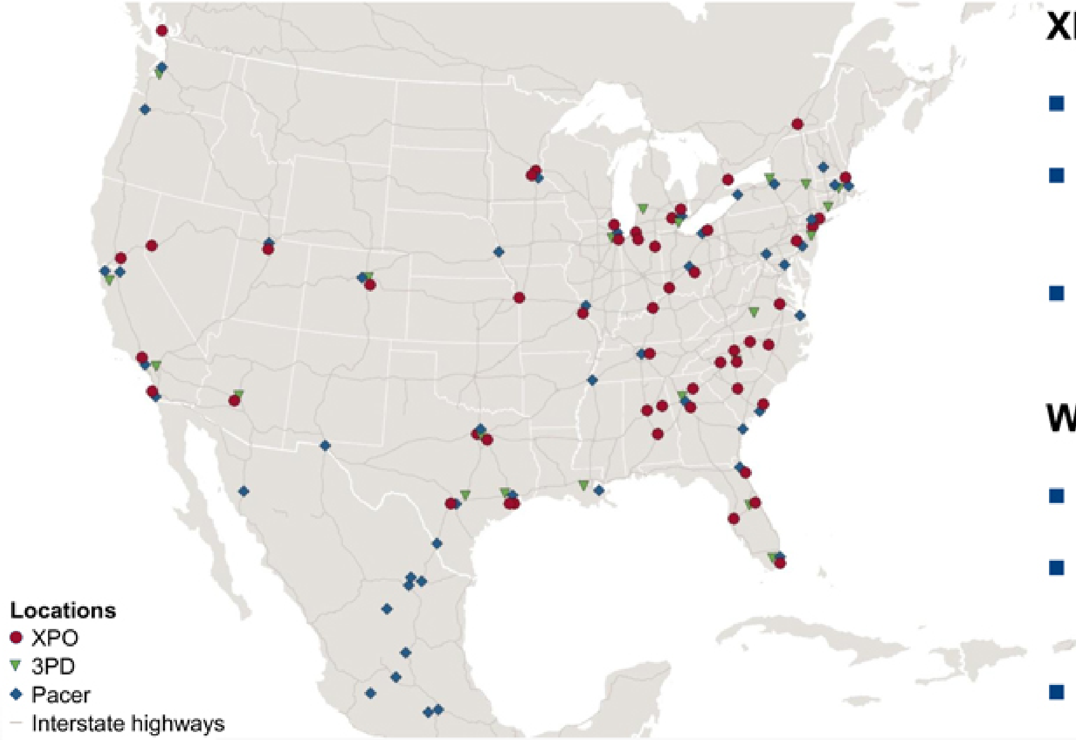
Chris Healy *President, Expedited Transportation*	Boyd Brothers, Caliber Logistics, Roberts Express
Will O'Shea *Chief Sales and Marketing Officer, 3PD division*	Ryder Integrated Logistics, Cardinal Logistics
Gregory Ritter *Senior Vice President, Strategic Accounts*	Knight, C.H. Robinson
Jake Schnell *Sr. Operational Process and Integration Manager*	C.H. Robinson
Jenna Sargent *Regional Sales and Operation Manager*	OHL, Schneider Logistics
Marie Fields *Director of Training*	C.H. Robinson, American Backhaulers
Kip Douglass *Regional Vice President*	Crowley Maritime, Coyote
Drew Wilkerson *Branch President, Charlotte*	C.H. Robinson
Doug George *Branch President, Dallas*	AFN, Ryder Integrated Logistics
Evan Laskaris *Director of Operations, Chicago*	AFN, CEVA Logistics, Menlo
Andrew Armstrong *Sales and Operations Manager*	Livingston International, Echo Global Logistics

First 24 Months of New Growth Strategy



Source: Company data

Transformational Impact of Pacer



XPO Now

- 94 locations
- Over 24,000 active, vetted carriers
- 20,000+ deliveries a day

With Pacer

- 124 locations
- Access to 60,000 miles of network rail routes
- 22,000 freight movements a day

Source for pro forma with acquisition of Pacer: Company data

Key Financial Statistics

Revenue Trajectory

- 2011 revenue of $177 million
- Currently at more than $1 billion annual revenue run rate
- Expect to be at approximately $2 billion run rate with Pacer

Growth by Business Unit, 4Q 2013 vs. 2012

- Freight brokerage: revenue up 202%, gross margin up 790 bps
- Expedited: revenue up 19%, gross margin up 100 bps
- Freight forwarding: revenue flat, gross margin up 80 bps

Source: Company data

Financial Targets

Full year 2014

- Annual revenue run rate of at least $2.75 billion by December 31
- Annual EBITDA run rate of at least $100 million by December 31
- At least $400 million of acquired historical annual revenue, excluding the Pacer acquisition

Full year 2017

- Revenue of approximately $7.5 billion
- EBITDA of approximately $425 million

Incentivized XPO Management

- Equity ownership aligns management team with shareholders
- Management and directors own approx. 30% of the company (1)

Common Stock Equivalent Capitalization as of 2/21/14

Common Shares	48.7 million
Preferred Shares	10.5 million
Warrants (Strike Price $7 per share)	10.7 million (7.9 million dilutive) (2)
Convertible Senior Notes	7.3 million shares (3)
Stock Options and RSUs	1.7 million shares dilutive (4)
Fully Diluted Shares Outstanding	**76.3 million shares (5)**

(1) Based on SEC beneficial ownership calculation as of February 21, 2014
(2) Dilutive effect of warrants calculated using treasury method (market close price of $27.37 as of 2/21/14); total warrant proceeds of $74.8 million
(3) Assumes conversion in full of $120.6 million in aggregate principal amount of outstanding 4.50% convertible senior notes due 2017
(4) As of February 21, 2014, dilutive effect of outstanding RSUs and stock options calculated using treasury method (market close price of $27.37 as of 2/21/14)
(5) Excludes the effect of the shares issued as consideration for Pacer

Clear Path for Significant Value Creation

- Assembled top management talent with a skill set uniquely suited to our growth strategy
- Built a $177 million company into the 4th largest freight broker in North America in two years
- Established leading positions in some of the fastest-growing areas of logistics: last-mile, expedite, and soon intermodal
- Scaled up to over 20,000 deliveries a day for 9,500+ customers
- Focused on making XPO an irreplaceable supply chain partner

We're making the best use of our resources to create long-term shareholder value

Exhibit 99.2

XPOLogistics

February 24, 2014

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 for joining us today. We'll start with our planned acquisition of Pacer International, Inc. (NASDAQ: PACR). After that, we'll give you an introduction to our company and the strategy that has driven XPO's 28% revenue CAGR quarter-over-quarter for the past 24 months.

Our agreement to buy Pacer is for a cash and stock transaction with a market value of $335 million and an enterprise value of $296 million. The acquisition will double our annual revenue run rate to approximately $2 billion upon closing.

We're bullish about the Pacer acquisition for a lot of reasons, but four in particular:

1. The intermodal sector is one of the fastest-growing areas of transportation logistics;
2. Pacer is the third largest provider of intermodal services in North America;
3. Pacer is the largest provider of intermodal services in the cross-border Mexico marketplace, which is exhibiting strong growth trends; and
4. The combination will create company-wide cross-selling opportunities in every area of XPO service.

First, the market opportunity. Intermodal is a dynamic, $15 billion sector that has been growing at three to five times GDP. Many shippers are discovering that they can use intermodal to lower their transportation costs by up to 20% for freight that travels at least 600 miles or so – in part because intermodal can be as much as three times more fuel-efficient for long haul. Currently, more than a third of our freight movements travel over 700 miles, and much of this is ripe for conversion to intermodal.

Second, we believe that Pacer facilitates approximately 10% of all domestic intermodal freight movements and is the third largest intermodal service provider in North America. Intermodal refers to the transport of goods by rail before and after it moves on other modes of transportation. Intermodal's been the fastest-growing segment of the freight rail industry since 1980. The acquisition will make XPO a major player in this space, with immediate scale and technology, and deep relationships with customers and carriers.

Third, Pacer is the largest provider of intermodal services across the U.S.-Mexico border. Cross-border Mexico is a high-growth sector of intermodal, driven by a shift to near-shoring by manufacturers. Mexico offers a competitively priced labor force and greater speed-to-market than overseas locales such as China – and compared to truckload, rail can offer a more cost-effective way to move freight cross-border. In addition, the Mexican government and railroads have made significant investments in the country's transportation infrastructure. It's estimated that approximately 2.8 million trucks move cross-border each year, so there's a large potential universe for conversion to rail.

The fourth reason we're excited about Pacer is that we see significant potential synergies. The combination will increase XPO's sales and service network to approximately 3,200 employees at 124 locations. The merging of our service offerings and sales forces represents a huge opportunity for us. Many of our customers are already asking for intermodal services. Once the deal closes, we'll market intermodal to thousands of small and mid-sized shippers in our XPO customer base.

We'll also be able to market our expedited, LTL, managed transportation and last-mile services to Pacer's customers on the intermodal side. And we expect to integrate Pacer's truckload operation with our own, and move them onto our IT systems. Our expanded service offering should put us in a strong position to leverage an important industry trend: many customers, particularly large shippers, want to winnow down their relationships to fewer, larger 3PLs with deep capacity across a range of services.

The Pacer transaction should close in the second quarter, subject to satisfaction of customary closing conditions and Pacer shareholder approval. In February, we completed a public offering of common stock and realized net proceeds of $414 million. We intend to use the proceeds of this offering, together with cash on hand, to finance the cash portion of the purchase price for our acquisition of Pacer, to pay related fees and expenses and for general corporate purposes.

Pacer will be our eleventh acquisition in two years. Once we close the transaction, we expect to be facilitating more than 22,000 deliveries a day for approximately 12,000 customers. And we see numerous opportunities to leverage the best practices of both organizations to create best-in-class recruitment, training, IT, marketing, sales, service and carrier procurement programs.

In summary, our proposed acquisition of Pacer is strongly aligned with our strategy to build XPO into a world-class, multi-billion dollar transportation logistics company. Pacer is one of the few large players in one of the fastest growing areas of our industry. We can scale up the business by cross-selling intermodal services to our customers, and we can offer our full range of services to Pacer's customer base. The combination will enhance our value proposition to shippers and position XPO as a leading logistics provider of choice.

Those are the highlights of the proposed Pacer transaction, and the potential upside it represents. Now we'd like to tell you more about XPO, and the ways in which we're driving our growth through the precise execution of a clearly defined strategy.

We took control of XPO Logistics in September of 2011, with the objective of building a world-class transportation logistics company under the new XPO Logistics brand. We put a highly skilled management team in place and began executing our disciplined strategy for growth:

- Acquire attractive companies that bring value and are highly scalable;
- Optimize our existing operations with vigorous recruitment and training programs and state-of-the-art IT; and
- Open cold-starts in locations where we can hire a large number of qualified salespeople to drive returns.

Today, we're one of the fastest-growing logistics companies in North America, with a freight brokerage division that we've taken from a single location to the fourth largest brokerage firm in two years. We're also the largest provider of last-mile logistics, and the largest manager of expedited shipments, with growing positions in managed transportation, freight forwarding and less-than-truckload brokerage. Soon, the acquisition of Pacer will make us a major player in intermodal services as well.

It's been a busy couple of years. We completed three acquisitions in the last six months alone: last-mile leaders 3PD and Optima, and managed transportation provider NLM. 3PD, Optima and NLM hold leadership positions in some of the fastest-growing areas of transportation logistics.

We're ramping up 23 cold-starts under experienced leadership. Our expedited business has approximately 400 independently owned trucks driving under our exclusive contract. We established relationships with an additional 24,000 carriers that provide capacity, representing more than half a million trucks on the road. We're growing our carrier network with every acquisition – and we have three major capacity management centers to handle that growth, in Charlotte, Chicago and Atlanta.

We developed cutting-edge recruiting, training and onboarding programs. We grew our headcount from barely 200 employees in late 2011 to over 2,200 and counting. We introduced a scalable IT platform and released three major upgrades so far, with enhancements every few weeks. We now facilitate over 20,000 deliveries per day on average, with an intense focus on on-time pickup and delivery. Most important, we've instilled a high-octane, performance-driven culture focused on delivering world-class service to customers.

So we've made tremendous progress building about a billion dollars of annual revenue run rate in two years – and Pacer will double that to approximately $2 billion when the transaction closes. Now let's take a closer look at each part of our strategy and the significant growth that's embedded in our business model.

First is scale and optimization. This starts with our industry fundamentals. The transportation logistics industry in the United States alone is about a trillion dollars annually. Over-the-road trucking is about $350 billion of that spend, with an estimated 15% penetration rate by brokers. This equates to a $50 billion opportunity that's growing at about two to three times GDP. Currently, we have more than 9,500 customers, primarily in manufacturing, industrial, retail, commercial, life sciences, and government-related accounts – yet we serve less than 2% of the addressable market.

One thing that's likely to drive increased penetration is an outsourcing trend with both shippers and carriers. It makes good economic sense for shippers and carriers to utilize third party logistics services. Instead of using internal staff to find freight or capacity, shippers and carriers are increasingly using brokers. Our strategy is positioning our company to benefit from this long-term trend. We're building XPO 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.

In addition to being large and growing, our industry is highly fragmented. There are more than 10,000 licensed brokers in the U.S., but only about 25 brokerage firms with more than $200 million in revenue. Fragmentation gives us a dual benefit: it supports the acquisition leg of our strategy, and creates a competitive advantage for XPO as one of the largest brokerage firms in North America.

We're working diligently to raise our profile in front of every prospective customer in this space. We've identified the 1,200 largest shippers in North America as strategic account targets. The next largest 5,000 shippers are our national account targets. In addition, there are hundreds of thousands of small and medium-sized customers who can use our services. Our branch network reaches out to them every day.

We see huge growth potential in strategic accounts. Last year, we launched a strategic accounts team to target opportunities with the largest shippers. This team has deep industry experience, and a long track record with large shippers. They're very attentive to the nuances of the needs of large shippers, and they're getting a favorable response from these customers.

Our strategic accounts team includes a number of high-profile industry veterans, including Jeff Battle, Dennis McCaffrey, Greg Ritter and Pat Gillihan. Jeff is one of the key executives who led the growth of Turbo Logistics over the last two decades. Dennis has 20 years in the industry, and most recently ran the outside sales organization for our expedited transportation group. Greg was previously president of Knight Brokerage, and before that he was with C.H. Robinson Worldwide for 22 years. And Pat was one of the owners of Covered Logistics who built the business into a prime provider of logistics to the manufacturing, postal, and oil and gas sectors.

Beyond strategic accounts, we're focused on growing our revenues through new business development and share of wallet with existing customers. We're doing this is a disciplined and organized manner. All of our salespeople are on salesforce.com, and we've assigned a single point of contact for each customer. This gives us good visibility into the progress of sales activities, and it helps us to cross-sell our services.

Less-than-truckload is another revenue stream that's on our doorstep. We're taking steps to tap into this $32 billion sector in a big way. Currently, less than $25 million of our company's annual revenue comes from LTL – yet almost all of our full truckload customers have LTL business. Our acquisition of Interide in May brought us a lot of LTL expertise, as well as an LTL technology platform that we've rolled out in all of our sales offices. Now that we've combined Interide's carriers with our own network, we're already getting better LTL rates. We're very excited about the magnitude of the LTL opportunity.

Whether we're providing services in brokerage, LTL, last-mile, expedite or our other offerings, our experience tells us that customers respond to one thing: results. They want on-time pickup and delivery. They want their goods to arrive safely. They're very focused on making sure that service failures don't happen. If a problem does occur, they want to know about it right away and they want to see a solution. We get that. If you walk into one of our branch offices, you'll see that our people are professional, efficient and on top of things.

One of the ways we empower our employees to deliver world-class service is through our information technology. We believe that our technology is a big differentiator in our industry. We have a dedicated development team in Cambridge, Mass., that focuses solely on driving innovation and the effectiveness of our systems. We design our systems to make sure they can accommodate huge scale and complex automation. They create the discipline that helps us manage rapid growth.

In 2012, we put a scalable IT platform in place across the company, with sales, service, carrier and track-and-trace capabilities. We followed that up with new pricing tools, load-covering capabilities, and the introduction of our proprietary freight optimizer software. We put out another major release last year that includes a carrier rating engine and LTL upgrades, and we've enhanced the functionality of our customer and carrier portals.

Our IT team has created algorithms that provide actionable pricing information and carrier procurement, as well as analytic capabilities for truckload market conditions. As we acquire lane and pricing histories from the companies we purchase, that information gets added to our database and can be used by our salespeople. For example, we can pull in real-time market data to highlight demand and availability in specific lanes and regions. This gives our salespeople price and capacity visibility across North America. We use detailed carrier profiling that identifies each carrier's strengths, equipment, preferred lanes and performance metrics. And we have similar profiling for our customers, that pinpoints both operational and load requirements. We also have the ability to manage our customers' specific routing guides and tariffs, which makes us a true partner to larger accounts.

That's an overview of part one of our strategy: scale and optimization. Part two is acquisitions. When we look at a potential acquisition, it's more than just a financial transaction. We ask ourselves, what special value does this company bring to the table? How does it fit into XPO? Is this an operation that we can grow to many times its current size? Will the employees be exceptional additions to our organization? And most important, is it a service that our customers need and want?

A key part of our strategy is to provide services in the fastest-growing sectors of transportation logistics in North America. Our planned acquisition of Pacer, in the fast-growing intermodal sector, is a good example of this. We're positioning XPO to capitalize on an important trend in transportation logistics: many shippers are choosing to consolidate 3PL services with fewer and larger providers who have deep capacity and a broad value proposition.

Recently, we acquired NLM, the leader in web-managed expedite logistics, which gave us a strong foothold in managed transportation. We now manage more shipments in the $4 billion expedite sector than any other 3PL in North America. Our company's roots are in expedited, which requires picking up and delivering freight very quickly, with a goal of zero service failures. Our expedite business dates back more than 20 years – so a do-or-die mindset of meeting customer needs is embedded in our DNA.

Last month, we appointed Chris Healy as president of our four expedited operations: Express-1, XPO NLM, XPO Air Charter and our Gainesville, Ga., expedited office. Chris is a 30-year veteran of the transportation industry with deep experience in expedited services. He's held senior positions with Active Aero Charter, Boyd Brothers Transportation, Caliber Logistics (now FedEx Supply Chain Services) and Roberts Express (now FedEx Custom Critical). We're excited to have him on board.

We're also the largest provider of last-mile logistics for heavy goods. Our acquisitions of 3PD and Optima Service Solutions have made us the largest player in this space. Last-mile is a $13 billion sector that is growing at five to six times GDP. Shippers depend on us to represent their brand during "white glove" deliveries inside a customer's home, often with family members present. Less-than-stellar service is simply not an option. Whether it's truckload, LTL, expedite, last-mile or freight forwarding, we see an opportunity to differentiate XPO by providing truly phenomenal customer service.

Our acquisition program continues to be very lively – we're working with a pipeline that includes prospects in most of our areas of service, with an emphasis on freight brokerage. We've looked at over 1,000 companies in the last couple of years, and we've refined that list to the 100 most attractive companies. Our acquisition team is constantly in dialogue with these targets. Many are eager to join XPO. They like our energy – they know we're going places. For our part, we're being very disciplined about seeking out strategically sound acquisitions that align with our core competencies.

We design each acquisition to be a win-win. Our acquired operations can sell the services of our other divisions, and we gain more carriers, customers and expertise that we can use company-wide. For example, we've added capabilities in LTL, last-mile, refrigerated and expedited air charter to our range of services. Our acquisitions of Turbo, Kelron, Covered Logistics and 3PD increased our penetration with *Fortune 500* companies. The added locations give us more real-time visibility into the ebb and flow of pricing in various lanes. As a result of these synergies, our salespeople can cover loads more effectively.

This brings us to the third part of our strategy, and an important one: cold-starts. Of the 23 cold-starts we mentioned earlier, ten are freight brokerage. Even though eight of the ten are barely a year old on average, and two just opened in December, they already have a combined annual revenue run rate of approximately $150 million. A year ago, their run rate was roughly $60 million, so we've grown our brokerage cold-start revenue by 2.5 times in about 12 months, and we'll continue to grow them fast. We also opened 12 cold-starts in freight forwarding and one in expedite.

Cold-starts of any size can generate extremely high returns on invested capital, because the amount of start-up capital is relatively slim: generally a million dollars or less. And there's a large component of variable-based incentive compensation.

Each of our freight brokerage cold-starts is led by a highly experienced branch president. We seek to locate these branches in prime areas for recruitment. Talent is the most important factor for cold-starts – both leadership and sales talent. It was the most important factor in locating our two most recent brokerage cold-starts in Houston and Richmond. We're actively hiring talent in both cities right now. In addition, we've received approval for up to $1.9 million in state and local tax incentives to develop a large brokerage facility in Louisville, Kentucky.

That's our business plan. Now it comes down to operational excellence: execution and management. So let's spend a few minutes on our senior management team.

Our CEO, Brad Jacobs, started four highly successful companies from scratch prior to XPO Logistics, and built each of those companies into a billion or multi-billion dollar enterprise. Brad and the management teams he led created dramatic shareholder value. In the process, they completed nearly 500 acquisitions and opened approximately 250 cold-starts.

The two most recent companies Brad led 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 construction 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.

Brad spent the better part of his first year with XPO assembling a team whose collective skill set is the perfect fit for our company's ambitious growth strategy. For a competitor to successfully copy our business plan, it would need the deep bench of talent that we have – not just at the senior executive level, but in every key position. Here are just a few examples of our talent:

John Hardig, our chief financial officer, has been a significant presence in the transportation industry for nearly two decades. Before joining XPO, John was a managing director in the Transportation & Logistics group at Stifel Nicolaus Weisel, and an investment banker in the Transportation and Telecom groups at Alex. Brown and Sons. John has advised transportation and logistics companies on more than 60 M&A and capital market transactions. He lead-managed IPOs for C.H. Robinson and Hub Group, and he was an underwriter on equity offerings for Forward Air, Heartland Express and Knight Transportation.

Scott Malat is our chief strategy officer. He's involved in all aspects of our company that require strategic thinking, including sales and marketing, operational benchmarking and equity market relationships. Scott knows our industry inside and out. He was the senior equity research analyst covering the air, rail, trucking and shipping sectors at Goldman Sachs prior to joining XPO. Earlier, he was an equity research analyst with UBS, and a strategy manager with JPMorgan Chase.

Troy Cooper is our senior vice president of operations and finance. Before XPO, he was responsible for integrating hundreds of acquisitions for high-growth companies in three different industries – including United Rentals and United Waste. United Rentals had the twenty-fourth largest private equipment fleet in the United States, and United Waste had the fifth largest truck fleet for solid waste collection. In addition to his strong financial skills, Troy brings disciplined oversight to our operations.

Gordon Devens is our general counsel. Gordon is more than just a talented corporate lawyer. After working at Skadden, Arps, he spent 15 years with AutoNation, where he was associate general counsel, and later led AutoNation's deal team. Gordon has completed over 250 M&A transactions during his career, and he brings that experience to XPO's growth strategy.

Mario Harik is our CIO. He was previously the CIO at Oakleaf Waste Management, a logistics provider that was sold in 2011. 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. He's put together a superstar team that is using technology in innovative ways that tie directly to customer service. They've accomplished a huge amount in a short period of time.

On the carrier side, Lou Amo is our vice president of carrier procurement and operations. Lou has 16 years' experience working on both the shipper side and the carrier side in senior positions with companies like Electrolux, Union Pacific and Odyssey Logistics. Lou's team specializes in building relationships with small and medium-sized carriers, mostly with fewer than 50 trucks. We treat our carriers respectfully and professionally, we give them miles at fair rates, and we earn their trust. In return, they work hard to make sure we fulfill our commitment to our customers: to pick up and deliver each shipment on time.

Marie Fields is our director of training. She has 16 years of industry experience, including 12 years with C.H. Robinson, where she managed training and on-boarding of new hires, systems training and sales development. Marie also worked for American Backhaulers as a dispatcher and a carrier sales rep. Her team has developed a proprietary training program that encompasses classroom instruction, structured simulation, on-the-job training, an e-learning curriculum, continuing education, mentoring and direct coaching by our branch presidents.

Taken in its entirety, our organization is unique in the industry because it includes top talent from virtually every other major 3PL in North America. Not only do we have deep bench strength, we have a rich diversity of industry experience. We've assembled some of the most energetic thinkers in logistics.

Moving on to the financial picture: we've more than quadrupled the size of the business in less than two years. We reported $177 million of revenue for 2011. We were on an annual revenue run rate of $500 million early in 2013, and by year-end we had met our targets for a run rate of at least $1 billion and positive EBITDA in the fourth quarter. That's before the addition of Pacer.

For the fourth quarter of 2013, we reported a significant increase in gross margin percentage in every one of our business units. We increased our freight brokerage margin by 790 basis points, and drove revenue up 202% year-over-year. In our expedited business, we increased margin by 100 basis points and revenue by 19%. And while revenue was flat in our freight forwarding business, margin improved by 80 basis points.

Look ahead, we've issued the following financial outlooks for 2014 and 2017. For this year, our targets are:

- An annual revenue run rate of at least $2.75 billion by December 31;
- An annual EBITDA run rate of at least $100 million by December 31; and
- At least $400 million of acquired historical annual revenue, excluding the Pacer International acquisition.

For 2017, our targets are:

- Revenue of approximately $7.5 billion; and
- EBITDA of approximately $425 million.

Finally, it's worth noting that XPO management owns over 30% of the company's shares, based on the SEC beneficial ownership rules. Our interests are entirely aligned with our public shareholders to create substantial long-term value.

So to sum it up: we took a $177 million company and built it into the fourth largest freight broker in North America in two years. We're focused on rapid, disciplined growth that makes the best use of our resources to create long-term shareholder value. We've established leading positions in some of the fastest-growing areas of logistics – last-mile, expedite and intermodal – with a growing presence in less-than-truckload brokerage, global freight forwarding and managed transportation. We currently facilitate more than 20,000 deliveries a day, with 94 locations that serve over 9,500 customers in the U.S., Canada and Mexico. We've assembled a management team that includes top talent from inside and outside the industry, with a skill set that's uniquely matched to our strategy. And we have more than 2,200 employees who are intent on making sure that our customers see XPO as an irreplaceable supply chain partner. When we look ahead, we see a clear path to grow the business far beyond our accomplishments to date. We're excited about the future of XPO!

Thank you for your interest.

Additional Information

In connection with the pending acquisition by XPO Logistics, Inc. ("XPO") of Pacer International, Inc. ("Pacer"), XPO has filed with the U.S. Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4 that includes a Proxy Statement of Pacer and a Prospectus *of XPO, as well as other relevant documents concerning the proposed transaction (referred to herein as the "Merger"). XPO AND PACER SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT / PROSPECTUS REGARDING THE MERGER AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER, PACER AND XPO. Investors and shareholders may obtain copies of these documents (when they are available) and other documents filed with the SEC at the SEC's web site at www.sec.gov. Investors and shareholders may also obtain, free of charge, copies of these documents filed with the SEC by XPO through the investor relations page on XPO's corporate website at www.xpocorporate.com or by contacting XPO Logistics, Inc. at Five Greenwich Office Park, Greenwich, CT 06831, Attention: Investor Relations. In addition, investors and shareholders may also obtain, free of charge, copies of these documents filed with the SEC by Pacer through the investor relations page on Pacer's corporate website at www.pacer.com or by contacting Pacer International, Inc. at 6805 Perimeter Drive, Dublin, OH 43016, Attention: Investor Relations.*

Participants in Solicitation

XPO, Pacer and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from Pacer shareholders with respect to the Merger. Information about XPO's executive officers and directors is available in XPO's proxy statement on Schedule 14A for its 2013 annual meeting of shareholders, filed with the SEC on April 27, 2013. Information about (1) Pacer's executive officers and directors is set forth in Pacer's Annual Report on Form 10-K filed with the SEC on February 8, 2013 and (2) their ownership of the Pacer shares is set forth in Pacer's proxy statement on Schedule 14A filed with the SEC on March 13, 2013. Investors and shareholders may obtain more detailed information regarding the direct and indirect interests of XPO, Pacer and their respective executive officers and directors in the Merger by reading the Proxy Statement/Prospectus regarding the Merger. Copies of these documents may be obtained, free of charge, as described above. This document shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward-looking Statements

This document 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, including XPO's full year 2014 and full year 2017 financial targets. 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 XPO's and Pacer's filings with the SEC and the following: economic conditions generally; competition; XPO's ability to find suitable acquisition candidates and execute its acquisition strategy; the expected impact of the acquisition of Pacer, including the expected impact on XPO's results of operations; the ability to obtain the requisite regulatory approvals, Pacer shareholder approval and the satisfaction of other conditions to consummation of the transaction; the ability to realize anticipated synergies and cost savings; XPO's ability to raise debt and equity capital; XPO's ability to attract and retain key employees to execute its growth strategy, including retention of Pacer's management team; litigation, including litigation related to alleged misclassification of independent contractors; the ability to develop and implement a suitable information technology system; the ability to maintain positive relationships with XPO's and Pacer's networks of third-party transportation providers; the ability to retain XPO's and Pacer's largest customers; XPO's ability to successfully integrate Pacer and other acquired businesses; and governmental regulation. All forward-looking statements set forth in this document are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, XPO, Pacer or their respective businesses or operations. Forward-looking statements set forth in this document speak only as of the date hereof, and neither XPO nor Pacer undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events except to the extent required by law.