

Analyst Meet - Allcargo Global Logistics Limited

Mumbai, 16-November-2010

Forward Looking Statement

ALLCARGO GLOBAL LOGISTICS LIMITED



This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.



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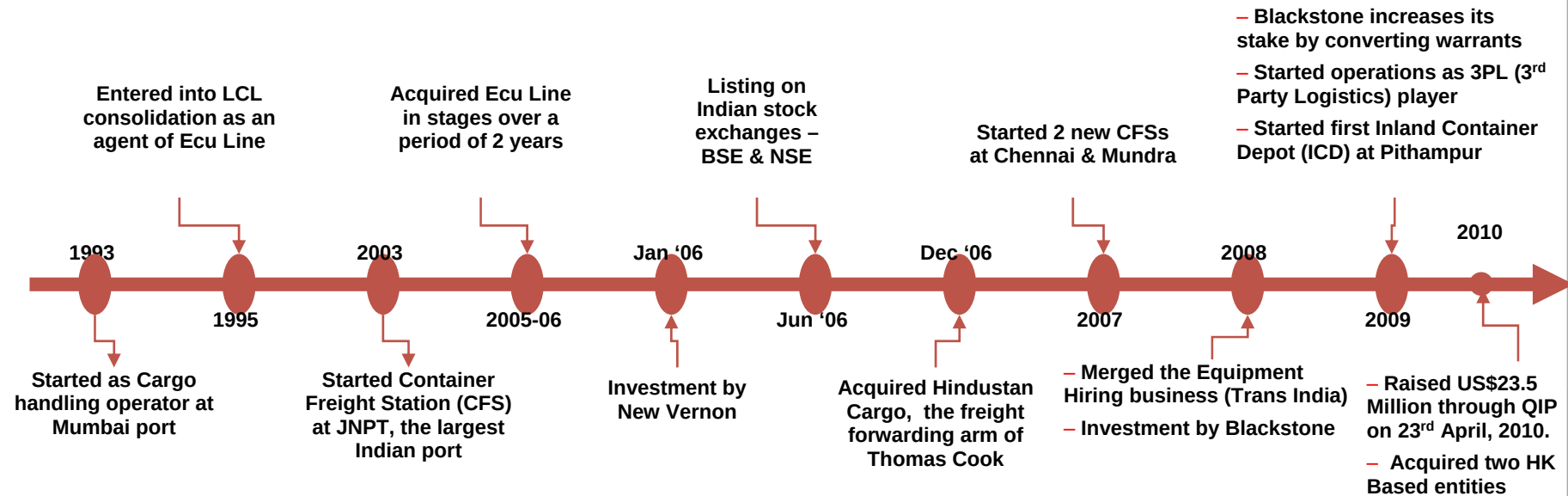


- India's first Integrated Logistics Multinational
- Global presence with operations spread over 60 countries covering over 5,000 destinations
- Diversified presence across many logistics sectors
 - One of the dominant players in the CFS/ICD business in India
 - One of the leading integrated Projects & Engineering solution provider
 - Global network of LCL Consolidation
 - Presence in Freight forwarding and Air-cargo business as well



Corporate Milestones

ALLCARGO GLOBAL LOGISTICS LIMITED



Recognized in Forums at National and Global Level

- 2010 - Logistics Company of the year – Maritime and Logistics Awards
 - Maritime Gateway Award – Best Private CFS Operator in India
 - Chairman WON – E&Y Entrepreneur of the Year – Services Category
 - ELSC – Face of Logistics Industry
- 2009 - Logistics Company of the year – NDTV Business Leadership Awards
- 2008 - Logistics Company of the year – Maritime Gateway Awards
- 2007 – Logistics Company of the year – Awarded by Lloyd's List



Strong Management Team



Mr. Shashi Kiran Shetty
Chairman & Managing Director

- Mr. Shashi Kiran Shetty, who is the promoter of the Company, holds a Bachelor of Commerce degree.
- Started his career in the logistics industry in 1978 with Inter-modal Transport and Trading Systems Private Limited, Mumbai from where he moved to Forbes Gokak, a TATA Group Company.
- In 1982 – set-up TransIndia Freight Services to cater to liner shipping services. He has served as ex-trustee of Mumbai Port Trust and is presently the Vice-Chairman of the Association of Multimodal Transport Operators of India (AMTOI).

LOGISTICS LIMITED



Mr. Adarsh Hegde
Executive Director

- Director on Board of Allcargo and heads Corporate Marketing.
- Mechanical Engineering degree and has over 18 years of experience in the logistics industry.
- Mr. Hegde is currently also the President of the Container Freight Station Association of India.

- Heads the Group Finance & Accounts function.
- Chartered Accountant with 27 years of work experience in industries like Consulting, Pharmaceutical, Engineering, Shipping & Logistics and Telecom



Mr. S. Suryanarayanan
Group CFO



Mr. Umesh Shetty
Executive Director – Projects & Engg Solutions

- Head Projects and Engg Division
- Holds a Bachelor of Commerce degree and has a wide and rich experience of more than 17 years in logistic business.
- Director in ECU Line Companies.

- Director – Human at Allcargo.
- Holds a Master's Degree in Production Management and MBA from IIM A with 24 years experience .
- An Executive Director of ECU Hold NV, the subsidiary of Allcargo.



Mr. Ashit Desai
Director - HR



Mr. Ken Eccles
CEO – Logistics Division

- Heads Logistics Division and is responsible for the domestic CFS, ICD and 3PL business
- Has experience of over 25 years in logistics industry in management roles with many shipping and Logistics Companies

- CEO for the global NVOCC business
- Holds a degree in shipping and logistics with 27 years of experience in the shipping, logistics and NVOCC industries.
- Has been associated with the ECU Line group since the last 20 years.



Mr. Kris DeWitte
CEO- NVOCC



Mr. Marc Stoffelen
COO - NVOCC

- COO for the global NVOCC Business
- Holds a degree in shipping and logistics with 27 years of experience in the shipping, logistics and NVOCC industries.
- Has been associated with the ECU Line group since the last 18 years.
- Director on board for ECU Hold NV.

- Heads the Shipping Service division.
- Master mariner with 28 years of experience in shipping & marine services.
- Set up Hyundai Merchant Marine India and headed its India operations till 2007 followed by his stint at Jindal Waterways, the shipping arm of Jindal Saw Ltd.



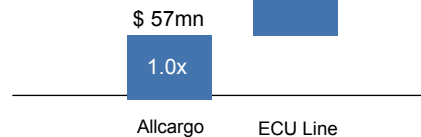
Capt. Ashok S
Sr VP – Shipping Services

Proven Track-record of Acquisition and Turn-around

ECU-Line – Strategic Network Enhancement

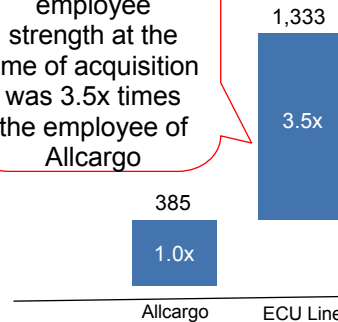


ECU Line revenues at the time of acquisition were 4.3 times the revenues of Allcargo



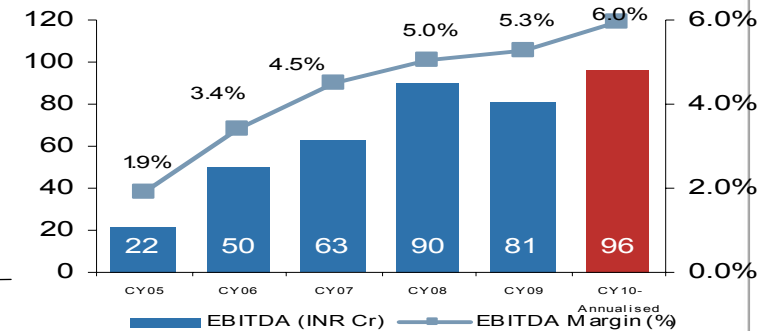
Revenue Comparison

ECU Line employee strength at the time of acquisition was 3.5x times the employee of Allcargo



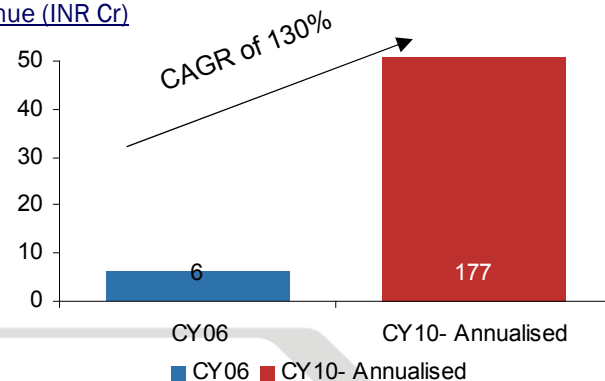
Employee Strength

ECU Line: Improved Profitability

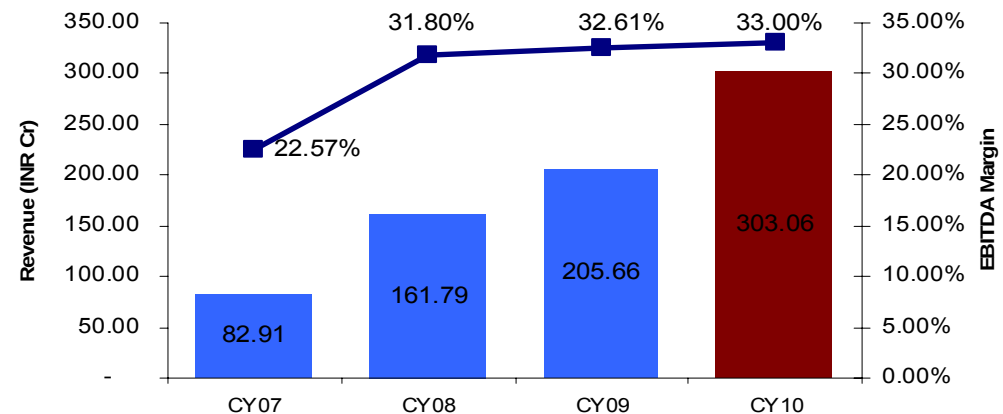


Hindustan Cargo Limited -Initiative to create an option to expand presence in a related business area

Revenue (INR Cr)



Merger of Projects & Engg Solution Division





Recent Acquisitions-2010

- Acquired 2 companies with business interest in PRC & Hong Kong
 - Engaged in NVOCC business in China and other parts of eastern regions.
 - Total number of employees involved approx 350 people.
 - The acquisition is expected to give an EBITDA of \$ 3.6 M in current year.
 - Total purchase consideration is 6.2 multiple of CY09 EBITDA.
 - Significant value addition to network as China is expected remain as volume-driver in foreseeable future

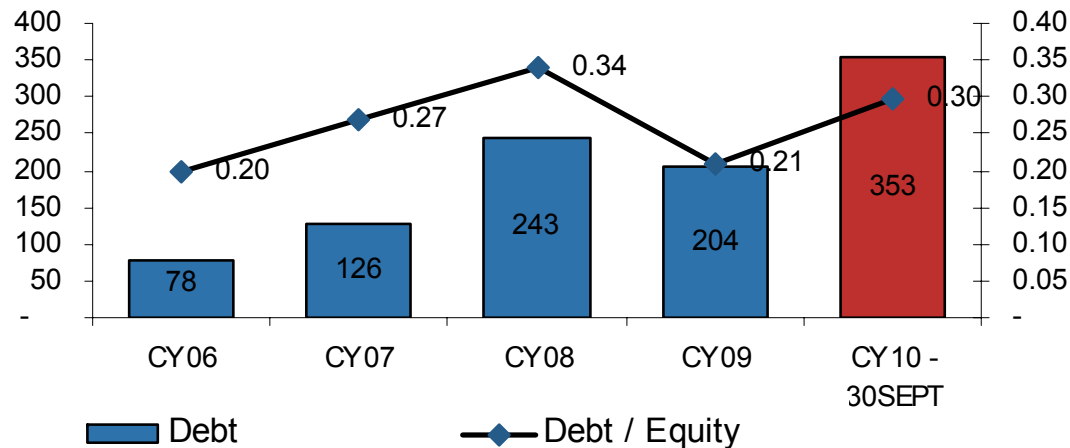
Controlling Stakes through Local Acquisitions

- Qingdao, PRC;
- Sri Lanka;
- Shanghai;
- Indonesia
- SHE Maritime - UK

Acquiring Minority Stakes

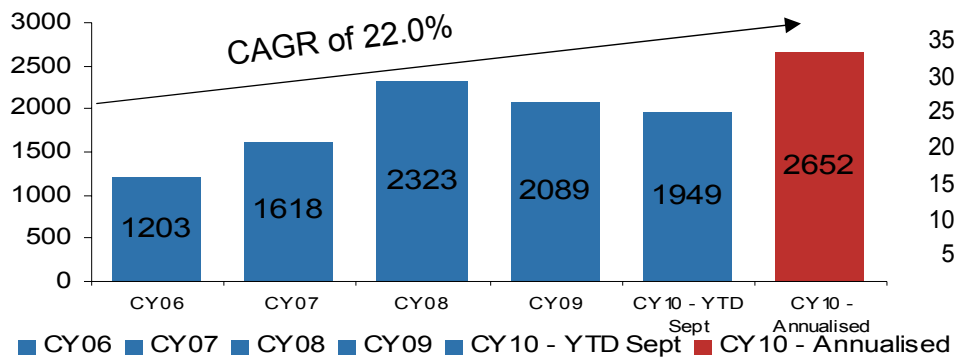
- Hong Kong / China
- Argentina

Strong Balance-sheet and continuous Growth for leveraging opportunities

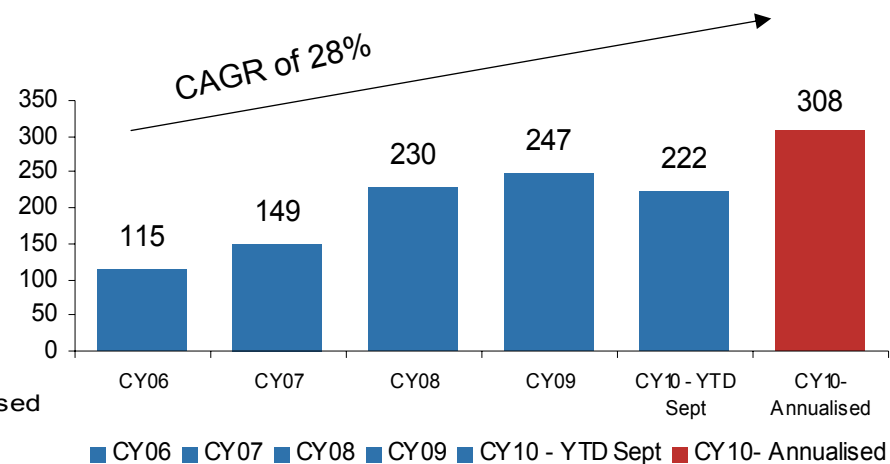


- Strong Un-leveraged Balance-sheet

Revenue (INR Cr)



EBITDA (INR Cr)

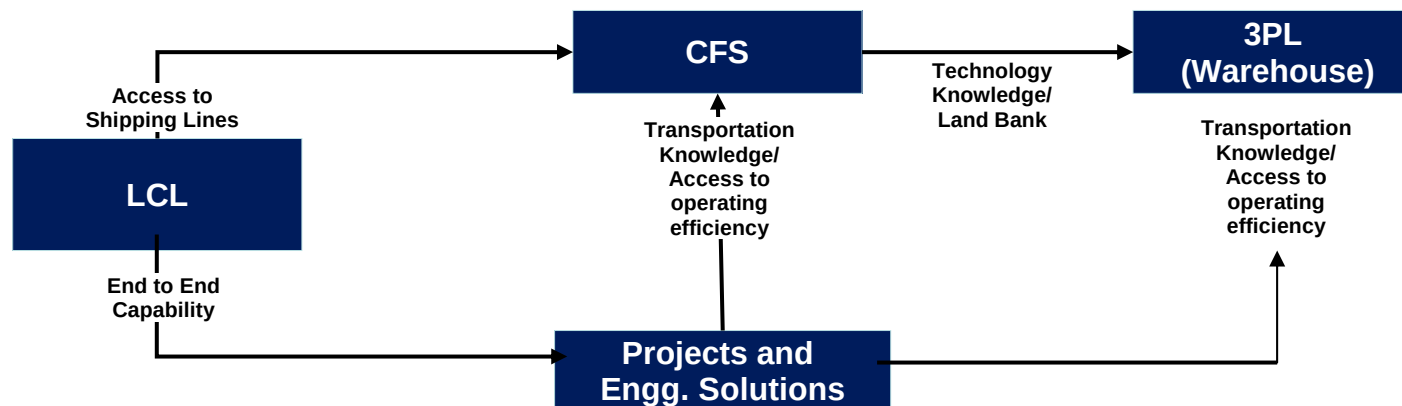


Competitive Benchmarking

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	NVOCC - Coast to Coast	Freight Forwarding	Container Haulage (Road)	Cont. Haulage (Rail)	CFS / ICD / FTWZ / Logi Park	Projects and Engg. Solution	3PL / Warehousing	Express Logistics
GDL								
Arshiya								
Gati								
Allcargo								
Concor								

Unique Synergized Business Model



- Unique business-model with tremendous synergy in all the businesses.

Industry Growth Drivers

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India's macroeconomic and logistics infrastructure scenario - India

- Expected GDP growth of 8 - 9% over the next decade 2010-20¹
- About 2.5 to 3 times growth in freight movement during 2010-20²
- Infrastructure development will be a critical economic growth enabler²
- About 2/3rd of infrastructure network capacity yet to be built in India²

Long-term Logistics industry growth drivers - India

- Increase in infrastructure spend by GoI to 8.4% of GDP in F2012 from 7.5% of GDP in F2009¹
- Infrastructure investments in F2013-17 will rise to a cumulative US\$1trn compared while it was US\$542bn in F2007-12¹
- About \$500 billion expected to be spent in logistics infrastructure development in the coming decade²
- Introduction of GST
- FDI in retail marketing and distribution – Will increase opportunities for intermediary logistics service providers²

Globally, Future Centre of Gravity for container-volume growth will be Intra-Asia region driven by China. With acquisition in China and Far-east regions, we are all set to capture this growth.

Source: The Planning Commission, GoI; 2: Building India-Transforming the nation's logistics infrastructure", McKinsey & Co.

Vision and Way-forward

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CFS / ICD

- CFS – Addition of capacity at JNPT and exploring other locations through organic & inorganic growth.
- ICD - Establish a pan-India presence with expansion to Hyderabad, Dadri, Nagpur and Bangalore (land already acquired) through strategic joint venture to gain control over cargo.

Expand as 3 PL Player

- Strategically expanding into warehouses to ultimately provide integrated 3PL services through organic and inorganic growth models.
- Existing land bank in place to build warehouses

Projects & Engineering Solutions

- Focus on high growth sectors & through investment in high-quality assets
- Unique offering of integrated projects and Equipment Solutions.

Global LCL Business

- Tactical acquisitions in regions where Allcargo is present but does not have significant presence
- Buyout of local partners (consolidation of stake) of ECU Line subsidiaries/operating companies
- Leveraging potential opportunity for creating more profitable trade lanes through network expansion

Financial Overview

S Suryanarayanan, Group CFO

- 1 Consolidated Performance
- 2 MTO Segment
- 3 CFS Operations Segment
- 4 Project & Engineering Solutions
- 5 Capex Plan
- 6 Conclusions

Consolidated Company – Performance

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- Net sales grown by 41% in 3Q over the year-ago quarter
- PAT has grown by 57% in 3Q compared to the year-ago quarter
- Margins have improved at EBIT, PBT and PAT levels

Consolidated Company Financial Performance						
Rs. Crore	3QE-Sep-10	3QE-Sep-09	Y-o-Y Change (%)	YTD-Sep-10	YTD-Sep-09	Y-o-Y Change (%)
Net Sales	704	498	41% ↑	1,929	1,502	28% ↑
EBIT	75	44	69% ↑	166	137	21% ↑
PBT	78	39	99% ↑	169	142	19% ↑
PAT	57	36	57% ↑	129	110	16% ↑

- Adjusting for net depreciation impact of Rs.16.77 crore,
 - EBIT has grown by 31% to Rs. 58 crore in 3Q
 - PBT has grow by 56% to Rs. 61 crore in 3Q
 - PAT has grown by 26% to Rs. 46 crore in 3Q.
- Adjusting for treasury income of ~Rs.12 crore in 3QCY09, PAT has grown by 99% in 3QCY10

MTO – Performance

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MTO Segment Business Volume Performance (LCL+FCL)							allcargo	ECU
Volume in CBM	3QE-Sep-10	3QE-Sep-09	Yo-Y Change %	YTD-Sep-10	YTD-Sep-09	Yo-Y Change %	plified	
Export - CBM	785,784	691,266	14% ↑	2,276,457	1,897,215	20% ↑		
Import - CBM	840,942	727,511	16% ↑	2,332,221	1,964,037	19% ↑		
Total	1,626,726	1,418,777	15% ↑	4,608,678	3,861,252	19% ↑		

- MTO volume has increased both in import and export segment, aggregating to 15% y-o-y for the quarter.
- Overall MTO segment performance has improved in the third quarter and YTD period over the last year
- Performance has improved in 3rd Qtr compared to 1st HY of CY2010

MTO Segment - Consolidated Financial Performance						
Rs.Crore	3QE-Sep-10	3QE-Sep-09	Y-o-Y Change (%)	YTD-Sep-10	YTD-Sep-09	Y-o-Y Change (%)
Net Sales	603	447	35% ↑	1,637	1,341	22% ↑
EBITDA	39	24	60% ↑	88	81	8% ↑
EBIT	35	20	74% ↑	77	69	12% ↑

Rs. Crore	3QE-Sep-10	3QE-Sep-09	Y-o-Y Change (%)	YTD-Sep-10	YTD-Sep-09	Y-o-Y Change (%)
Volume (CBM)	1,457,544	1,251,805	16%	4,103,768	3,387,116	21%
Net Sales	483	381	27%	1,343	1,135	18%
EBITDA	30	19	55%	69	62	10%
EBITDA margin (%)	6%	5%	112%	5%	5%	-36%
EBIT	26	15	67%	60	51	19%

CFS Operations – Pan India Integrated Play

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- Allcargo has leveraged its relationships with freight forwarders and major shipping lines by emerging as one of dominant CFS players in the country
- After capacity expansion, total CFS capacity is ~ 341,000 TEU p.a.
 - JNPT capacity is 144,000 TEU / annum
 - Chennai capacity is 120,000 TEU / annum
 - Mundra capacity is 77,000 TEU / annum.
- By volume; Allcargo is one of top two CFS operators at JNPT and Chennai (barring captive CFSs) and among top five at Mundra
- Market share by volume at JNPT, Chennai and Mundra is in the range of 8-9%, 9-10% and 6-7% resp.
- ICD at Pithampur with capacity of 36,000 TEU p.a.
- Segment also provide 3PL services through two warehouses at Bhiwandi and Verna, Goa.
 - Combined capacity is 94,000 sq.ft.
 - Capacity utilization above 90%

CFS Operations – Performance

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Business volume growth continues



CFS Business Volume						
Volume in TEU	3QE-Sep-10	3QE-Sep-09	Y-o-Y Change (%)	YTD-Sep-10	YTD-Sep-09	Y-o-Y Change (%)
Export	8,389	8,787	-5%	30,044	24,731	21% ↑
Import	46,775	38,291	22% ↑	135,116	101,091	34% ↑
Total	55,164	47,078	17% ↑	165,160	125,822	31% ↑

Note: TEUs – Twenty Equivalent Units of cargo

Consistent Business Growth

CFS Operations Segment -Financial Performance						
Rs. Crore	3QE-Sep-10	3QE-Sep-09	Y-o-Y Change (%)	YTD-Sep-10	YTD-Sep-09	Y-o-Y Change (%)
Net Sales	49	39	26% ↑	139	108	28% ↑
EBITDA	24	21	13% ↑	69	60	14% ↑
EBIT	22	19	14% ↑	63	55	15% ↑

- Capacity utilization at JNPT was above 95%, Chennai is about ~60% & Mundra ~ 35% during the quarter
- Dwell time is about 11 days at JNPT and Chennai CFSs
- Revenue / TEU realization has gone up by ~ 5% as compared to year-ago quarter
- CFS segment has maintained strong growth during quarter and YTD period over last year

Project & Engineering Solutions – An Integrated Approach



- The segment provides integrated project, engineering and logistics services
- Each project in this division is unique in terms of nature, size and value involving movement by air, rail, road, sea and inland waterways
- Allcargo has recently bought two vessels to reduce ship chartering cost and to leverage on coastal cargo movement

Sample Client Base - Allcargo has successfully executed multiple projects for clients such as BHEL, British Gas, Jindal, Delhi Metro Corporation, Vedanta, Bombardier etc

Project & Engineering Solutions – Performance

ALLCARGO GLOBAL LOGISTICS LIMITED



Consistent High utilization level of All Equipments

Project & Engineering Solutions: Capacity & Capacity Utilization Levels						
Capacity Utilization Levels (%)					Capacity Units at 3QE-Sep-10	Additions in YTD-Sep-10
Capacity utilization (%)	3QE-Sep-10	3QE-Sep-09	YTD-Sep-10	YTD-Sep-09		
Trailers	97%	96%	96%	95%	378	24
Cranes	93%	92%	93%	93%	96	35
Forklifts	~ 100%	~ 100%	~ 100%	~ 100%	68	0
Reach stackers	~ 100%	~ 100%	~ 100%	~ 100%	23	4

Project & Engineering Solutions Segment - Financial Performance						
Rs. Crore	3QE-Sep-10	3QE-Sep-09	Y-o-Y Change (%)	YTD-Sep-10	YTD-Sep-09	Y-o-Y Change (%)
Net Sales	88	55	60% ↑	225	149	51% ↑
EBITDA	28	16	77% ↑	74	50	48% ↑
EBIT	27	8	226% ↑	51	29	76% ↑

- Segment has maintained strong growth during quarter and YTD period over last year
- Capital employed has increased on account of equipment acquisition during the year
- The segment has an order book of ~ Rs.200 Crore

Capex plans

- Strength of asset light business of global LCL and Freight-forwarding enables us to clock sustainable solid growth without much incremental investments
- Cash and Bank Balances of Rs.140 crore as of date.
- CY 2010
 - Capex (~Rs.300 crore)
 - CFS capacity expansion at Mundra & Chennai (~Rs.20 crore)
 - Project & Engineering fleet expansion, including Vessel purchase (~ Rs.235 crore)
 - ~ Rs.40 crore for others
 - Overseas MTO acquisition (~ Rs.100 crore, to be paid in phases and D:E = 30:70)
- Initial CY 2011 Capex plan (~Rs.250 crore)
 - CFS capacity expansion at JNPT and other ports (~Rs.100 crore)
 - Warehousing capacity expansion at Verna – Goa, Hosur & Nagpur (~ Rs. 40 Cr)
 - ICD Dadri, Hyderabad development (~Rs.40 crore)
 - Other Regular Capex (~ Rs.20 crore)
 - Projects and Engineering Fleet Expansion (~ Rs. 50 Cr)

Conclusions

ALLCARGO GLOBAL LOGISTICS LIMITED



- Unique synergistic high-growth business model
- Asset light business operations in terms of LCL / freight forwarding and 3PL
- Driven by entrepreneurial leadership and professional management
- Positioned to ride India economic growth momentum through CFS / ICD and Project & Engg Solutions
- Sustainable and diversified global logistics business network
- Strong balance sheet and access to capital

Q&A
