



# General Industry Update

2010 TAPPI – Shipping, Receiving & Warehousing Workshop



# Intermodal

- Shipments picked up market share against trucks in the fourth quarter of 2009
- Intermodal US long haul market share increased 0.2 percent in 4th quarter compared to 3<sup>rd</sup> quarter
- Seasonally-adjusted activity was up 7.6 percent in December 09 from November 09
- Year-to-year basis international and domestic were down 21.2% and 5.8%
- FTR expects Intermodal loadings to grow 5% in 2010 and 5.1% in 2011
- Not expected to reach peak levels again until 2014
- Total of 11.67 M North American Intermodal movements in 2009 which is the lowest since 2002
- A 14.6% year-over-year decline



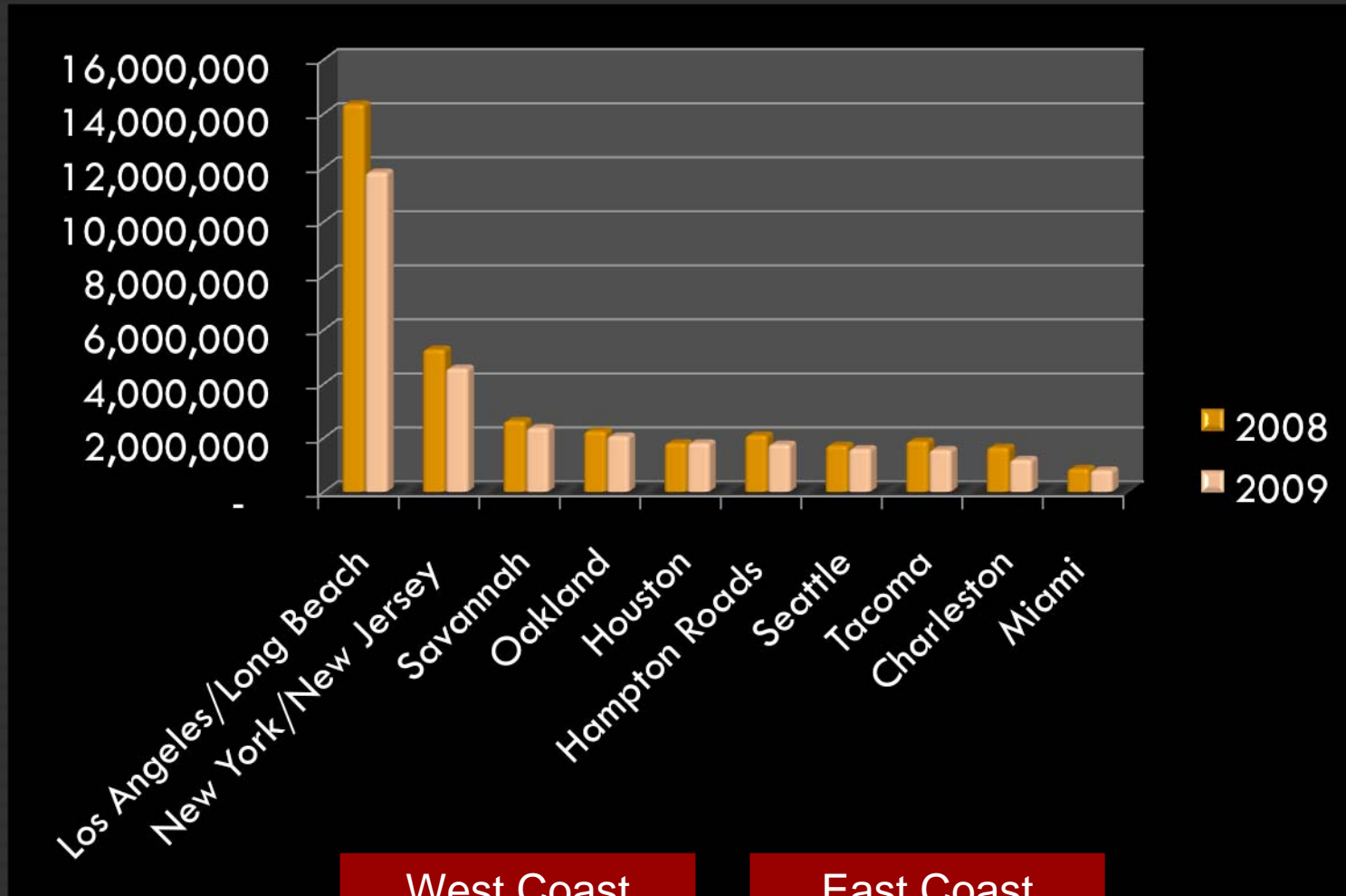
# Port

- Global container volumes declined an estimate 9% in 2009, back to 2006 levels
- Recovery to peak level not expected until before mid-2012 at the earliest
- Export from developed economies to increase by 7.5% in volume terms in 2010
- Shipments from the rest of the world should rise 11% as the world emerge from recession
- Competition is now between speed to market and cost of shipment
- Global capacity is increasing primarily on Asia-Europe routes
- A number of lines are adding Asian ports calls on North American routes
- The slow month of February saw declines on the East Coast and West Coast
- Port volumes are expected to rebound in April after a near static March.
- Growth will continue moving forward

## Major U.S. Ports Container Traffic, TEUs

| Port                     | 2009       | 2008       | %Change |
|--------------------------|------------|------------|---------|
| 1 Los Angeles/Long Beach | 11,816,592 | 14,337,801 | -18%    |
| 2 New York/New Jersey    | 4,561,527  | 5,265,058  | -13%    |
| 3 Savannah               | 2,356,574  | 2,616,185  | -10%    |
| 4 Oakland                | 2,051,175  | 2,236,244  | -8%     |
| 5 Houston                | 1,797,155  | 1,794,243  | 0%      |
| 6 Hampton Roads          | 1,745,228  | 2,083,278  | -16%    |
| 7 Seattle                | 1,582,888  | 1,704,228  | -7%     |
| 8 Tacoma                 | 1,545,855  | 1,861,352  | -17%    |
| 9 Charleston             | 1,181,357  | 1,635,537  | -28%    |
| 10 Miami                 | 789,570    | 847,809    | -7%     |

# Major U.S Ports Container Traffic, TEU's



West Coast  
2010 Projected  
growth  
11.3%

East Coast  
2010 Projected  
growth  
10.6%

## North America Trade Outlook\*

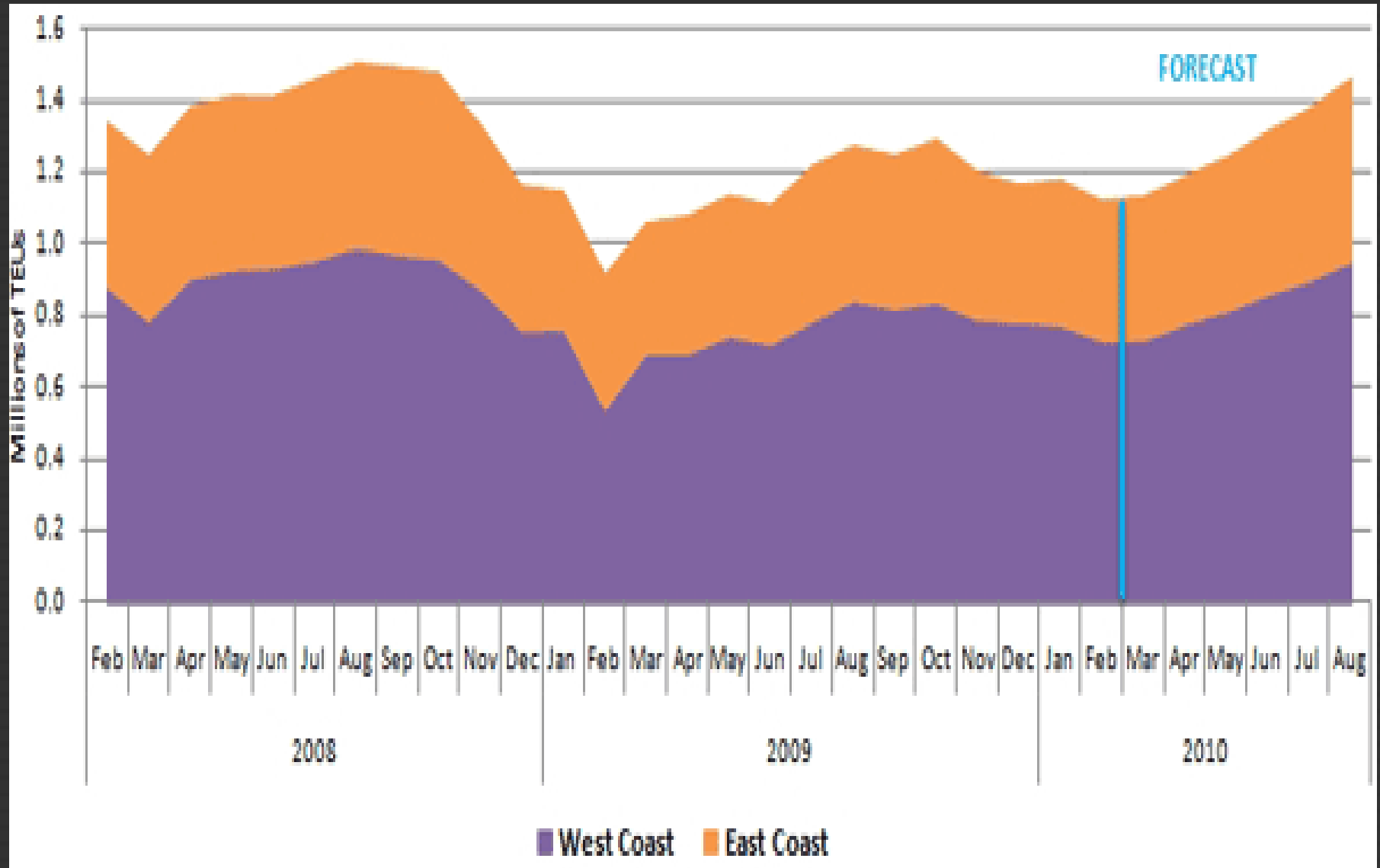
- Global container volumes declined an estimated nine percent in 2009, back to 2006 levels. Recovery to peak levels is not expected before mid-2012 at the earliest.
- WTO economists expect exports from developed economies to increase by 7.5 percent in volume terms during 2010. Shipments from the rest of the world, including developing economies and the Commonwealth of Independent States, should rise by around 11 percent as the world emerges from recession.
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- Competition between West and East Coast ports has hit a point of equilibrium and there is little that railroads can do to change cargo routing, according to rail executives who addressed the Trans-Pacific Maritime Conference in Long Beach. Competition is between speed to market and cost of shipment.
- The Transpacific Stabilization Agreement, a discussion group of 15 carriers in the eastbound Pacific, met in Taipei and projected that cargo volumes will remain strong into April. The forecast becomes a bit hazy after that.

\*Global Port Tracker

## North America Trade Outlook Continued-

- A number of lines are adding Asian port calls on North American routes, and vessel size is increasing. Global capacity is increasing, although this is primarily focused on Asia-Europe routes.
- The typically slow month of February saw declines of 5.6 percent on the West Coast and 3.8 percent on the East Coast. However, a number of ports experienced gains: Vancouver, Prince Rupert, Montreal, Hampton Roads, Charleston, and Houston. Port volumes are expected to rebound in April after a near static March. Growth will continue going forward.
- Projected growth on the West Coast for 2010 is 11.3 percent. On the East Coast it is estimated to grow 10.6 percent.

# North America Trade Outlook Continued-





# Warehousing



- Four consecutive years of inventory contraction
- ISM Inventory Index moves into positive territory for the first time since April 2006
- In March, the Inventory Index rose to 55.3, up a robust 8 points from February levels
- Companies are building inventory levels again, and strongly so
- Scores dipped all the way down into the 30's at the end of 2008
- The bottom was reached in June 2009 and starting to improve slowly since
- The data indicates how cautious companies were about inventories in the downturn

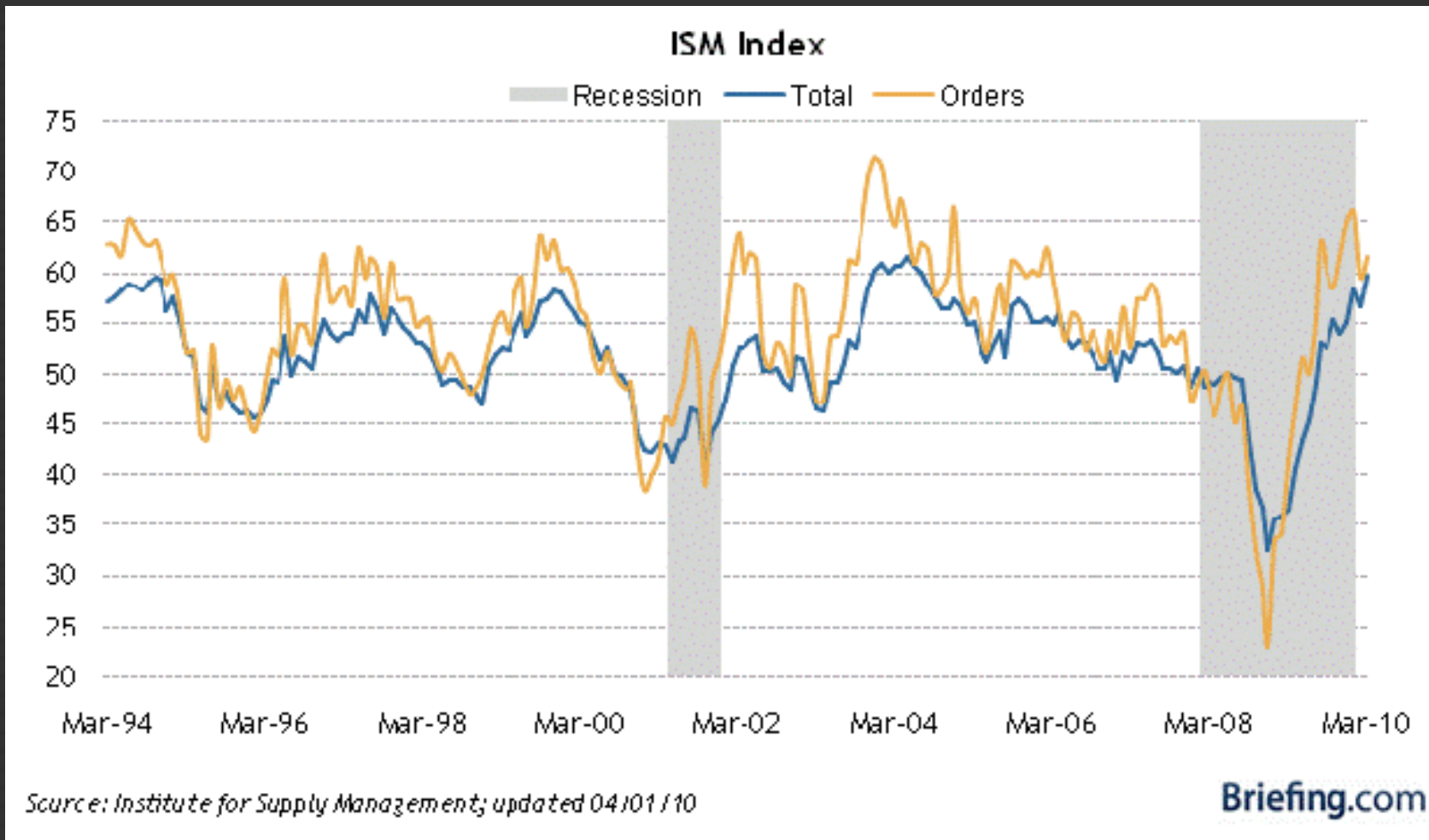
# Warehousing

## Employment, Unemployment, and Layoffs

| Data series  | Dec.2009 | Jan.2010 | Feb.2010 | Mar.2010 |
|--|----------|----------|----------|----------|
| <b>Employment (in thousands)</b>   |          |          |          |          |
| <b>Employment, all employees</b>   | 4,171.8  | 4,142.5  | 4,133.3  | 4,141.1  |
| <b>Employment, production and nonsupervisory employees (seasonally adjusted)</b> | 3,630.7  | 3,596.6  | 3,590.3  | 3,601.1  |
| <b>Unemployment</b>  |          |          |          |          |
| <b>Unemployment rate</b>   | 10.1%    | 12.7%    | 11.5%    | 10.9%    |
| <b>Layoffs</b>   |          |          |          |          |
| <b>Mass layoff events</b>  | 157      | 212      | 51       |          |
| <b>Initial claimants for unemployment benefits</b>                               | 17,909   | 23,788   | 5,372    |          |

## Footnotes

# Institute for Supply Management Survey



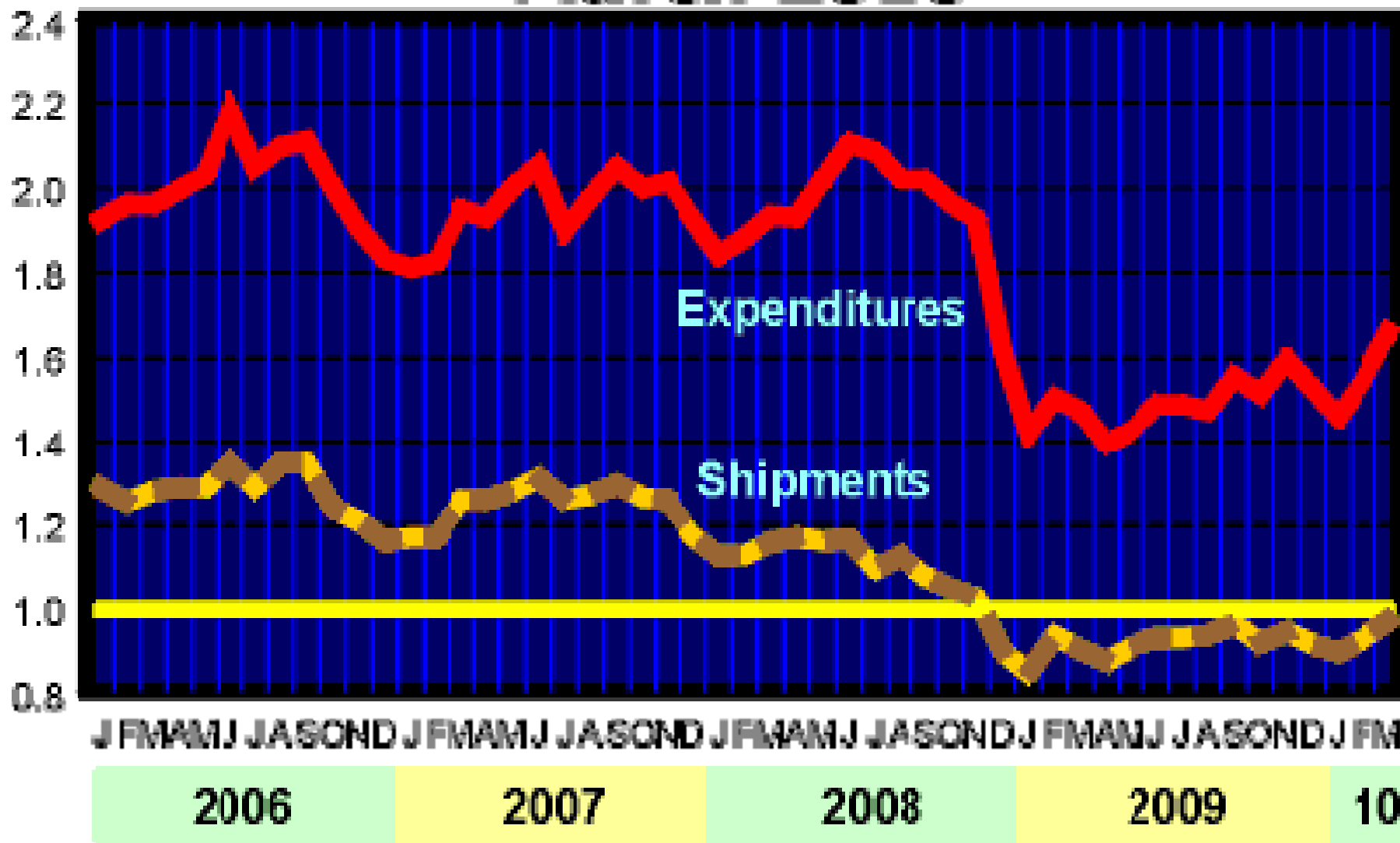


# Trucking

- The Cass Freight Index shows March shipments up 4.5% compared to February
- The Cass Freight Index shows March shipments expenditures up 11.3% year-over-year
- ATA reported advance seasonally-adjusted (SA) For-Hire Truck Tonnage Index up 2.6% year-over-year
- Signs pointing to a slow recovery
- Retail numbers are showing improvement in recent months

# Freight Index

## March 2010



*A new beginning...*

*That goes beyond distribution*



# Beyond Distribution

Port  
Drayage

Warehouse  
Services

Distribution  
Services

Transportation  
Management  
Services

One-Stop Shopping





CrossGlobe  
Distribution

CrossGlobe  
Express

CrossGlobe  
Transport

CrossGlobe  
Logistics





## Strengths and Core Competencies

What we  
do best

- Our people
- Market and product knowledge
- Close customer relationship
- Top-down commitment to safety
- Specialty equipment
- Proactive maintenance programs
- Commitment to excellence
- Financially strong

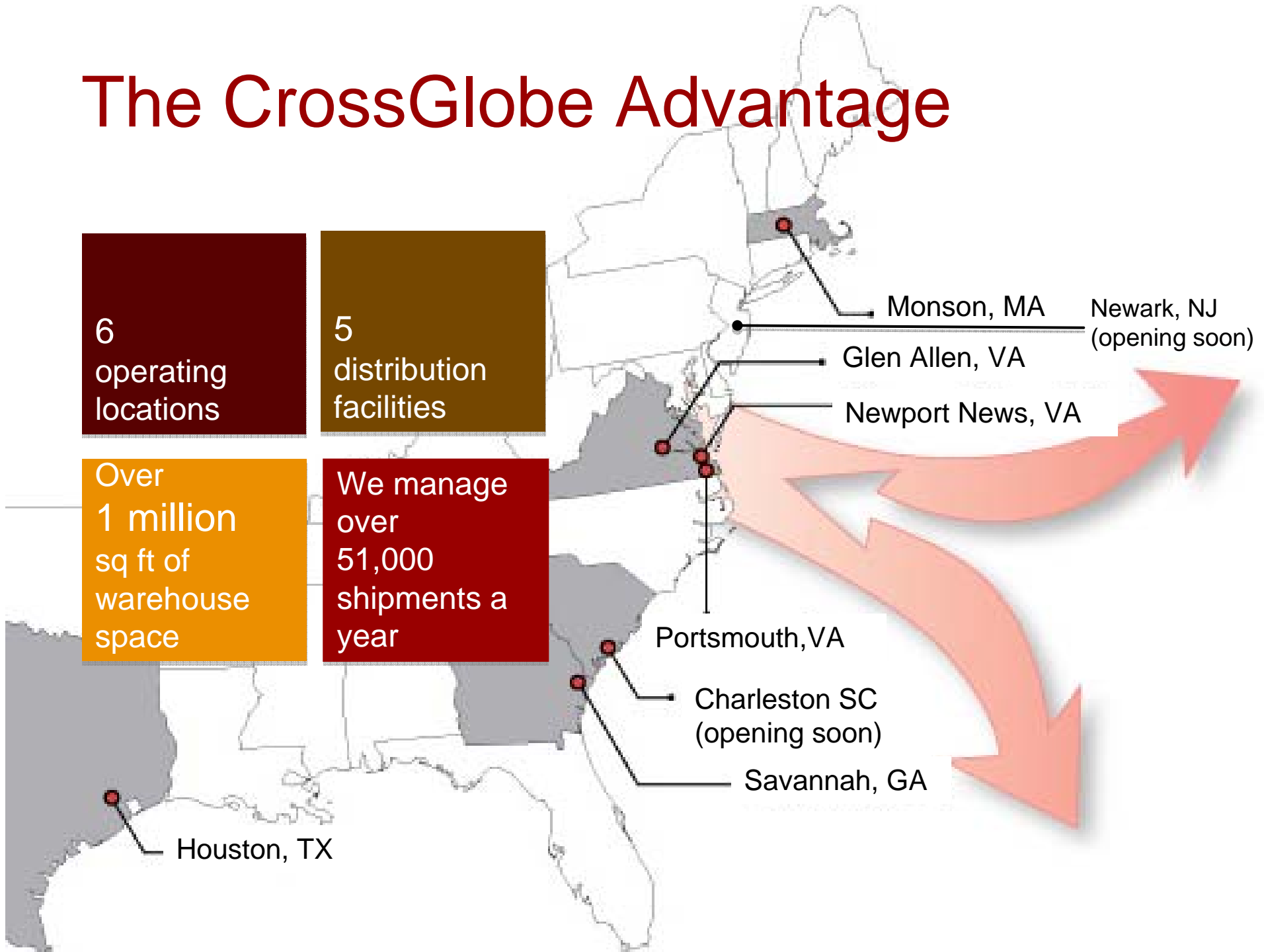
# The CrossGlobe Advantage

6  
operating  
locations

5  
distribution  
facilities

Over  
1 million  
sq ft of  
warehouse  
space

We manage  
over  
51,000  
shipments a  
year



Houston, TX

Monson, MA

Newark, NJ  
(opening soon)

Glen Allen, VA

Newport News, VA

Portsmouth, VA

Charleston SC  
(opening soon)

Savannah, GA

# Monson Distribution Center

100,000 square  
foot facility

18 car rail siding

ISO-9002 qualified  
by 2 customers

Licensed to handle  
beer and food

State-of-the-art  
computer services

Serviced by the  
NECR

Connections to the  
CN, CP, NS and  
CSX railways



# Houston Distribution Center

102,000 Square foot  
Facility

Food grade facility

10 acre site

Overweight transport  
capability

Close to Houston Ports

State-of-the-art  
computer services

Inside flatbed loading

Specialized light weight  
tractor /trailer fleet

Assembly,  
consolidation, and  
distribution programs





# Specialized Chassis Equipment



- Tri-Axle chassis fleet – 20
- Specialized 5250 lbs 40' chassis fleet
- 20'/40' spread axle chassis fleet
- Van and flatbed equipment

# Portsmouth VA (POC)

Multi-Commodity  
distribution center

100,000 square foot  
warehouse

Located immediately  
outside Portsmouth  
Marine Terminal

Close proximity to NIT  
and APM Terminals

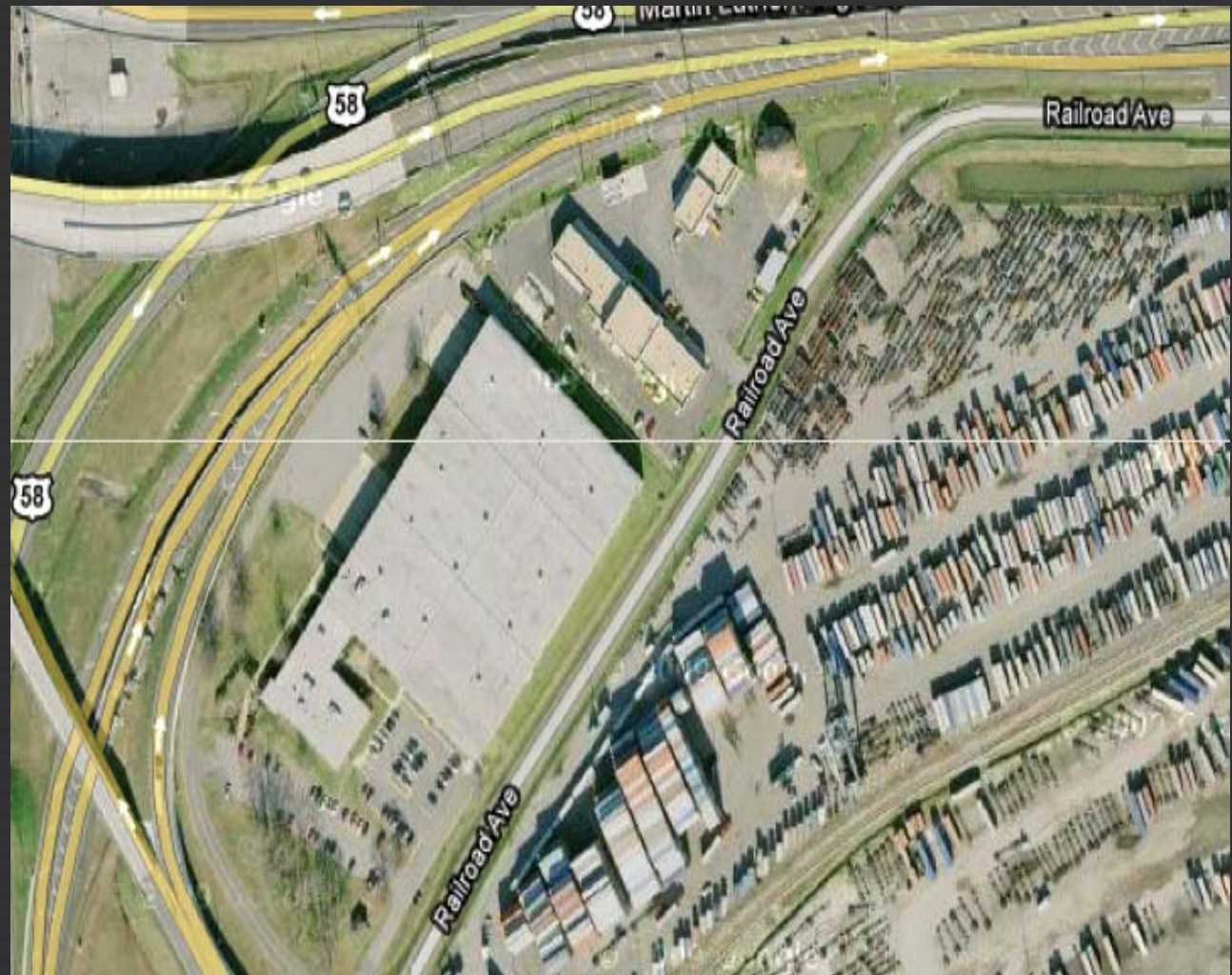
Complete import and  
export services

Port container drayage

Labeling and roll  
wrapping

Overweight transport  
capability

Licensed to handle beer  
and food



# Newport News VA

Multi-Commodity  
distribution center

800,000 square foot  
warehouse

Complete import and  
export services

Transloading and  
deconsolidation

Rail served by CSX  
and NS

Labeling and roll  
wrapping

Overweight transport  
capability





# Specialized Light weight Truck Fleet



- Houston inter city fleet
- Intra-Texas fleet
- USA fleet Texas permitted over-weight carrier
- 56,000 payload capacity
- Light weight tractor fleet – 12,890 – 13,690 lbs. GVW



# Specialized Equipment



- Reduced Roll Damage
- Improved Productivity
- Ongoing Intense Training
- Equipment specific to our customers needs



# Capabilities

- Fully Integrated WMS System & TMS System
- RF Scanning
- EDI
- Satellite Tracking
- Inventory Management
- Order Fulfillment
- Customs House Brokerage and Freight Forwarding Services

# 2009 Performance

Delivery  
Performance

- 99.5 % on time

Driver  
Turnover

- 33%

Claims

- 0.054% claims



# Safety First

VTA -

CrossGlobe Transport Ltd received 1<sup>st</sup> place in the Virginia Trucking Association Safety Contest for -0- accidents in Virginia in 2008, Truckload Division less than 3 million miles.

ATA –

CrossGlobe Transport Ltd will received 2<sup>nd</sup> place in the American Trucking Association Safety Contest for 2008, General Commodities Truckload/Line-Haul between 0 -10 million miles.

# Our Customers



INTERNATIONAL PAPER



- Exceptional Service
- Innovative Solutions
- Trusted Partner
- Quality Provider
- Valuable Total Distribution Services
- Lean Six Sigma Qualify

Proven Experience



**CrossGlobe**  
*Beyond Distribution*

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