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## Menlo widens Asia network with double takeover

MENLO Worldwide, the global supply chain subsidiary of Con-way, has made two acquisitions in Asia in an effort to fill gaps in its global network, writes *Cheu Wai Yee in Singapore*.

The US third party logistics provider has completed a \$33.9m acquisition of Cougar Holdings and its primary subsidiary, Cougar Express Logistics, which has opera-

tions in Singapore, Malaysia and Thailand. Four days later Menlo announced it had acquired Chic Holdings and its wholly owned subsidiaries Shanghai Chic Logistics and Shanghai Chic Supply Chain Management for a cash payment of \$60m.

These two takeovers, part of a merger and acquisition frenzy in the logistics industry worldwide, bring a combined

total of 3.8m sq ft of warehousing space, 2,300 employees and 164 operating sites.

"We expect our revenues to be more than \$100m annually," said Menlo vice-president Todd Johnson. The company should enjoy more than 20% growth from the region in the coming years, he added.

"With the acquisitions we should be on the upper end of what the industry is

doing with what we now offer compared with what we could do independently. We think we will have a compounded effect."

Cougar's strength lies in its two market-leading vertical sectors — wines and spirits and automotive. Chic adds its extensive domestic distribution network in China to the Menlo stable.


Cougar's chief executive Heinz-Peter Faust said the company's market share in Singapore's wines and spirits logistics sector is more than 65% and it had a 35%-40% share of the automotive market.

On the other hand, Chic's domestic network, spanning 130 operating sites in 78 Chinese cities, complemented Menlo's US infrastructure, giving the potential to offer 'first mile, last mile' delivery services for goods flowing between China and the US.

The integration process of Menlo with Cougar and Chic is expected to be complete by the end of next year. By then, Menlo will have two main geographic operations in north and south Asia, which led by Chic's chief executive Johnson Shen and Mr Faust respectively.

Besides bringing Cougar into the Chinese market Mr Faust is looking at entering new markets in south Asia early next year, and Vietnam is a prime target.

Looking beyond next year, Mr Johnson said possible expansion areas for Menlo includes remaining gaps in its global network such as Latin America and Europe.



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