

Menlo to acquire Cougar Holdings

Companies sign purchase agreement, US\$33.9 million deal to close in 90 days pending regulatory clearance, shareholder approval.

Cougar Logistics Corporation, Ltd., which owns logistics operations in Singapore and Southeast Asia, and Menlo Worldwide, LLC, the global logistics subsidiary of Con-way, Inc. announced they had signed a definitive agreement whereby Menlo will purchase Cougar Holdings Pte, Ltd., and its primary subsidiary, Cougar Express Logistics, in a transaction valued at US\$33.9 million. The purchase price includes a \$28.2 million cash payment to Cougar and the assumption of \$5.7 million in debt.

Cougar Express is a leading Southeast Asia freight forwarding, warehousing, logistics and distribution management company with personnel, facilities and operations in Singapore, Malaysia and Thailand. A profitable, long-established enterprise, Singapore-based Cougar Express covers 12 operating locations in the region with a client base of nearly 200 Asia-based and global businesses. In its most recent fiscal year, Cougar Express recorded US\$23 million in revenues.

"We are excited to become part of the Menlo Worldwide organization," said Heinz-Peter Faust, CEO of Cougar Express. "The synergies between the domestic distribution business and the contract logistics business across a greater geographical sphere offer significant opportunities for development. With the resources of Menlo, we will accelerate our growth and offer our customers an expanded regional service portfolio in Asia as well as access to Menlo's extensive global capabilities. It is a winning formula that benefits our customers and employees and will make our combined organizations a much more formidable competitor in the market."

"This acquisition is an excellent fit for Menlo, expanding our footprint in this important region

with a successful logistics company that's complementary in every respect," said Robert L. Bianco, Jr., president, Menlo Worldwide. "Cougar has a loyal customer base, talented employees with proven expertise, a track record of growth and solid market share. We're gaining new capabilities that enhance our presence in Singapore and expand the value and breadth of services we can offer to customers throughout Asia."

STRATEGIC BENEFITS

Faust and Bianco cited several strategic benefits for both organizations that are expected to result from the business combination:

- Both organizations have well-established customer relationships and a strong presence and focus on the same key industry verticals: automotive, consumer and industrial and high-tech. The firms also share several common customers.
- Menlo deepens its service portfolio with the addition of Cougar's ocean freight consolidation/deconsolidation, freight forwarding, cross-border customs brokerage and inland trucking capabilities in Singapore.
- Menlo expands its capabilities in the automotive vertical, gaining Cougar's extensive operations for finished vehicle logistics, under which the company pioneered car freighting services in Singapore in 1993 to current market leadership. This operation facilitates the transfer of imported motor vehicles from the Port to the various distributors' centers throughout the country, provides open space suitable for customs bonding for storage of such imported vehicles, and offers a wide range of value-added services such as inventory control, maintenance and yard management.

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- Menlo gains a major foothold in the wine and spirits distribution market in Singapore, where Cougar has emerged as the dominant player in the alcoholic beverage logistics segment, controlling the market for import distribution and transportation business.
- Cougar will be able to supplement and enhance its well-regarded local services and expertise in Singapore, Malaysia and Thailand, with the broader regional and global resources and service offerings available through Menlo's extensive infrastructure and operations.
- Cougar will be able to participate in significant new business opportunities through targeted sales initiatives where Menlo introduces Cougar to its diverse account base in Asia and around the world.
- Through the extensive US-based fleet

and infrastructure of Menlo's sister companies, less-than-truckload (LTL) motor carrier Con-way Freight and full-load carrier Con-way Truckload Services, Cougar gains direct access to high-performance transportation networks for "last mile" delivery of customer goods to destinations throughout North America, the world's largest consumer economy.

CLOSING TERMS AND CONDITIONS

The acquisition is subject to clearance by appropriate regulatory authorities, the approval of Cougar Logistics Corp.'s shareholders and customary closing conditions. The companies expect the transaction to close within 90 days. Menlo intends to finance the transaction with current cash on hand. The acquisition is expected to be accretive to Menlo's earnings in the 2007 fourth quarter.