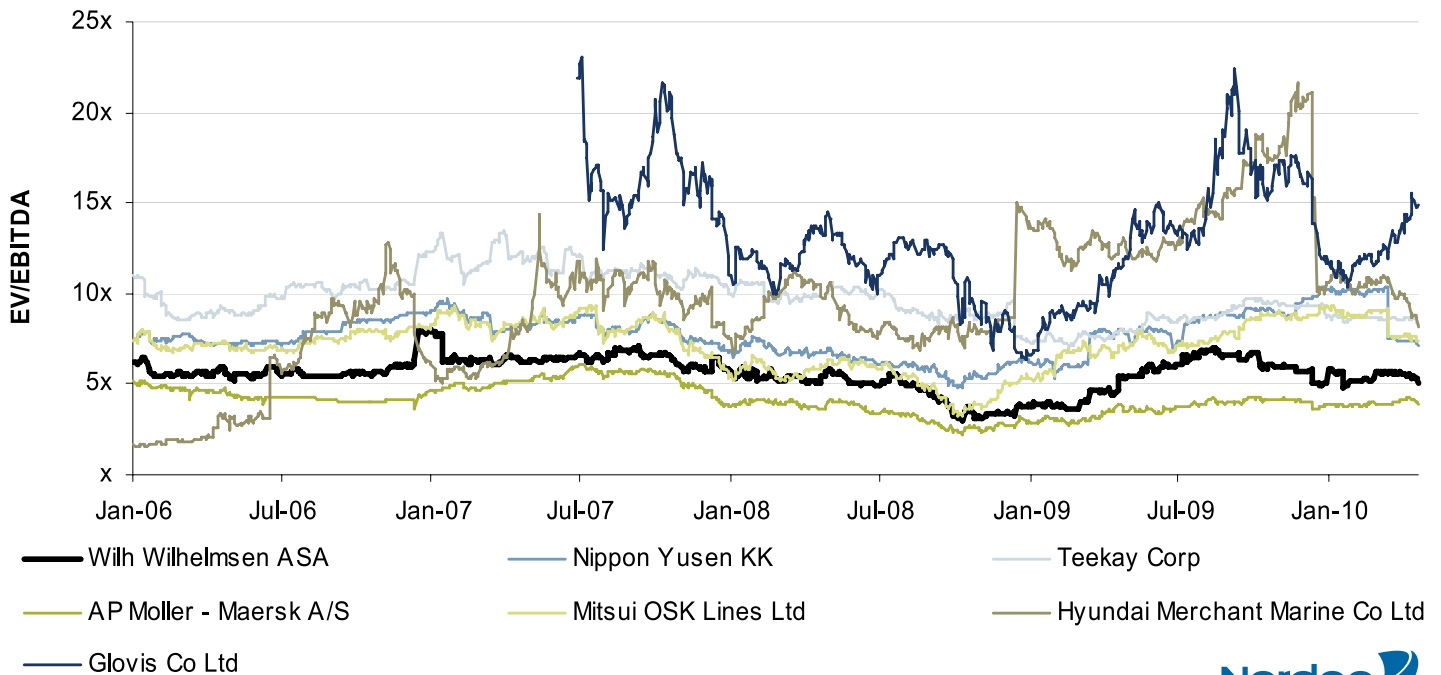


Valuation (2)

- Historic peer group EV/EBITDA multiples (1 fiscal year forward)



ing imminent. Ton-mile demand is likely to grow based the outperformance of imported vehicles over domestic in the U.S. as well as the trend towards smaller and more fuel-efficient cars, which favor Asian manufacturers. Supporting evidence for these trends includes increasing Kia and Hyundai export volumes as well as rising Japanese production. And finally and perhaps most importantly is the increasing growth in commercial vehicle registrations.

The new company will further benefit from the synergies between shipping and logistics, a scalable business model with a flexible fleet structure and its global footprint.

All these lead to the question of valuation. Using the sum of the parts method, Nordea calculates a valuation of \$1.01 to \$1.125 billion utilizing as the base an EV/EBITDA of 6x on 2011 estimated earnings. Based upon the peer group analysis the multiple appears to be fairly conservative. The calculation and peer comparison are shown below:

As the company is one of industrial shipping's leaders, we expect that it might receive a warmer reception than the commodity shippers before it.

The transaction is being led by **Carnegie, Pareto and Nordea**.

Grindrod Buys ABC and Expands Into ARA

Earlier this week, **Grindrod Ltd**, announced the acquisition of **Associated Bunker Oil Contractors** ("ABC") group in Rotterdam for an undisclosed amount. ABC is a well-established physical supplier of marine bunker fuels in the ports of Amsterdam, Rotterdam and Antwerp ("ARA"), where it operates four bunkering tankers. The company also supplies marine bunker fuels for its own account.

The acquisition enhances Grindrod's position twofold. First, it expands the recently established bunker barge business, involving the operation of bunker barges under long-term contracts to the oil industry in South Africa, into Europe supporting its strategy of expansion into international and niche markets. Secondly, the acquisition provides a base from which **Cockett Marine**, Grindrod's trading arm, which trades and supplies marine bunker fuels, can further enhance its position in the Rotterdam market.