



UTi Worldwide Inc. (UTIW)

In-Line 1Q; Outlook Reaffirmed; Retain Outperform Rating

Price: (06/06/07)	27.49	Rating:	Outperform	FY Jan	2007A	2008E	2009E
52WK H-L:	32 - 21			Q1	0.17A	0.18A	
Market Cap (mil):	2,754.50	Suitability:	Higher Risk	Q2	0.24A	0.27E	
Shares Out (mil):	98.7			Q3	0.31A	0.36E	
Float (mil):	86.5			Q4	<u>0.24A</u>	<u>0.31E</u>	
Avg. Daily Vol (mil):	NM			Total	0.95A	1.13E	1.35E
		Price Target:	31	FY P/E	28.9x	24.3x	20.4x
Dividend:	0.06	Previous:	29				
Yield:	0.22						

EPS (Net): Estimates include FAS123R, stock option expenses beginning in F07.

Please refer to Appendix - Important Disclosures and Analyst Certification.

Action

In-line F1Q against modest expectations; management reaffirmed outlook, which reflects accelerating EPS growth. We retain our Outperform rating on the long-term outlook and positive risk/reward. We look to next week's analyst day to establish greater confidence in the F08 outlook.

Summary

- EPS of \$0.18, +8%, was in line with our consensus-matching estimate. Guidance was \$0.16-0.20.
- Revenue growth remains solid with gross and net revenue up 22% and 24%, respectively; up 13% and 15%, respectively, on a constant-currency organic basis. Net revenue growth included airfreight +14%, ocean freight +17% and contract logistics +31%.
- Geographic Breakdown. Results led by Europe (net revenue +40%, EBIT +20%) and the Americas (net +32%, EBIT +64%). Europe being driven by healthy external trends, consistent with the European forwarders. Americas helped by strong contract logistics growth including acquisitions.
- Overall operating margin on net revenue worsened 70 bps to 9.3%; however, results were slightly ahead of our modest expectations. Cost pressures remain evident, and as expected, will take time for UTIW to show progress in this area. Margin pressure will persist into F2H08.
- Outlook Reaffirmed. Management reiterated full-year guidance of \$1.14-1.22 reflecting 20-29% yoy EPS growth. UTIW also effectively endorsed 2Q consensus of \$0.28, reflecting 18% yoy growth -- a sharp acceleration from 1Q and against tougher comparisons. Cost management execution remains the biggest risk factor for the back-end loaded full-year guidance. We look to next week's analyst day to get more comfort that UTIW can be successful with cost management.
- Our \$31 price target reflects an average 3PL multiple on forward estimates, one year out (22x). Downside is protected to the mid \$20s, given M&A valuations; upside potential from multiple expansion if UTIW can achieve the upper end of its guidance.

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Details

UTIW posted an uneventful, in-line quarter relative to modest expectations. As expected, solid top-line growth (15% organic net revenue growth) was partially offset by continued cost pressures that carried over from F2H07. Despite the yoy pro forma EPS growth of 8%, recall that the prior year F1Q07 comparison was very easy and expectations of F1Q08 were muted given UTIW's meaningful F4Q earnings miss.

Looking ahead, UTIW must show progress on the cost side to sustain current valuation levels. We are comfortable that management is taking the proper steps to address the issues, but we do not believe that material progress (i.e., yoy positive margins) will be evident until the second half of this year. Encouragingly, management effectively endorsed both the full-year guidance of \$1.14-1.22 (representing 18-29% yoy growth) and 2Q consensus of \$0.28 (reflecting 18% yoy growth). Success hitting 2Q estimates would be a meaningful positive, given that the estimates reflect a sharp acceleration of EPS growth against more challenging comparisons. Risks to estimate include limited success addressing the cost issues or a further slowdown in the airfreight market, where the Asia-to-US has been noticeably weak.

We retain our Outperform rating on the long-term outlook and positive risk/reward, though we recommend investors look for pullbacks to become more aggressive buyers. Our new \$31 price target reflects 22x forward estimates, one year out (\$1.40), consistent with the average historical and current third-party logistics valuation multiple. Upside to the multiple is likely if UTIW effectively addresses its cost management issues. Downside to the stock is in \$24-26 based on an EV/EBITDA of 13-14x. The EAGL privatization transaction is occurring at 14.5x trailing EBITDA.

UTi Worldwide (UTIW - NASDAQ) Quarterly Results and Variance Sheet

	Quarterly Results					Percent of Net Revenue		
	F1Q08	F1Q07	Chg	Baird	Variance	F1Q08	F1Q07	Baird
Gross Revenue	944,738	773,700	22%	934,019	1%			
Net Revenue	336,041	271,628	24%	333,912	1%			
Personnel Expenses	184,717	150,764	23%	187,324	-1%	55.0%	55.5%	56.1%
Other Expenses	108,534	84,410	29%	103,846	5%	32.3%	31.1%	31.1%
Depreciation & Amortization	11,372	9,287	22%	12,010	-5%	3.4%	3.4%	3.6%
Operating Expenses	304,623	244,461	25%	303,181	0%	90.7%	90.0%	90.8%
Operating Income	31,418	27,167	16%	30,731	2%	9.3%	10.0%	9.2%
Other Income (Expense)	(4,459)	(2,862)		(3,821)				
Pre-Tax Income	26,959	24,305	11%	26,910	0%	8.0%	8.9%	8.1%
Income Tax Rate	29.6%	28.1%		28.0%				
Minority Interest	872	882		768				
Net Income	18,120	16,592	9%	18,607	-3%	5.4%	6.1%	5.6%
EPS	\$0.18	\$0.17	8%	\$0.18	-2%			
Consensus	\$0.18							
Diluted Shares	100,209	99,027	1%	100,745	-1%			

	Segment Results					Percent of Gross Revenue		
	F1Q08	F1Q07	Chg	Baird	Variance	F1Q08	F1Q07	Baird
Airfreight Forwarding	344,146	307,570	12%	362,933	-5%	36.4%	39.8%	38.9%
Ocean Freight Forwarding	232,290	206,533	12%	241,644	-4%	24.6%	26.7%	25.9%
Customs Brokerage	21,883	19,805	10%	22,380	-2%	2.3%	2.6%	2.4%
Contract Logistics	141,515	109,161	30%	144,715	-2%	15.0%	14.1%	15.5%
Distribution & Other	204,904	130,631	57%	162,348	26%	21.7%	16.9%	17.4%
Gross Revenue	944,738	773,700	22%	934,019	1%	100.0%	100.0%	100.0%
Airfreight Forwarding	85,246	74,889	14%	91,998	-7%	24.8%	24.3%	25.3%
Ocean Freight Forwarding	36,975	31,529	17%	36,889	0%	15.9%	15.3%	15.3%
Customs Brokerage	21,158	19,159	10%	21,820	-3%	96.7%	96.7%	97.5%
Contract Logistics	121,742	93,093	31%	121,512	0%	86.0%	85.3%	84.0%
Distribution & Other	70,920	52,958	34%	61,692	15%	34.6%	40.5%	38.0%
Net Revenue	336,041	271,628	24%	333,912	1%	35.6%	35.1%	35.8%

	Geography Breakdown			% of Net Revenue	
	F1Q08	F1Q07	Chg	F1Q08	F1Q07
Europe	75,852	54,329	40%	22.6%	20.0%
Americas	152,330	115,496	32%	45.3%	42.5%
Asia Pacific	40,269	35,637	13%	12.0%	13.1%
Africa	67,590	66,166	2%	20.1%	24.4%
Net Revenue	336,041	271,628	24%	100.0%	100.0%
Europe	8,516	5,030	69%	11.2%	9.3%
Americas	14,665	9,178	60%	9.6%	7.9%
Asia Pacific	9,743	10,434	-7%	24.2%	29.3%
Africa	9,003	9,550	-6%	13.3%	14.4%
Operating Income	31,418	27,167	16%	9.3%	10.0%

Detailed F1Q08 Review

EPS of \$0.18 (+8% yoy versus pro forma \$0.17) was in line with our consensus-matching estimate. Revenue growth trends were solid and largely within expectations; gross and net revenue growth was 22% and 24%, respectively. Operating margin worsened 70 bps yoy to 9.3%, slightly ahead of our modest 9.2% estimate; EBIT grew 16%.

Revenue Trends

Airfreight Forwarding (39% of F2007 gross revenue, 27% of net revenue)

- Gross revenue increased 12%; net revenue grew 14% as yields expanded 50 bps yoy to 24.8%. Despite lower industry airfreight volumes, UTIW's focus on growth is proving successful as growth rates remain well above industry levels. UTIW's strong growth rates are attributed to a more focused sales effort on core transactional business, with contributions from both new and existing sales personnel. Note that the Chinese New Year began in February this year and served as a headwind to UTIW's F1Q's reported results. Comparisons were aided by constrained F1Q07 net revenue growth due largely to the company's focus on long-term growth initiatives at the expense of short-term transactional business. We expect above-market growth rates to continue for the foreseeable future, given management's focus on adding scale and deepening its penetration into industry verticals. However, management acknowledged they were carefully monitoring weaker airfreight activity in Asia, which could prove to be a near-term headwind for the segment.
- Yield expansion was in line with expectations, given improvements reported recently by competing forwarders. Lower volume levels have freed airfreight lift capacity, particularly out of Asia, and coupled with normal seasonality, forwarders have been successful in capturing airfreight yield gains to offset the slower freight environment to begin 2007. The European region benefited most heavily from the available airfreight lift capacity, as the region's economic growth trends were strong throughout the quarter and persisted in May.

Forwarding Net Revenue Growth

		C2003	C2004	C2005	C1Q06	C2Q06	C3Q06	C4Q06	C2006	C1Q07
EXPD	Air	-2%	25%	12%	25%	27%	21%	10%	20%	16%
	Ocean	17%	10%	23%	39%	33%	18%	11%	25%	3%
UTIW	Air	26%	27%	15%	6%	13%	17%	16%	13%	14%
	Ocean	13%	32%	20%	23%	24%	28%	20%	24%	17%
EAGL	Air	5%	19%	10%	11%	0%	0%	-2%	2%	8%
	Ocean	9%	19%	18%	22%	19%	19%	15%	19%	9%
Kuehne + Nagel	Air	6%	15%	11%	17%	11%	11%	16%	14%	14%
	Ocean	17%	13%	21%	29%	18%	16%	21%	21%	8%
Panalpina	Air	6%	13%	11%	5%	15%	12%	2%	8%	26%
	Ocean	3%	11%	14%	27%	17%	24%	20%	22%	5%
Est. Mkt Vol Growth	Air	4%	13%	5%	6%	5%	5%	5%	5%	2-3%
	Ocean	7%	11%	10%	10%	10%	10%	10%	10%	7-8%

UTIW 1Q07 growth represents Baird estimates

Ocean Freight Forwarding (26% of gross revenue, 12% of net revenue)

Gross revenue increased 12% on solid volume trends, with net revenue growing 17% on 60 bps yield improvement (to 15.9%). Industry ocean freight yield expansion has slowed considerably in recent months, as ocean liners have held firm on rates despite the high levels of capacity additions to the market. Strong European economic activity coupled with moderating growth in the US region has resulted in some capacity being diverted from the transpacific lane to facilitate the demand for Asia-to-Europe trade. Management stated that the segment benefited from freight diversion from airfreight to less expensive ocean capacity. However, UTIW still expects those volumes to return to airfreight in late July/early August as the traditional peak season approaches.

Ocean Yields (Net Revenue Margin)

	C2003	C2004	C2005	C1Q06	C2Q06	C3Q06	C4Q06	C2006	C1Q07
UTIW	20.9%	14.7%	14.3%	15.3%	15.5%	16.3%	15.4%	15.6%	15.9%
	-250 bps	-620 bps	-40 bps	+160 bps	+100 bps	+220 bps	+50 bps	+130 bps	+60 bps
EAGL	22.0%	19.5%	20.3%	23.2%	24.8%	22.2%	20.5%	22.6%	22.7%
	-490 bps	-250 bps	+80 bps	+330 bps	+450 bps	+90 bps	+190 bps	+230 bps	-50 bps
EXPD	20.0%	17.9%	18.9%	21.4%	20.9%	20.6%	20.3%	20.9%	20.3%
	-60 bps	-210 bps	+100 bps	+350 bps	+320 bps	+90 bps	+10 bps	+200 bps	-110 bps

Contract Logistics (13% of gross revenue, 34% of net revenue)

Gross and net revenue increased 30% and 31%, respectively. Excluding the recent Span acquisition, gross and net revenue grew roughly 20%. The overall Contract Logistics business remains firm and UTIW continues to benefit from converting a solid pipeline of new business.

Distribution and Other (19% of gross revenue, 21% of net revenue)

Gross and net revenue expanded 57% and 34%, respectively. Growth was driven by both organic growth and contributions from the acquisition of Market Industries a year ago. As the purchase was anniversaried in F1Q, growth should return to a more normalized run rate going forward. Management was encouraged by organic growth within the US trucking sector despite the tough freight environment. The South African drug distribution segment, IHD, remains unprofitable due to a number of cost-related issues--in particular, lingering start-up costs and underutilized facility space as volume levels have been below expectations. Management appears to have identified necessary solutions and has begun to take steps to improve profitability, but results have been slower than originally expected. Nonetheless, the company expects improvements to materialize beginning in F2H08.

Cost Rationalization

EBIT growth (+16%) again lagged revenue growth, as operating margins worsened 70 bps yoy to 9.3% (as % of NR). As expected, cost management issues that surfaced in F2H07 carried into F1H08. The company outlined five areas of focus to rationalize their cost structure:

1. **Matching Costs to Revenue.** In prior years, UTIW offset start-ups and growth expenses with its strong revenue growth rates, facilitated by both its relatively small base and a robust freight environment. With the growing size of the platform and weaker freight environment, the wide range of expense offsets no longer exists. Management is now more actively and deliberately managing expenses commensurate with revenue growth.
2. **Addressing Underperforming Units.** Following an organization review, management identified underperforming operations and is taking steps to improve results. Depending on the strategic focus on the unit, corrective measures range from targeted headcount reductions to revenue growth initiatives designed to offset costs.
3. **Enhancing Operating Performance.** Management is placing a greater emphasis on streamlining and optimizing the performance of existing operating units by discontinuing select non-core initiatives, delaying particular projects, and reducing operating scope where appropriate. The normally acquisitive UTIW has gone as far as to explicitly place a "moratorium" on acquisitions through F2008. We specifically support a full-scale acquisition moratorium, but we note that UTIW's "moratorium" does not include possible additions to its Global Specialized Solutions.
4. **Balancing Short-Term Performance with Long-Term Value.** UTIW revamped its operational structure, which now includes six regions reporting to the newly-appointed COO John Hextall. We believe this restructuring enables UTIW to be more effective in responding to the challenges inherent to a global organization. The COO role has effectively been vacant in recent years.
5. **Realignment of Management Incentives.** The company's top 60 managers' cash compensation is now more closely aligned to explicit and measurable operating metrics, including revenue growth, operating income, and free cash flow, incenting senior personnel to balance growth prospects with returns to the company.

Investment Thesis

Current Thoughts. We believe UTIW represents a positive risk/reward and a compelling long-term backdrop. Recent results have suffered from poor cost management amid multiple investment initiatives and slower growth out of Asia. We expect cost pressures to persist in the near term and remain a drag on investor sentiment. Still, we are encouraged by the strong top-line trends, solid new business pipeline, favorable F08 guidance (relative to weak F4Q), and free cash flow generation. Internal regional structure realignment and better focus on costs management should produce better results in F2H08. Recent privatization bidding war for EAGL (14.5x LTM EBITDA) highlights the downside support for the UTIW stock if execution issues persist.

Expanding International Logistics Capabilities. UTi Worldwide has expanded its scale and diversified its service offering and geographic presence through internal and acquisition growth and now ranks among the largest international forwarders. Services including international freight forwarding, customs brokerage, and contract logistics should enable UTIW to further penetrate both new and existing customers.

Attractive Markets. Global trade growth, multinational supply chains, and technology

innovation complicate logistics operations. We believe shippers will continue to expand their reliance on leading outsourced logistics partners. Supply congestion will continue to challenge international freight movements and create a further dependence on the expertise of logistics experts. As an emerging international logistics provider, we believe UTIW can significantly enhance its position among global shippers.

Financial Flexibility to Gain Scale. We strongly believe 3PLs will require scale, integrated capabilities, and reputation to compete globally. UTIW's five-year Next Leap plan embodies this strategy. UTIW's cash generation capabilities and solid balance sheet provide the financial flexibility to pursue strategic investments and acquisitions.

Attractive Long-Term Growth. UTIW has successfully established its global reach for logistical services. Management's 5-year plan starting in F08 projects 20% EPS CAGR on mid-teens organic net revenue growth. Through overall market growth, market share gains, and operating leverage, we believe that this goal is possible with crisp execution.

Risks & Caveats

Acquisition Risk. Identifying and integrating acquisitions will be an ongoing risk to operations.

Economic Sensitivity. Slower economic growth or global trade could negatively affect growth and profitability.

Fixed Cost Exposure. Contract logistics has a higher level of fixed costs relative to freight forwarding. Careful contracting procedures are required to ensure UTIW's interests are protected.

Dependent on Asset-Based Carriers. UTIW does not own transportation assets and, as a result, depends on asset-based transportation providers to move its shipments.

Competitive Markets. Global transportation markets are highly competitive. Inability to garner scale could negatively affect UTIW's competitive position and profitability.

Company Description

UTi Worldwide Incorporated is a non-asset-based international logistics service provider offering contract logistics (36% of net revenue), airfreight forwarding (27%), ocean freight forwarding (12%), customs brokerage (7%), and other logistics services (18%). In F2007, the company generated \$3.6 billion of gross revenue servicing over 250 offices in 49 countries. UTi is incorporated in the British Virgin Islands with operational headquarters in Rancho Dominguez, California.

UTi Worldwide Inc
(UTIW - NASDAQ)

BAIRD

Fiscal Year End: January
Model Summary (\$'000)

Robert W. Baird & Co., Inc.

Fiscal Year	Gross Revenue		Net Revenue			Expenses			EBITDA	Operating Inc (EBIT)				Int, Other	Pretax Income			Tax Rate	Net Income			Continuing Ops			Diluted Shares (000)
	\$	Chg	\$	% GR	Chg	\$	% NR	Chg		\$	% GR	% NR	Chg		\$	% NR	Chg		\$	% NR	Chg	\$	Chg	Div	
1996	465,320		166,983	35.9%		160,672	96.2%		12,835	6,311	1.4%	3.8%		2,491	8,802	5.3%		32.3%	5,319	3.2%					
1997	504,064	8%	176,555	35.0%	6%	163,874	92.8%	2%	19,320	12,681	2.5%	7.2%	101%	(1,894)	10,787	6.1%	23%	19.8%	8,656	4.9%	63%				
1998	528,535	5%	186,486	35.3%	6%	170,719	91.5%	4%	22,436	15,767	3.0%	8.5%	24%	(1,053)	14,714	7.9%	36%	17.3%	11,919	6.4%	38%	0.25			48,375
1999	571,100	8%	208,300	36.5%	12%	193,100	92.7%	13%	23,300	15,200	2.7%	7.3%	-4%	1,900	17,100	8.2%	16%	19.1%	13,750	6.6%	15%	0.25	0.5%	0.04	55,530
2000	706,955	24%	245,617	34.7%	18%	225,095	91.6%	17%	31,255	20,522	2.9%	8.4%	35%	(1,772)	18,750	7.6%	10%	11.0%	16,693	6.8%	21%	0.29	16.1%	0.05	58,067
2001	863,259	22%	301,846	35.0%	23%	277,638	92.0%	23%	37,574	24,208	2.8%	8.0%	18%	1,415	25,623	8.5%	37%	24.2%	18,453	6.1%	11%	0.29	1.6%	0.05	63,160
2002	889,786	3%	304,559	34.2%	1%	274,889	90.3%	-1%	44,420	29,670	3.3%	9.7%	23%	(1,193)	28,477	9.4%	11%	28.0%	19,158	6.3%	4%	0.25	-14.3%	0.03	76,506
2003	1,170,060	31%	404,790	34.6%	33%	359,285	88.8%	31%	56,877	45,505	3.9%	11.2%	53%	(2,211)	43,294	10.7%	52%	28.9%	29,294	7.2%	53%	0.37	47.1%	0.03	79,513
2004	1,502,875	28%	596,141	39.7%	47%	537,070	90.1%	49%	74,540	59,071	3.9%	9.9%	30%	700	59,771	10.0%	38%	22.4%	44,771	7.5%	53%	0.47	28.7%	0.03	94,440
2005	2,259,793	50%	773,781	34.2%	30%	678,330	87.7%	26%	116,884	95,451	4.2%	12.3%	62%	499	95,950	12.4%	61%	26.8%	67,529	8.7%	51%	0.71	48.8%	0.04	95,705
2006	2,785,575	23%	966,404	34.7%	25%	834,340	86.3%	23%	158,706	132,064	4.7%	13.7%	38%	(4,172)	127,892	13.2%	33%	27.6%	88,424	9.1%	31%	0.90	27.8%	0.05	98,042
Q1	773,700	23%	271,628	35.1%	23%	244,461	90.0%	26%	36,454	27,167	3.5%	10.0%	1%	(2,862)	24,305	8.9%	-8%	28.1%	16,592	6.1%	-7%	0.17	-8.0%	0.00	99,027
Q2	890,073	30%	305,411	34.3%	28%	265,671	87.0%	30%	49,465	39,740	4.5%	13.0%	18%	(3,656)	36,084	11.8%	11%	30.1%	23,696	7.8%	6%	0.24	3.9%	0.06	99,817
Q3	946,321	28%	316,230	33.4%	25%	270,899	85.7%	27%	55,719	45,331	4.8%	14.3%	13%	(3,766)	41,565	13.1%	7%	24.4%	30,488	9.6%	17%	0.31	15.1%	0.00	99,808
Q4	951,271	31%	331,191	34.8%	31%	298,407	90.1%	34%	44,559	32,784	3.4%	9.9%	5%	(4,333)	28,451	8.6%	-6%	15.0%	23,623	7.1%	6%	0.24	4.5%	0.00	100,244
2007	3,561,365	28%	1,224,460	34.4%	27%	1,079,438	88.2%	29%	186,197	145,022	4.1%	11.8%	10%	(14,617)	130,405	10.7%	2%	24.6%	94,399	7.7%	7%	0.95	5.1%	0.06	99,562
Q1	944,738	22%	336,041	35.6%	24%	304,623	90.7%	25%	42,790	31,418	3.3%	9.3%	16%	(4,459)	26,959	8.0%	11%	29.6%	18,120	5.4%	9%	0.18	7.9%	0.00	100,209
Q2E	1,018,911	14%	359,501	35.3%	18%	314,606	87.5%	18%	56,428	44,895	4.4%	12.5%	13%	(4,846)	40,049	11.1%	11%	29.0%	27,537	7.7%	16%	0.27	15.5%	0.06	100,409
Q3E	1,083,248	14%	374,711	34.6%	18%	316,617	84.5%	17%	69,770	58,095	5.4%	15.5%	28%	(5,240)	52,855	14.1%	27%	29.0%	36,365	9.7%	19%	0.36	18.3%	0.00	100,610
Q4E	1,079,924	14%	381,341	35.3%	15%	330,415	86.6%	11%	62,746	50,926	4.7%	13.4%	55%	(5,490)	45,436	11.9%	60%	29.0%	31,241	8.2%	32%	0.31	31.5%	0.00	100,811
2008E	4,126,821	16%	1,451,594	35.2%	19%	1,266,261	87.2%	17%	231,735	185,334	4.5%	12.8%	28%	(20,035)	165,299	11.4%	27%	29.1%	113,263	7.8%	20%	1.13	18.9%	0.06	100,510
2009E	4,652,592	13%	1,648,350	35.4%	14%	1,432,670	86.9%	13%	264,438	215,680	4.6%	13.1%	16%	(10,241)	205,440	12.5%	24%	29.0%	139,392	8.5%	23%	1.35	20.0%	0.07	103,097

Figures include option expenses starting in F07

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Please refer to Appendix - Important Disclosures and Analyst Certification.

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UTi Worldwide Inc
(UTIW - NASDAQ)

Fiscal Year End: January

Balance Sheet (\$000)

	F2004	F2005	F2006	F2007	1Q08
ASSETS					
Cash and cash equivalents	156,687	178,132	246,510	278,408	224,648
Net Receivables	280,044	435,223	497,990	662,804	721,484
Deferred Income Taxes	6,534	10,027	8,517	10,889	12,735
Other Current	33,420	44,509	39,172	57,563	62,499
Total Current	476,685	667,891	792,189	1,009,664	1,021,366
Net Property & Equipment	54,421	71,190	80,443	127,990	130,782
Goodwill	158,567	293,775	369,371	490,884	501,490
Deferred Income Taxes	2,384	1,104	4,027	12,725	11,674
Other Non-Current	11,284	10,707	12,734	18,607	17,196
Total Assets	703,341	1,044,667	1,258,764	1,659,870	1,686,441
LIABILITIES & EQUITIES					
Current Debt	21,900	98,970	105,807	95,415	84,753
Payables and Accrued Liabilities	269,072	413,003	465,100	603,575	606,762
Income Taxes Payable, Other	10,864	18,533	22,904	15,333	20,247
Deferred Income Tax Liabilities	256	678	1,694	3,954	3,304
Total Current	302,092	531,184	595,505	718,277	715,066
Long-Term Debt, Capital Lease	7,419	14,925	29,843	235,557	233,133
Deferred Income Taxes, Other	3,860	19,743	16,553	42,369	45,490
Retirement Obligation	1,251	1,332	5,124	7,549	7,633
Minority Interest	2,873	3,293	25,219	18,844	18,537
Common Equity	385,846	474,190	586,520	637,274	666,582
Total Liabilities and Equities	703,341	1,044,667	1,258,764	1,659,870	

Balance Sheet Analysis	F2004	F2005	F2006	F2007	1Q08
Current Ratio	1.6	1.3	1.3	1.4	1.4
Net WC/LTM Revenue	2.6%	2.5%	2.0%	3.0%	4.5%
Book Value/Share	\$4.09	\$4.95	\$5.98	\$6.40	\$6.65
Tangible Book Value/Share	\$2.41	\$1.89	\$2.21	\$1.47	\$1.65
Debt / Total Cap	7%	19%	19%	34%	32%
Debt / Total Cap (incl op leases)	25%	36%	34%	47%	45%

Cash Flow Statement	F2004	F2005	F2006	F2007	F2008E	F2009E
Net Income	\$44,771	\$67,529	\$55,198	\$107,939	\$113,263	\$139,392
Depreciation and Amortization	15,469	21,433	26,642	41,427	46,401	48,758
Other	4,047	5,906	8,157	(4,101)	(1,192)	-
NWC Changes	1,571	(23,469)	7,767	(17,066)	(22,618)	(22,618)
Cash Flow from Ops (CFO)	65,858	71,399	97,764	128,199	135,854	165,531
Capital Expenditures	(18,720)	(20,870)	(17,802)	(27,185)	(28,544)	(29,971)
Free Cash Flow (FCF)	47,138	50,529	79,962	101,014	107,310	135,560
Acquisitions, Earn-outs	(30,288)	(118,179)	(53,168)	(231,077)	(5,066)	(3,300)
Dividends	(2,889)	(3,563)	(4,672)	(5,775)	(6,025)	(6,025)
Net Cash Flow (NCF)	13,961	(71,213)	22,122	(135,838)	96,219	126,235
FCF/Share	\$0.49	\$0.52	\$0.81	\$1.01	\$1.06	\$1.30
NCF/Share	\$0.15	(\$0.74)	\$0.22	(\$1.36)	\$0.95	\$1.21

Du Pont Formula	F2004	F2005	F2006	F2007	LTM
Net Margins (NI/NR)	7.5%	8.7%	9.1%	7.7%	7.4%
Assets Turnover (NR/A)	0.90	0.89	0.84	0.84	0.80
Leverage (A/E)	1.87	2.03	2.17	2.38	2.50
Return on Equity	12.6%	15.7%	16.7%	15.4%	15.0%
Return on Assets	6.7%	7.7%	7.7%	6.5%	6.0%
ROC (after-tax)	11.9%	14.8%	15.8%	14.0%	11.2%

Valuation Measures	F2004	F2005	F2006	F2007	LTM
Historical P/E High	154	103	39	38	33
Historical P/E Low	85	57	23	23	22
Historical P/FCF High - current yr	147	139	43	36	30
Historical P/FCF Low - current yr	81	77	26	21	20
Debt Adj. Market Value				Recent Price:	\$27.18
Market Value	6,559,961	6,652,763	3,444,316	3,047,412	2,723,681
ST+LT Debt	29,319	111,179	135,650	330,972	317,886
Cash & Equivalents	156,687	124,340	246,510	278,408	224,648
Total DAMV	6,432,593	6,639,602	3,333,456	3,099,976	2,816,919
EBITDA	74,540	116,884	158,706	186,197	192,500
EV / EBITDA	86.3	56.8	21.0	16.6	14.6

**UTi Worldwide Inc
(UTIW - NASDAQ)**

Gross Revenue (\$000)

Fiscal Year	Airfreight Forwarding			Ocean Freight Forwarding			Customs Brokerage			Contract Logistics			Distribution & Other			Total Gross Revenue	
	\$	%	Chg	\$	%	Chg	\$	%	Chg	\$	%	Chg	\$	%	Chg	\$	Chg
1999	338,300	59.2%		153,600	26.9%		34,700	6.1%					44,500	7.8%		571,100	8.1%
2000	399,289	56.5%	18%	208,865	29.5%	36%	40,453	5.7%	17%				58,348	8.3%	31%	706,955	23.8%
2001	474,213	54.9%	19%	254,054	29.4%	22%	58,104	6.7%	44%				76,888	8.9%	32%	863,259	22.1%
2002	491,946	55.3%	4%	255,272	28.7%	0%	55,875	6.3%	-4%	23,856	2.7%		62,837	7.1%	-18%	889,786	3.1%
2003	621,905	53.2%	26%	283,869	24.3%	11%	64,221	5.5%	15%	101,294	8.7%		98,771	8.4%	57%	1,170,060	31.5%
2004	720,689	48.0%	16%	360,253	24.0%	27%	67,859	4.5%	6%	229,709	15.3%	127%	124,365	8.3%	26%	1,502,875	28.4%
2005	1,017,560	45.0%	41%	672,641	29.8%	87%	77,568	3.4%	14%	312,289	13.8%	36%	179,735	8.0%	45%	2,259,793	50.4%
2006	1,213,987	43.6%	19%	826,079	29.7%	23%	80,960	2.9%	4%	408,851	14.7%	31%	255,698	9.2%	42%	2,785,575	23.3%
Q1	307,570	39.8%	11%	206,533	26.7%	11%	19,805	2.6%	-2%	109,161	14.1%	26%	130,631	16.9%	124%	773,700	22.8%
Q2	341,532	38.4%	14%	234,216	26.3%	16%	22,019	2.5%	9%	114,684	12.9%	12%	177,622	20.0%	190%	890,073	29.7%
Q3	374,406	39.6%	16%	244,044	25.8%	11%	22,147	2.3%	7%	119,946	12.7%	8%	185,778	19.6%	182%	946,321	27.7%
Q4	357,741	37.6%	15%	252,766	26.6%	16%	22,438	2.4%	13%	133,516	14.0%	23%	184,810	19.4%	163%	951,271	30.6%
2007	1,381,249	38.8%	14%	937,559	26.3%	13%	86,409	2.4%	7%	477,307	13.4%	17%	678,841	19.1%	165%	3,561,365	27.9%
Q1	344,146	36.4%	12%	232,290	24.6%	12%	21,883	2.3%	10%	141,515	15.0%	30%	204,904	21.7%	57%	944,738	22.1%
Q2E	375,685	36.9%	10%	263,425	25.9%	12%	24,329	2.4%	10%	143,355	14.1%	25%	212,116	20.8%	19%	1,018,911	14.5%
Q3E	423,079	39.1%	13%	274,479	25.3%	12%	24,362	2.2%	10%	146,334	13.5%	22%	214,994	19.8%	16%	1,083,248	14.5%
Q4E	414,980	38.4%	16%	284,289	26.3%	12%	25,131	2.3%	12%	150,873	14.0%	13%	204,652	19.0%	11%	1,079,924	13.5%
2008E	1,557,890	37.8%	13%	1,054,483	25.6%	12%	95,705	2.3%	11%	582,077	14.1%	22%	836,666	20.3%	23%	4,126,821	15.9%
2009E	1,744,836	37.5%	12%	1,191,566	25.6%	13%	107,189	2.3%	12%	663,568	14.3%	14%	945,433	20.3%	13%	4,652,592	12.7%

**UTi Worldwide Inc
(UTIW - NASDAQ)**

Net Revenue (\$000)

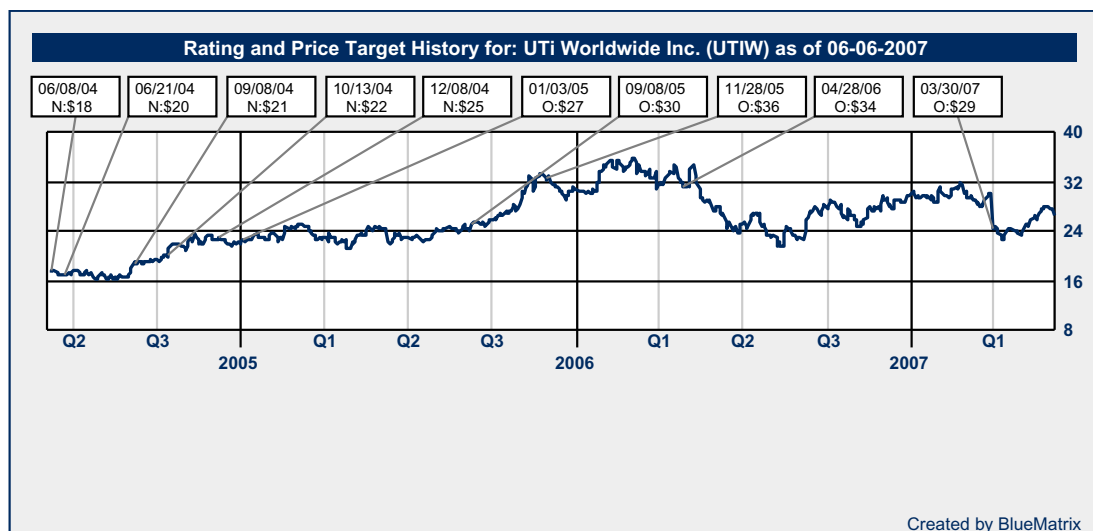
Fiscal Year	Airfreight Forwarding				Ocean Freight Forwarding				Customs Brokerage				Contract Logistics				Distribution & Other				Total Net Revenue			Constant Currency
	\$	%	Chg	Yield	\$	%	Chg	Yield	\$	%	Chg	Yield	\$	%	Chg	Yield	\$	%	Chg	Yield	\$	Chg	Yield	Organic Growth
1998	101,092	54.2%			30,745	16.5%			27,495	14.7%							27,154	14.6%			186,486	5.6%	35.3%	
1999	113,600	54.5%	12%	33.6%	33,300	16.0%	8%	21.7%	33,400	16.0%	21%	96.3%					28,000	13.4%	3%	62.9%	208,300	11.7%	36.5%	
2000	124,177	50.6%	9%	31.1%	44,078	17.9%	32%	21.1%	40,156	16.3%	20%	99.3%					37,206	15.1%	33%	63.8%	245,617	17.9%	34.7%	19%
2001	145,594	48.2%	17%	30.7%	54,461	18.0%	24%	21.4%	55,295	18.3%	38%	95.2%					46,496	15.4%	25%	60.5%	301,846	22.9%	35.0%	25%
2002	142,312	46.7%	-2%	28.9%	58,633	19.3%	8%	23.0%	54,034	17.7%	-2%	96.7%	14,957	4.9%		62.7%	34,623	11.4%	-26%	55.1%	304,559	0.9%	34.2%	5%
2003	157,493	38.9%	11%	25.3%	66,554	16.4%	14%	23.4%	61,105	15.1%	13%	95.1%	79,517	19.6%		78.5%	40,121	9.9%	16%	40.6%	404,790	32.9%	34.6%	8%
2004	198,822	33.4%	26%	27.6%	75,131	12.6%	13%	20.9%	65,532	11.0%	7%	96.6%	192,969	32.4%	143%	84.0%	63,687	10.7%	59%	51.2%	596,141	47.3%	39.7%	8%
2005	253,289	32.7%	27%	24.9%	98,877	12.8%	32%	14.7%	75,352	9.7%	15%	97.1%	257,141	33.2%	33%	82.3%	89,122	11.5%	40%	49.6%	773,781	29.8%	34.2%	16%
2006	290,993	30.1%	15%	24.0%	118,346	12.2%	20%	14.3%	78,503	8.1%	4%	97.0%	346,220	35.8%	35%	84.7%	132,342	13.7%	48%	51.8%	966,404	24.9%	34.7%	19%
Q1	74,889	27.6%	6%	24.3%	31,529	11.6%	23%	15.3%	19,159	7.1%	-2%	96.7%	93,093	34.3%	27%	85.3%	52,958	19.5%	64%	40.5%	271,628	22.8%	35.1%	15%
Q2	81,485	26.7%	13%	23.9%	36,281	11.9%	24%	15.5%	21,636	7.1%	11%	98.3%	101,499	33.2%	16%	88.5%	64,510	21.1%	112%	36.3%	305,411	28.2%	34.3%	17%
Q3	87,045	27.5%	17%	23.2%	39,815	12.6%	28%	16.3%	21,509	6.8%	7%	97.1%	102,136	32.3%	8%	85.2%	65,725	20.8%	99%	35.4%	316,230	24.9%	33.4%	15%
Q4	86,163	26.0%	16%	24.1%	38,946	11.8%	20%	15.4%	21,831	6.6%	13%	97.3%	113,913	34.4%	25%	85.3%	70,338	21.2%	93%	38.1%	331,191	30.5%	34.8%	14%
2007	329,582	26.9%	13%	23.9%	146,571	12.0%	24%	15.6%	84,135	6.9%	7%	97.4%	410,641	33.5%	19%	86.0%	253,531	20.7%	92%	37.3%	1,224,460	26.7%	34.4%	15%
Q1	85,246	25.4%	14%	24.8%	36,975	11.0%	17%	15.9%	21,158	6.3%	10%	96.7%	121,742	36.2%	31%	86.0%	70,920	21.1%	34%	34.6%	336,041	23.7%	35.6%	15%
Q2E	91,512	25.5%	12%	24.4%	41,333	11.5%	14%	15.7%	23,523	6.5%	9%	96.7%	123,325	34.3%	22%	86.0%	79,808	22.2%	24%	34.6%	359,501	17.7%	35.3%	14%
Q3E	100,053	26.7%	15%	23.6%	45,329	12.1%	14%	16.5%	23,555	6.3%	10%	96.7%	125,888	33.6%	23%	86.0%	79,886	21.3%	22%	34.6%	374,711	18.5%	34.6%	14%
Q4E	102,024	26.8%	18%	24.6%	44,656	11.7%	15%	15.7%	24,298	6.4%	11%	96.7%	129,793	34.0%	14%	86.0%	80,571	21.1%	15%	34.6%	381,341	15.1%	35.3%	14%
2008E	378,835	26.1%	15%	24.3%	168,293	11.6%	15%	16.0%	92,534	6.4%	10%	96.7%	500,747	34.5%	22%	86.0%	311,185	21.4%	23%	37.2%	1,451,594	18.5%	35.2%	14%
2009E	424,295	25.7%	12%	24.3%	190,171	11.5%	13%	16.0%	102,902	6.2%	11%	96.0%	570,852	34.6%	14%	86.0%	360,131	21.8%	16%	38.1%	1,648,350	13.6%	35.4%	14%

**UTi Worldwide Inc
(UTIW - NASDAQ)**

Expenses (\$000)

Fiscal Year	Personnel Exp			Other			D&A			Total Expenses		
	\$	% NR	Chg	\$	% NR	Chg	\$	% NR	Chg	\$000	% NR	Chg
1996	85,700	51.3%		68,448	41.0%		6,524	3.9%		160,672	96.2%	
1997	88,987	50.4%	3.8%	68,248	38.7%	-0.3%	6,639	3.8%	1.8%	163,874	92.8%	2.0%
1998	92,333	49.5%	3.8%	71,717	38.5%	5.1%	6,669	3.6%	0.5%	170,719	91.5%	4.2%
1999	107,700	51.7%	16.6%	77,300	37.1%	7.8%	8,100	3.9%	21.5%	193,100	92.7%	13.1%
2000	124,330	50.6%	15.4%	90,032	36.7%	16.5%	10,733	4.4%	32.5%	225,095	91.6%	16.6%
2001	154,426	51.2%	24.2%	109,846	36.4%	22.0%	13,366	4.4%	24.5%	277,638	92.0%	23.3%
2002	156,005	51.2%	1.0%	104,134	34.2%	-5.2%	14,750	4.8%	10.4%	274,889	90.3%	-1.0%
2003	204,971	50.6%	31.4%	142,942	35.3%	37.3%	11,372	2.8%	-22.9%	359,285	88.8%	30.7%
2004	318,727	53.5%	55.5%	202,874	34.0%	41.9%	15,469	2.6%	36.0%	537,070	90.1%	49.5%
2005	397,765	51.4%	24.8%	259,132	33.5%	27.7%	21,433	2.8%	38.6%	678,330	87.7%	26.3%
2006	514,752	53.3%	29.4%	292,946	30.3%	13.0%	26,642	2.8%	24.3%	834,340	86.3%	23.0%
Q1	150,764	55.5%	30.2%	84,410	31.1%	17.8%	9,287	3.4%	35.7%	244,461	90.0%	25.8%
Q2	161,202	52.8%	28.4%	94,744	31.0%	30.7%	9,725	3.2%	47.3%	265,671	87.0%	29.8%
Q3	162,875	51.5%	21.3%	97,636	30.9%	36.6%	10,388	3.3%	44.0%	270,899	85.7%	27.2%
Q4	181,858	54.9%	30.7%	104,774	31.6%	35.5%	11,775	3.6%	96.8%	298,407	90.1%	34.1%
2007	656,699	53.6%	27.6%	381,564	31.2%	30.3%	41,175	3.4%	54.5%	1,079,438	88.2%	29.4%
Q1	184,717	55.0%	22.5%	108,534	32.3%	28.6%	11,372	3.4%	22.5%	304,623	90.7%	24.6%
Q2E	190,471	53.0%	18.2%	112,602	31.3%	18.8%	11,533	3.2%	18.6%	314,606	87.5%	18.4%
Q3E	191,497	51.1%	17.6%	113,444	30.3%	16.2%	11,676	3.1%	12.4%	316,617	84.5%	16.9%
Q4E	201,769	52.9%	10.9%	116,826	30.6%	11.5%	11,821	3.1%	0.4%	330,415	86.6%	10.7%
2008E	768,453	52.9%	17.0%	451,406	31.1%	18.3%	46,401	3.2%	12.7%	1,266,261	87.2%	17.3%
2009E	871,199	52.9%	13.4%	512,713	31.1%	13.6%	48,758	3.0%	5.1%	1,432,670	86.9%	13.1%

Appendix - Important Disclosures and Analyst Certification



1 Baird maintains a trading market in the securities of UTi Worldwide Inc.

Robert W. Baird & Co. and/or its affiliates expect to receive or intend to seek investment banking related compensation from the company or companies mentioned in this report within the next three months.

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