

June 8, 2007

Rating Information

Sector Rating	Market Weight
Target Price YE '07	\$30.00
Long-Term Growth	15%

Trading Data

52-Wk Range	\$21.35 - \$32.00
Market Cap.	\$2,643 MM
Shares Out.	100.2 MM*
Dividend Yield	0.2%
Avg Daily Vol.	810,000
Float	NA

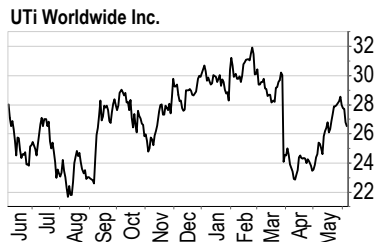
Source: FactSet; * BSC Estimates

Fundamental Data

EV/EBITDA	13.1x
Enterprise Value	\$2,691.7 MM
LT Debt to Total Cap.	27.0%
Book Value	\$6.50

Source: FactSet

Price Performance Chart



Source: FactSet

Securities in this report priced as of:

June 07, 2007 16:00 ET

Equity Research Analyst(s)

Edward Wolfe

212-272-7048
ewolfe@bear.com

Scott Group

212-272-0692
sgroup@bear.com

Michael Beer

212-272-5938
MBeer@bear.com

UTI Worldwide Inc. (UTIW-\$27.03-Outperform)

In-line Report, a Step in the Right Direction

- In-line F1Q:08 (April) Report.** Before the market yesterday UTIW reported \$0.18 EPS in-line with Cons. and prior guidance. Given UTIW's shaky operating performance recently, this was greeted with relief by the market. Net Rev., EBIT and EPS grew y-o-y by 24%, 16% and 7%, above our expectations of 17%, 9% and 4% growth and versus 31%, 5% and 5% y-o-y growth during F4Q:07, as profit growth accelerated.
- Net Rev. growth remains strong.** Total and organic net revenue growth of 24% and 15% were better than expected, driven by 31% contract logistics growth vs. our 16% expectation. Air and Ocean net rev. growth of 14% and 17% were below and in-line our respective 17% growth expectations for each. Both showed gross yield expansion into increasing air and ocean capacity and decelerating global demand.
- Costs continue to rise faster than rev. growth, but modestly less worse.** Off an easier comp. UTIW's total expenses increased 22.3% or 20bp more than gross rev. which grew by 22.1%. While not exciting, this represented an improvement from F4Q:07 when total expenses grew by 31.8% y-o-y, 120bp above gross rev. growth of 30.6%.
- Cash Flow a seasonal drag, but better than a year ago.** UTIW reported a use of \$42M of cash during F1Q:08 versus a use of \$63M in F1Q:07 as working capital was a \$64M drag vs. \$88M last year and \$29M two years ago in F1Q; a seasonally weak cash flow qtr. We expect UTIW's cash flow to swing meaningfully positive in F2Q.
- Raising our TP to \$30.** We have raised our year-end TP from \$28 to \$30 based on greater conviction in our unchanged F08 and F09 EPS estimates. We continue to believe that UTIW's stock has strong downside support in the low to mid-\$20 range from the implied \$28 value for UTIW given Apollo's recent multiples paid for EAGL. With that support, and potential fundamental (operating turnaround) and non-fundamental (potential buyers in the space) catalysts, we continue to favor the risk/reward.

Sector View: Market Weight

GAAP Estimates Post Option Expense †(All values are in USD)

	Q1 Apr	Q2 Jul	Q3 Oct	Q4 Jan	Year	P/E
2005	0.13	0.17	0.21	0.19	0.70	38.6x
2006	0.18	0.23	0.27	0.23	0.90	30.0x
2007	0.17	0.24	0.29	0.24	0.94	28.8x
2008	0.18	0.27E	0.35E	0.31E	1.12E	24.1x
Previous	0.17E				1.11E	
2009					1.35E	20.0x

† All numbers are after stock-based compensation expense, normalized consistent with BSC option expense policy.

Bear Stearns does and seeks to do business with companies covered in its research reports. As a result investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Customers of Bear Stearns in the United States can receive independent, third-party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at www.bearstearns.com/independent-research or can call (800) 517-2327 to request a copy of this research. Investors should consider this report as only a single factor in making their investment decision.

PLEASE REFER TO PAGE 7 OF THIS REPORT FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATION

BEAR, STEARNS & CO. INC. 383 MADISON AVENUE NEW YORK, NY 10179 (212) 272-2000 WWW.BEARSTEARNS.COM

INVESTMENT CONCLUSION: UTIW was up 2% yesterday vs. our asset-light group excluding UTIW and the S&P 500 each down about 2%, respectively. We believe investors had true concern given UTIW's recent poor reports and a slowing global freight environment that UTIW could miss its prior guidance again, so the stock was relieved with the in-line report. However, we continue to believe the jury is still out on whether UTIW is improving its cost structure and stabilizing its Logistics margins. As we noted several times recently, we believe the biggest driver for UTIW's recent upward stock move has not been near-term fundamentals but rather the underlying value of the stock as implied by Apollo's recent buyout of comparable EAGL at 30x and 14.4x trailing P/E and EV/EBITDA. During F1Q:08 UTIW's EBITDA vs. a year ago increased by 19% so its trailing 12 month EBITDA increased by \$6M (offset by an increase in net debt) adding about \$0.50 to the assumed value for UTIW based on Apollo's trailing 12 month multiples paid of 30x and 14.4x P/E and EV/EBITDA. Our upwardly revised year-end 2007 target price of \$30 assumes about a 22x forward P/E (up from 20x previously) out six months from now on our then unchanged F09 (C08) EPS estimate of \$1.35. This also implies a trailing 12 month P/E and EV/EBITDA of 27x and 12.2x at year-end C07 based on our unchanged F08 (C07) EPS and EBITDA assumptions. UTIW remains rated Outperform.

Exhibit 1. Implied Valuation for UTIW assuming Apollo/CEVA - EAGL Acquisition Multiples (\$M)

Metric	EAGL Multiple ⁽¹⁾	Implied Enterprise Valuation	Implied Share Price
Trailing EV/EBITDA	14.4x	\$2,784	\$26.85
Trailing P/E	30.0x	\$2,937	\$28.38
		\$2,861	\$27.62
Uti Worldwide			
Trailing EBITDA (\$M)	\$194	Current Net Debt (\$M) (excl off-balance sheet debt)	\$93
Trailing Continuing Net Income (\$M) ⁽²⁾	\$95	Current Share Count (M)	100.2

Note: All EAGL Trailing Data corresponds to the 12 months ending March 2007, All UTIW Trailing Data corresponds fiscal year 1Q:08 through F2Q07, ending April 2007. We do not currently cover EAGL.

(1) Reflects EAGL adjusted trailing EV/EBITDA and P/E multiples assuming a \$47.50/share buyout and \$30M termination fee

(2) UTIW F2007 Excludes Sli acquisition (2002) credit for prior earn out share based comp.

Source: Company reports; Bear Stearns estimates.

QUARTERLY HIGHLIGHTS:

- ❑ **In-line report.** Yesterday before the market UTIW reported F1Q:08 EPS (quarter ended April) of \$0.18/share, in-line with Consensus and a penny above both our low end estimate and continuing results from last year.
- ❑ **Profitability re-accelerates off an easy comp.** Continuing net revenue, EBIT and EPS (excluding earn-out restatements from year-ago period) grew by 24%, 16% and 7%, above our expectations of 17%, 9% and 4% growth and versus 31%, 5% and 5% y-o-y growth during F4Q:07.
- ❑ **Arguably a penny better.** The quarter was arguably a penny stronger than Cons. on an operating basis, with a higher than expected tax rate and Other Income expense (\$0.01-\$0.02) offset in part by lower minority interest payments (less than \$0.01).
- ❑ **UTIW affirms guidance.** Management affirmed guidance for the full year of \$1.14-\$1.22 compared to prior Cons. \$1.15 and our unchanged \$1.12 (up a penny for beat in F1Q) estimate. UTIW does not expect to give guidance in future years, but is providing guidance this year because of difficult comps related to its prior SLi earn-out restatements and overall investor concern.
- ❑ **No change to EPS estimates.** While UTIW's confirmed prior guidance range of \$1.14-\$1.22 seemingly has more credibility than it did when they first gave it last quarter, it is still quite back-end loaded, as management noted its cost initiatives might take six months to take hold. We remain below the guidance range as we continue to question management's will to reduce costs in the face of potential revenue growth. Exhibit 1 below, highlights the key operating metrics for F1Q:08 versus our estimates and the assumptions behind our unchanged F08 and F09 EPS estimates.

Exhibit 2. Key Operating and EPS Assumptions for UTIW

	F1Q:08E		F2Q:08E		FY:08E		FY:09E	
	Estimate	Actual	Estimate	Actual	Prior	Revised	Prior	Revised
Gross Revenue Growth								
Airfreight Forwarding	13.0%	11.9%	12.0%	12.0%	10.4%	10.1%	10.8%	11.7%
Ocean Freight Forwarding	15.2%	12.5%	19.9%	19.9%	16.5%	15.9%	15.1%	17.2%
Customs Brokerage	10.6%	10.5%	12.3%	12.3%	11.4%	11.3%	12.6%	12.7%
Contract Logistics	17.7%	29.6%	22.3%	22.3%	15.7%	18.5%	13.6%	14.2%
Distribution	52.5%	52.8%	9.9%	9.9%	17.7%	17.7%	20.6%	17.8%
Total Gross Revenue Growth	17.6%	22.1%	14.8%	14.8%	13.4%	14.4%	13.8%	14.2%
Net Revenue Growth								
Airfreight Forwarding	17.0%	13.8%	15.0%	15.0%	14.7%	13.9%	14.0%	14.0%
Ocean Freight Forwarding	17.0%	17.3%	20.0%	20.0%	19.4%	19.4%	20.0%	20.0%
Customs Brokerage	10.0%	10.4%	12.0%	12.0%	11.0%	11.1%	12.5%	12.5%
Contract Logistics	15.9%	30.8%	19.6%	19.6%	14.8%	18.2%	13.6%	13.6%
Distribution	36.0%	22.4%	10.0%	10.0%	14.3%	11.7%	21.0%	21.0%
Other	5.0%	47.9%	10.0%	10.0%	9.0%	18.9%	13.0%	13.0%
Total Net Revenue Growth	17.1%	23.7%	15.8%	15.8%	14.5%	16.0%	15.3%	15.3%
Gross Yields								
Airfreight Forwarding	25.2%	24.8%	24.5%	24.5%	24.8%	24.7%	25.5%	25.2%
Ocean Freight Forwarding	15.5%	15.9%	15.5%	15.5%	16.0%	16.1%	16.7%	16.5%
Customs Brokerage	96.2%	96.7%	98.0%	98.0%	97.1%	97.2%	97.0%	97.0%
Contract Logistics	84.0%	86.0%	86.5%	86.5%	85.4%	85.8%	85.4%	85.4%
Distribution	33.3%	29.9%	32.9%	32.9%	32.9%	32.1%	33.0%	33.0%
Other	45.5%	41.1%	45.8%	45.8%	44.8%	43.5%	44.5%	44.5%
Total Gross Yields	35.0%	35.6%	34.6%	34.6%	34.7%	34.9%	35.2%	35.2%
Total Operating Income Growth	9.3%	15.5%	11.0%	11.9%	18.6%	20.7%	19.2%	18.1%
Total Net Operating Margin	9.3%	9.3%	12.5%	12.6%	12.4%	12.4%	12.8%	12.7%
Corporate Overhead	(8.1)	(10.5)	(8.4)	(8.0)	(34.2)	(36.2)	(37.6)	(39.8)
Other Income	(3.8)	(4.5)	(3.1)	(3.4)	(11.0)	(12.6)	(4.9)	(6.2)
Tax Rate	28.0%	29.6%	29.0%	29.0%	28.3%	28.6%	30.0%	30.0%
Minority Interest	1.15	0.9	1.8	1.8	5.5	5.3	6.1	5.8
EPS	\$0.17	\$0.18	\$0.27	\$0.27	\$1.11	\$1.12	\$1.35	\$1.35
y-o-y growth	4%	7%	15%	15%	18%	19%	22%	21%

Source: Company reports; Bear Stearns & Co. Inc. estimates.

- **Business segments reclassified.** As part of its CLIENTasONE five year strategic plan, UTIW has reclassified how it reports its different business segments by operating profit. The company is no longer providing a breakout of operating income for Forwarding/Customs Brokerage and Contract Logistics/Distribution. UTIW will continue to report results by region including a new breakout of Forwarding versus CL results for the Americas region (previously only total Americas was reported). UTIW has also broken out its consolidated Distribution/Other revenues into two separate segments, with some activities from CL allocated to these segments as well. The company has provided restated quarterly financials back through F06.
- **Gross revenue growth above our expectations.** Consolidated y-o-y gross revenue growth of 22.1% was well above our 17.6% estimate but decelerated from 30.6% during F4Q:07. On an internal gross rev. basis both F4Q:07 and F1Q:08 grew about 13%-14% with the difference above that associated with the grand-fathering of the Market Industries acquisition mid-way through F1Q:08 and the SPAN acquisition. The strength came from Contract Logistics and Other, with growth rates of 29.6% and 62.9%, respectively (vs. our 17.7% and 4.6% estimates). Airfreight gross revenue growth of 11.9% was modestly below our 13.0% estimate, while ocean freight gross revenue growth of 12.5% was also below our expectation of 15.2%.
- **Total net revenue growth also stronger than expected.** Consolidated net revenue growth of 23.7% was well above our 17.1% estimate but decelerated from 30.5% during F4Q:07. Again net of acquisitions we estimate internal growth for F1Q:07 of about 15% accelerated modestly from 14% internal net revenue growth in F4Q:07.
- **Mixed Forwarding net revenue growth.** Total Forwarding/Brokerage net revenue growth of 14.2% was modestly below our 15.9% estimate and 16.8% growth last quarter. Airfreight net revenue growth of 13.8% was well below our 17.0% estimate and in-line with 16.4% growth during F4Q. Ocean freight net revenue growth of 17.3% was inline

with our 17.0% expectation but decelerated from 20.2% last quarter. Customs brokerage net revenue growth of 10.4% was slightly above our expectations but decelerated versus recent quarters.

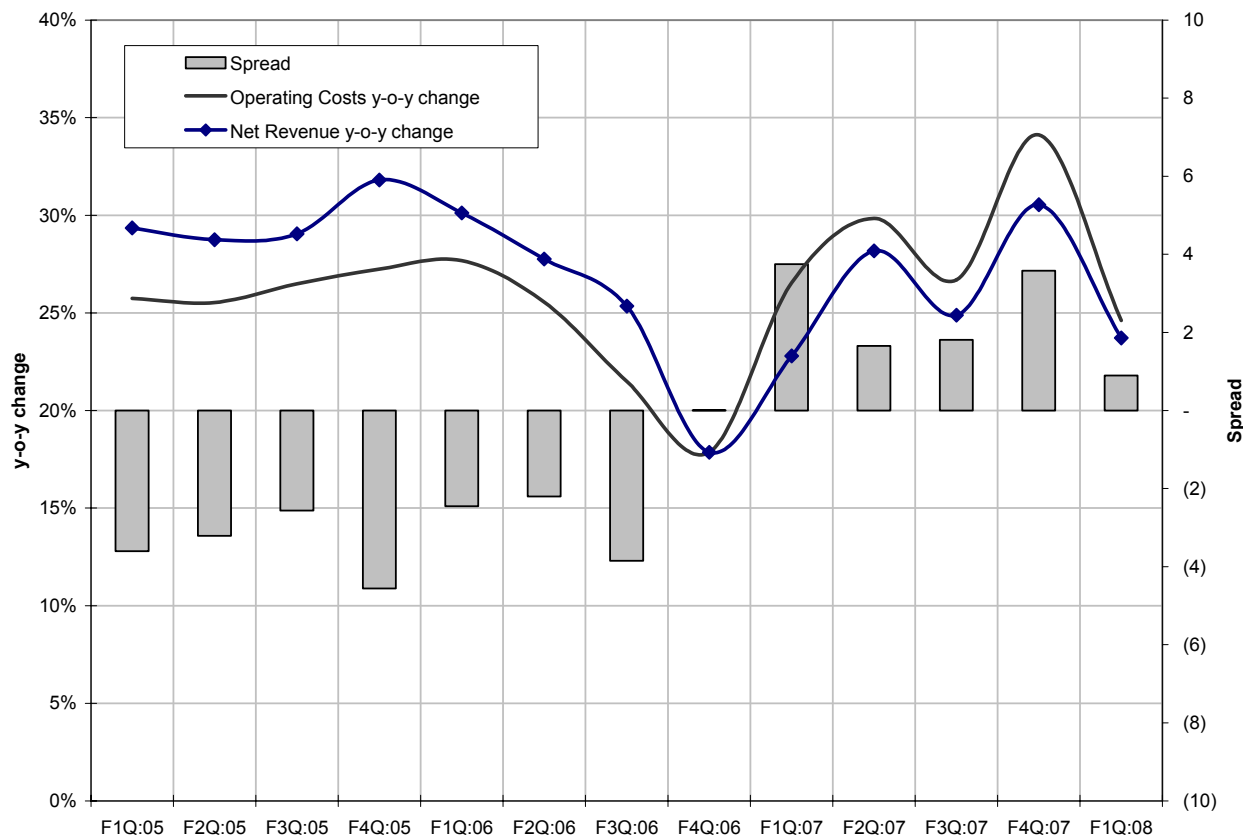
- **Strong Contract Logistics net revenue growth.** Contract Logistics net revenue growth was up 30.8% y-o-y, materially above our 15.9% estimate and 24.5% growth last quarter. Distribution net revenue growth of 22.4% was short of our 36.0% estimate and includes five weeks of the Market Industries acquisition not present in last year's results. Other net revenue also grew a strong 47.9%.
- **Internal growth remains solid.** Excluding both acquisitions and currency impacts, organic gross and net revenues grew by 13% and 15% y-o-y during F1Q. This is roughly in-line with 14% and 14% growth last quarter and 13% and 15% growth during F3Q:07 and impressive given a slowing global economy and trade environment.
- **Ocean and Air yields expand nicely.** Ocean yields expanded 60bp y-o-y, better than our expectation of 20bp of y-o-y improvement and accelerated from 50bp of y-o-y improvement during F4Q:07. Air forwarding yields expanded 50bp y-o-y compared, modestly below our expectation of 90bp of improvement but accelerated from 40bp of improvement during F4Q:07. Results compare with EXPD's 1Q (quarter ending March) Air and Ocean y-o-y gross yield expansion of +220bp and -110bp, respectively.
- **Operating income above our expectations.** Consolidated operating income growth of 15.5% was well above our 9.3% estimate and 5.0% growth during F4Q:07, although off an easier comparison. UTIW is no longer breaking out Forwarding versus Contract Logistics operating income, but we estimate Forwarding operating income grew 14.9% and Contract Logistics grew 40.4%.
- **Net margins remain weak but inline with expectations.** UTIW reported a total net operating margin of 9.3%, inline with our estimate but deteriorated from 10.0% a year ago fiscal first quarter and from 9.9% in F4Q:07. Again, UTIW is no longer providing margins by business segment. Total operating expenses increased by 22.3% compared to gross revenue growth of 22.1% despite some headcount reductions and other cost initiatives which management finally appears more focused on fixing. Absolute costs should continue to increase sequentially and y-o-y as revenue continues to grow. See more details below.
- **Higher tax rate and other income expense; minority interest below our expectations.** UTIW's 29.6% tax rate was above our 28.0% estimate and management is guiding to a 28%-30% tax rate for F08. Higher than expected Other income (expense) of -\$4.5M versus our -\$3.8M was also a drag on UTIW's results. This was partially offset by lower minority interest expense (composed of IHD and other South African operations) of \$0.9M, below our \$1.2M expectation as IHD continues to struggle and in our opinion has issues beyond management's prior explanation of the timing of rate increase announcements from the regulator.
- **Cash flow a seasonal drag, but better than a year ago.** UTIW reported a use of \$42M of cash during F1Q:08 versus a use of \$63M in F1Q:07 as working capital was a \$64M drag versus \$88M last year and \$26M two years ago in F1Q, a seasonally weak cash flow quarter. We expect UTIW's cash flow to swing meaningfully positive in F2Q.
- **Balance Sheet.** UTIW ended the quarter with cash balances, total debt, and shareholders' equity of \$225M, \$334M, and \$667M in addition to an estimated \$241M in off-balance sheet debt. This equates to an all in net debt ratio of 33.4%. This compares to the end of last year when UTIW ended with a cash balance, total debt, and shareholders' equity of \$278M, \$294M, and \$637M in addition to an estimated \$241M in off-balance sheet debt for an all in net debt ratio of 31.5%.

KEY POINTS EXPANDED:

- **Few true signs of a turn in cost performance.** While we are pleased with management's apparent increased focus on cost side performance, our sense is that near term results will face continued pressure from increasing costs. UTIW reported its lowest net operating margin since F4Q:04, although on a positive note, the pace of y-o-y deterioration improved versus last quarter. On the call, management noted some headcount reductions and a cancellation of certain initiatives, although neither action was discussed in detail or quantified. Management also placed only a partial moratorium on acquisitions for the remainder of the fiscal year, noting that it will continue to look for tuck-in acquisitions similar to IHD. Overall, management appears somewhat more committed to matching its cost structure with its revenue stream and at first glance, this yielded the lowest y-o-y increase in total operating costs in the past five quarters. That said, costs still grew faster than gross and net revenue and we suspect much of the apparent

improvement from above was a function of stock option expensing which grandfathered beginning this quarter. On the call, UTIW guided to continued sequential costs increases as a function of revenue growth (particularly for CL in the Americas) and management does not expect to see the fruit of many of its cost initiatives until the second half of the year. Results at IHD are improving but continue to be a headwind, while UTIW will also face about 1.3 cents per quarter of costs related to its planned 4as1 IT upgrade (more details to come at next week's analysts' meetings). In Exhibit 3 below, we have layered quarterly net revenue growth (y-o-y) against the y-o-y change in operating costs for UTIW. In the two years preceding F4Q:06, UTIW's net revenue growth averaged 30%+, far in excess of its total operating expense growth. However, in F4Q:06 we arrived at an inflection point in which costs began to outpace net revenue growth, reaching 34.1% growth y-o-y last quarter versus the 30.5% y-o-y net revenue growth. The spread between these two line items moderated somewhat this quarter to its lowest level in the past five quarters, although again much of this could be driven by stock option expense). Going forward, we believe the key for UTIW's performance will be the continued moderation and eventual reversal of this trend.

Exhibit 3. Quarterly UTIW Net Revenue Growth Compared to Operating Expense Growth (y-o-y)



Note: operating expense excludes Purchased Transportation

Source: Company reports; Bear Stearns & Co. Inc. estimates.

- Weakness in Greater China.** UTIW reported healthy, double-digit gross and net revenue growth rates across all geographic regions outside of Africa and Greater China. The EMENA segment (Previously named Europe, remains unchanged in composition) reported notably strong net revenue growth, up 39.6%, followed by Asia Pacific, up 16.6%, and the new Americas Freight Forwarding segment, up 14.0%. In addition, net revenue within the Greater China region improved a modest 9.0% from a difficult year ago comp (1Q:07 net revenue improved 40.4% y-o-y) further impacted by mild gross yield contraction, down 38bp y-o-y, while net revenue from Africa increased only 1.7%. Management highlighted that absent the negative impact from changes in \$US/South African Rand exchange rates, the Africa region net revenue growth would have been closer to 18%. Further, on the call management noted generally soft Air volumes from Asia to the U.S. offset by increases in European Airfreight and diversion from Air to Ocean freight for less time sensitive moves. Separately, Contract Logistics and Distribution within the Americas, which included a full quarter of the Market Industries and SPAN acquisitions (closed in the year ago quarter, March 2006, and November 2006, respectively), improved 39.6%. On an organic basis this declined nearly 12%. Combined Americas Forwarding and Contract Logistics & Distribution net revenue grew 31.9% and declined 4.1% excluding the benefit associated with the abovementioned acquisitions. Americas Forwarding EBIT was up 84.4% off a small base, while EBIT at UTIW's largest contributing Forwarding region/segment, EMENA, was up 7.1%. Asia Pacific

results were flattish, while China EBIT was down 19.1% likely a result of the regional shift in trade discussed previously. Africa results were up 11.0% off an easy comp. In sum, continuing operating income improved 15.5% despite a 70bp contraction in net operating margin. We continue to expect Air and Ocean yields to widen into capacity additions and the soft volume environment in place currently, specifically along those lanes (Asia and Europe) with a high degree of competition. Below in Exhibit 4 we have provided reported F1Q:08, F4Q:07 and F1Q:07 gross and net revenue on UTIW's recently restated regional basis.

Exhibit 4. UTIW Gross and Net Revenue by Operating Region

	Apr-06 F1Q:07	Jan-07 F4Q:07	Apr-07 F1Q:08	Apr-06 F1Q:07	Jan-07 F4Q:07	Apr-07 F1Q:08	Apr-06 F1Q:07	Jan-07 F4Q:07	Apr-07 F1Q:08
	Gross Revenue			Net Revenue			Gross Yield Margin		
EMENA	184.1	228.7	239.5	54.3	75.0	75.9	29.5%	32.8%	31.7%
year-over-year growth	13.6%	26.3%	30.1%	9.5%	34.3%	39.6%	-113bp	195bp	216bp
Americas Freight Forwarding	113.8	137.4	134.6	34.7	39.3	39.5	30.5%	28.6%	29.4%
year-over-year growth	6.5%	17.9%	18.3%	8.5%	10.3%	14.0%	56bp	-196bp	-112bp
Americas CL & D	127.1	178.3	195.9	80.8	105.4	112.8	63.6%	59.1%	57.6%
year-over-year growth	154.0%	166.4%	54.2%	66.7%	60.5%	39.6%	NA	NA	NA
Asia Pacific	101.7	105.9	107.1	18.9	22.0	22.0	18.6%	20.8%	20.6%
year-over-year growth	14.0%	13.6%	5.2%	12.4%	15.7%	16.6%	-26bp	38bp	201bp
Greater China	105.9	146.2	118.2	16.8	18.3	18.3	15.8%	12.5%	15.4%
year-over-year growth	14.6%	11.1%	11.6%	40.4%	8.6%	9.0%	291bp	-28bp	-38bp
Africa	121.8	138.7	132.5	51.8	57.1	52.7	42.5%	41.1%	39.8%
year-over-year growth	7.5%	13.6%	8.7%	4.1%	18.4%	1.7%	-136bp	169bp	-273bp
Global Specialized Solutions	19.3	16.0	16.9	14.4	14.0	14.9	74.6%	87.5%	88.1%
year-over-year growth	17.8%	-3.7%	-12.2%	13.3%	12.6%	3.7%	-300bp	1263bp	1348bp
Total	773.7	951.3	944.7	271.6	331.2	336.0	35.1%	34.8%	35.6%
year-over-year growth	22.8%	30.6%	22.1%	22.8%	30.5%	23.7%	1bp	-3bp	46bp

Note: Results are displayed as reported by the Company

Source: Company reports; Bear Stearns & Co. Inc. estimates.

Important Disclosures

The costs and expenses of Equity Research, including the compensation of the analyst(s) that prepared this report, are paid out of the Firm's total revenues, a portion of which is generated through investment banking activities.

This report has been prepared in accordance with the Firm's conflict management policies. Bear Stearns is unconditionally committed to the integrity, objectivity, and independence of its research. Bear Stearns research analysts and personnel report to the Director of Research and are not subject to the direct or indirect supervision or control of any other Firm department (or members of such department).

This publication and any recommendation contained herein speak only as of the date hereof and are subject to change without notice. Bear Stearns and its affiliated companies and employees shall have no obligation to update or amend any information or opinion contained herein, and the frequency of subsequent publications, if any, remain in the discretion of the author and the Firm.

Analyst Certification

The research analyst(s) primarily responsible for the preparation this research report hereby certify that all of the views expressed in this research report accurately reflect their personal views about any and all of the subject securities or issuers. The research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

Edward Wolfe

Companies Analyzed

* UTI Worldwide Inc. (UTIW) - \$27.03 (as of June 07, 2007 16:00 ET) - Outperform

Price Target ('07): \$30.00

Risk(s) to Price Target - Ocean capacity pricing, airfreight capacity pricing, incremental technology costs for forwarding systems upgrade, incremental contract logistics costs.

Valuation Methodology - Foward P/E.

UTI Worldwide Inc. (UTIW): The subject company is or during the past twelve (12) months has been a non-investment banking client (securities related services) of Bear Stearns & Co. Inc.

UTI Worldwide Inc. (UTIW): Bear, Stearns & Co. Inc. is a market maker in this company's equity securities.



Bear, Stearns & Co. Inc. Equity Research Rating System:

Ratings for Stocks (vs. analyst coverage universe):

Outperform (O) - Stock is projected to outperform analyst's industry coverage universe over the next 12 months.

Peer Perform (P) - Stock is projected to perform approximately in line with analyst's industry coverage universe over the next 12 months.

Underperform (U) - Stock is projected to underperform analyst's industry coverage universe over the next 12 months.

Ratings for Sectors (vs. regional broader market index):

Market Overweight (MO) - Expect the industry to perform better than the primary market index for the region (S&P 500 in the US) over the next 12 months.

Market Weight (MW) - Expect the industry to perform approximately in line with the primary market index for the region (S&P 500 in the US) over the next 12 months.

Market Underweight (MU) - Expect the industry to underperform the primary market index for the region (S&P 500 in the US) over the next 12 months.

Bear, Stearns & Co. Inc. Ratings Distribution as of March 31, 2007:

Percentage of BSC universe with this rating / Percentage of these companies which were BSC investment banking clients in the last 12 months.

Outperform (Buy): 41.7 / 16.6

Peer Perform (Neutral): 49.4 / 11.8

Underperform (Sell): 9.0 / 7.2

Securities covered by the author(s) of this report include:

Edward Wolfe (Airfreight & Surface Transportation - Airfreight & Logistics): C.H. Robinson Worldwide, Inc., Expeditors International Of Washington, Inc., FedEx Corporation, Forward Air Corporation, TNT N.V. (ADR), United Parcel Service, UTI Worldwide Inc., Pacer International Inc., Landstar System, Inc., HUB Group, Inc., Universal Truckload Services

OTHER DISCLAIMERS

This report has been prepared by Bear, Stearns & Co. Inc., Bear, Stearns International Limited or Bear Stearns Asia Limited (together with their affiliates, "Bear Stearns"), as indicated on the cover page hereof. Responsibility for the content of this report has been accepted by Bear, Stearns & Co. Inc. for distribution in the United States. If you are a recipient of this publication in the United States, orders in any securities referred to herein should be placed with Bear, Stearns & Co. Inc. This report has been approved for publication in the United Kingdom by Bear, Stearns International Limited, which is authorized and regulated by the United Kingdom Financial Services Authority. Private Customers in the U.K. should contact their Bear, Stearns International Limited representatives about the investments concerned. This report is distributed in Hong Kong by Bear Stearns Asia Limited, which is regulated by the Securities and Futures Commission of Hong Kong. Recipients of this report from Bear Stearns Asia Limited should contact representatives of the latter in relation to any matter referred to herein. Additional information is available upon request.

Bear Stearns and its employees, officers, and directors deal as principal in transactions involving the securities referred to herein (or options or other instruments related thereto), including in transactions which may be contrary to any recommendations contained herein. Bear Stearns and its employees may also have engaged in transactions with issuers identified herein. Bear Stearns is affiliated with a specialist that may make a market in the securities of the issuers referred to in this document, and such specialist may have a position (long or short) and may be on the opposite side of public orders in such securities.

This publication does not constitute an offer or solicitation of any transaction in any securities referred to herein. Any recommendation contained herein may not be suitable for all investors. Although the information contained in the subject report (not including disclosures contained herein) has been obtained from sources we believe to be reliable, the accuracy and completeness of such information and the opinions expressed herein cannot be guaranteed. This publication and any recommendation contained herein speak only as of the date hereof and are subject to change without notice. Bear Stearns and its affiliated companies and employees shall have no obligation to update or amend any information or opinion contained herein.

This publication is being furnished to you for informational purposes only and on the condition that it will not form the sole basis for any investment decision. Each investor must make their own determination of the appropriateness of an investment in any securities referred to herein based on the tax, or other considerations applicable to such investor and its own investment strategy. By virtue of this publication, neither Bear Stearns nor any of its employees, nor any data provider or any of its employees shall be responsible for any investment decision. This report may not be reproduced, distributed, or published without the prior consent of Bear Stearns. ©2007. All rights reserved by Bear Stearns. Bear Stearns and its logo are registered trademarks of The Bear Stearns Companies Inc.

This report may discuss numerous securities, some of which may not be qualified for sale in certain states and may therefore not be offered to investors in such states. This document should not be construed as providing investment services. Investing in non-U.S. securities including ADRs involves significant risks such as fluctuation of exchange rates that may have adverse effects on the value or price of income derived from the security. Securities of some foreign companies may be less liquid and prices more volatile than securities of U.S. companies. Securities of non-U.S. issuers may not be registered with or subject to Securities and Exchange Commission reporting requirements; therefore, information regarding such issuers may be limited.

NOTE TO ACCOUNT EXECUTIVES: For securities that are not listed on the NYSE, AMEX, or Nasdaq National Market System, check the Compliance page of the Bear Stearns Intranet site for State Blue Sky data prior to soliciting or accepting orders from clients.

CIR 230 Disclaimer

Bear Stearns does not provide tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

In order for Bear Stearns to comply with Internal Revenue Service Circular 230 (if applicable), you are notified that any discussion of U.S. federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of: (A) avoiding penalties that may be imposed under the Internal Revenue Code; nor (B) promoting, marketing or recommending to another party any transaction or matter discussed herein.