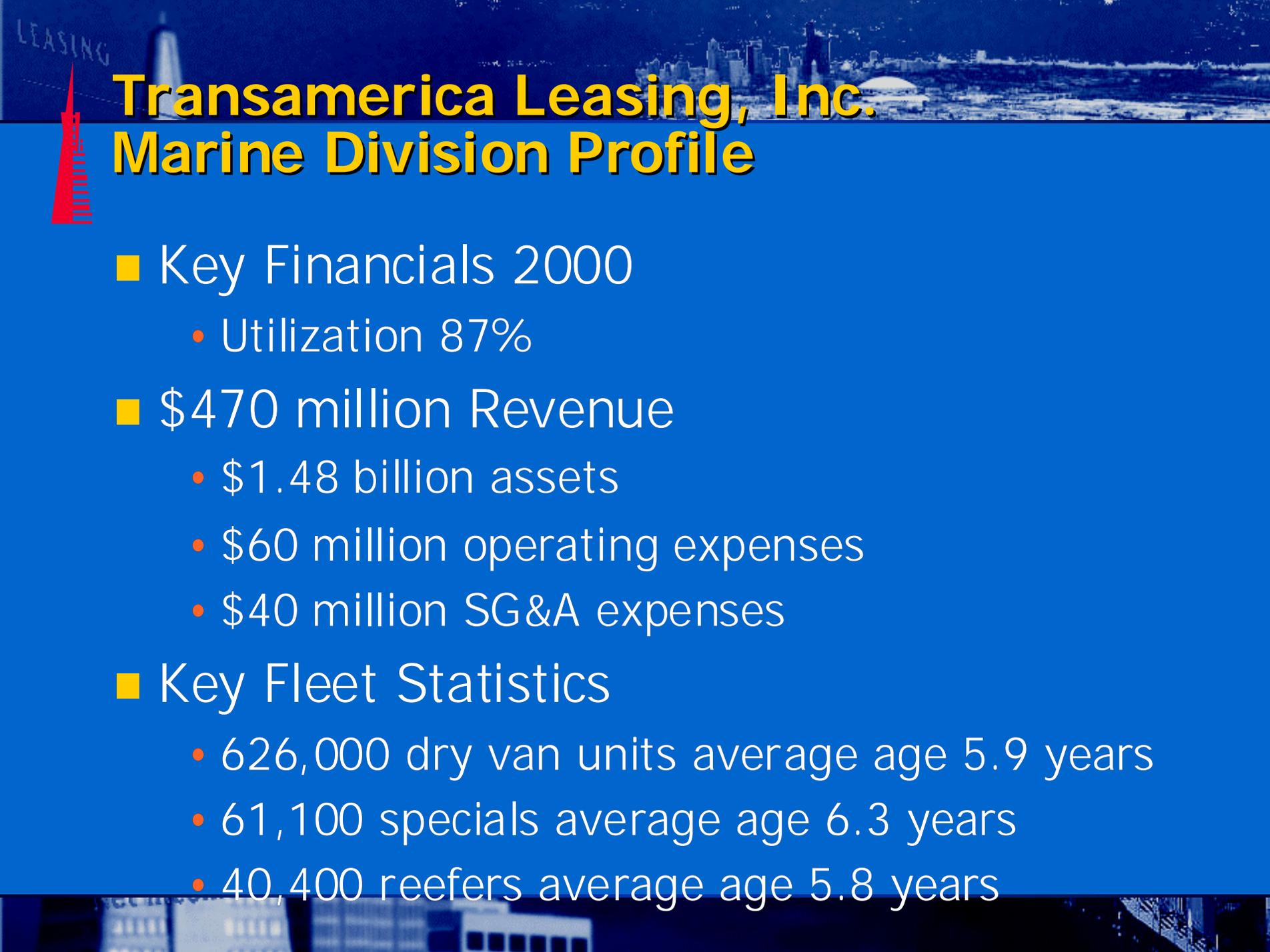


“Streamlining IP Traffic Logistics”

Neutral Containers & Grain Transport

Spokane, Washington

Scott Sigman - Transamerica Leasing
November 2000



Transamerica Leasing, Inc. Marine Division Profile

■ Key Financials 2000

- Utilization 87%

■ \$470 million Revenue

- \$1.48 billion assets
- \$60 million operating expenses
- \$40 million SG&A expenses

■ Key Fleet Statistics

- 626,000 dry van units average age 5.9 years
- 61,100 specials average age 6.3 years
- 40,400 reefers average age 5.8 years

Prospects are for More Containerization

- 1969 - 270,000 TEUS Baseline
- 1979 - 2,650,000 TEUS 9.8x
- 1989 - 4,758,000 TEUS 1.8x
- 1999 - 11,600,000 TEUS 2.4x

Seaborne Trade increased for the past 13 straight years, +5 Billion tons over the past two years, globally ('98 & '99).

Containerization Today

EUROPE

Containers carried by barges passing the Port of Antwerp rose by 8% to 11 million tons, the equivalent of 1.1 million TEU or 550,000 road vehicles, in 1998.

AUSTRALIA

Containerised Export Grains moving directly from Farm gate to Terminal

Standard container ships: **USD 62m** /6,500 TEU capacity ship; USD 53 mn/5,500 TEU, USD 47 mn/4,800 TEU. Prices to rise.

Shipyard capacity believed to be full until the end 2000.

Fleet of box ships +3,000 TEU to increase 19 per cent in 2000 by far outpacing forecast world trade growth.

Global Container Vessel Market

Vessel size ships	Number of		
	ships		
	2002	2003	2001
1,000-1,999	1,018	1,006	1,003
2,000 - 2,999	478	446	482
3,000 - 3,999	259	247	267
4,000 - 4,999	164	160	198

Vessel size	TEU capacity		
	2003	2002	2001
1,000 - 1,999	1,432	1,454	1,437
2,000 - 2,999	1,186	1,177	1,098
3,000 - 3,999	920	892	852
4,000 - 4,999	863	721	705
5,000+	621	1,224	971
Total capacity	5,625	5,215	4,713
Growth	10.8%		10.7%
	11.0%		

5,000+ 205 163 105

7,500 TEU capacity Ships under negotiation Orders to be placed

2,082 1,965

COLUMBIA-SNAKE RIVER BASIN

- **Transport Equipment and Aerospace Sector**
- **Agribusiness Manufacturing and Technology**
- **Food and Beverage**
- **Biotechnology**
- **Component Manufacturing**
- **Environmental Industries**
- **Health Industry**
- **Information and Communications Technologies**
- **Wood Product Industry** **AND OTHERS!!!**

Lets Talk Containers

- TEU's FEU's,

- 20' 40' High Cube 45'

CUBE 1172 CBF 2390 CBF 2700 CBF 3000 CBF

LOAD 20-28 MT 26.75 MT 26.5 MT 28.5 MT

- **Dry Containers**

- Dry vans, DV's, DC's, GP's, Std's, High cubes

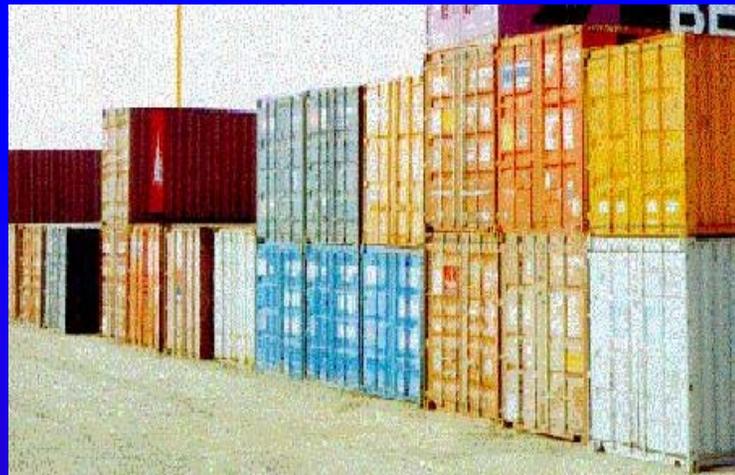
- **Specials**

- Open Tops, O.T.'s

- Flat Racks, Flats, Flat Vans, F.V.'s, F.R.'s

- Reefers

Containers



COFC

Container on Flat Car



- Local Wheels needed
- Lift at Ramp needed
- Lower cost on rail
- Can be double stacked

Elements of a Container



20' DV Container on standard chassis, moved TOFC on rail lifted, swung mounted and then pulled from terminal via truck.

Open Top on Tri-axle Chassis



- Mounted Container on the Tri-axle chassis
- 18 oz/sq. yd. Polyester Tarp
- Galvanized Grommets 175-200mm

INTERMODAL

Lift from Chassis to Railcar

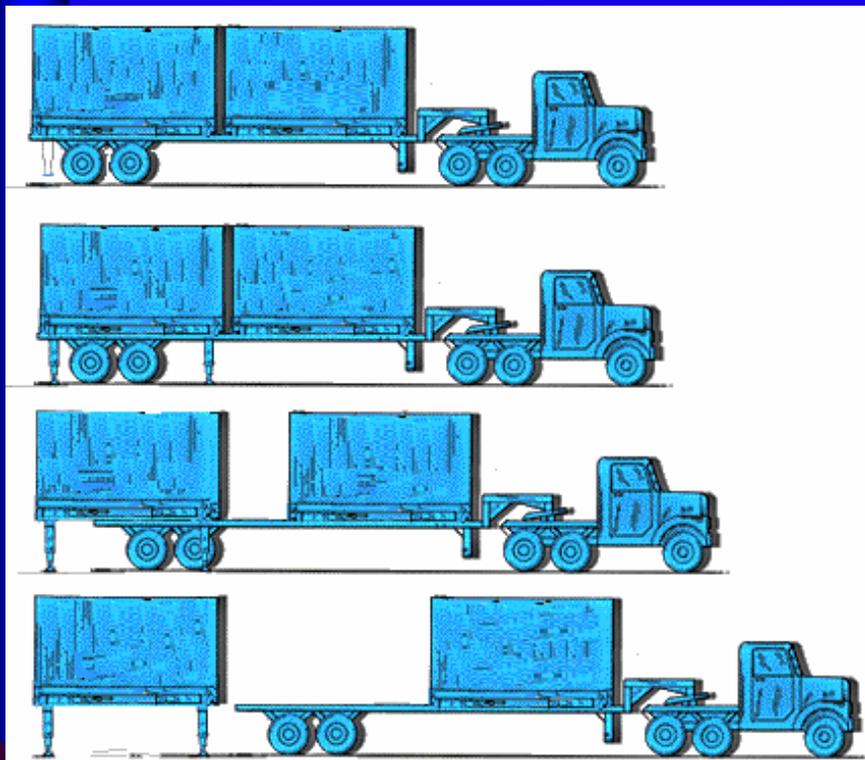


- Quick movement possible
- Relatively low technology
- Containers can be grounded or live loaded to chassis

Or Rail to Chassis

Or to the ground

Or to a Boxtrotter



Economical & Competitive: Containerized Cargo

- **Availability - Even in remote locations**
Ports, Depots, shipper pools, neutral pools
- **Intermodal transport**
Flatbed, Chassis, Rail, Barge, Ocean Carrier
- **Ease of loading, unloading**
Tilt, Crane, Forklift, Hand
- **Security and Controls**
Door seals, TIR, Volume

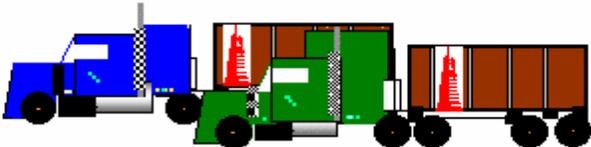
Economical & Competitive: Containerized Cargo

- Less transfer movement & costs
 - Less double handling costs
 - Less shrinkage / contamination of product
- Better control of product flows
 - Allows improved planning for future storage and facility requirements
 - Inventory Management
 - Carrying costs
 - Volume

THE CONTAINER DELIVERY SYSTEM

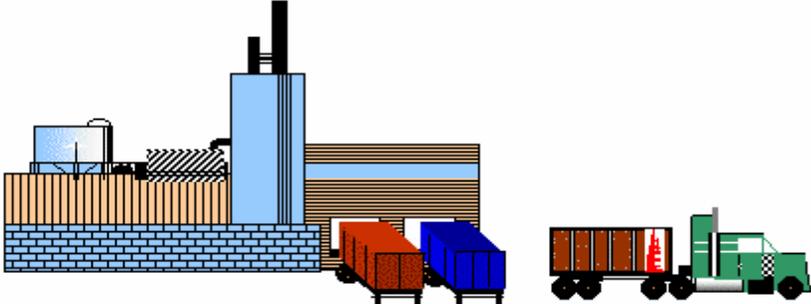


EMPTY CONTAINERS
LOCALLY
POSITIONED BY TRUCK

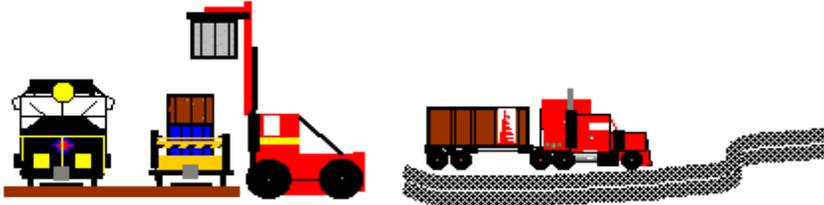


LOAD AT MOST ANY FACILITY
FARM SILO, ELEVATOR OR
PROCESSING FACILITY

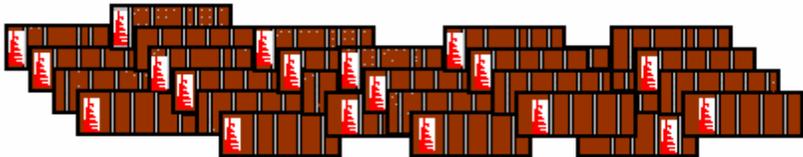
LOADED CONTAINER
POSITIONED BY TRUCK



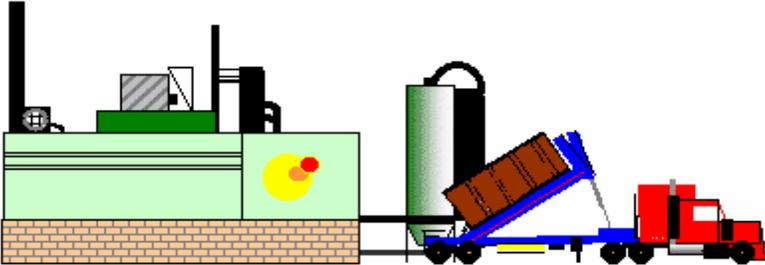
TRANSPORT BY INTERMODAL
TRAIN OR BY TRUCK
OR BY BARGE OR BY SHIP



STORAGE AT
YOUR FACILITY OR
NEAR YOUR CLIENT



DELIVERED TO CUSTOMER
QUALITY NEEDED
WHEN NEEDED
WHERE NEEDED & IN THE
QUANTITY NEEDED



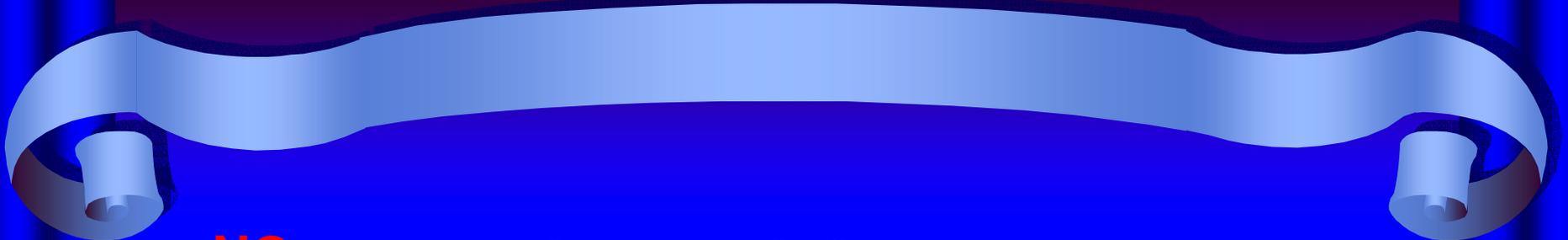
Transport Alternatives

- **BIG BAGS - Container Liners**
 - Load via pneumatic, mechanical or gravity
 - \$225-\$350 cost/
 - Tare weight is only 150 lbs. @ .7 mil thickness.
 - Food Grade
 - Open top or end loading; tilt/pneumatic unloading.
 - Moisture and contaminant control, density
- **Bulk Bags - 17-20 x 1 Ton Bags (IBC's)**
 - Easier unloading w/o tilt

Bulk Loading - Lined Container



Worth A Thousand Words!



NO WAREHOUSE EXPENSES

NO SACKS OR BOXES

NO INTERMEDIATE HANDLING

NO CONTAMINATED BULK TRUCKS

NO EXTRA TRANSFERS TO ABUSE YOUR PRODUCT

**STORED AND DELIVERED
IN JUST ONE CONTAINER
FROM SUPPLIER TO END USER**

IP Grain Marketing

Grain Sold by the Container

- Our grain popcorn has the following characteristics:

Percentage of pop: 97-98%

Volume ratio: 38:1

Moisture content: 14%

Kernels /10 grams: 64-65

50 lb bags/20 ft oversea shipping container: 900

Availability: Immediately

Price: \$7.95 per 50 lb bag FOB Oakland (San Francisco), California, plus freight charges to your destination.

Quantity limit: Minimum one 20 ft container (900 bags).

- I am interested in contacting your company, and I want the following products: Grain popcorn in bags with a weight of

– 50 LB

100 LB

22 K

44 K

Reducing inland unit costs

SHIPMENT MODE							
		PCS VESSEL		HIGHWAY		RAIL (w/dray)	
Size	Equipment Type	Gross	Cargo	Gross	Cargo	Gross	Cargo
20'	Standard Chassis	43	38	37	32	43	38
20'	Tri-axle Chassis	over 49	over 44	42	37	49	44
20'	40'-48' Flatbed Trailer	N/A	N/A	46	41	N/A	N/A
40'	Standard Chassis	54	45	45	36	54	45
40'	Tri-axle Chassis	over 54	over 45	52	43	N/A	N/A
40'	40'-48' Flatbed Trailer	N/A	N/A	48	39	N/A	N/A

+37.5%

+25%

- a) Assumes 20' container tare weight of 5,000 lbs.,
- b) 40' container tare weight of 9,000 lbs.
- c) Gross vehicle weight must not exceed 80,000 lbs.
- d) Allowable weight subject to axle weight compliance with bridge laws.
- e) Maximum rail weights allowable on certain defined streets and highways only. Overweight permits may be required.

Ocean Container Freight Rates

Port to Port Transport Tariff Rates

- WC Base Ports to Asia Base Ports - \$1000
 - @ 20 Tons Gross /container = \$50 per ton
 - @ 24 Tons Gross/container = \$41.67 per ton
- Contract Rates may be more competitive...

75 lbs/ft³ with 1150 ft³ Cubic Capacity =

$$75 \times 1150 = 86,250 \text{ lbs.}$$

45 lbs/ft³ with 1150 ft³ Cubic Capacity =

$$45 \times 1150 = 51,750 \text{ lbs.}$$

TAL PORT DEPOT - INLAND POOL MAP

Edmonton, Canada

Winnipeg

TAL CONTACTS

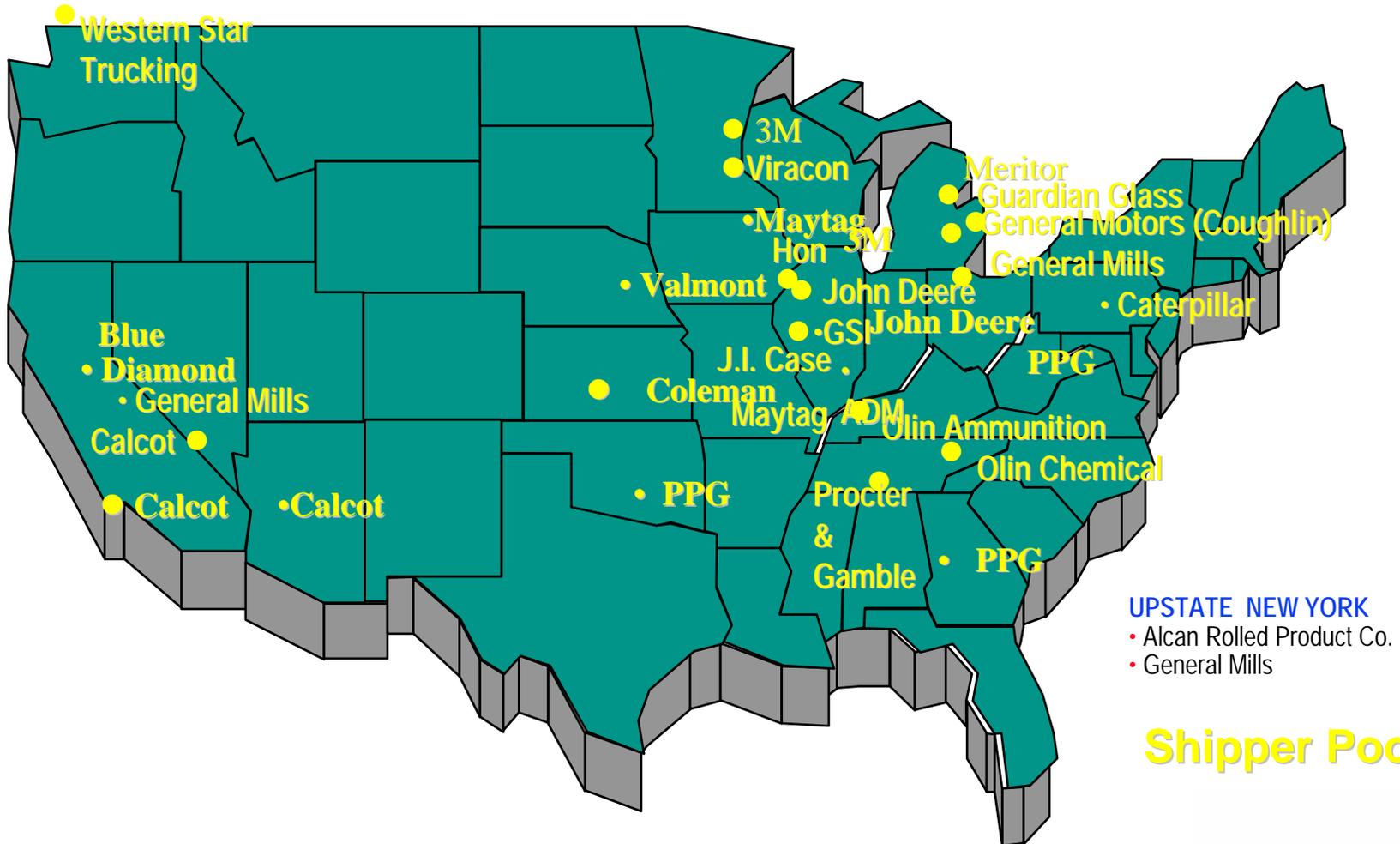
1-888-825-7376

1-888-TAL-REPO



TAL KEY
Port Depots
Inland Pools

TRANSAMERICA SHIPPER POOL PARTNERSHIP EXAMPLES



SHIPPER POOL SOLUTION

- Neutral Containers staged at any location
- Grade can be specified - Food, Ammo, Hide
- Any size or type; DC, HC, OT, FR
- For pick-up by **any** steamship line with prior agreement by the line
- Load anytime, day, night or week-end
- The ocean carrier pays for the unit when their bill of lading begins
- Inland Transport cost savings with round trips
- load out, empty returned

Shipper Pool Benefits

- ☑ **Immediate availability** of container equipment vs. having to position equipment at the last minute / time of loading.
- ☑ **Flexibility in loading** - TAL equipment can economically supplement or fulfill a booking when carriers cannot offer total quantity with their owned/leased inventory.
- ☐ **No export detention** - No regulatory tariff requirement.
- ☐ **Prevents necessity of transloading misloaded containers** or trailers at port of embarkation because of lack of steamship containers at source loading location.
- ☐ **True inventory management** - Transamerica works with the shipper prior to the beginning of each month to better plan production, packing and loading schedules. Consignees/customers can plan flow of supply with greater degree of reliability.
- ☑ **Cost savings** - TAL contributes to positioning of empty containers and cooperatively maintains pool for upcoming needs.



Summary

- Trade increases / global competition is real
- Containerization is competitive and workable even for remote locations
- Define your cargo loadability
- Qualify destination needs upon delivery
- International customers seek economical delivery and first rate customer service

“Thank you!”

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