

Royal Wolf goes public

Australian shipping and storage container supplier Royal Wolf has floated on the Australian Securities Exchange (ASX) after a successful IPO.

Claimed to be the country's largest supplier of new and used containers, Royal Wolf was purchased from its founding shareholders by General Finance Corporation (GFC) in 2006. It has subsequently made a number of local acquisitions, most notably that of GE Seaco's Australian business.

GFC sold down 50% through the IPO, which was launched at A\$1.83 a share and quickly closed over-subscribed ten days early. A total of A\$91.5M was raised in the float and will be used to

eliminate US dollar-denominated debt and pay down local borrowings. The float values the company at almost A\$250M.

Royal Wolf chief executive Robert Allan said the company would now have "plenty of headroom to grow, either by acquisition or by expanding the product fleet and the availability of the product fleet".

Founded in 1995, Royal Wolf sold approximately 17,000 containers and leased out 29,000 more during 2010, recording revenues of A\$111.8M. The company has 26 branches throughout Australia and New Zealand and a wide network of agents. It claims a "blue

chip" list of customers including BHP Billiton, Toll, Woolworths, Australian Defence Force, Allied Pickfords and Wridgways.

As well as conventional container leasing, Royal Wolf specialises in the hire of containers for general storage, portable buildings, refrigerated storage, dangerous goods storage or products specifically designed for the needs of the transport, removals, construction, mining or defence industries. It has its own in-house team of engineers and draftsmen for customising work.

The company is due to begin trading on the ASX on 7 June.

As well as standard containers Royal Wolf leases out a wide range of specialised units like these portable offices



CIMC Dalian back on line

Full scale volume production has restarted at China International Marine Containers (CIMC)'s Dalian container plant in the north of China following the conversion of the coatings line to use environment-friendly waterborne paint.

As previously reported in *WorldCargo News*, Dalian CIMC Logistics Equipment Co was closed down by the local authorities last year following complaints from local residents about VOC emissions resulting from the use of conventional solvent-borne paint. CIMC was faced with the choice of closing the plant permanently, moving it elsewhere or adopting a more eco-friendly coatings technology.

In the event, the world's largest box builder teamed with US-based Valspar Corporation, one of the world's largest coatings manufacturers, to convert the Dalian line to use Valspar's zinc free, waterborne Aquaguard container coating system.

Earlier in 2010, Valspar had successfully carried out a trial application of the Aquaguard system on 100 40ft boxes for Triton Container International at CIMC's Taicang plant (see *WorldCargo News* February 2010, p1).

After some initial teething problems with "pinholing" and dust generation caused by the increased airflow necessary to dry the waterborne products, production at Dalian is now reported to be running smoothly. Early production runs have been carried out for GE Seaco, Seacube Container Leasing and Triton.

"Our technical team partnered with CIMC to complete the production line start-up ahead of schedule. We were quickly able to run containers at line speeds equal to those of solvent-based coatings," said Paul McCrory, global business director for Valspar container coatings.

Commercialisation of Valspar Aquaguard at the Dalian plant marks Valspar's entry into the container sector. The company estimates the global container coatings market to be worth around US\$1B annually.

Compared to conventional solvent-borne systems currently used in the industry, Valspar says the adoption of Aquaguard would reduce solvent emissions by more than 70%. Although it is zinc-free, the company says that field testing and independently-conducted corrosion tests specified by the Institute of International Container Lessors (IICL) have shown Aquaguard to provide corrosion protection equal to or better than zinc-rich, solvent-borne coatings.

● CIMC sold 498,000 TEU of dry freight containers in the first quarter of 2011, a sharp increase of 310.02% on the corresponding period of 2010. A total of 43,800 TEU of reefer containers were also sold in the period, up 166.33% on a year-on-year basis, as well as 17,100 TEU of special containers, up 110.20%. CIMC said that output of standard containers for the second quarter is likely to decrease from the first quarter, but overall container demand in 2011 is expected to grow by around 30%.

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