



## **WHEELS TO ACQUIRE MSM GROUP OF COMPANIES**

**Wheels Group Inc. (Wheels)  
TSX Venture Exchange Inc.  
Toronto, Ontario – August 23, 2012**

**For Immediate Release**

**Wheels Group Inc. (“Wheels” or the “Company”) (TSXV: WGI)**, a leading North American 3PL, supply chain logistics provider announced that it has signed a definitive purchase and sale agreement for the acquisition of the business of the MSM Group of Companies (MSM) with closing expected to take place before the end of September.

Founded in 1989, MSM has built a strong reputation in Canada and the United States as a leading provider of less than full load (LTL) freight brokerage, LTL consolidation and LTL freight forwarding logistics services. MSM has been named as one of “Canada’s 50 Best Managed Companies” for 15 consecutive years. Headquartered in Bolton, Ontario with US operations strategically located in the Los Angeles basin, MSM provides the ports of Long Beach and Los Angeles as well as the entire Southern California marketplace with same-day service and has built high volume consolidation lanes to major Canadian cities as well as select US destinations.

“The acquisition of MSM supports our strategic goal of enhancing and broadening Wheels’ portfolio of logistics services by adding a well-established multi-national LTL component. MSM customers will benefit with access to additional logistics services provided by Wheels. A quick integration is anticipated, given the high degree of compatibility between information systems and with both companies being ISO registered for over a decade.” said Doug Tozer, CEO of Wheels.

For the year ended December 31, 2011, MSM had revenues of approximately \$44 million, gross margin of \$11 million with adjusted EBITDA of \$3.3 million. The aggregate purchase price to be paid by Wheels to acquire the MSM Business will be approximately \$18.6 million of which \$16.6 million will be paid in cash. The remaining \$2 million of the purchase price will be satisfied through the issue of 2 million common shares of Wheels (“Common Shares”) to the vendors at a deemed value of \$1.00 per Common Share. The acquisition will be funded from existing cash and the Company’s revolving credit facility.

### ***Adjusted EBITDA***

The term adjusted EBITDA is used to describe earnings before any deduction for income taxes, net finance cost, depreciation, amortization, share-based compensation, one-time and non-recurring expenses and discontinued operations overhead adjustment. EBITDA and adjusted EBITDA are metrics used by many investors and analysts to compare organizations on the basis of ability to generate cash from operations. Management considers adjusted EBITDA (as defined) to be an indirect measure of operating cash flows, which is a significant indicator of the success of any business. EBITDA and adjusted EBITDA are not intended to be representative of cash flow from operations or results of operations determined in accordance with IFRS.

EBITDA and adjusted EBITDA are not recognized measures under IFRS. Wheels’ method of calculating EBITDA and adjusted EBITDA may differ from methods used by other companies, and accordingly may not be comparable to similar measures presented by other companies.

### **Caution Regarding Forward-Looking Statements**

Certain statements contained in this news release constitute forward-looking statements within the meaning of Canadian securities laws, including with respect to the Credit Facility. Forward-looking statements can be generally identified by the use of words such as “anticipate”, “continue”, “estimate”, “expect”, “expected”, “intend”, “may”, “will”, “project”, “plan”, “should”, “believe”, and similar expressions. Specifically, forward looking

statements in this news release include statements respecting certain future expectations about: prices and demand for services and capital expenditures. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including without limitation the risks and uncertainties detailed under the "RISK FACTORS" section of the Company's latest Annual Information Form and the "RISKS AND UNCERTAINTIES" section of the Company's most recent Management Discussion and Analysis.

Although the Company believes the expectations reflected in these forward-looking statements and the assumptions upon which they are based are reasonable, no assurance can be given that actual results may be consistent with such forward-looking statements, and they should not be unduly relied upon. With respect to the forward-looking statements contained in this news release, the Company has made assumptions regarding: there being no significant disruptions affecting the Company's operations whether due to labour disruptions, power disruptions, transportation disruptions, damage to equipment, adverse weather conditions or otherwise; the ability of the Company to obtain equipment, transportation, services and supplies in a timely manner to carry out its activities and at prices consistent with current levels or in line with the Company's expectations; the ability of the Company to respond to competitive pressures in the marketplace, including the entry of new competitors, direct marketing efforts by railroads or marketing efforts of asset-based carriers; the ability of the Company to successfully protect its data from cyber-attack; the ability of the Company to maintain or enhance its information technology systems; fuel shortages or fluctuations in fuel prices; the ability of the Company to access tax losses and tax attributes; the ability of the Company to obtain financing on acceptable terms; currency, exchange and interest rates being consistent with current levels or in line with the Company's expectations; and global economic performance, including the financial condition of its customers, particularly, in the retail, consumer products and durable goods sectors.

Except as required pursuant to applicable securities law, the Company disclaims any intention or obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

Further information can be found in the disclosure documents filed by Wheels Group Inc. with the securities regulatory authorities, available under the profile of the Company at [www.SEDAR.com](http://www.SEDAR.com).

### **About Wheels**

Founded in 1988, Wheels Group Inc. is a leading North American 3PL, supply chain logistics provider. As a non-asset provider, the Company develops advanced supply chain solutions delivered through its qualified partner network of over 5,000 truck, rail, air, and ocean carriers. Wheels Group Inc. serves consumer goods, food and beverage, manufacturing and retail clients through 20 offices throughout the US and Canada. Wheels Group Inc. has been named one of Canada's 50 Best Managed Companies since 1997, Platinum since 2003. Wheels Group has been named one of North America's Top 100 third-party logistics ("3PL"), one of the Top 100 Food 3PL's and one of the Top Five IMC's (intermodal marketing companies).

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **For further information contact:**

Patrick J Marshall  
VP Corporate Development & Investor Relations  
Wheels Group Inc.  
Tel: (905) 602-2700  
[www.wheelsgroup.com](http://www.wheelsgroup.com)