

Echo Global Logistics, Inc.  
Form 424B4  
October 02, 2009

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Filed Pursuant to Rule 424(b)(4)  
Registration No. 333-150514

PROSPECTUS

**5,700,000 Shares**

## **ECHO GLOBAL LOGISTICS, INC.**

### **Common Stock**

Echo Global Logistics, Inc. is offering 5,700,000 shares of its common stock. This is our initial public offering and no public market exists for our shares.

**Investing in our common stock involves risks. See "Risk Factors" beginning on page 11 to read about factors you should consider before buying shares of our common stock.**

**Our common stock has been approved for listing on The Nasdaq Global Market under the symbol "ECHO."**

	<b>Price to Public</b>	<b>Underwriting Discounts and Commissions</b>	<b>Proceeds to Echo (before expenses)</b>
Per Share	\$ 14.00	\$ 0.98	\$ 13.02
Total	\$ 79,800,000	\$ 5,586,000	\$ 74,214,000

The underwriters may also purchase up to an additional 855,000 shares of common stock from the selling stockholders at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over allotments, if any. The selling stockholders are not offering any shares other than those contemplated by the over-allotment option, and we will not receive any of the proceeds from any sale of shares of common stock by the selling stockholders pursuant to that option.

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares to purchasers on or about October 7, 2009.

**Morgan Stanley  
William Blair & Company  
Barrington Research**

**Credit Suisse  
Thomas Weisel Partners LLC  
Craig-Hallum Capital Group**

October 1, 2009.

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## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Prospectus Summary	1	Compensation Discussion and Analysis	74
Risk Factors	11	Certain Relationships and Related Party	
Forward-Looking Statements	24	Transactions	95
Use of Proceeds	25	Principal and Selling Stockholders	101
Dividend Policy	25	Description of Capital Stock	104
Capitalization	26	Shares Eligible for Future Sale	108
Dilution	27	Certain Material U.S. Federal Income Tax	
Selected Consolidated Financial and		Consequences to Non-U.S. Holders	109
Other Data	29	Underwriting	113
Management's Discussion and Analysis of		Validity of Common Stock	117
Financial Condition and Results of		Experts	117
Operations	31	Where You Can Find Additional	
Business	52	Information	117
Management	69	Index to Consolidated Financial Statements	F-1

You should rely only on the information contained in this prospectus. We and the underwriters have not authorized anyone to provide you with different or additional information. This prospectus is not an offer to sell or a solicitation of an offer to buy our common stock in any jurisdiction where it is unlawful to do so. The information contained in this prospectus is accurate only as of its date, regardless of the date of delivery of this prospectus or of any sale of our common stock.

**Until and including October 26, 2009, 25 days after the date of this prospectus, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.**

## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including our financial statements and the related notes and schedules, included elsewhere in this prospectus. You should carefully consider, among other things, the matters discussed in "Risk Factors" beginning on page 11, and the consolidated financial statements and notes to those consolidated financial statements before making an investment decision.*

### ECHO GLOBAL LOGISTICS, INC.

#### Overview

We are a leading provider of technology enabled transportation and supply chain management services, delivered on a proprietary technology platform, serving the transportation and logistics needs of our clients. Our web-based technology platform compiles and analyzes data from our network of over 22,000 transportation providers to serve our clients' shipping and freight management needs. Our technology platform, composed of web-based software applications and a proprietary database, enables us to identify excess transportation capacity, obtain competitive rates, and execute thousands of shipments every day while providing high levels of service and reliability. Transportation involves the physical movement of goods, and logistics relates to the management and flow of those goods from origin to destination. We focus primarily on arranging transportation across the major modes, including truckload (TL), less than truck load (LTL) and small parcel, and we also offer inter-modal (which involves moving a shipment by rail and truck), domestic air, expedited and international transportation services.

The ability of our technology platform to identify excess capacity solves a longstanding transportation industry problem of failing to match demand with available supply. As a result, we believe we provide tangible benefits to both our clients and to the carriers in our network. As a technology enabled supply chain services provider, our operating platform is centralized, proprietary and scalable, which enables us to support a significant increase in the number of clients we serve and shipments we execute without significant additional capital investment. Additionally, we are unencumbered by physical assets, meaning we do not own the transportation equipment used to transport our clients' freight or warehouse our clients' inventory.

Our proprietary web-based technology platform, Evolved Transportation Manager (ETM), allows us to analyze our clients' transportation requirements and provide recommendations that can result in cost savings for our enterprise clients of approximately 5% to 15%. Using pricing, service and available capacity data derived from our carrier network, historical transaction information and external market sources, ETM analyzes the capabilities and pricing options of our carrier network and recommends cost-effective shipping alternatives. The prices we quote to our clients for their shipping needs include the market cost of fuel, which we pass through to our clients. After the carrier is selected, either by the client or us, we use our ETM technology platform to manage all aspects of the shipping process.

Our clients gain access to our carrier network through our proprietary web-based technology platform, which enables them to capitalize on our logistics knowledge, pricing intelligence and purchasing leverage. In some instances, our clients have eliminated their internal logistics departments altogether, allowing them to reduce overhead costs, redeploy internal resources and focus on their core businesses. Using our web-based software applications also provides our clients with the ability to track individual shipments, transfer shipment-level data to their financial management systems and create customized dashboards and reports detailing carrier activity on an enterprise-wide basis.

We procure transportation and provide logistics services for more than 11,600 clients across a wide range of industries, such as manufacturing, construction, consumer products and retail. Our clients fall into two categories, enterprise and transactional. We typically enter into multi-year contracts with our

enterprise clients, which are often on an exclusive basis for a specific transportation mode or point of origin. As part of our value proposition, we also provide core logistics services to these clients, including the management of both freight expenditures and logistical issues surrounding freight to be transported. We provide transportation and logistics services to our transactional clients on a shipment-by-shipment basis, typically with individual pricing. For the year ended December 31, 2008, enterprise and transactional clients accounted for 43% and 57% of our revenue, respectively.

We were formed in January 2005. During the six months ended June 30, 2009, we served over 11,600 clients using approximately 4,500 different carriers. The number of our enterprise clients increased from 12 in 2005 to 92 in 2008, and we entered into contracts with 15 new enterprise clients during the six months ended June 30, 2009. For the years ended December 31, 2005, 2006, 2007 and 2008, we generated revenue of \$7.3 million, \$33.2 million, \$95.5 million and \$202.8 million, respectively. In the same periods, we had income from continuing operations of (\$0.5) million, (\$0.5) million, \$1.6 million, and \$4.9 million and net income of (\$0.5) million, (\$0.2) million, \$1.1 million and \$2.9 million, respectively. We generate revenue by procuring transportation services on behalf of our clients through our carrier network. Typically, we generate profits on the difference between what we charge to our clients for these services and what we pay to our carriers. Our fee structure is primarily variable, although we have entered into a limited number of fixed fee arrangements that represent an insignificant amount of our revenue.

### **Industry Background**

The worldwide transportation and logistics market is an integral part of the global economy. According to the Council of Supply Chain Management Professionals, total transportation and logistics spend for the United States in 2008 was approximately \$1.3 trillion. According to Armstrong & Associates, an independent research firm, gross revenue for third-party logistics in the United States in 2008 was approximately \$127.0 billion.

We believe that a significant portion of available transportation capacity in the United States remains unused as a result of the inefficiencies in the transportation and logistics market relating to the absence of an established and automated marketplace. Without this marketplace, demand is not always matched with available supply due to constant fluctuations in transportation capacity and imperfect information, resulting in underutilized assets. Unused transportation capacity occurs, for example, when a transportation provider delivers its primary load, or headhaul, to a destination and does not have an adequate backhaul shipment back to its point of origin.

Third-party logistics providers for the transportation industry offer services such as transportation, distribution, supply chain management, customs brokerage, warehousing and freight management. Third-party logistics providers may also provide a range of ancillary services such as packaging and labeling, freight tracking and integration with client-specific planning systems to facilitate supply chain management. Although many large third-party logistics providers are asset-based providers, there is also a significant number of non-asset-based providers, which typically operate as small freight brokers with limited resources, limited carrier networks and modest or outdated information technology systems. We believe very few non-asset-based providers have more than 100 personnel and the small providers, comprising the vast majority, lack the scale to support the increasing requirements for national and global coverage across multiple modes of transportation, the ability to offer complete outsourcing and the ability to provide their clients with technology-driven logistics services.

According to Armstrong & Associates, from 1996 to 2008, the United States outsourced logistics market grew at a 12.5% compounded annual rate, from \$30.8 billion to \$127.0 billion in gross revenue. In addition, according to Armstrong & Associates, less than 10% of logistics expenditures for the United States were outsourced in 2008. We believe that the market penetration of outsourced logistics in the United States will continue to expand over the next several years and that many companies will look to



outsource their entire shipping department to third-party logistics providers rather than contracting with providers on a shipment-by-shipment basis.

### **Our Competitive Advantage**

We believe a number of important competitive strengths will continue to drive our success in the future, including:

*Innovative business model with compelling value proposition for clients.* We believe our technology-driven, transportation and logistics services improve on traditional transportation outsourcing models because we aggregate fragmented supply and demand information across all major modes of transportation from our network of clients and carriers. By using our proprietary technology platform and the market information (including current pricing, service and available capacity data as well as historical information) stored in our database, we are able to recommend a carrier for each shipment regardless of mode, at any given moment, typically at a highly competitive price. Our clients benefit from our aggregated buying power, and as a result, we are typically able to reduce many of our enterprise clients' total annual transportation and logistics costs by approximately 5% to 15%, while providing high-quality service.

*Scalable, proprietary technology platform.* Our proprietary ETM technology platform is a web-based software application that provides competitive pricing, supply chain visibility and shipment execution across all major modes of transportation. Our proprietary technology platform can support a significant increase in the number of clients we serve and shipments we execute without significant additional capital investment. Our ETM database expands and becomes more difficult to replicate as we increase the number of shipments and the amount of pricing, service and available capacity data increases. We use our ETM technology platform to analyze the capabilities of our network of over 22,000 carriers and recommend cost-effective shipping alternatives. We also use our ETM technology platform to track individual shipments and provide customized reports throughout the lifecycle of each shipment. ETM provides client-specific information by giving them self-service access to carrier pricing information derived from data stored within ETM. We believe that the ability to provide these integrated transportation and supply chain management services furthers our competitive advantage.

*End-to-end technology enabled services embedded in clients' business processes.* Our proprietary technology platform provides a central, scalable and configurable portal interface that enables our clients to manage their transportation and logistics costs. Our web-based software provides our clients with access to transportation market analytics and business information capabilities, including the ability to obtain real-time information on individual shipments and available capacity, transfer shipment-level data to their financial management systems and create customized dashboards and reports detailing carrier activity on an enterprise-wide basis. Enterprise clients also benefit from dedicated teams of account executives and on-site support. We believe our proprietary technology and logistics expertise provide us with the ability to effectively serve the increasingly complex global supply chain needs of our client base and have enabled some of our clients to eliminate their internal logistics departments.

*High levels of user satisfaction.* Our web-based software applications enable our clients to manage the complexities in their transportation and supply chain functions. Our supply chain management services allow our clients to capitalize on our logistics expertise, pricing information and purchasing leverage in a user-friendly interface. We typically have received ratings indicating high levels of satisfaction from a wide range of our clients based on data collected from our periodic client surveys.

*Multi-faceted sales strategy leveraging deep logistics expertise.* We have built a multi-faceted sales strategy that effectively utilizes our enterprise sales representatives, transactional sales representatives and agent network. Our enterprise sales representatives typically have significant sales expertise and are focused on building relationships with our clients' senior management teams to execute multi-year enterprise contracts, typically with terms of one to three years. Our transactional sales representatives, with

support from our account executives, are focused on building new transactional client relationships and migrating transactional accounts to enterprise accounts. Our agents are typically experienced industry sales professionals focused on building relationships with department level transportation managers with both existing and prospective clients. Our multi-faceted sales strategy enables us to engage clients on a shipment-by-shipment basis (transactional) or a fully or partially outsourced basis (enterprise), which we believe enhances our ability to attract new clients and increase our revenue from existing clients.

*Proven track record of success with large enterprise clients.* We believe that our record of success in serving large enterprises is a key competitive advantage. As of June 30, 2009, we had contracts with 107 enterprise clients, and the total number of enterprise clients increased by 30 and 15 in 2008 and the first six months of 2009, respectively. We believe the size and diversity of these clients, combined with our track record of successful renewals, demonstrates our ability to handle complex client and industry-specific transportation needs.

*Access to our carrier network.* Our carrier network consists of over 22,000 carriers, which we select based on their ability to effectively serve our clients on the basis of price, capabilities, geographic coverage and quality of service. We regularly monitor our carriers' pricing, shipment track record, capacity and financial stability using a system in which carriers are graded based on their performance against other carriers, giving our clients an enhanced level of quality control. By using our visibility into carrier capacity, we are also able to negotiate favorable rates, manage our clients' transportation spend and identify cost-effective shipping alternatives.

*Experienced management team.* We have a highly experienced management team with extensive industry knowledge. Our Chief Executive Officer, Douglas R. Waggoner, is the former President and CEO of USF Bestway, a regional carrier based in Scottsdale, Arizona, and Daylight Transport, an LTL carrier based in Long Beach, California. Our non-executive Chairman, Samuel K. Skinner, is the former Chairman, President and Chief Executive Officer of USF Corporation and the former Secretary of Transportation of the United States of America.

## **Our Strategy**

Our objective is to become the premier provider of transportation and logistics services to corporate clients in the United States. Our business model and technological advantage have been the main drivers of our historical results and have positioned us for continued growth. The key elements of our strategy include:

*Expand our client base.* We intend to develop new long-term client relationships by using our industry experience and expanding our sales and marketing activities. As of June 30, 2009, we had contracts with 107 enterprise clients, and the total number of enterprise clients increased by 30 and 15 in 2008 and the first six months of 2009, respectively. We seek to attract new enterprise clients by targeting companies with substantial transportation needs and demonstrating our ability to reduce their transportation costs by using our ETM technology platform. In addition, we plan to continue to hire additional sales representatives to build our transactional business across all major modes. We believe our business model provides us with a competitive advantage in recruiting sales representatives as it enables our representatives to leverage our proprietary technology and carrier network to market a broader range of services to their clients at competitive prices.

*Further penetrate our established client base.* As we demonstrate our ability to execute shipments with high levels of service and favorable pricing, we are able to strengthen our relationships with our clients, penetrate incremental modes and geographic areas and generate more shipments. In addition, as we become more fully integrated into the businesses of our transactional clients and are able to identify additional opportunities for efficiencies, we seek to further penetrate our client base by selling our

enterprise services to those clients. Of our 107 enterprise clients as of June 30, 2009, 26 began as transactional clients.

*Further invest in our proprietary technology platform.* We intend to continue to improve and develop Internet and software-based information technologies that are compatible with our ETM platform. In order to continue to meet our clients' transportation requirements, we intend to invest in specific technology applications and personnel in order to improve and expand our offering.

*Selectively pursue strategic acquisitions.* We intend to selectively pursue strategic acquisitions that complement our relationships and logistics expertise and expand our business into new geographic markets. Our objective is to increase our presence and capabilities in major commercial freight markets in the United States. We may also evaluate opportunities to access attractive markets outside the United States from time to time, or selectively consider strategic relationships that add new long-term client relationships, enhance our services or complement our business strategy.

#### **Recent Development**

*RayTrans Distribution Services Acquisition.* On June 2, 2009, we acquired substantially all of the assets of RayTrans Distribution Services, Inc., a third-party provider of brokerage services in the commercial trucking market based in Matteson, Illinois. We believe that this acquisition provides important strategic benefits for our company. RayTrans Distribution Services sales representatives and carriers specialize in flatbed, over-sized, auto-haul and other specific services as well as traditional unrefrigerated, or dry van, brokerage. This transaction adds approximately 400 transactional clients, which expands our pipeline of clients to which we can market our transportation and supply chain management services. In addition, we gained approximately 1,500 new carriers that can provide specialized transportation services to our existing clients. The purchase price for RayTrans Distribution Services consisted of approximately \$5.5 million in cash paid in June 2009 and up to an additional \$6.5 million in cash contingent upon the achievement of adjusted EBITDA targets by RayTrans Distribution Services on or prior to May 31, 2012.

#### **Risk Factors**

Our business is subject to numerous risks, as discussed more fully in the section entitled "Risk Factors" beginning on page 11. In particular, the following risks, among others, may have an adverse effect on our strategy, which could cause a decrease in the price of our common stock and result in a loss of all or a portion of your investment:

If our carriers do not meet our needs or expectations, or those of our clients, our business would suffer.

Competition could substantially impair our business and our operating results.

A significant portion of our revenue is derived from a relatively limited number of large clients and any loss of, or decrease in sales to, these clients could harm our results of operations.

If we are unable to expand the number of our sales representatives and agents, or if a significant number of our sales representatives and agents leave us, our ability to increase our revenues could be negatively impacted.

#### **Benefits to Affiliates**

Approximately \$7.2 million of our net proceeds from this offering will be used to repay all outstanding principal and accrued interest owed under our term loan payable to EGL Mezzanine LLC, members of which include certain of our directors, officers and stockholders, and which we incurred in connection with our acquisition of RayTrans Distribution Services. Blue Media, LLC, an entity controlled by Eric P. Lefkofsky, one of our directors, will receive approximately \$4.9 million of the \$7.2 million. See "Certain

Relationships and Related Party Transactions Relationship with our Founders Term Loan with EGL Mezzanine LLC."

In addition, we intend to use approximately \$3.5 million of our net proceeds from this offering to make required accrued dividend payments to the former holders of our Series B and D preferred shares, which holders include certain of our directors or entities controlled or owned by them. Entities affiliated with New Enterprise Associates, of which Peter J. Barris, one of our directors, is a general partner, will receive approximately \$3.4 million of the \$3.5 million, and affiliates of the Nazarian family will receive approximately \$0.1 million of the \$3.5 million. See "Certain Relationships and Related Party Transactions Reverse Stock Split and Recapitalization."

Except where the context requires otherwise, in this prospectus the terms "Company," "Echo," "we," "us" and "our" refer to Echo Global Logistics, Inc., a Delaware corporation, and, where appropriate, its subsidiaries.

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Our principal executive offices are located at 600 West Chicago Avenue, Suite 725, Chicago, Illinois 60654, and our telephone number at this address is (800) 354-7993. Our website is [www.echo.com](http://www.echo.com). Information contained on our website is not a part of this prospectus.

"Echo Global Logistics," "Evolved Transportation Manager," "ETM," "Echo Trak," "eConnect," "EchoPak," "RateIQ," "LaneIQ," "EchoIQ," and the Echo Global Logistics logo are trademarks of Echo. All other trademarks appearing in this prospectus are the property of their respective owners.

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We operate in an industry in which it is difficult to obtain precise industry and market information. Although we have obtained some industry data from third-party sources that we believe to be reliable, in certain cases we have based certain statements contained in this prospectus regarding our industry and our position in the industry on our estimates concerning our clients and competitors. These estimates are based on our experience in the industry, conversations with our principal carriers and our own investigation of market conditions. Unless otherwise noted, the statistical data contained in this prospectus regarding the third-party logistics industry is based on data we obtained from Armstrong & Associates, an independent research firm.

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**THE OFFERING**

Common Stock offered by Echo	5,700,000 shares
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Common Stock to be outstanding after this offering	21,493,655 shares
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Underwriters' option to purchase additional shares from the selling stockholders (the selling stockholders are not offering any shares other than those contemplated by this overallotment option)	855,000 shares
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Use of proceeds	<p>We expect our net proceeds from this offering will be approximately \$69.7 million, after deducting the underwriting discounts and commissions and estimated expenses payable by us. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders pursuant to the underwriters' option to purchase additional shares of common stock within 30 days from the date of this prospectus. We intend to use our net proceeds from this offering primarily to expand our sales force, to enhance our technology, to acquire or make strategic investments in complementary businesses and for working capital and other general corporate purposes. We also intend to use a portion of our net proceeds from this offering to repay all outstanding principal and accrued interest under our line of credit with JPMorgan Chase Bank, N.A. (approximately \$7.9 million outstanding as of June 30, 2009), and approximately \$7.2 million of our net proceeds from this offering to repay all outstanding principal and accrued interest owed under our term loan payable to EGL Mezzanine LLC, members of which include certain of our directors, officers and stockholders, and which we incurred in connection with our acquisition of RayTrans Distribution Services. See "Certain Relationships and Related Party Transactions Relationship with our Founders Term Loan with EGL Mezzanine LLC." In addition, we intend to use approximately \$3.5 million of our net proceeds from this offering to make required accrued dividend payments to the former holders of our Series B and D preferred shares, which former holders include certain of our directors or entities controlled or owned by them. See "Use of Proceeds."</p>
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Risk factors	See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
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Nasdaq Global Market symbol	"ECHO"
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On September 25, 2009, we effectuated a one-for-two reverse stock split of all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock. Immediately following the reverse stock split, we recapitalized all outstanding shares of our common stock, Series B preferred stock and Series D preferred stock into newly issued shares of our common stock on approximately a one-for-one basis. The purpose of the recapitalization was to exchange all of our outstanding shares of capital stock for shares of the same class of common stock that will be sold in this offering. See "Certain Relationships and Related Party Transactions Reverse Stock Split and Recapitalization." Unless otherwise indicated, all share amounts:

assume the underwriters' option to purchase additional shares from the selling stockholders is not exercised;

give effect to a one-for-two reverse stock split of our capital stock that occurred on September 25, 2009; and

give effect to our recapitalization that occurred immediately following the stock split.

The share amounts and per share dollar amounts included in the consolidated financial statements and the accompanying notes have also been adjusted to reflect the one-for-two reverse stock split retroactively.

Unless otherwise indicated, the number of shares of common stock to be outstanding after this offering excludes:

275,000 shares of issued unvested common stock;

1,626,300 shares of common stock issuable upon the exercise of outstanding stock options at a weighted average exercise price of \$6.60 per share; and

750,000 shares of common stock available for additional grants under our 2008 Stock Incentive Plan.

## SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents summary consolidated financial and other data as of and for the periods indicated. Financial information for periods prior to 2005 has not been presented because we were formed in January 2005. You should read the following information together with the more detailed information contained in "Selected Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes. The share amounts and per share dollar amounts below give effect to the one-for-two reverse stock split retroactively. The pro forma consolidated statement of operations data for the year ended December 31, 2008 and for the six months ended June 30, 2009 gives effect to the June 2, 2009 acquisition of RayTrans Distribution Services, Inc. as if this acquisition had occurred on January 1, 2008, and reflects (i) the elimination of preferred dividends accrued during the periods presented as a result of the recapitalization of all outstanding shares of our Series B preferred stock and Series D preferred stock into shares of our common stock as if the recapitalization had occurred on January 1, 2008, (ii) the elimination of interest expense incurred during the periods presented as a result of the repayment of all outstanding indebtedness under our term loan payable to EGL Mezzanine LLC as if the repayment had occurred on January 1, 2008, less the related income tax effect, and (iii) the elimination of interest expense incurred during the periods presented as a result of the repayment of all outstanding indebtedness under our line of credit with JPMorgan Chase Bank, N.A. as if the repayment occurred on January 1, 2008, less the related income tax effect. The pro forma consolidated statements of operations data do not necessarily indicate the results that would have actually occurred if the acquisition of RayTrans Distribution Services, Inc. had occurred on January 1, 2008 or that may occur in the future. You should read the pro forma consolidated statements of operations data together with the more detailed information contained in Unaudited Pro Forma Condensed Consolidated Financial Statements and the accompanying notes.

Years ended December 31,				Pro forma year ended December 31,	Six months ended June 30,		Pro forma six months ended June 30,
2005	2006	2007	2008	2008	2008	2009	2009
				(unaudited)	(unaudited)	(unaudited)	(unaudited)

(dollars and shares in thousands, except per share data)

**Consolidated statements of operations data:**

Revenue	\$ 7,322	\$ 33,195	\$ 95,461	\$ 202,807	\$ 245,537	\$ 89,866	\$ 109,354	\$ 121,439
Transportation costs	6,152	27,704	75,535	159,717	194,726	70,932	85,100	94,735
Gross profit	1,170	5,491	19,926	43,090	50,811	18,934	24,254	26,704
Operating expenses:								
Commissions	156	866	4,433	11,799	14,159	4,762	6,938	7,903
General and administrative	1,472	4,387	12,037	23,115	28,740	10,117	13,726	15,170
Depreciation and amortization	67	691	1,845	3,231	3,825	1,477	2,139	2,384
Total operating expenses	1,695	5,944	18,315	38,145	46,724	16,356	22,803	25,457
Income (loss) from continuing operations	(525)	(453)	1,611	4,945	4,087	2,578	1,451	1,247
Other income (expense)	12	201	191	(144)	(34)	(14)	(265)	(121)
Income (loss) before income taxes and discontinued operations	(513)	(252)	1,802	4,801	4,053	2,564	1,186	1,126
Income tax benefit (expense)		220	(749)	(1,926)	(1,627)	(1,041)	(467)	(443)
Income (loss) before discontinued operations	(513)	(32)	1,053	2,875	2,426	1,523	719	683
Loss from discontinued operations		(214)						
Net income (loss)	(513)	(246)	1,053	2,875	2,426	1,523	719	683
Dividends on preferred shares	(154)	(749)	(1,054)	(1,054)		(524)	(527)	

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	Years ended December 31,				Pro forma year ended December 31,	Six months ended June 30,		Pro forma six months ended June 30,
Net income (loss) applicable to common stockholders	\$ (667)	\$ (995)	\$ (1)	\$ 1,821	\$ 2,426	\$ 999	\$ 192	\$ 683
Net income (loss) per share of common stock:								
Basic	\$ (0.06)	\$ (0.09)	\$	\$ 0.15	\$	\$ 0.08	\$	\$ 0.02
Diluted	\$ (0.06)	\$ (0.09)	\$	\$ 0.14	\$	\$ 0.08	\$	\$ 0.02
Shares used in per share calculations:								
Basic	10,774	11,194	11,713	12,173		12,062		12,465
Diluted	10,774	11,194	11,713	12,817		12,745		12,737