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**UTi WORLDWIDE IN NEGOTIATIONS TO ACQUIRE  
FREIGHT FORWARDING AGENTS IN ISRAEL, THE WEST BANK AND GAZA**

**Rancho Dominguez, California – July 10, 2006** – UTi Worldwide Inc. (Nasdaq:UTIW) today said that it is in separate negotiations to acquire controlling interests in each of Newlog Ltd. and Transclal Trade Ltd., two leading providers of freight forwarding services in Israel, the West Bank and Gaza.

Subject to definitive agreements between the parties being negotiated and requisite regulatory and other closing conditions being satisfied, UTi anticipates, if the transactions are completed as currently contemplated, that the operations of Newlog, Transclal and its wholly owned subsidiary, UTi Eilat Overseas Ltd., would be consolidated to create a leading provider of freight forwarding services in this region and that UTi would own a controlling share of the surviving entity.

UTi currently operates directly in Israel, the West Bank and Gaza through UTi Eilat Overseas, and indirectly through Newlog, which operates as UTi's agent for airfreight and ocean freight forwarding. UTi also anticipates appointing Transclal as an additional agent for airfreight and ocean freight forwarding in this region.

UTi is negotiating the acquisition of 51 percent of Transclal Trade Ltd. (Tel Aviv Stock Exchange: TRSC) from Mordechai Friedman, Transclal's majority shareholder and chief executive officer, for approximately \$20 million. Terms of the potential acquisition of a controlling interest of Newlog from its parent company, Zim Integrated Shipping Services Ltd., one of the largest container-shipping companies in the world, were not disclosed.

**About UTi Worldwide**

UTi Worldwide Inc. is an international, non-asset-based global integrated logistics company providing air and ocean freight forwarding, contract logistics, customs brokerage, distribution, inbound logistics, truckload brokerage and other supply chain management services. The company serves a large and diverse base of global and local companies, including clients operating in industries with unique supply chain requirements such as the pharmaceutical, retail, apparel, chemical, automotive and technology industries. The company seeks to use its global network, proprietary information technology systems, relationships with transportation providers and expertise in outsourced logistics services to deliver competitive advantage to each of its clients' global supply chains.

**Safe Harbor Statement**

*Certain statements in this news release may be deemed to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The company*

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*intends that all such statements be subject to the “safe-harbor” provisions contained in those sections. Such statements may include, but are not limited to, the company’s ability to complete the above referenced contemplated transactions, which contemplated transactions remain subject to the negotiation and execution of definitive documents and the satisfaction of applicable regulatory and other closing conditions, including conditions and approvals outside the company’s control. . Many important factors may cause the company’s actual results to differ materially from those discussed in any such forward-looking statements, including possible changes to the anticipated transaction structure, conditions and terms (including price), the company’s ability to successfully reach an agreement with the other parties to the contemplated transactions and even if such an agreement is reached, the satisfaction of closing conditions and the actual closing of the transactions contemplated thereby, increased competition; integration risks associated with acquisitions; the effects of changes in foreign exchange rates; changes in the company’s effective tax rates; industry consolidation making it more difficult to compete against larger companies; general economic, political and market conditions, including inventory build-up, economic slowdowns and consumer confidence; work stoppages or slowdowns or other material interruptions in transportation services; risks of international operations; the success and effects of new strategies; disruptions caused by conflicts, wars and terrorism; and the other risks and uncertainties described in the company’s filings with the Securities and Exchange Commission. Although UTi believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking statements will be realized. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by UTi or any other person that UTi’s objectives or plans will be achieved or that the contemplated transactions will be completed.. The historical results achieved by the company are not necessarily indicative of its future prospects. UTi undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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