



Kuehne + Nagel International AG

Analyst Conference Call – Q1 2012 Results

April 16, 2012 (CET 14.00)

Schindellegi, Switzerland



Agenda

Highlights Q1 2012

| Gerard van Kesteren

Operating Review Q1 2012

| Reinhard Lange

Financial Review

| Gerard van Kesteren

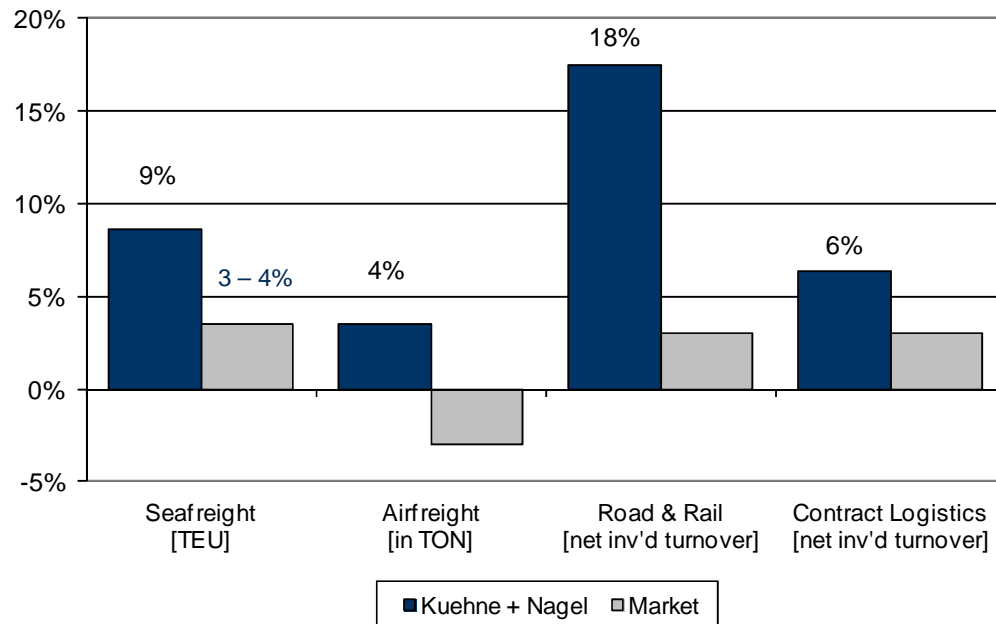
Outlook

| Reinhard Lange



Highlights Q1 2012

Volume development per business unit



Key figures

- **Strong volume growth** above market in all business units
- **Strict cost control** with employment stop implemented
- **Working capital intensity** at 3.6%
- **Effective tax rate** sustainable at 21%, excluding EU antitrust fine
- Full provision of **EU antitrust fine** of CHF 65 million in Q1 2012



Income Statement Q1

<i>CHF million</i>	2011	2012 with 2011 fx rates	Variance	Forex impact		2012 excl. one-off	EU antitrust fine	2012 Actual	Variance
Invoiced turnover	4'820	5'078	258	(244)	(5.1%)	4'834		4'834	14
Gross profit	1'458	1'576	118	(74)	(5.1%)	1'502		1'502	44
<i>Gross profit margin</i>	30.2%	31.0%	0.8%			31.1%		31.1%	
Total expenses	(1'209)	(1'348)	(139)	64	5.3%	(1'284)	(65)	(1'349)	(140)
EBITDA	249	228	(21)	(10)	(4.0%)	218	(65)	153	(96)
<i>EBITDA margin</i>	5.2%	4.5%				4.5%		3.2%	
EBITA	211	190	(21)	(8)	(3.8%)	182	(65)	117	(94)
<i>EBITA margin</i>	4.4%	3.7%	-0.6%			3.8%		2.4%	
EBIT	196	172	(24)	(7)	(3.6%)	165	(65)	100	(96)
<i>EBIT margin</i>	4.1%	3.4%	-0.7%			3.4%		2.1%	
EBT	196	175	(21)	(7)	(3.6%)	168	(65)	103	(93)
<i>EBT margin</i>	4.1%	3.4%	-0.6%			3.5%		2.1%	
Earnings for the period	155	138	(17)	(5)	(3.2%)	133	(65)	68	(87)



Antitrust Provision Status Q1 2012

CHF million

Business Unit:	2009	2010	2012	Total	2011 used	Balance
Seafreight	10	1	-	11	-	11
Airfreight	25	4	65	94	(9)	85
Total	35	5	65	105	(9)	96



Development Main Exchange Rates vs. CHF

Income Statement (average rates)	EUR	USD	GBP
Full year			
2010	1.3864	1.0430	1.6119
2011	1.2350	0.8908	1.4226
Q1			
2011	1.2810	0.9363	1.4872
2012	1.2102	0.9122	1.4415
Better/(Worse)	(5.5%)	(2.6%)	(3.1%)
	(3.2%) Net earnings impact		



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Seafreight



Seafreight: Highlights Q1 2012

Seafreight forwarding market

- Reduced market growth 3-4%
- Slow down compared to Q1 2011 by approx. 4%

Seafreight carrier market

- Carriers incurred heavy losses
- Capacity reduced by 6%
- Heavy rate increases start to hit market

Kuehne + Nagel performance

- Volume Growth of 9% - Gross Profit increase (currency adjusted) of 5%
- Lower EBIT / Gross Profit conversion ratio (28.3% vs. 34.3%) due to investments in future growth and IT
- Continuous high focus on productivity improvement and Return on Sales Investment (ROI)



Performance of Business Unit **Seafreight** Q1

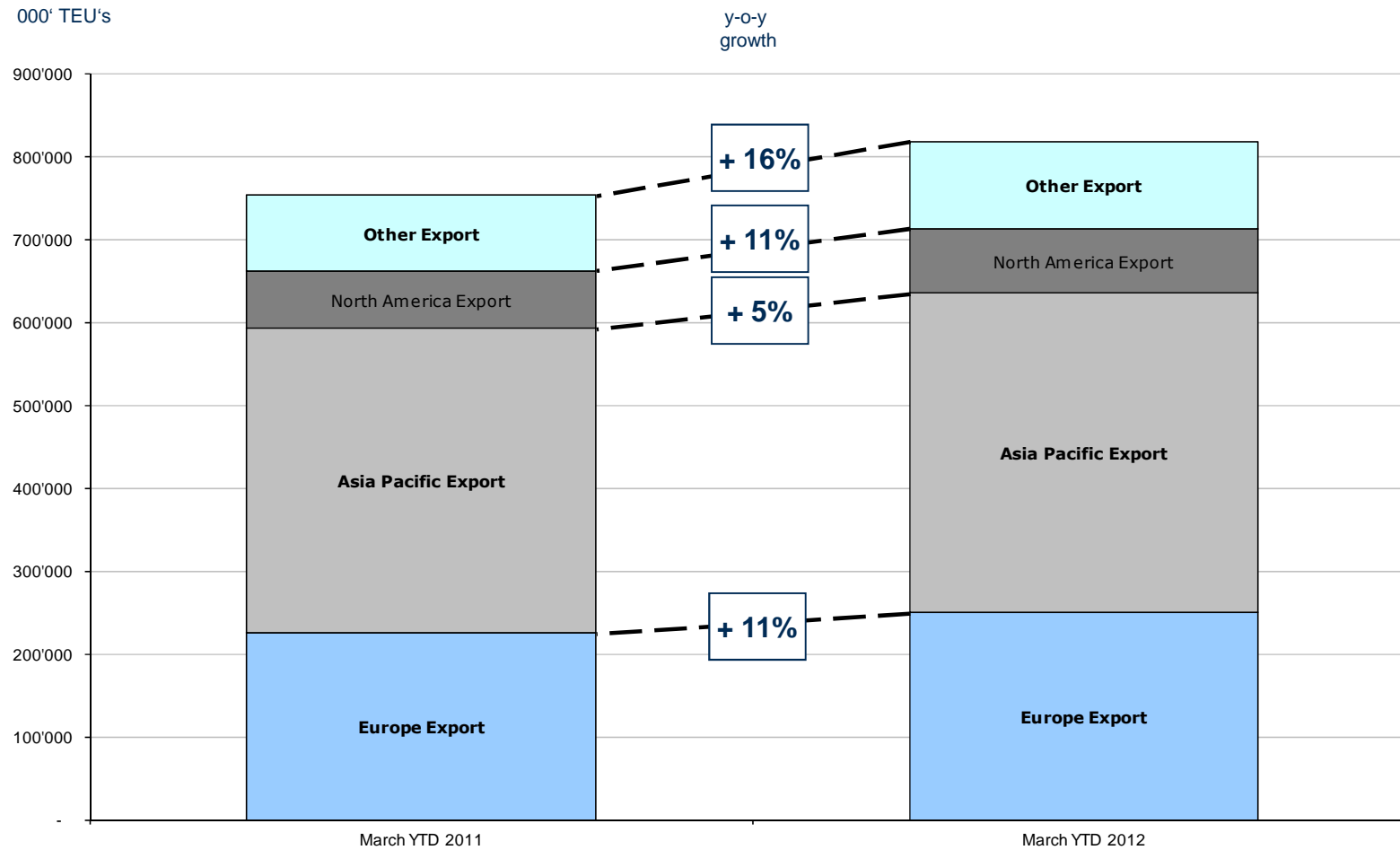
<i>CHF million</i>	2010	2011	2012	Variance	Growth	Acquisition	FX Impact
Invoiced turnover	1'992	2'071	2'031	(1.9%)	1.5%	1.4%	(4.8%)
Gross profit	285	312	314	0.6%	3.5%	1.6%	(4.5%)
EBITDA	97	112	95	(15.2%)	(12.5%)	0.9%	(3.6%)
EBIT	90	107	89	(16.8%)	(13.1%)	-	(3.7%)

EBIT in % of GP	31.6%	34.3%	28.3%
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	TEU's '000	per TEU in CHF			in USD
		GP	Exp.	EBIT	GP
2010	659	432	(296)	136	409
2011	754	414	(272)	142	442
2012	819	383	(275)	108	420



Performance of Business Unit **Seafreight** Volume by Traffic Lane Q1





Airfreight



Airfreight: Highlights Q1 2012

Airfreight forwarding market

- Market contraction by 3%
- Asia Pacific market still weak

Airfreight carrier market

- Growing market share for Middle East carriers
- Capacity switch from Asia Pacific to other trade lanes
- Rates start to increase

Kuehne + Nagel performance

- Volume growth of 4% – Gross Profit increase (currency adjusted) of 10% mainly by acquisitions.
- Lower EBIT / Gross Profit conversion ratio (23.5% vs. 30.3%) excluding one-off item
- Continuous high focus on productivity improvement (first roll-out of new standard operational system on plan – mid 2012)



Performance of Business Unit **Airfreight** Q1

<i>CHF million</i>	2010	2011	2012	Variance	Growth	Acquisition	FX Impact
Invoiced turnover	873	994	967	(2.7%)	(2.1%)	4.0%	(4.6%)
Gross profit	171	195	204	4.6%	4.1%	5.6%	(5.1%)
EBITDA excl. one-off item	49	63	54	(14.3%)	(14.3%)	1.6%	(1.6%)
One-off item	n/a	n/a	(65)				
EBITDA	49	63	(11)				
EBIT	44	59	(17)				

EBIT in % of GP*	25.7%	30.3%	23.5%
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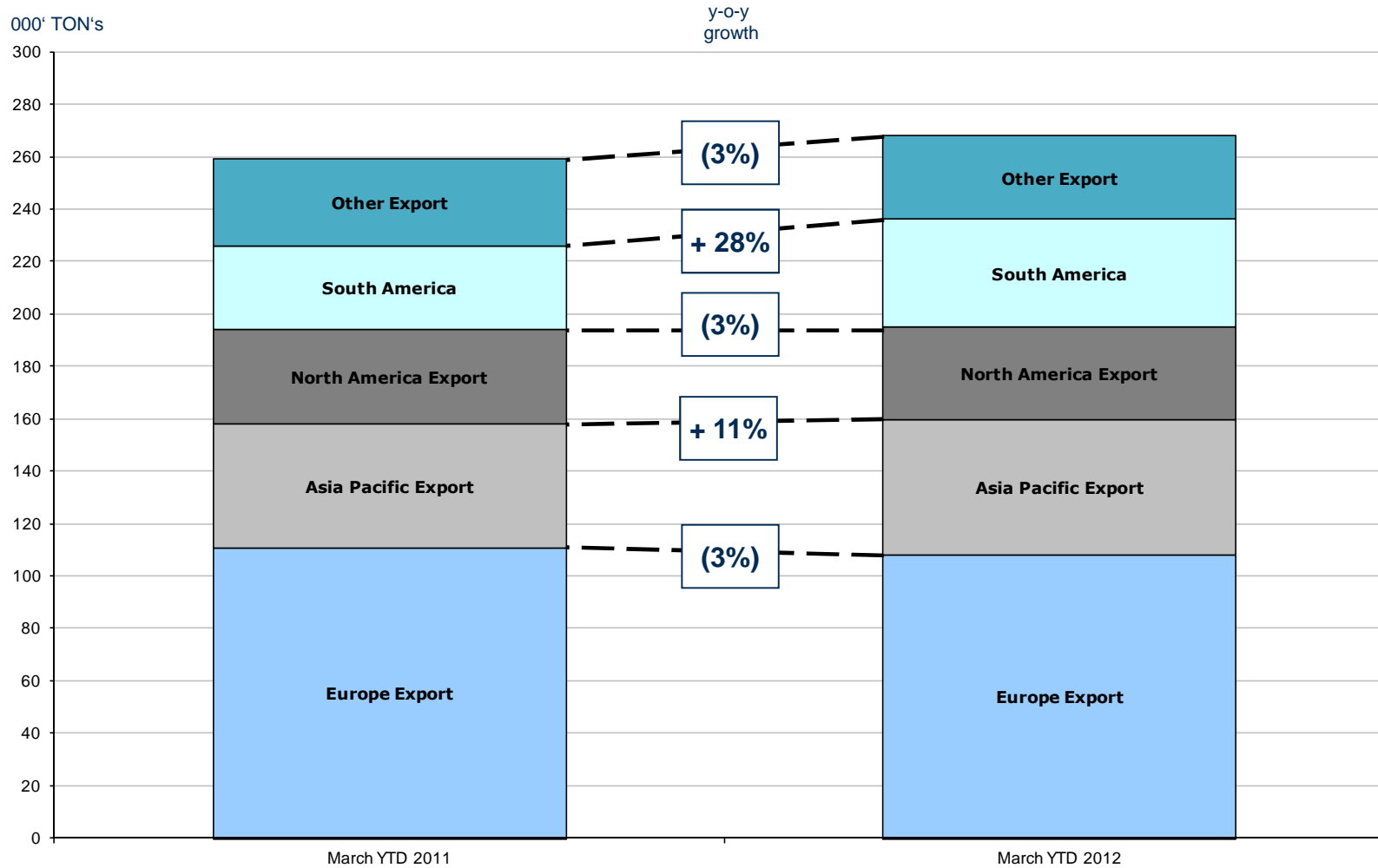
*excl. one-off item

	TONS	per 100kg in CHF			in USD
	'000	GP	Exp.*	EBIT*	GP
2010	214	80	(59)	21	76
2011	259	75	(53)	22	80
2012	268	76	(58)	18	83

*excl. one-off item



Performance of Business Unit **Airfreight** Volume by Traffic Lane Q1





Road & Rail Logistics



Road & Rail: Highlights Q1 2012

Road & Rail forwarding market

- European overland market growth of 3%
- No improvement in Southern Europe

Road & Rail carrier market

- Fuel cost increases still a challenge
- Shortage of drivers continues
- Market continues to consolidate

Kuehne + Nagel performance

- Increase of Net invoiced Turnover (currency adjusted) of 18%, of which acquisitions are 11%
- Target of a breakeven EBIT was reached
- Germany result is positive



Performance of Business Unit Road & Rail Q1

<i>CHF million</i>	2010	2011	2012	Variance	Growth	Acquisition	FX Impact
Invoiced turnover	646	681	744	9.3%	5.7%	9.5%	(6.0%)
Net Invoiced Turnover	595	605	673	11.2%	6.8%	10.7%	(6.3%)
Gross profit	206	201	225	11.9%	6.5%	11.4%	(6.0%)
EBITDA	14	13	14	7.7%	(7.7%)	23.1%	(7.7%)
EBITA	5	6	7				
EBIT	(1)	1	1				
EBIT / Revenue margin	(0.2%)	0.1%	0.1%				
EBIT / GP Margin	(0.5%)	0.5%	0.4%				



Contract Logistics



Contract Logistics: Highlights Q1 2012

Contract Logistics market

- Q1 2012 saw demand grow by some 3%
- Increased competition especially in Southern Europe, including France
- Continuous margin pressure due to renegotiation of existing contracts

Kuehne + Nagel performance

- Increase of Net invoiced Turnover (currency adjusted) of 6% significantly above market growth
- EBITDA margin at 3%
- Revised growth strategy; focussing on global customers with minimum yield target
- Positive impact of France restructuring expected in second half of the year



Performance of Business Unit **Contract Logistics** Q1

<i>CHF million</i>	2010	2011	2012	Variance	Growth	Acquisition	FX Impact
Invoiced turnover	1'061	1'044	1'064	1.9%	6.8%	0.5%	(5.4%)
Net Invoiced Turnover	1'027	984	995	1.1%	5.9%	0.5%	(5.3%)
Gross profit	770	741	750	1.2%	5.7%	0.7%	(5.1%)
EBITDA	45	41	33	(19.5%)	(12.2%)	-	(7.3%)
EBITA	26	21	17				
EBIT	18	15	11				
EBITDA / Revenue margin	4.2%	3.9%	3.1%				
EBIT / Revenue margin	1.7%	1.4%	1.0%				
EBIT / GP Margin	2.3%	2.0%	1.5%				



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Financial Overview Q1

CHFmillion	2010	2011	2012
Gross Profit	1'442	1'458	1'502
EBITDA	228	249	153
Earnings for the period	132	155	68
Cash & Cash Equivalents	942	1'317	1'178*
<i>* includes financial investments of CHF 113 million</i>			
EPS (basic)	1.10	1.29	0.56
Equity % Total Assets	39.6%	41.2%	39.1%
Operational Cash Flow	222	248	156 ¹
Capex	30	47	34
ROCE	35%	54%	44%

¹ incl. one-off provision of CHF 65 million



Balance Sheet

<i>CHF million</i>	31 December 2011	31 March 2012
Assets		
<hr/>		
Non-current assets	2'239	2'198
Trade receivables	2'278	2'267
Cash and cash equivalents, financial investments	851	1'101
Financial Investments	252	113
Others	521	588
Current assets	3'902	4'069
Total assets	6'141	6'267

<i>CHF million</i>	31 December 2011	31 March 2012
Liabilities and equity		
<hr/>		
Equity attributable to the equity holders of the parent company	2'382	2'425
Non-controlling interests	23	24
Total equity	2'405	2'449
Non-current liabilities	592	593
Trade payables	1'285	1'141
Accrued trade expenses / deferred income	881	921
Bank and other interest bearing liabilities	44	56
Others	934	1'107
Current liabilities	3'144	3'225
Total liabilities and equity	6'141	6'267



Cash flow Q1

<i>CHF million</i>	2011	2012	Better/(Worse)
Operational cash flow	248	156	(92)
Changes in working capital	(123)	(61)	62
Increase of provision for antitrust fine	-	65	65
Income taxes paid	(58)	(42)	16
Cash flow from operating activities	67	118	51
Cash flow from investing activities	(48)	116	164
Cash flow from financing activities	(11)	3	14
Exchange difference on cash and cash equivalents	(6)	(7)	(1)
Increase/(decrease) in cash and cash equivalents	2	230	228
Cash and cash equivalents at the beginning of the period, net	1'315	835	(480)
Cash and cash equivalents at the end of the period, net	1'317	1'065	(252)



Net Working Capital Development

<i>CHF million</i>	March 2010	March 2011	Dec 2011	March 2012
Net Working Capital	606	621	599	697
Working Capital Intensity	3.3%	3.2%	3.1%	3.6%
DSO	43.0	42.3	42.2	43.5
DPO	53.1	51.3	51.2	52.2
Δ	10.1	9.0	9.0	8.7



Finance targets 2012

CAPEX	<ul style="list-style-type: none">▪ Estimate at approx. CHF 200 mio (2011: CHF 207 mio)
Working Capital	<ul style="list-style-type: none">▪ Target to maintain working capital intensity at 3.5 – 4.0%
Cash	<ul style="list-style-type: none">▪ Emphasis on safeguarding a high cash position
ROCE	<ul style="list-style-type: none">▪ Maintain stable level around 50%
Tax	<ul style="list-style-type: none">▪ Confirm sustainable tax rate around 21% (excl. antitrust provision)



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Outlook

Volume growth							
	2010	2011	Q1/2012		Outlook 2012		<i>Target CAGR* ,Go for Growth'</i>
			K+N	Market	K+N	Market	
Seafreight [TEU]	16%	11%	9%	3-4%	10%+	5%	15%
Airfreight [TON]	25%	13%	4%	-3%	6-8%	0%	11%
Road & Rail [net inv. turnover]	16%	19%	18%	3%	8-10%	3%	> 10%
Contract Logistics [net inv. turnover]	5%	8%	6%	3%	5%	3%	8%

* Compound annual growth rate

K+N outlook 2012, assuming market recovery in second half of 2012



Annex I-Upcoming Events 2012

May 8	<ul style="list-style-type: none">▪ Annual General Meeting
May 15	<ul style="list-style-type: none">▪ Dividend payment 2011
July 16	<ul style="list-style-type: none">▪ Half-year 2012 results
September 19	<ul style="list-style-type: none">▪ Capital Market Day 2012 in London
October 15	<ul style="list-style-type: none">▪ Nine-months 2012 results



Annex II: Key Data Sheet Quarter by Quarter 2012 - 2011

	2012	2011	2012 / 2011 Change in %	2012 / 2011 Change in mCHF
<i>CHF million</i>				
Seafreight				
Turnover	2'031	2'071	(1.9)	(40)
Gross Profit	314	312	+0.6	2
Total Expenses	(219)	(200)	(9.5)	(19)
EBITDA	95	112	(15.2)	(17)
EBIT	89	107	(16.8)	(18)
<i>GP / Turnover</i>	15.5%	15.1%		
<i>EBITDA / Turnover</i>	4.7%	5.4%		
<i>EBIT / GP</i>	28.3%	34.3%		
Volume (TEU's '000)	819	754	+8.6	65.0
GP	383	414	(7.5)	(31)
EXPENSES per TEU	(275)	(272)	(1.1)	(3)
EBIT	108	142	(23.9)	(34)
Airfreight				
Turnover	967	994	(2.7)	(27)
Gross Profit	204	195	+4.6	9
Total Expenses (excl. one-off item)	(150)	(132)	(13.6)	(18)
EBITDA (excl. one-off item)	54	63	(14.3)	(9)
One-off item	(65)	-		
EBITDA	(11)	63		
EBIT	(17)	59	(128.8)	(76)
<i>GP / Turnover</i>	21.1%	19.6%		
<i>EBITDA / Turnover</i>	5.6%	6.3%		
<i>EBIT / GP</i>	-8.3%	30.3%		
Volume (TON's '000)	268	259	+3.5	9
GP	76	75	1.3	1
EXPENSES per 100kg	(82)	(53)	(54.7)	(29)
EBIT	(6)	22		(28)



Annex II: Key Data Sheet Quarter by Quarter 2012 - 2011

<i>CHF million</i>	2012	2011	2012 / 2011 Change in %	2012 / 2011 Change in mCHF
Road & Rail Logistics				
Turnover	744	681	+9.3	63
Gross Profit	225	201	11.9	24
Total Expenses	(211)	(188)	(12.2)	(23)
EBITDA	14	13	7.7	1
EBIT	1	1	+0.0	0
<i>GP / Turnover</i>	30.2%	29.5%		
<i>EBITDA / Turnover</i>	1.9%	1.9%		
<i>EBIT / Turnover</i>	0.1%	0.1%		
Contract Logistics				
Turnover	1'064	1'044	1.9	20
Gross Profit	750	741	1.2	9
Total Expenses	(717)	(700)	(2.4)	(17)
EBITDA	33	41	(19.5)	(8)
EBIT	11	15	(26.7)	(4)
<i>GP / Turnover</i>	70.5%	71.0%		
<i>EBITDA / Turnover</i>	3.1%	3.9%		
<i>EBIT / Turnover</i>	1.0%	1.4%		



Annex II: Key Data Sheet Quarter by Quarter 2012 - 2011

<i>CHF million</i>	2012	2011	2012 / 2011 Change in %	2012 / 2011 Change in mCHF
Real Estate				
Turnover	-	-	-	-
Gross Profit	-	-	-	-
Total Expenses	18	16	12.5	2
EBITDA	18	16	12.5	2
EBIT	12	10	20.0	2
Insurance Broker				
Turnover	28	30	(6.7)	(2)
Gross Profit	9	9	+0.0	0
Total Expenses	(5)	(5)	0.0	0
EBITDA	4	4	0.0	0
EBIT	4	4	0.0	0
<i>GP / Turnover</i>	32.1%	30.0%		
<i>EBITDA / Turnover</i>	14.3%	13.3%		
<i>EBIT / Turnover</i>	14.3%	13.3%		
TOTAL GROUP				
Turnover	4'834	4'820	+0.3	14
Gross Profit	1'502	1'458	+3.0	44
Total Expenses	(1'349)	(1'209)	(11.6)	(140)
EBITDA (excl. one-off item)	218	249	(12.4)	(31)
EBITDA	153	249	(38.6)	(96)
EBIT	100	196	(49.0)	(96)
EBT	103	196	(47.4)	(93)
Earnings for the period	68	155	(56.1)	(87)
Net Earnings	67	154	(56.5)	(87)
<i>GP / Turnover</i>	31.1%	30.2%		
<i>EBITDA(excl. one-off item) / Turnover</i>	4.5%	5.2%		
<i>EBITDA / Turnover</i>	3.2%	5.2%		
<i>EBIT / Turnover</i>	2.1%	4.1%		
<i>EBT / Turnover</i>	2.1%	4.1%		
<i>Earnings for the period/Turnover</i>	1.4%	3.2%		
<i>Net Earnings / Turnover</i>	1.4%	3.2%		



Thank you for your attention.



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