Capital Markets Day 2012
Strategic Outlook

Karl Gernandt
Chairman, Kuehne + Nagel International AG
September 19, 2012
Chairman’s Statement

**Global economy**
- Large regional differences
- Muted consumption
- Impact Euro crisis
- Volatile financial markets
- Currency effects

**Logistics market trends**
- Slower volume development in seafreight, negative growth in airfreight
- Margin pressure
- Stronger competitive environment

**Kuehne + Nagel**
- Growth focus intact
- Positive effect of overall cost control measures
- Commitment to global strategy
Global GDP Growth
Per cent; quarter over quarter, annualised

Source: IMF, World Economic Outlook Update, July 2012
Latest IMF Projection on Economic Growth
Two distinct realities require two distinct approaches

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012 Projection</th>
<th>2013 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Economies</td>
<td>1.6</td>
<td>1.4</td>
<td>1.9</td>
</tr>
<tr>
<td>United States</td>
<td>1.7</td>
<td>2.0</td>
<td>2.3</td>
</tr>
<tr>
<td>Euro Area</td>
<td>-0.3</td>
<td>1.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td></td>
<td></td>
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<tr>
<td>China</td>
<td></td>
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<tr>
<td>Asian 5 *</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Latin America</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Indonesia, Malaysia, Philippines, Thailand and Vietnam

Per cent change:

Source: IMF, World Economic Outlook Update, July 2012
Unpredictable Economic Outlook

Source: IMF, World Economic Outlook Updates
Capital Markets Day 2011: Uncertain Development of Global Economy

I. Growth
- Global GDP: approx. 3%
- Global Trade: approx. 7%
- Logistics Industry:
  - Sea: 6%
  - Air: 5%
  - CL/R&R: GDP

II. Stagnation
- Global GDP: +/- 0% in developed markets; slower growth in emerging markets
- Global Trade: slower growth
- Logistics Industry: 0%

III. Recession
- Global GDP: negative growth in developed markets and significant drop in emerging markets
- Global Trade: negative growth
- Logistics Industry: (10%)
Capital Markets Day 2012: “Stagnation“ is the Applicable Scenario for the Global Economy

I. Growth
- Global GDP: approx. 3%
- Global Trade: approx. 7%
- Logistics Industry: Sea: 6%, Air: 5%, CL/R&R: GDP

II. Stagnation
- +/-0% in developed markets; slower growth in emerging markets
- Slower growth
- 0%

III. Recession
- Negative growth in developed markets and significant drop in emerging markets
- Negative growth
- (10%)
Consequences for the Logistics Industry

- Several unprepared rate increases by the shipping lines lead to margin pressure in the forwarding industry.
- Slower, partly shrinking volume development, particularly in airfreight, requires cost reduction with focus on efficiency and profitability.
- Volatile market demand and margin pressure in contract logistics and road logistics.
- Growth drivers: certain markets, industry specific solutions.
Highlights 1st Half-Year 2012

**Volume Development per Business Unit**

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Kuehne + Nagel</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seafreight [TEU]</td>
<td>8%</td>
<td>3-4%</td>
</tr>
<tr>
<td>Airfreight [TON]</td>
<td>-3-4%</td>
<td>1%</td>
</tr>
<tr>
<td>Road &amp; Rail [net inv'd turnover]</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>Contract Logistics [net inv'd turnover]</td>
<td>7%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Key Figures**

- **Volume growth** sufficient in all business units
- Strict **cost control** resulted in improved GP/EBIT conversion ratio in Q2 2012
- **Strong operational cash flow** development from CHF 136 to 217 million

EU antitrust fine of CHF 65 million in Q1 2012
Kuehne + Nagel’s Targets for 2012

- Continue implementation of global strategy with clear focus on customer orientation and profitability
- Focus on fast growing markets and industry verticals
- Cost- and yield-management
- Quality leadership, particularly through industry-leading IT
- Situation-adequate leadership philosophy: act – control – adjust!
- Succession planning CEO / CFO will start by the end of 2012
Key parameters for achieving “Go for Growth” target in 2014 have changed:

- Stagnating dynamics in global economic development
- Uncertain and diverse dynamics in the Euro zone and North America
- Negative currency effects 2010/2011
- Chosen industry focus will stay

Given the economic headwind

- Delayed impact of “Go for Growth” initiatives with continued focus on bottom line
Capital Markets Day 2012
Operational Review / Update Go-for-Growth Strategy

Reinhard Lange
Chief Executive Officer, Kuehne + Nagel International AG
September 19, 2012
Special Welcome to Our Guests:

Dan Iddings, Director – Global Indirect Procurement
*Whirlpool Corporation*

Ram Menen, Divisional Senior Vice President Cargo
*Emirates SkyCargo*
Agenda

Current Performance

The Impact of Emerging Markets

Outlook Full Year 2012
Current Performance
Kuehne + Nagel grew double than the market

<table>
<thead>
<tr>
<th></th>
<th>1st Half-Year 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kuehne + Nagel</td>
</tr>
<tr>
<td>Seafreight [TEU]</td>
<td>+ 8 %</td>
</tr>
<tr>
<td>Airfreight [Ton]</td>
<td>+ 1 %</td>
</tr>
<tr>
<td>Road &amp; Rail Logistics [net inv'd turnover]</td>
<td>+ 10 %</td>
</tr>
<tr>
<td>Contract Logistics [net inv'd turnover]</td>
<td>+ 7 %</td>
</tr>
</tbody>
</table>
## Update Go for Growth

On track, but partly delayed due to economic slowdown

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>Target Year: 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>CHF 17 bn</td>
<td>CHF 30/40 bn</td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td>FTE 55,000</td>
<td>FTE 80-90,000</td>
</tr>
<tr>
<td><strong>Seafreight</strong></td>
<td>TEU 2.5 mn</td>
<td>TEU &gt;5.0 mn</td>
</tr>
<tr>
<td><strong>Airfreight</strong></td>
<td>Tons 0.8 mn</td>
<td>Tons 1.3 mn</td>
</tr>
<tr>
<td><strong>Road &amp; Rail Logistics</strong></td>
<td>CHF 2.5 bn</td>
<td>100 % turnover increase</td>
</tr>
<tr>
<td><strong>Contract Logistics</strong></td>
<td>CHF 4.3 bn</td>
<td>50 % turnover increase</td>
</tr>
</tbody>
</table>

- **Seafreight**: delayed under current market conditions
- **Airfreight**: on track
- **Road & Rail Logistics**: paused on acquisitions
- **Contract Logistics**: refocus on profitability
Update Go for Growth
Despite slow economy – not short of growth momentum

Goals achieved in

- **Seafreight**
  - Transpacific (EB)
  - Sea Transport Management (STM) Targets will be achieved in 2014

- **Airfreight**
  - Intra Asia trade lane
  - Perishables Logistics
  - Pharma Logistics
  - Targets will be achieved prior to 2014

- **Road Logistics**
  - Improvement despite difficult economic environment, especially in Southern Europe

- **Growth activities focused on emerging markets**
Global Container Flows by Main Trades in 1995
Intra Asia is the biggest trade lane

1 = 1 million TEU (twenty-foot equivalent unit)

1) Includes domestic
Note: Container flows excluding empties and transshipment but including domestic for intra-regional trade; some trades excluded for display purposes
Global Container Flows by Main Trades in 2015
Emerging markets offer most attractive growth

Total global container cargo demand 2015 ~ 200 mTEU

North America ́
Transpacific East bound

North America — Latin America

Transatlantic East bound

Intra Europe ́

Far East — Middle East

Far East — Europe

Europe — Far East

Intra Asia ́

Far East — Latina

Europe — Far East

Far East — Latin America

Transpacific West bound

Note: Container flows based on forecasts excluding empties and transshipment but including domestic for intra-regional trade; some trades excluded for display purposes.

1 = 1 million TEU (twenty-foot equivalent unit)

Source: BCG simulation; 1) Includes domestic
Selected BRICs: China
"Go West“ strategy: development of China’s West

- Government investments in logistics infrastructure, e.g.:
  - Largest rail container center in Asia with cargo capacity of 2.5 million TEU by 2020 in Chongqing
  - Chongqing river port capacity to hit 6 million TEU by 2015 (Yangtze River)

Kuehne + Nagel’s presence in China:
- 1965: First office in Hong Kong
- 1979: First office in mainland China (Beijing)
- 1986: Office in Shanghai
- Today: > 3,100 employees in 38 cities all over China
Selected BRICs: Brazil
Dynamically growing market

Recent Kuehne + Nagel investments:
- 2008: Cold Chamber Warehouse in Guarulhos (São Paulo)
- 2011: Acquisition of Grupo Eichenberg
- 2012: Sport Event Team

The world's 6th largest economy will soon host two major sports events that are also huge logistics projects:
- 2014 Football World Cup
- 2016 Olympic Summer Games

Number of Kuehne + Nagel sites in Brazil:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>10</td>
</tr>
<tr>
<td>2006</td>
<td>13</td>
</tr>
<tr>
<td>2007</td>
<td>15</td>
</tr>
<tr>
<td>2008</td>
<td>17</td>
</tr>
<tr>
<td>2009</td>
<td>17</td>
</tr>
<tr>
<td>2010</td>
<td>19</td>
</tr>
<tr>
<td>2011</td>
<td>24</td>
</tr>
<tr>
<td>2012</td>
<td>24</td>
</tr>
</tbody>
</table>
New BRIC on the Block: Colombia
Regional Hub Cartagena - the new Singapore?

- 4th largest economy and highest foreign investment in Latin America
- Considerable improvements in domestic security
- Government investing $100 billion in infrastructure in the next 10 years

- Panama Canal expansion will be ready in 2014/2015
- Postpanamax vessels with 12,000 TEU will cross the channel
- Cartagena (Contecar Port) will be able to receive 12,000 TEU vessels as the only deep water port on Atlantic site

Source: IMF, Note: Figures for 2012, 2013 and 2017 are projections
Milestones of 2012

- Opening of Eurohub in Germany (Bad Hersfeld)
- Implementation start of SALog (IT operational system for sea- and airfreight)
- Masterplan in Contract Logistics for profitable growth
- Start of new head of road business in Q1 2013
- Strong development of industry-specific solutions, e.g. Perishables, Pharma
## Outlook Full Year 2012
End of debt crisis / Euro crisis not yet in sight

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>H1 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kuehne + Nagel</td>
<td>+ 8 %</td>
<td>+ 1 %</td>
<td>+ 10 %</td>
<td>+ 7 %</td>
</tr>
<tr>
<td>Market</td>
<td>+ 3 to 4 %</td>
<td>(3 to 4 %)</td>
<td>+ 3 %</td>
<td>+ 3 %</td>
</tr>
<tr>
<td><strong>FY 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kuehne + Nagel</td>
<td>+ 6 to 8 %</td>
<td>+ 2 to 4 %</td>
<td>+ 8 to 10 %</td>
<td>+ 5 %</td>
</tr>
<tr>
<td>Market</td>
<td>+ 3 %</td>
<td>(3 %)</td>
<td>+ 3 %</td>
<td>+ 2 %</td>
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</table>
Capital Markets Day 2012
Financial Update

Gerard van Kesteren
Chief Financial Officer, Kuehne + Nagel International AG
September 19, 2012
Agenda

Performance 1st Half-Year 2012

Key Issues and Challenges

Financial Targets 2012 / 2013
## Income Statement 1st Half-Year 2012/2011

<table>
<thead>
<tr>
<th>CHF million</th>
<th>2012 Q1</th>
<th>2012 Q2</th>
<th>Total</th>
<th>2011 Q1</th>
<th>2011 Q2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoiced turnover</td>
<td>4'834</td>
<td>5'228</td>
<td>10'062</td>
<td>4'820</td>
<td>4'966</td>
<td>9'786</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1'502</td>
<td>1'530</td>
<td>3'032</td>
<td>1'458</td>
<td>1'496</td>
<td>2'954</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>31.1%</td>
<td>29.3%</td>
<td>30.1%</td>
<td>30.2%</td>
<td>30.1%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Total expenses</td>
<td>(1'284)</td>
<td>(1'294)</td>
<td>(2'578)</td>
<td>(1'209)</td>
<td>(1'243)</td>
<td>(2'452)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>218</td>
<td>236</td>
<td>454</td>
<td>249</td>
<td>253</td>
<td>502</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>5.2%</td>
<td>5.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>165</td>
<td>182</td>
<td>347</td>
<td>196</td>
<td>200</td>
<td>396</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.4%</td>
<td>4.1%</td>
<td>4.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Financial Result/Joint ventures</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>EBT</td>
<td>168</td>
<td>185</td>
<td>353</td>
<td>196</td>
<td>202</td>
<td>398</td>
</tr>
<tr>
<td>EBT margin</td>
<td>3.5%</td>
<td>3.5%</td>
<td>3.5%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Tax</td>
<td>(35)</td>
<td>(39)</td>
<td>(74)</td>
<td>(41)</td>
<td>(43)</td>
<td>(84)</td>
</tr>
<tr>
<td>Earnings for the period excl. one-off</td>
<td>133</td>
<td>146</td>
<td>279</td>
<td>155</td>
<td>159</td>
<td>314</td>
</tr>
<tr>
<td>One-off</td>
<td>(65)</td>
<td>-</td>
<td>(65)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Earnings for the period</td>
<td>68</td>
<td>146</td>
<td>214</td>
<td>155</td>
<td>159</td>
<td>314</td>
</tr>
</tbody>
</table>
Key Issues and Challenges

- Working Capital Development
- Gross Profit $\rightarrow$ EBIT Conversion Rate
- Business Controlling
- Productivity
## Net Working Capital Development

<table>
<thead>
<tr>
<th>CHF million</th>
<th>Dec 2011</th>
<th>June 2012</th>
<th>YTD June Increase</th>
<th>Whereof Business Growth (7%)</th>
<th>Extended Payment Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables &amp; Work in progress</td>
<td>2'620</td>
<td>2'917</td>
<td>297</td>
<td>190</td>
<td>107</td>
</tr>
<tr>
<td>Trade payables &amp; Accrued trade expenses</td>
<td>(2'021)</td>
<td>(2'171)</td>
<td>(150)</td>
<td>(140)</td>
<td>(10)</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>599</td>
<td>746</td>
<td>147</td>
<td>50</td>
<td>97</td>
</tr>
</tbody>
</table>

### KPI's:

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital Intensity</td>
<td>3.1%</td>
<td>3.7%</td>
<td>0.6%</td>
<td>0.2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>DSO</td>
<td>42.2</td>
<td>44.9</td>
<td>2.7</td>
<td>0.7</td>
<td>2.0</td>
</tr>
<tr>
<td>DPO</td>
<td>51.2</td>
<td>53.2</td>
<td>2.0</td>
<td>2.0</td>
<td>-</td>
</tr>
<tr>
<td>Δ</td>
<td>9.0</td>
<td>8.3</td>
<td>(0.7)</td>
<td>1.3</td>
<td>(2.0)</td>
</tr>
</tbody>
</table>

- Extended payment terms of 2 days in H1 2012
- Transfer from cash to net working capital of approx. CHF 100 million
GP ➔ EBIT Conversion Ratio per Quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Seafreight</th>
<th>Airfreight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2011</td>
<td>34.3%</td>
<td>30.3%</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>32.9%</td>
<td>30.8%</td>
</tr>
<tr>
<td>Q3 2011</td>
<td>33.4%</td>
<td>29.5%</td>
</tr>
<tr>
<td>Q4 2011</td>
<td>30.5%</td>
<td>26.2%</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>28.3%</td>
<td>23.5%</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>30.4%</td>
<td>27.0%</td>
</tr>
</tbody>
</table>
Contract Logistics Repositioning Supported by Controlling

**Background**

**Key figures 2011**
- Revenue: 4.2 bn CHF
- FTE: ~40'000
- EBITDA: 161 m CHF
- EBIT: 63 m CHF
- **EBIT Margin %: 1.5**

Target: “Selective, profitable growth”
- Adjustment of strategy to improve profitability

**Management Measures**
- Location master plan
- Transfer of competence from regional to corporate business and finance
- Minimum targets for new and renewed business
- Monthly review of action plans
## Financial Targets 2012 / 2013

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPEX</strong></td>
<td>Estimate at approx. CHF 170 million for 2012 and 2013 (2011: CHF 207 million)</td>
</tr>
<tr>
<td><strong>Working Capital</strong></td>
<td>Target to control working capital intensity at 3.5 – 4.0 %</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>Emphasis on safeguarding high cash position and dividend pay-out ratio</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>Sustainable tax rate around 21 % confirmed (excl. antitrust provision)</td>
</tr>
</tbody>
</table>
Capital Markets Day 2012
Contract Logistics

Dirk Reich
Executive Vice President, Kuehne + Nagel International AG
September 19, 2012
## Agenda

<table>
<thead>
<tr>
<th>Market &amp; Trends</th>
<th>New Strategic Goals</th>
<th>Progress</th>
<th>Targets</th>
</tr>
</thead>
</table>

September 19, 2012
Market & Trends
Global contract logistics market

<table>
<thead>
<tr>
<th>Market Size and Share</th>
<th>Market Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Size 1)</strong></td>
<td><strong>Industry Margins</strong></td>
</tr>
<tr>
<td>▪ approx. CHF &gt;185 bn globally</td>
<td>▪ globally under pressure</td>
</tr>
<tr>
<td><strong>Market Shares 1)</strong></td>
<td>▪ top players all have lower margins in 2012</td>
</tr>
<tr>
<td>▪ DHL 8,9 %</td>
<td>▪ trend of decreasing margins</td>
</tr>
<tr>
<td>▪ CEVA 2,5 %</td>
<td><strong>Globalisation of Demand</strong></td>
</tr>
<tr>
<td>▪ Kuehne + Nagel 2,3 %</td>
<td>▪ continues, at low prices</td>
</tr>
<tr>
<td><strong>Market Growth</strong></td>
<td><strong>Global Expansion of Logistic Providers</strong></td>
</tr>
<tr>
<td>▪ 2012E: + 2 %</td>
<td>▪ has paused, partially reversed</td>
</tr>
</tbody>
</table>

1) Source: Transport Intelligence
Contract Logistics Remains an Integral Part of the Overall Strategy

Go for Growth

- above market growth of 8% p.a.
- expand global network
- target: EBITDA margin of 5%

Selective Growth

- quality leadership
- close loss-making sites
- retention of customers
- target: EBITDA margin of 5%

Differentiate on Quality!
How to Overcome the Structural Challenges

- Focus on higher margin segments of Contract Logistics
  - dedicated warehousing for multinational customers
  - distribution & transportation management
  - Integrated Logistics; end-to-end solutions
  - Software as a service

- Reduce footprint of shared warehousing, consolidate to „campus“ at strategic locations

Focus on attractive parts of the contract logistics business
Progress with Key Customers

Lexmark: 10-year contract extension - “Integrated Logistics” end-to-end

- warehousing
- European distribution
- seafreight Asia to Europe
- reverse logistics; repairs
- end-to-end optimisation and customer service

Iveco: 3-year contract renewal - European Contract Logistics

Key customers support Kuehne + Nagel’s “Quality Leadership” strategy
Progress on Implementation of Location Masterplan

- Exit from loss-making locations and sites started in Q1 2012 (10 sites already exited)
- Customer contract re-negotiations ongoing
- Addressing of start-up losses – new process with more control introduced in Q1 2012
- Productivity improvement program – global roll-out in process

Masterplan for all 450 Contract Logistics locations in place
Targets

- Focus on bottom-line improvements
- Margins expected to improve in H2 2012 and 2013
- EBITDA margin of 5% upon completion of masterplan

Contract Logistics as an integral part of the Kuehne + Nagel business is reconfirmed
Capital Markets Day 2012
Air Logistics

Tim Scharwath
Executive Vice President, Kuehne + Nagel International AG
September 19, 2012
Agenda

1. Summary on the Global Airfreight Market
2. Global Volume, Capacity and Growth Development
3. Update on Airfreight Growth Initiatives
4. Kuehne + Nagel’s Airfreight Strategy in Volatile Markets
Global Airfreight Market

Summary

- Currently, no signs of recovery in airfreight market for H2 2012 visible
- Overcapacity prevailing
- Load factors and yields remain under pressure
- European airlines struggle to operate their business profitably
- Market rate volatility increasing
Excess Capacity in the Market

Demand vs Capacity KPIs (Tonnage)

-10.0%  -5.0%  0.0%  5.0%  10.0%  15.0%

Demand  9%  2%  4%  3%  -4%  -3%  0%  -4%  -3%  -5%  -3%  0%  -8%  5%  0%  -5%  -2%  1%  -3%
Capacity 11%  8%  9%  9%  3%  2%  4%  2%  2%  1%  2%  4%  -1%  8%  2%  0%  1%  3%  0%
Planned Freighter Capacity until 2019

Deliveries of large factory built freighters over time
Annual capacity entering the market in tons (K)

Source: Ascend; Seabury
## Airfreight Growth Initiatives

**Goal:** Maintain no. 3 market position, challenge no. 2  
Volume increase of over 50% (2009 to 2014)

<table>
<thead>
<tr>
<th>Growth Initiatives</th>
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<td>4</td>
</tr>
</tbody>
</table>
Kuehne + Nagel has achieved the no. 2 global airfreight position in H1 2012

Transpacific
- not satisfying - flat volume development H2 2011

Intra Asia
- good development - volume growth of double digit compared to H2 2011

Perishables
- optimisation of network through acquisitions in Australia and Canada
- very good development – double digit volume growth compared to H2 2011

Pharma Logistics
- very good development – double digit growth compared to H2 2011

eCommerce
- good development with 32 pilot customers – roll-out planned for 2013
Kuehne + Nagel Airfreight Strategy in Volatile Markets

- **Decentralised Procurement Management**
  - increase decentralised approach for better buying power
  - central strategic guidance

- **Strong Focus Perishable**
  - growth by acquisitions and expansion of current business
  - increased volumes leading to improved buying conditions

- **Strengths in Several Niche Markets**
  - oil & gas, aerospace, pharma and marine logistics
  - growing volumes and higher margins
Capital Market Day 2012
North West Europe

Yngve Ruud
Regional Director, North West Europe
September 19, 2012
Agenda

Regional Overview

RH Freight
Personal Background: Yngve Ruud

- 1990-1996  Financial Director and shareholder in logistics company acquired by Kuehne + Nagel

- 1996-1997  Finance Director, Norway
              Kuehne + Nagel AS, North West Europe

- 1997-2011  Managing Director, Norway
              Kuehne + Nagel AS, North West Europe

- 2011       Since 1st October: Regional Director, North West Europe
              Kuehne + Nagel Ltd, UK
Geographical Overview

Facts and Figures:
100+ locations
1,000,000+ sqm
12,300 staff
Regional Headquarter: London

2011 turnover:
CHF 3 bn
~15% of Kuehne + Nagel Group

Map showing locations in the UK, Ireland, Norway, Finland, Sweden, Denmark, and the United Kingdom.

Development of turnover:
- 2005: Base
- 2006: 210%
- 2007: 210%
- 2008: 210%
- 2009: 210%
- 2010: 210%
- 2011: 266%
Market Overview

Sea Logistics
No 1: UK, IE, FI, NO
Top 3: DK, SE

Air Logistics
No 1: IE
Top 3: UK, FI, SE

Road Logistics
No 2: UK, IE
Top 10: DK, FI, NO, SE

Contract Logistics
No 4: UK
Top 5: IE

Source: Company reports and Kuehne + Nagel estimates

Industry Solutions
O&G, E&R, Aviation
Food Services

Top ‘3’ in NWE

Market share by turnover - all modes in percentage

Source: Company reports and Kuehne + Nagel estimates
## Growth Drivers

<table>
<thead>
<tr>
<th>Strong Platform</th>
<th>Acquisitions</th>
<th>Industry Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global network and IT</td>
<td>Strong skillset of defining acquisition opportunities</td>
<td>Market leading position</td>
</tr>
<tr>
<td>First class operation</td>
<td>complimentary growth</td>
<td>Strong regional products with global potential</td>
</tr>
<tr>
<td>Top 3 in all business units</td>
<td>Successful integration methodology</td>
<td>Higher margins</td>
</tr>
<tr>
<td>YoY double market growth</td>
<td>More than 15 acquisitions last 15 years integrated successfully</td>
<td>Less affect by global economic volatility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High barriers for entry</td>
</tr>
</tbody>
</table>
Industry Solutions

- Emergency & Relief Logistics
- Oil & Gas Logistics
- Aerospace Logistics
- Food Service Logistics

Profitable Growth Total Region (+11 % YTD)
Emergency & Relief Logistics Solutions and Development

Value proposition

- Indepth understanding of humanitarian aid
- High level of responsiveness
- Complete service > order management > last mile
- Capability to consolidate needs of individual donors
- Local presence and global know-how
- Advanced customer solutions / track & trace / statistics

Source: Company reports and Kuehne + Nagel estimates
Oil & Gas Development and Solutions

- 65 locations
- over 600 dedicated specialists
- 9 Oil & Gas hubs globally

Global Activity per Region 2012e

Supply Chain Management
Rig & Maritime Support
Supply Base Logistics
Project Management

Source: Company reports and Kuehne + Nagel estimates
Aerospace Logistics Development and Solutions

Vendor Village | Regional Aerospace Hubs | Airside Logistics LHR | Engine Logistics (Academy)

Vendor | Manufacturer | Airlines | MRO

Supplier Management Logistics | Aircraft Production Logistics | In-flight Services Logistics | Spare Parts & Engine Logistics

Aviation Logistics per Region
- South West Europe: 23%
- North West Europe: 23%
- Central Europe: 29%
- Asia Pacific: 9%
- Middle East/Africa: 9%
- Eastern Europe: 2%
- North America: 16%
- South America: 4%

NWETurnover
- 2009: 70%
- 2010: 118%
- 2011: 140%
- 2012: 140%

May 03, 2012 - Kuehne + Nagel UK
Kuehne + Nagel launches new airside service at London Heathrow Airport
A new airside service at Heathrow airport has been launched by Kuehne + Nagel to enhance its critical spare parts logistics offering to the aerospace industry.

Source: Company reports and Kuehne + Nagel estimates
Food Service (UK)

- Started 2008
- £ 50 m business segment
- 105 deliveries per hour - 24 x 7
- Offer significant advantages over traditional wholesale model:
  - visibility of all costs
  - increased service and control
  - bespoke solutions
  - reverse / recycling services
- Market leading 3PL in food service

Source: Company reports and Kuehne + Nagel estimates
Capital Market Day 2012
North West Europe

James Hedderwick
Road & Rail Logistics, North West Europe
September 19, 2012
Personal Background: James Hedderwick

- 2004-2007 Director, Road Logistics
  North West Europe

- 2007-2010 Operations Director, Road Logistics
  North West Europe

- 2010-2011 Senior Vice President, Road & Rail Logistics
  North West Europe

- 2011 Since April 2011:
  Senior Vice President, Road & Rail Logistics
  North West Europe
  Group Managing Director
  The RH Group Ltd, UK
Agenda

- Vision
- Opportunity to Acquire RH
- RH Company Profile
- Integration
- Partner Migration
- Next Steps
Vision

To create a *best in class* market leading road logistics organisation in the UK
Opportunity to Acquire RH

- Purchase of a strong company with 40 years experience
- Strengthen Kuehne + Nagel’s European road network traffic to and from the UK
- Bring Kuehne + Nagel to no.1 in the UK road freight market
- Complete Kuehne + Nagel’s portfolio of services (Sea-, Air-, Contract-, Road Logistics)
- An integrated service offering in the UK
RH Company Profile

- Founded in 1971
- 100 % family owned
- Approx. 630 employees
- 16 locations in the UK
- Two locations in Finland
- Two UK platforms
- 500 owned trailers
- 32 daily direct structured lines
- Account management
- 500,000+ consignments per annum
- Daily services = reliability
RH Customer Base

- The RH customer base is made up of approx. 5,000 small to medium customers with no single customer contributing more than 2% of the overall turnover.

- This provides Kuehne + Nagel with cross-selling opportunities over time.

- Good operational match

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Icon</th>
<th>Kuehne + Nagel</th>
<th>RH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrialised groupage</td>
<td>✓</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Full / part load</td>
<td>✓</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Specialised networks</td>
<td>✔️</td>
<td>✔️</td>
<td>✗</td>
</tr>
<tr>
<td>Air Logistics</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Sea Logistics</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<tr>
<td>Contract Logistics</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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</tbody>
</table>
Integration
Almost completed

OCTOBER 2011
RH Thurrock relocated to Kuehne + Nagel Dartford

OCTOBER 2011
RH Thurrock distribution centre relocated to Kuehne + Nagel Dagenham

SEPTEMBER 2011
RH Birmingham Sea Logistics division relocated to Kuehne + Nagel Birmingham

JULY 2011
RH Bristol relocated to Kuehne + Nagel Bristol

JANUARY 2012
Kuehne + Nagel Hub operation relocated to RH Nottingham. Customer Services relocated to RH Leicester

AUGUST 2012
RH Finance merged with Kuehne + Nagel. Finance using standard KN financial application

SEPTEMBER 2012
RH IT Helpdesk merged with Kuehne + Nagel IT

SEPTEMBER 2012
RH Birmingham Sea Logistics division relocated to Kuehne + Nagel Birmingham

NOVEMBER 2012
RH Manchester relocating to Kuehne + Nagel Manchester
Integration Risks

HIGH RISK

- Staff retention
- Partner changes
- Finance system integration
- Migration of Kuehne + Nagel operational teams to the RH operating system
- Integrating the Kuehne + Nagel and RH sales functions whilst maintaining success
- Existing contractual relationships
- Injection of Kuehne + Nagel groupage volumes into RH Network

LOW RISK
## RH Partner Migration
Network of forwarders (RH) to forwarding network (Kuehne + Nagel)

<table>
<thead>
<tr>
<th>2011</th>
<th>2012</th>
</tr>
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<tbody>
<tr>
<td>✓ August</td>
<td>✓ January</td>
</tr>
<tr>
<td></td>
<td>✔️ Lyon</td>
</tr>
<tr>
<td>✓ September</td>
<td>✓ February</td>
</tr>
<tr>
<td>✔️ Poland</td>
<td>✔️ Denmark</td>
</tr>
<tr>
<td>✓ November</td>
<td>✓ March</td>
</tr>
<tr>
<td>✔️ Czech Republic</td>
<td>✔️ Norway</td>
</tr>
<tr>
<td>✓ December</td>
<td>✓ Sweden</td>
</tr>
<tr>
<td></td>
<td>✔️ Slovenia</td>
</tr>
<tr>
<td></td>
<td>✔️ Hungary</td>
</tr>
<tr>
<td></td>
<td>✓ April</td>
</tr>
<tr>
<td></td>
<td>✔️ Portugal</td>
</tr>
<tr>
<td></td>
<td>✓ May</td>
</tr>
<tr>
<td></td>
<td>✔️ Austria</td>
</tr>
<tr>
<td></td>
<td>✓ June</td>
</tr>
<tr>
<td></td>
<td>✔️ Munich</td>
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<tr>
<td></td>
<td>✔️ Switzerland</td>
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<tr>
<td></td>
<td>✓ July</td>
</tr>
<tr>
<td></td>
<td>✔️ Spain</td>
</tr>
<tr>
<td></td>
<td>✓ September</td>
</tr>
<tr>
<td></td>
<td>✔️ Belgium</td>
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Next Steps

2011
Company operates as RH

2012
Company operates as RH – part of the Kuehne + Nagel Group

2013
Fully integrated into Kuehne + Nagel
Capital Markets Day 2012
Sea Logistics

Otto Schacht
Executive Vice President, Kuehne + Nagel International AG
September 19, 2012
Agenda

Global Market Update
Rate Volatility
Growth Initiatives
Productivity
Global Container Market

- Container trade growth in 1st half 2012: 3-4% slower growth expected in 2nd half of 2012, resulting in a full year 2012 growth of +3%

- Asia-EU market volumes down: July 2012 minus 13% (yoy)!!

- Uncertain growth in 2013

- Large order book of vessels

- Rates again under pressure since May 2012
Market Growth by Trade Lanes 2011-2012
(as per CTS and other trade statistics)

- Intra Asia: >20%
- Far East Europe: 11%
- Europe Far East: 6%
- Far East North America: 11%
- Europe North America: 3%
- North America Europe: 2%
- Far East Latin America: 4%
- Far East Middle East: 4%

% of global trade volume
Global Supply and Demand in Container Shipping
(estimates by Kuehne + Nagel)

After a growth trend of 9% in 1980-2008, in the next 3 years more likely 3-5%
Space (shortage) could become an issue as of 2015
Rate Volatility in Certain Trade Lanes (Indexed)
Growth Initiatives – Status Update

**Transpacific (EB) Development**
- final team members being hired to meet 2014 target
- ytd market + 3 %, Kuehne + Nagel + 13 %
- Kuehne + Nagel challenging no.1

**Middle East and Latam Trades**
- team in place, on track
- very good development - over 20 % growth
- Kuehne + Nagel no.1 of international forwarders

**Intra Asia**
- team in place
- not satisfying; only 11 % growth –> resulting in a more selective approach
Growth Initiatives – Status Update

- **LCL**
  - good development, over 5% growth

- ** Reefer**
  - good development, over 15% growth

- **Forest Products**
  - not satisfying, but market also down

- **STM (Sea Transport Management)**
  - good development with large, global accounts
Progress on Productivity Initiatives

**Ongoing productivity improvement**
7 % yoy (target 5 %)

<table>
<thead>
<tr>
<th>Main Focus</th>
<th>1</th>
<th>Further carrier integration</th>
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<td></td>
<td></td>
<td>increased to 90% EDI bookings / add. EDI processes</td>
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<tr>
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<td>2</td>
<td>New operating software SeaLog / start roll-out in 2013</td>
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<td>3</td>
<td>Shared service centers</td>
</tr>
</tbody>
</table>
Carrier Electronic Integration

Electronic partnerships with all major container carriers

Objectives:
• carrier performance visibility
• enhanced cargo management capability
• productivity and quality baseline
• reliable supply chain monitoring

All participants (customer, carrier and Kuehne + Nagel) benefit

* not realised yet
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