



CONSOLIDATED FINANCIAL STATEMENTS 2012
OF THE KUEHNE + NAGEL GROUP



CONTENTS

Consolidated Financial Statements 2012 of the Kuehne + Nagel Group

4	Income Statement
5	Statement of Comprehensive Income
6	Balance Sheet
8	Statement of Changes in Equity
10	Cash Flow Statement
11	Notes to the Consolidated Financial Statements
21	Other Notes
65	Report of the Statutory Auditor on the Consolidated Financial Statements
66	Significant Subsidiaries and Joint Ventures
74	Corporate Timetable 2013

4 CONSOLIDATED FINANCIAL STATEMENTS 2012
OF THE KUEHNE + NAGEL GROUP

Income Statement

CHF million	Note	2012	2011	Variance per cent
Invoiced turnover	20	20,753	19,596	5.9
Customs duties and taxes		-3,633	-3,378	
Net invoiced turnover		17,120	16,218	5.6
Net expenses for services from third parties		-11,026	-10,320	
Gross profit	20	6,094	5,898	3.3
Personnel expenses	21	-3,605	-3,386	
Selling, general and administrative expenses	22	-1,592	-1,542	
Other operating income/expenses, net	23	24	8	
Expense for EU antitrust fine	23/41	-65	-	
EBITDA		856	978	-12.5
Depreciation of property, plant and equipment	27	-146	-154	
Amortisation of other intangibles	28	-74	-69	
Impairment of other intangibles	28	-2	-5	
EBIT		634	750	-15.5
Financial income	24	12	20	
Financial expenses	24	-5	-8	
Result from joint ventures and associates	20	4	4	
Earnings before tax (EBT)		645	766	-15.8
Income tax	25	-152	-160	
Earnings for the year		493	606	-18.6
Attributable to:				
Equity holders of the parent company		485	601	-19.3
Non-controlling interests		8	5	
Earnings for the year		493	606	-18.6
Basic earnings per share in CHF	26	4.06	5.04	-19.4
Diluted earnings per share in CHF	26	4.06	5.03	-19.3

Statement of Comprehensive Income

CHF million	Note	2012	2011
Earnings for the year		493	606
Other comprehensive income			
Foreign exchange differences		-21	-75
Actuarial gains/(losses) on defined benefit plans, net of tax	36/25	-39	-18
Total other comprehensive income, net of tax		-60	-93
Total comprehensive income for the year		433	513
Attributable to:			
Equity holders of the parent company		425	509
Non-controlling interests		8	4

Balance Sheet

CHF million	Note	Dec. 31, 2012	Dec. 31, 2011
Assets			
Property, plant and equipment	27	1,134	1,146
Goodwill	28	694	696
Other intangibles	28	141	196
Investments in joint ventures	29	39	39
Deferred tax assets	25	195	162
Non-current assets		2,203	2,239
Prepayments		109	97
Work in progress	30	306	275
Trade receivables	31	2,428	2,278
Other receivables	32	116	100
Income tax receivables	32	34	49
Financial investments	33	-	252
Cash and cash equivalents	33/34	1,083	851
Current assets		4,076	3,902
Total assets		6,279	6,141

CHF million	Note	Dec. 31, 2012	Dec. 31, 2011
Liabilities and equity			
Share capital		120	120
Reserves and retained earnings		1,791	1,661
Earnings for the year		485	601
Equity attributable to the equity holders of the parent company		2,396	2,382
Non-controlling interests		29	23
Equity	35	2,425	2,405
Provisions for pension plans and severance payments	36	357	296
Deferred tax liabilities	25	151	156
Finance lease obligations	39	32	43
Non-current provisions	41	69	97
Non-current liabilities		609	592
Bank and other interest-bearing liabilities	38/39	36	44
Trade payables	40	1,337	1,285
Accrued trade expenses/deferred income	40	931	881
Income tax liabilities		89	106
Current provisions	41	68	64
Other liabilities	42	784	764
Current liabilities		3,245	3,144
Total liabilities and equity		6,279	6,141

Schindellegi, March 1, 2013

KUEHNE + NAGEL INTERNATIONAL AG

Reinhard Lange Gerard van Kesteren
CEO CFO

Statement of Changes in Equity

CHF million	Note	Share capital	Share premium	Treasury shares	Cumulative translation adjustment	Actuarial gains & losses	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
Balance as of January 1, 2012		120	535	-45	-715	-44	2,531	2,382	23	2,405
Earnings for the year		-	-	-	-	-	485	485	8	493
Other comprehensive income										
Foreign exchange differences		-	-	-	-21	-	-	-21	-	-21
Actuarial gains/(losses) on defined benefit plans, net of tax	36/25	-	-	-	-	-39	-	-39	-	-39
Total other comprehensive income, net of tax		-	-	-	-21	-39	-	-60	-	-60
Total comprehensive income for the year		-	-	-	-21	-39	485	425	8	433
Purchase of treasury shares	35	-	-	-20	-	-	-	-20	-	-20
Disposal of treasury shares	35	-	14	45	-	-	-	59	-	59
Dividend paid	35	-	-	-	-	-	-460	-460	-2	-462
Expenses for share-based compensation plans	37	-	-	-	-	-	10	10	-	10
Total contributions by and distributions to owners		-	14	25	-	-	-450	-411	-2	-413
Balance as of December 31, 2012		120	549	-20	-736	-83	2,566	2,396	29	2,425

CHF million	Note	Share capital	Share premium	Treasury shares	Cumulative translation adjustment	Actuarial gains & losses	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
Balance as of January 1, 2011		120	705	-51	-641	-26	2,258	2,365	13	2,378
Earnings for the year		-	-	-	-	-	601	601	5	606
Other comprehensive income										
Foreign exchange differences		-	-	-	-74	-	-	-74	-1	-75
Actuarial gains/(losses) on defined benefit plans, net of tax	36/25	-	-	-	-	-18	-	-18	-	-18
Total other comprehensive income, net of tax		-	-	-	-74	-18	-	-92	-1	-93
Total comprehensive income for the year		-	-	-	-74	-18	601	509	4	513
Purchase of treasury shares	35	-	-	-13	-	-	-	-13	-	-13
Disposal of treasury shares	35	-	9	19	-	-	-	28	-	28
Dividend paid	35	-	-	-	-	-	-328	-328	-1	-329
Distribution from capital contribution reserves	35	-	-179	-	-	-	-	-179	-	-179
Expenses for share-based compensation plans	37	-	-	-	-	-	7	7	-	7
Total contributions by and distributions to owners		-	-170	6	-	-	-321	-485	-1	-486
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	1	1	7	8
Transaction with non-controlling interests ¹		-	-	-	-	-	-8	-8	-	-8
Total transactions with owners		-	-170	6	-	-	-328	-492	6	-486
Balance as of December 31, 2011		120	535	-45	-715	-44	2,531	2,382	23	2,405

¹ The movement in retained earnings in 2011 includes a put option for an acquisition of non-controlling interests in one of the Group's subsidiaries, see note 43.

Cash Flow Statement

CHF million	Note	2012	2011
Cash flow from operating activities			
Earnings for the year		493	606
Reversal of non-cash items:			
Income tax	25	152	160
Financial income	24	-12	-20
Financial expenses	24	5	8
Result from joint ventures and associates	29	-4	-4
Depreciation of property, plant and equipment	27	146	154
Amortisation of other intangibles	28	74	69
Impairment of other intangibles	28	2	5
Expenses for share-based compensation plans	21	10	7
Gain on disposal of property, plant and equipment and associate	23	-29	-12
Loss on disposal of property, plant and equipment	23	5	4
Net addition to provisions for pension plans and severance payments		7	1
Subtotal operational cash flow		849	978
(Increase)/decrease work in progress		-38	-27
(Increase)/decrease trade and other receivables, prepayments		-198	-216
Increase/(decrease) other liabilities		20	59
Increase/(decrease) provisions		-24	-
Increase/(decrease) trade payables, accrued trade expenses/deferred income		123	105
Income taxes paid		-176	-219
Total cash flow from operating activities		556	680
Cash flow from investing activities			
Capital expenditure			
- Property, plant and equipment	27	-163	-207
- Other intangibles	28	-12	-11
Disposal of property, plant and equipment		41	18
Acquisition of subsidiaries, net of cash acquired	43	-9	-174
Purchase of financial investments	33	-	-281
Disposal of financial investments	33	252	30
Interest received		6	12
(Increase)/decrease of share capital in joint ventures	29	-	3
Disposal of associate	23	5	-
Dividend received from joint ventures and associates		5	4
Total cash flow from investing activities		125	-606
Cash flow from financing activities			
Proceeds from interest-bearing liabilities		2	4
Repayment of interest-bearing liabilities		-29	-37
Interest paid		-5	-8
Purchase of treasury shares	35	-20	-13
Disposal of treasury shares	35	59	28
Dividend paid to equity holders of parent company	35	-460	-328
Distribution from capital contribution reserves	35	-	-179
Dividend paid to non-controlling interests		-2	-1
Total cash flow from financing activities		-455	-534
Exchange difference on cash and cash equivalents		-3	-20
Increase/(decrease) in cash and cash equivalents		223	-480
Cash and cash equivalents at the beginning of the year, net	34	835	1,315
Cash and cash equivalents at the end of the year, net	34	1,058	835

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1 Organisation

Kuehne + Nagel International AG (the Company) is incorporated in Schindellegi (Feusisberg), Switzerland. The Company is one of the world's leading global logistics providers. Its strong market position lies in seafreight, airfreight, the overland and contract logistics businesses.

The Consolidated Financial Statements of the Company for the year ended December 31, 2012, comprises the Company, its subsidiaries (the Group) and its interests in joint ventures.

2 Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

3 Basis of preparation

The Consolidated Financial Statements are presented in Swiss francs (CHF) million and are based on the individual financial statements of the consolidated companies as of December 31, 2012. Those financial statements have been prepared in accordance with uniform accounting policies issued by the Group which comply with the requirements of the International Financial Reporting Standards (IFRS) and Swiss law (Swiss Code of Obligation). The Consolidated Financial Statements are prepared on a

historical cost basis except for certain financial instruments which are stated at fair value. Non-current assets and disposal groups held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The actual result may differ from these estimates. Judgments made by the management in the application of IFRS that have a significant effect on the Consolidated Financial Statements and estimates with a significant risk of material adjustment in the next year are shown in note 51.

The accounting policies are the same as those applied in the Consolidated Financial Statements for the year ended December 31, 2011.

The amended standards that are effective for the 2012 reporting year are not applicable to the Group or do not have a significant impact on the Consolidated Financial Statements.

Adoption of new and revised standards and interpretations in 2013 and later

The following new and revised standards and interpretations have been issued but are not yet effective and not applied early in the Consolidated Financial Statements. Their impact on the Consolidated Financial Statements has not yet been systematically analysed. The expected effects as disclosed in the table below reflect a first assessment by the Group Management.

Standard/interpretation	Effective date	Planned application
IFRS 10 Consolidated Financial Statements ¹	1 January 2013	Reporting year 2013
IFRS 11 Joint Arrangements ¹	1 January 2013	Reporting year 2013
IFRS 12 Disclosure of Interests in Other Entities ²	1 January 2013	Reporting year 2013
IFRS 13 Fair Value Measurement ²	1 January 2013	Reporting year 2013
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income ²	1 July 2012	Reporting year 2013
Amended IAS 19 Employee Benefits ³	1 January 2013	Reporting year 2013
Revised IAS 28 Investments in Associates and Joint Ventures ¹	1 January 2013	Reporting year 2013
Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities ¹	1 January 2013	Reporting year 2013
Improvements to IFRSs (May 2012) ¹	1 January 2013	Reporting year 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 – Consolidated Financial Statements, Joint Arrangements and Disclosures of Interest in Other Entities: Transition Guidance ¹	1 January 2013	Reporting year 2013
Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities ¹	1 January 2014	Reporting year 2014
IFRS 9 Financial Instruments ¹	1 January 2015	Reporting year 2015

1 No or no significant impacts are expected on the Consolidated Financial Statements.

2 The impact on the Consolidated Financial Statements is expected to result in additional disclosures or changes in presentation.

3 The interest costs and expected return on plan assets used in the current version of IAS 19 are replaced with a net interest amount which is calculated by multiplying the discount rate with the net defined benefit obligation. This change will have a negative impact on the expenses for defined benefit plans of CHF 1 million for 2012.

4 Scope of consolidation

The Group's significant subsidiaries and joint ventures are listed on pages 66 to 73. The more significant changes in the scope of consolidation in 2012 relate to the following companies (for further information on the financial impact of the acquisitions refer to note 43):

Changes in the scope of consolidation 2012	Capital share acquired in per cent equals voting rights	Currency	Share capital in 1,000	Acquisition/ incorporation date
Acquisitions				
Link Logistics International Pty. Ltd., Australia	100	AUD	< 1	February 2, 2012
Flowerport Logistics B.V., the Netherlands	100	EUR	2,768	October 1, 2012
AgriAir Logistics B.V., the Netherlands	100	EUR	18	October 1, 2012
Incorporations				
Kuehne & Nagel SAS, Morocco	100	MAD	300	March 1, 2012
Kuehne + Nagel Logistique SASU, France	100	EUR	37	May 1, 2012
KN Ibrakom Logistics Services Ltd, Georgia	60	GEL	83	November 6, 2012

There were no significant divestments in 2012.

The more significant changes in the scope of consolidation for the year 2011 are related to the following companies (for further information on the financial impact of the acquisitions refer to note 43):

Changes in the scope of consolidation 2011	Capital share acquired in per cent equals voting rights	Currency	Share capital in 1,000	Acquisition/ incorporation date
Acquisitions				
Rennies Investment Ltd., Great Britain	100	GBP	< 1	April 1, 2011
Cooltainer Holdings Limited, New Zealand	75	NZD	1,200	April 1, 2011
Eichenberg Group, Brazil	100	BRL	5,349	September 1, 2011
K-Logistics, France	100	EUR	91	September 2, 2011
J. van de Put Fresh Cargo Handling B.V., the Netherlands	100	EUR	18	October 1, 2011
Carl Drude GmbH & Co. KG, Germany	100	EUR	250	October 24, 2011
Amex Ltd., Israel ¹	12.5	ILS	2	December 1, 2011
Incorporations				
Nacora S.A., Colombia	100	COP	20	April 1, 2011
Kuehne + Nagel Syria LLC, Syria	100	SYP	7,000	July 1, 2011
Masika Limited, Kenya	100	KES	40	October 1, 2011
KN Ibrakom Lojistik Hizmetleri Ltd. Sti., Turkey	60	TRY	945	November 1, 2011

¹ The Group previously owned 75 per cent of the share capital and applied the full consolidation method.

There were no significant divestments in 2011.

5 Principles of consolidation

Business Combinations

Business combinations are accounted for by applying the acquisition method. The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, equity interests issued by the Group and the fair value of any contingent consideration. If the contingent consideration is classified as equity, it is not re-measured, and settle-

ment is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, incurred in connection with a business combination are expensed as incurred.

Written put options held by non-controlling shareholders

When the Group has a potential obligation to purchase shares in a subsidiary from a non-controlling shareholder through a written put option, a liability is recognised at fair value, against equity. When a non-controlling shareholder still has present access to the economic benefits associated with the underlying ownership interest, the non-controlling interest in the subsidiary continues to be recognised as a separate component in equity.

The liability is re-estimated at each reporting date. Any subsequent changes in the liability's carrying amount are recognised in profit or loss.

Acquisitions and disposals of non-controlling interests

Changes in the parent's ownership interest in a subsidiary after having obtained control that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners, and the effect of such transactions is recognised in equity. No goodwill is recognised as a result of acquisition of non-controlling interests, and no gain or loss on disposals of non-controlling interests is recognised in profit or loss. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are companies controlled, directly or indirectly, by the Group, where control is defined as the power to govern financial and operating policies of a company so as to obtain benefits from its activities. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50 per cent of the voting rights whereby potential voting rights of a company are also considered. Subsidiaries are included in the Consolidated Financial Statements by the full consolidation method as from the date on which control is transferred to the Group until the date control ceases. The non-controlling interests in equity as well as earnings for the period are reported separately in the Consolidated Financial Statements.

Associates and joint ventures

Investments in associates and joint ventures are accounted for by the equity method. Associates are companies over which the Group exercises significant influence but which it does not control. Significant influence is normally evidenced when the Group owns 20 per cent or more of the voting rights. Potential voting rights of a company are also considered. Joint ventures are entities that are subject to contractually established joint control.

The Group's share of income and expenses of associates and joint ventures is included in the income statement from the date significant influence or joint control commences until the date significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances, transactions, income and expenses are eliminated in preparing the Consolidated Financial Statements.

Foreign exchange translation

Year-end financial statements of consolidated companies are prepared in their respective functional currencies and translated into CHF (the Group's presentation currency) as of year-end. Assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at year-end exchange rates and all items included in the income statement are translated at average exchange rates for the year, which approximate actual rates. Exchange differences originating from such translation methods have no impact on the income statement since they are recognised in other comprehensive income.

Transactions in foreign currencies in individual subsidiaries are translated into the functional currency at actual rates of the transaction day. Monetary assets and liabilities are translated at year-end rates. Non-monetary assets and liabilities that are stated at historical cost are translated at actual rates of the transaction day. Non-monetary assets and liabilities that are stated at fair value, are translated at the rate at the date the values are determined. Exchange differences arising on the translation are included in the income statement.

The major foreign currency conversion rates applied are as follows:

Income statement and cash flow statement (average rates for the year)

Currency	2012 CHF	Variance per cent	2011 CHF
EUR 1.-	1.2062	-2.3	1.2350
USD 1.-	0.9327	4.7	0.8908
GBP 1.-	1.4827	4.2	1.4226

Balance sheet (year-end rates)

Currency	Dec. 2012 CHF	Variance per cent	Dec. 2011 CHF
EUR 1.-	1.2076	-1.2	1.2222
USD 1.-	0.9149	-2.2	0.9353
GBP 1.-	1.4759	0.9	1.4632

6 Financial assets and liabilities

The accounting policy applied to financial instruments depends on how they are classified. The Group's financial assets and liabilities are classified into the following categories:

- The category **financial assets or liabilities at fair value through profit or loss** includes financial assets or liabilities held for trading and financial assets designated as such upon initial recognition. There are no financial liabilities that, upon initial recognition, have been designated at fair value through profit or loss.
- **Loans and receivables** are carried at amortised cost, calculated using the effective interest rate method, less allowances for impairment.
- **Financial assets/investments available for sale** include all financial assets/investments not assigned to one of the above mentioned categories. These could include investments in affiliates that are not associates or joint ventures and investments in bonds and notes. Financial assets/investments available for sale are recognised at fair value, changes in value (after tax) are recognised directly in other comprehensive income until the assets are sold, at which time the amount reported in other comprehensive income is transferred to the income statement. As of December 31, 2012 and 2011, the Group did not have any financial assets/investments available for sale.
- **Financial liabilities** that are not at fair value through profit or loss, are carried at amortised cost calculated using the effective interest rate method.

Derivatives and hedge accounting

Derivative financial instruments (foreign exchange contracts) are used to hedge the foreign exchange exposures on outstanding balances in the Group's internal clearing system, centralised at head office. Given that the Group's hedging activities are limited to hedges of recognised foreign currency monetary items, the Group does not apply hedge accounting under IAS 39. Derivatives are carried at fair value, and all changes in fair value

are recognised immediately in the income statement as part of financial income or expenses. All derivatives with a positive fair value are disclosed as derivative assets and included in the line "financial investments" on the balance sheet, while all derivatives with a negative fair value are disclosed as derivative liabilities and included in the line current "other liabilities".

Impairment of financial assets

If there is any indication that a financial asset (loans and receivables) or financial assets/investments available for sale may be impaired, its recoverable amount is calculated. The recoverable amount of the Group's loans and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

Trade receivables are reported at their anticipated recoverable amounts. The allowance for bad debts is determined based on an individual basis or on a portfolio basis, where there is objective evidence that impairment losses have been incurred. The allowance account is used to record impairment losses unless the Group is satisfied that no recovery of the amount due is possible; at that point the amount considered irrecoverable is written off against the financial assets directly.

Where an asset's recoverable amount is less than its carrying amount, the asset is written down to its recoverable amount. All resultant impairment losses (after reversing previous revaluations recognised in other comprehensive income of available for sale equity securities) are recognised in the income statement.

An impairment loss in respect of a financial asset is reversed if there is a subsequent increase in recoverable amount that can be related objectively to an event occurring after the impairment loss was recognised. Reversals of impairment losses are recognised in the income statement, with the exception for reversals of impairment losses on available for sale equity securities, for which any reversals are recognised in other comprehensive income.

7 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Refer to note 20 for additional information about the segments in the Group.

8 Property, plant and equipment

Property, plant and equipment are included in the Consolidated Financial Statements at cost less accumulated depreciation and accumulated impairment losses. The depreciation is calculated on a straight line basis considering the expected useful life of the individual assets. The estimated useful lives for the major categories are:

Category	Years
Buildings	40
Vehicles	4-10
Leasehold improvements	5
Office machines	4
IT hardware	3
Office furniture	5

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognised in the income statement as an expense as incurred.

9 Leases

Leases that transfer substantially all the risks and rewards of ownership of the leased asset to the Group are classified as finance leases. Other leases are classified as operating leases.

Assets leased under finance leases are included at the present value of the future minimum lease payments or their fair value if lower, less accumulated depreciation and accumulated impairment losses. If there is a reasonable certainty that the Group

will obtain ownership by the end of the lease term, leased assets are depreciated over their useful life. Otherwise, leased assets are depreciated over the shorter of the lease term and their useful life. The interest portion of the lease payments is expensed through the income statement based on the effective interest rate inherent in the lease.

Operating lease payments are treated as operating cost and charged to the income statement on a straight line basis over the lease period unless another basis is more appropriate to reflect the pattern of benefits to be derived from the leased asset.

Any gain or loss from sale and lease-back transaction resulting in operating leases is taken directly to the income statement if the transaction is established at fair value. If the transaction is established below fair value, any loss that is compensated by future lease payments at below market price is deferred and amortised over the length of the period the asset is expected to be used. Any other loss is recognised in the income statement immediately. If the transaction is established above fair value the gain arising on the transaction is deferred and amortised over the period the asset is expected to be used. If the fair value at the time of the sale and lease-back transaction is less than the carrying amount of the asset, a loss equal to the difference between the carrying amount and the fair value is recognised immediately.

10 Intangibles

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill arising on an acquisition represents the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Goodwill is allocated to cash generating units.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is tested annually for impairment at year-end. However, if there is an indication that goodwill would be impaired at any other point in time, an impairment test is performed.

Other intangibles

Other identifiable intangibles (i.e. software, customer lists, customer contracts etc.) purchased from third parties or acquired in a business combination are separately recognised as intangibles, and are stated at cost less accumulated amortisation and accumulated impairment losses. Intangibles acquired in a business combination are recognised separately from goodwill if they are subject to contractual or legal rights or are separately transferable and their fair value can be reliably estimated. Software is amortised over its estimated useful life, three years maximum. Other intangibles are amortised on a straight line basis over their estimated useful life (up to ten years maximum). There are no intangibles with indefinite useful life recognised in the Group's balance sheet.

11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand as well as short-term deposits and highly liquid investments with a term of three months or less from the date of acquisition that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist also of bank overdrafts that are repayable on demand as forming an integral part of the Group's cash management.

12 Impairment of non-financial assets

The carrying amounts of the Group's investments in associates and joint ventures, its intangibles and property, plant and equipment, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill is tested for impairment every year. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of a recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment losses

An impairment loss in respect of goodwill is not reversed. In respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

13 Share capital

Shares

Shares are classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognised as a deduction from equity.

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from the share premium.

14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event if it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

15 Pension plans, severance payments and share-based compensation plans

Some consolidated companies maintain pension plans in favour of their personnel in addition to the legally required social insurance schemes. The pension plans partly exist as independent trusts and are operated either under a defined contribution or a defined benefit plan.

Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and previous periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on "AA" credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which benefits are expected to be paid. The calculation is performed by an independent, qualified actuary using the projected unit credit method.

All actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised in the income statement as an expense in the periods during which services are rendered by the employees.

Severance payments

The Group provides severance benefits to employees as legally required in certain countries, which are accounted for as defined benefit plans if material.

Share-based compensation plans

Share matching plan (SMP)

The Company implemented a new share-based compensation plan effective August 7, 2012, referred to as "share matching plan (SMP)" that is replacing the employee share purchase and option plan (SPOP) implemented in 2001. This new long-term incentive plan allows selected Group employees to acquire shares of the Company with a discount compared to the actual share price at a specified date; such shares are blocked for three years and give its holder immediate voting rights and rights to receive dividends.

For each purchased share, the Company will match additional shares upon completion of a three years vesting period and service condition during the same period. The level of the share match (share match ratio) is defined based on the achieved performance over the next three financial years against defined targets. For further details about the new plan refer to note 37.

Share purchase and option plan (SPOP)

The Group's previous employee share purchase and option plan was discontinued as of July 1, 2012. It allowed selected employees of the Group to acquire shares of the Company at a reduced price at a specified date; such shares are blocked for three years and give its holder immediate voting rights and rights to receive dividends. For each share purchased under this plan, the Company granted two options to the participants. Each option entitled the participant to purchase one share of the Company at a pre-defined price upon completion of the three years vesting period and service condition during the same period. For further details about this plan, refer to note 37.

Accounting

When employees purchase shares at a discounted price under both plans, the difference between the fair value of the shares at purchase date and the purchase price of the shares is recognised as a personnel expense with a corresponding increase in equity. The fair value of the shares granted is measured at the market price of the Company's shares.

The fair value of shares matched under SMP is recognised as a personnel expense with a corresponding increase in equity. The fair value of matched shares is equal to the market price at grant date reduced by the present value of the expected dividends during the vesting period; recognised as personnel expense over the relevant vesting periods. The amount expensed is adjusted to reflect actual and expected levels of vesting.

The fair value of options granted under SPOP is recognised as a personnel expense with a corresponding increase in equity. The fair value of the granted options is calculated using the lattice binomial model and is measured at grant date; recognised as personnel expense over the relevant vesting periods. The amount expensed is adjusted to reflect actual and expected levels of vesting.

16 Revenue recognition

The Company generates its revenues from five principal services: 1) Seafreight, 2) Airfreight, 3) Road & Rail Logistics, 4) Contract Logistics and 5) Insurance Brokers. Revenues reported in each of these reportable segments include revenues generated from the principal service as well as revenues generated from services like customs clearance, export documentation, import documentation, door-to-door service and arrangement of complex logistics supply movement, that are incidental to the principal service.

In Seafreight, Airfreight and Road & Rail Logistics the Group generates the majority of its revenues by purchasing transportation services from direct (asset-based) carriers and selling a combination of those services to its customers. In its capacity of arranging carrier services, the Group issues to customers a contract of carriage. Revenues related to shipments are recognised based upon the terms in the contract of carriage. Revenues from other services involving providing services at destination are recognised when the service is completed and invoiced.

In Contract Logistics the principal services are related to customer contracts for warehouse and distribution activities. Based on the customer contracts, revenues are recognised when service is rendered and invoiced.

In Insurance Brokers, the principal service is the brokerage of insurance coverage, mainly marine liability. Revenues are recognised, when a policy is issued and invoiced.

When a service is completed and not invoiced, related costs are deferred as work in progress.

A better indication of performance in the logistics industry compared to the turnover is the gross profit. The gross profit represents the difference between the turnover and the cost of services rendered by third parties for all reportable segments.

17 Interest expenses and income

Interest income is recognised as it accrues using the effective interest method.

Borrowing costs that are not directly attributable to an acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method. The Group has not capitalised any borrowing costs as it does not have any qualifying assets.

18 Income taxes

Income tax on earnings for the year comprises current and deferred tax. Both current and deferred tax are recognised in the income statement, except to the extent that the tax relates to business combinations or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable for previous years.

Deferred tax is recognised based on the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The following temporary differences are not accounted for: Initial recognition of goodwill, initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset in respect of temporary differences or unused tax losses is recognised only to the extent it is probable that future

taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realised.

19 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than from continuing use. The asset (or disposal group) must be available for immediate sale in its present condition and the sale must be highly probable. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is updated in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in the income statement. Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations, or is a company acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or, if earlier, when the operation meets the criteria to be classified as held for sale.

OTHER NOTES

20 Segment Reporting

a) Reportable segments

The Group provides integrated logistics solutions across customers' supply chains using its global logistics network. The business is divided into six operating segments namely **Seafreight, Airfreight, Road & Rail Logistics, Contract Logistics, Real Estate and Insurance Brokers**. These six reportable segments reflect the internal management and reporting structure to the Management Board (the chief operating decision maker, CODM) and are managed through specific organisational structures. The CODM reviews internal management reports on a monthly basis. Each segment is a distinguishable business unit and is engaged in providing and selling discrete products and services.

The discrete distinction between Seafreight, Airfreight and Road & Rail Logistics is the usage of the same transportation mode within a reportable segment. In addition to common business processes and management routines, a single main transportation mode is used within a reportable segment. For the reportable segment Contract Logistics the services performed are related to customer contracts for warehouse and distribution activities, whereby services performed are storage, handling and distribution. In the

reportable segment Real Estate, activities mainly related to internal rent of facilities are reported. Under Insurance Brokers, activities exclusively related to brokerage of insurance coverage, mainly marine liability, are reported.

Pricing between segments is determined on an arm's length basis. The accounting policies of the reportable segments are the same as applied in the Consolidated Financial Statements.

Information about the reportable segments is presented on the next pages. Segment performance is based on EBIT as reviewed by the CODM. The column "elimination" is eliminations of turnover and expenses between segments. All operating expenses are allocated to the segments and included in the EBIT.

b) Geographical information

The Group is operating on a worldwide basis in the following geographical areas: **Europe, Americas, Asia-Pacific and Middle East, Central Asia and Africa**. All products and services are provided in each of these geographical regions. The segment revenue is based on the geographical location of the customers invoiced, and segment assets are based on the geographical location of assets.

c) Major customers

There is no single customer who represents more than 10 per cent of the Group's total revenue.

a) Reportable segments

CHF million	Total Group		Seafreight		Airfreight		Road & Rail Logistics		
	2012	2011	2012	2011	2012 ¹	2011	2012	2011	
Invoiced turnover (external customers)	20,753	19,596	9,059	8,330	4,063	4,020	3,155	2,967	
Invoiced inter-segment turnover	-	-	1,667	1,582	2,260	2,305	1,252	1,185	
Customs duties and taxes	-3,633	-3,378	-2,416	-2,231	-658	-616	-271	-282	
Net invoiced turnover	17,120	16,218	8,310	7,681	5,665	5,709	4,136	3,870	
Net expenses for services from third parties	-11,026	-10,320	-7,035	-6,427	-4,828	-4,914	-3,249	-3,013	
Gross profit	6,094	5,898	1,275	1,254	837	795	887	857	
Total expenses ¹	-5,238	-4,920	-860	-816	-673	-543	-851	-815	
EBITDA	856	978	415	438	164	252	36	42	
Depreciation of property, plant and equipment	-146	-154	-16	-17	-11	-10	-26	-30	
Amortisation of other intangibles	-74	-69	-8	-8	-14	-7	-26	-25	
Impairment of other intangibles	-2	-5	-	-2	-1	-3	-	-	
EBIT (segment profit/(loss))	634	750	391	411	138	232	-16	-13	
Financial income	12	20							
Financial expenses	-5	-8							
Result from joint ventures and associates	4	4	1	2	1	-	2	1	
Earnings before tax (EBT)	645	766							
Income tax	-152	-160							
Earnings for the year	493	606							
Attributable to:									
Equity holders of the parent company	485	601							
Non-controlling interests	8	5							
Earnings for the year	493	606							
Additional information not regularly reported to the CODM									
Non-current segment assets	2,203	2,239	100	121	88	65	321	364	
Segment assets	6,279	6,141	1,233	1,172	687	633	822	758	
Segment liabilities	3,854	3,736	1,136	1,110	644	641	645	580	
Allocation of goodwill	694	696	47	45	42	39	214	217	
Allocation of other intangibles	141	196	19	25	25	26	67	94	
Capital expenditure property, plant and equipment	163	207	16	22	14	15	19	81	
Capital expenditure other intangibles	12	11	3	2	2	2	1	1	
Property, plant and equipment, goodwill and intangibles through business combinations	16	263	-	47	16	53	-	157	
Non-cash expenses	222	104	22	15	85	11	30	17	

¹ Total expenses in 2012 include an expense for EU commission antitrust fines of CHF 65 million in Airfreight.

b) Geographical information

CHF million	Total Group		Europe		Americas	
	2012	2011	2012 ¹	2011	2012	2011
Invoiced turnover (external customers)	20,753	19,596	12,472	12,396	4,572	4,017
Invoiced inter-region turnover	-	-	2,979	3,186	737	676
Customs duties and taxes	-3,633	-3,378	-1,971	-1,971	-878	-720
Net invoiced turnover	17,120	16,218	13,480	13,611	4,431	3,973
Net expenses for services from third parties	-11,026	-10,320	-9,136	-9,331	-3,458	-3,095
Gross profit	6,094	5,898	4,344	4,280	973	878
Total expenses ¹	-5,238	-4,920	-3,870	-3,716	-812	-729
EBITDA	856	978	474	564	161	149
Depreciation of property, plant and equipment	-146	-154	-109	-119	-22	-19
Amortisation of other intangibles	-74	-69	-63	-62	-7	-4
Impairment of other intangibles	-2	-5	-2	-5	-	-
EBIT	634	750	300	378	132	126
Financial income	12	20				
Financial expenses	-5	-8				
Result from joint ventures and associates	4	4	4	4	-	-
Earnings before tax (EBT)	645	766				
Income tax	-152	-160				
Earnings for the year	493	606				
Attributable to:						
Equity holders of the parent company	485	601				
Non-controlling interests	8	5				
Earnings for the year	493	606				
Non-current assets	2,203	2,239	1,610	1,678	215	233
Additional information not regularly reported to the CODM						
Segment assets	6,279	6,141	3,383	3,373	860	818
Segment liabilities	3,854	3,736	2,457	2,382	558	538
Allocation of goodwill	694	696	553	555	110	114
Allocation of other intangibles	141	196	118	165	15	21
Capital expenditure property, plant and equipment	163	207	111	157	21	22
Capital expenditure other intangibles	12	11	11	10	1	-
Property, plant and equipment, goodwill and intangibles through business combinations	16	263	9	160	2	59
Non-cash expenses	222	104	185	81	12	15

¹ Total expenses in 2012 include an expense for EU commission antitrust fines of CHF 48 million in Europe and CHF 17 million in Asia-Pacific.

	Asia-Pacific		Middle East, Central Asia and Africa		Eliminations		Unallocated Corporate	
	2012 ¹	2011	2012	2011	2012	2011	2012	2011
	2,120	1,829	1,589	1,354	-	-	-	-
	1,231	1,190	438	229	-5,385	-5,281	-	-
	-273	-202	-511	-485	-	-	-	-
	3,078	2,817	1,516	1,098	-5,385	-5,281	-	-
	-2,514	-2,256	-1,303	-919	5,385	5,281	-	-
	564	561	213	179	-	-	-	-
	-383	-334	-173	-141	-	-	-	-
	181	227	40	38	-	-	-	-
	-9	-10	-6	-6	-	-	-	-
	-4	-2	-	-1	-	-	-	-
	-	-	-	-	-	-	-	-
	168	215	34	31	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	88	81	56	46	-	-	234	201
	374	336	311	261	-	-	1,351	1,353
	332	305	199	162	-	-	308	349
	25	21	6	6	-	-	-	-
	8	10	-	-	-	-	-	-
	14	15	17	13	-	-	-	-
	-	1	-	-	-	-	-	-
	5	43	-	1	-	-	-	-
	22	6	3	2	-	-	-	-

b) Geographical information

Country information

CHF million	2012		2011	
	Non-current assets	Invoiced turnover	Non-current assets	Invoiced turnover
Switzerland ¹	9	367	6	352
Germany ¹	524	3,911	511	3,984
USA ²	102	2,236	114	2,029
China ³	9	647	6	603
South Africa ⁴	2	454	2	459

¹ Part of region Europe.

² Part of region Americas.

³ Part of region Asia-Pacific.

⁴ Part of region Middle East, Central Asia and Africa.

21 Personnel expenses

CHF million	2012	2011
Salaries and wages	2,867	2,711
Social expenses and employee benefits	629	588
Expenses for share-based compensation plans	10	7
Expenses for pension plans		
– defined benefit plans	21	20
– defined contribution plans	53	49
Other	25	11
Total	3,605	3,386

22 Selling, general and administrative expenses

CHF million	2012	2011
Administration	215	201
Communication	78	74
Travel and promotion	76	86
Vehicles	293	293
Operating expenses	231	242
Facilities	682	633
Bad debt and collection expenses	17	13
Total	1,592	1,542

23 Other operating income/expenses, net

CHF million	2012	2011
Gain on disposal of property, plant and equipment	24	12
Gain on disposal of associate ¹	5	-
Loss on disposal of property, plant and equipment	-5	-4
Total other operating income/expenses, net	24	8
Expense for EU antitrust fine ²	-65	-
Total	-41	8

¹ In 2012, a disposal of one associate resulted in a cash inflow of CHF 5 million and a gain of CHF 5 million.

² See also note 41.

24 Financial income and expenses

CHF million	2012	2011
Interest income	6	10
Net change in fair value of financial investments, including derivative instruments	-	2
Exchange differences, net	6	8
Financial income	12	20
Interest expenses	-5	-8
Financial expenses	-5	-8
Net financial result	7	12

25 Income tax

CHF million	2012	2011
Current tax expense		
– in current year	190	173
– under/(over)-provided in previous years	3	1
	193	174
Deferred tax expense from		
– changes in temporary differences	-15	4
– impact of deferred tax assets previously not recognised	-26	-18
	-41	-14
Income tax	152	160

Income tax of CHF 19 million (2011: CHF 1 million) relating to actuarial gains and losses of CHF 58 million before tax

(2011: CHF 17 million) arising from defined benefit plans is recognised in other comprehensive income.

Reconciliation of the effective tax rate

The contributing factors for the difference between the expected tax rate (the Group's overall expected tax rate is calculated as

the weighted average tax rate based on earnings before tax of each subsidiary and can change on a yearly basis) and the effective tax are as follows:

CHF million	2012	per cent	2011	per cent
Earnings before tax according to the income statement	645		766	
Income tax/expected tax rate	137	21.2	154	20.1
Tax effect on				
– tax exempt (income)/non-deductible expenses	24	3.7	12	1.6
– tax losses (utilised)/expired	-3	-0.5	-7	-0.9
– change of deferred tax assets not recognised	-26	-4.0	-18	-2.3
– under/(over)-provided in previous years	3	0.5	1	0.1
– unrecoverable withholding taxes	13	2.0	9	1.2
– other	4	0.6	9	1.2
Income tax/effective tax rate	152	23.5	160	21.0

Deferred tax assets and liabilities

CHF million	Assets ¹		Liabilities ¹		Net ¹	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Property, plant and equipment	33	34	-69	-73	-36	-39
Goodwill and other intangibles	28	24	-47	-54	-19	-30
Trade receivables	17	17	-4	-4	13	13
Other receivables	4	4	-25	-23	-21	-19
Finance lease obligations	13	19	-	-	13	19
Provisions for pension plans and severance payments	42	8	-2	-1	40	7
Other liabilities	50	50	-4	-1	46	49
Tax value of loss carry-forwards recognised	8	6	-	-	8	6
Tax assets/(liabilities)	195	162	-151	-156	44	6
¹ of which acquired in business combinations (opening balance sheet)	1	4	-2	-18	-1	-14

The recognised deferred tax assets relating to tax losses carried forward are expected to be used by the end of the next two years at the latest.

Unrecognised deferred tax assets

CHF million	Dec. 31, 2012	Dec. 31, 2011
On tax losses	44	59
Deductible temporary differences	-	23
Total	44	82

It is not probable that future taxable profits will be available against which the unrecognised deferred tax assets can be used. The substantial part of unrecognised deferred tax assets is relating to tax losses that do not expire.

26 Earnings per share

The following reflects the data used in the basic and diluted earnings per share computations for the years ending December 31.

Earnings per share	2012	2011
Earnings for the year attributable to the equity holders of the parent company in CHF million	485	601
Weighted average number of ordinary shares outstanding during the year	119,511,009	119,257,580
Dilutive effect on number of shares outstanding:		
Share-based compensation plans	87,265	179,875
Adjusted weighted number of ordinary shares applicable to diluted earnings per share	119,598,274	119,437,455
Basic earnings per share in CHF	4.06	5.04
Diluted earnings per share in CHF	4.06	5.03

27 Property, plant and equipment

2012

CHF million	Properties including buildings on third parties' land	Properties, buildings under finance leases	Other operating and office equipment under finance leases	Other operating and office equipment	Total
Cost					
Balance as of January 1, 2012	848	192	44	622	1,706
Additions through business combinations	-	-	1	2	3
Other additions	28	-	1	134	163
Disposals	-26	-	-4	-74	-104
Adjustments/transfers	-16	-	3	13	-
Effect of movements in foreign exchange	-7	-3	-	-9	-19
Balance as of December 31, 2012	827	189	45	688	1,749
Accumulated depreciation and impairment losses					
Balance as of January 1, 2012	120	9	28	403	560
Depreciation charge for the year	19	4	8	115	146
Disposals	-12	-	-3	-66	-81
Adjustments/transfers	-	-	1	-1	-
Effect of movements in foreign exchange	-1	-1	-	-8	-10
Balance as of December 31, 2012	126	12	34	443	615
Carrying amount					
As of January 1, 2012	728	183	16	219	1,146
As of December 31, 2012	701	177	11	245	1,134

Fire insurance value as of December 31, 2012: CHF 1,991 million.
No restriction on the title exists except for items under finance leases as of December 31, 2012.

2011					
CHF million	Properties including buildings on third parties' land	Properties, buildings under finance leases	Other operating and office equipment under finance leases	Other operating and office equipment	Total
Cost					
Balance as of January 1, 2011	733	247	48	572	1,600
Additions through business combinations	30	-	4	20	54
Other additions	72	-	2	133	207
Disposals	-7	-	-12	-69	-88
Adjustments/transfers	45	-48	3	-	-
Effect of movements in foreign exchange	-25	-7	-1	-34	-67
Balance as of December 31, 2011	848	192	44	622	1,706
Accumulated depreciation and impairment losses					
Balance as of January 1, 2011	99	13	26	379	517
Depreciation charge for the year	23	4	11	116	154
Disposals	-5	-	-8	-65	-78
Adjustments/transfers	7	-7	-	-	-
Effect of movements in foreign exchange	-4	-1	-1	-27	-33
Balance as of December 31, 2011	120	9	28	403	560
Carrying amount					
As of January 1, 2011	634	234	22	193	1,083
As of December 31, 2011	728	183	16	219	1,146

Fire insurance value as of December 31, 2011: CHF 1,788 million.
No restriction on the title exists except for items under finance leases as of December 31, 2011.

28 Goodwill and other intangibles

2012		
CHF million	Goodwill	Other intangibles ¹
Cost		
Balance as of January 1, 2012	717	639
Additions through business combinations	4	9
Other additions	-	12
Deletions	-	-10
Effect of movements in foreign exchange	-10	-4
Balance as of December 31, 2012	711	646
Accumulated amortisation and impairment losses		
Balance as of January 1, 2012	21	443
Amortisation charge for the year	-	74
Impairment loss	-	2 ²
Deletions	-	-10
Effect of movements in foreign exchange	-4	-4
Balance as of December 31, 2012	17	505
Carrying amount		
As of January 1, 2012	696	196
As of December 31, 2012	694	141

¹ Other intangibles mainly comprise customer contracts/lists and software.

² The impairment charge of CHF 2 million relates to other intangibles pertaining to reportable segments Airfreight and Contract Logistics recognised upon the acquisitions of J. Martens Group, Norway and ACR Group, Europe due to loss of customer contracts.

2011		
CHF million	Goodwill	Other intangibles ¹
Cost		
Balance as of January 1, 2011	615	556
Additions through business combinations	121	88
Other additions	-	11
Deletions	-	-2
Effect of movements in foreign exchange	-19	-14
Balance as of December 31, 2011	717	639
Accumulated amortisation and impairment losses		
Balance as of January 1, 2011	25	380
Amortisation charge for the year	-	69
Impairment loss	-	5 ²
Deletions	-	-2
Effect of movements in foreign exchange	-4	-9
Balance as of December 31, 2011	21	443
Carrying amount		
As of January 1, 2011	590	176
As of December 31, 2011	696	196

1 Other intangibles mainly comprise customer contracts/lists and software.

2 The impairment charge of CHF 5 million relates to other intangibles pertaining to reportable segments Seafreight and Airfreight recognised upon the acquisition of J. Martens Group, Norway, due to loss of customer contracts.

Impairment testing of goodwill

The Group has performed impairment tests of goodwill at the end of the financial years 2012 and 2011. For the purpose of impairment testing, goodwill is allocated to cash generating units which are expected to benefit from the synergies of the corresponding business combination. The goodwill impairment test is performed at the level of a cash-generating unit or a group of cash-generating units represented by a business unit in the respective country. The allocation of goodwill to reportable segments (business units) and geographical regions is further illustrated in note 20.

For the goodwill allocated to the cash generating units, the impairment tests are based on calculations of value in use. Cash flow projections are based on actual operating results and three-year business plans. Cash flows beyond the three-year period are extrapolated using estimated long-term growth rates. The growth rates do not exceed the long-term average growth rate for the logistics industry in which the cash generating units operate. Future cash flows are discounted based on the weighted average cost of capital (WACC), taking into account risks that are specific to the cash generating units tested for impairment.

Key assumptions used for value-in-use calculations of goodwill:

Business acquired	USCO Group	ACR Group, Europe ¹	Alloin Group, France	Multiple units ²	Total
Year of acquisition	2001	2006	2009	2004–2012	
Carrying amount of goodwill in CHF million	81	289	87	237	694
Cash-generating unit within segment	Contract Logistics	Contract Logistics	Road & Rail Logistics	All Segments	
Basis for recoverable amount	Value in use	Value in use	Value in use	Value in use	
Pre-tax discount rate in per cent 2012	13.3	11.5–16.8	12.6	11.3–18.0	
Pre-tax discount rate in per cent 2011	12.2	11.6–13.5	12.3	11.1–17.9	
Projection period	3 years	3 years	3 years	3 years	
Terminal growth rate in per cent	1.5	1.5	1.5	1.5	

¹ ACR Group, Europe goodwill relates to Great Britain (CHF 99 million), France (CHF 68 million), Netherlands (CHF 56 million) and other various countries (CHF 66 million).

² Including cash generating units without significant goodwill Cordes & Simon Group, Germany (CHF 38 million), G.L. Kayser Group, Germany (CHF 36 million) and J. Martens Group, Norway (CHF 31 million), RH Group, United Kingdom (CHF 53 million), Cooltainer, New Zealand (CHF 22 million), Eichenberg Group, Brazil (CHF 20 million), J. Van de Put, Netherlands (CHF 12 million).

Key assumptions have not changed from previous year with the exception of discount rates used. For both 2012 and 2011, all recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised for the years 2012 and 2011.

Management considers that it is not likely for the assumptions used to change so significantly as to eliminate the excess. A sensitivity analysis for the three major acquisitions – USCO Group, ACR Group and Alloin Group – has been prepared with the following outcome:

Sensitivity analysis of goodwill USCO Group

Amount of excess (+)/necessary impairment (-) in CHF million depending on:

CHF million	Discount rate			
	14.0 per cent	15.0 per cent	16.0 per cent	17.0 per cent
Growth rate				
0.0 per cent	22	15	9	3
0.5 per cent	25	18	11	5
1.0 per cent	29	20	13	7
1.5 per cent	32	23	16	9

Sensitivity analysis of goodwill ACR Group

Amount of excess (+)/necessary impairment (-) in CHF million depending on:

CHF million	Discount rate			
	15.0 per cent	16.0 per cent	17.0 per cent	18.0 per cent
Growth rate				
0.0 per cent	352	316	284	256
0.5 per cent	366	328	294	265
1.0 per cent	381	341	305	274
1.5 per cent	397	354	317	285

Sensitivity analysis of goodwill Alloin Group

Amount of excess (+)/necessary impairment (-) in CHF million depending on:

CHF million	Discount rate			
	13.0 per cent	14.0 per cent	15.0 per cent	16.0 per cent
Growth rate				
0.0 per cent	48	36	26	17
0.5 per cent	53	41	30	20
1.0 per cent	59	45	34	23
1.5 per cent	65	50	38	27

29 Investments in joint ventures

As of December 31, 2012, the following investments in joint ventures are held (all with 50 per cent voting rights/KN share):

- KN-ITS S.A.L., Lebanon
- Cologic S.A., Luxembourg
- Kuehne + Nagel Drinkflow Logistics, Ltd., Great Britain
- Kuehne + Nagel Drinkflow Logistics (Holdings) Ltd., Great Britain
- Sindos Railcontainer Services S.A., Greece

The table below provides a summary of financial information on joint ventures (100 per cent):

CHF million	Dec. 31, 2012	Dec. 31, 2011
Non-current assets	57	54
Current assets	59	59
Non-current liabilities	-	-
Current liabilities	38	34
Net invoiced turnover	293	303
Earnings for the year	-	-

No significant investments in associates were held at December 31, 2012 and 2011.

30 Work in progress

This position increased from CHF 275 million in 2011 to CHF 306 million in 2012 which represents a billing delay of 5.5 working days against the previous year's 5 working days.

31 Trade receivables

CHF million	2012	2011
Trade receivables	2,503	2,345
Impairment allowance	-75	-67
Total trade receivables	2,428	2,278

The majority of all billing is done in the respective Group companies' own functional currencies and is mainly in EUR 42.8 per cent (2011: 45.2 per cent), USD 12.1 per cent (2011: 12.6 per cent) and GBP 8.9 per cent (2011: 8.9 per cent).

No trade receivables in 2012 and 2011 are pledged.

The Group has a credit insurance program in place, covering trade receivables, focusing mainly on small and medium exposures. The credit insurance policy covers up to 80 per cent of the approved customer credit limit, excluding any items more than 120 days past due. As a company policy, the Group excludes companies from its insurance program based on certain criteria (so-called blue chip companies).

The Group establishes an impairment allowance that represents its estimate of incurred losses in respect of trade receivables. The two components of this impairment allowance of CHF 75 million (2011: CHF 67 million) are:

- specific loss component that relates to individually significant exposure
- collective loss component based on historical experience.

Trade receivables with credit insurance cover are not included in the impairment allowance. The individual impairment allowance relates to specifically identified customers representing extremely high risk of being declared bankrupt, Chapter 11 companies in the USA and customers operating with significant financial difficulties (such as negative equity). The impairment allowance for individually significant exposures is CHF 44 million at year-end 2012 (2011: CHF 42 million).

The collective impairment allowance based on overdue trade receivables is estimated considering past experience of payment statistics. The Group has established a collective impairment allowance of CHF 31 million (2011: CHF 25 million) which represents 3.0 per cent (2011: 2.6 per cent) of total outstanding trade receivables, excluding trade receivables with insurance cover (see above) and trade receivables included in the individual impairment allowance.

The majority of the trade receivables not past due relates to customers who have good track record with the Group and are subject to yearly credit risk assessments. Therefore, the Group does not believe that an additional impairment allowance for these trade receivables is necessary.

CHF million	2012			2011		
	Gross (excluding insured receivables and individual allowance)	Collective allowance	Collective allowance per cent of subtotal	Gross (excluding insured receivables and individual allowance)	Collective allowance	Collective allowance per cent of subtotal
Not past due	625	-	-	658	-	-
Past due 1-30 days	279	-	-	194	-	-
Past due 31-90 days	83	4	5	65	3	5
Past due 91-180 days	19	2	10	17	2	10
Past due 181-360 days	18	18	100	15	15	100
More than 1 year	7	7	100	5	5	100
Total	1,031	31	3.0	954	25	2.6

The movement in the impairment allowance during the year was as follows:

CHF million	2012			2011		
	Individual allowance	Collective allowance	Total allowance	Individual allowance	Collective allowance	Total allowance
Balance as of January 1	42	25	67	37	20	57
Additions through business combinations	-	-	-	-	3	3
Additional impairment losses recognised	21	10	31	18	7	25
Reversal of impairment losses and write-offs	-19	-4	-23	-13	-5	-18
Balance as of December 31	44	31	75	42	25	67

Trade receivables outstanding at year-end averaged 42.6 days (2011: 42.2 days). 95.1 per cent (2011: 94.4 per cent) of the total trade receivables were outstanding between 1 and 90 days.

32 Other receivables

CHF million	Dec. 31, 2012	Dec. 31, 2011
Receivables from tax authorities	29	31
Deposits	30	29
Sundry	57	40
Total other receivables	116	100
Income tax receivables	34	49
Total	150	149

The majority of the other receivables are held in the respective Group companies' own functional currencies which represents EUR 54.5 per cent (2011: 45.9 per cent), USD 8.0 per cent (2011: 19.0 per cent) and GBP 0.7 per cent (2011: 0.7 per cent).

33 Financial investments and derivative instruments

Financial investments

Maturity from date of acquisition CHF million	2012			2011		
	< 3 months	> 3 months	Total	< 3 months	> 3 months	Total
Investments in sovereign debt securities						
– denominated in foreign currency (EUR)	-	-	-	61	152	213
– denominated in Swiss francs (CHF)	-	-	-	-	63	63
Investments in corporate debt securities						
– denominated in foreign currency (EUR)	-	-	-	-	35	35
Total	-	-	-	61	250	311

The investments in debt securities as of December 31, 2011, were designated as assets at fair value through profit or loss. Financial

investments having a maturity date of 3 months or less from the date of acquisition are presented in cash and cash equivalents.

Derivative instruments

CHF million	2012		2011	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Forward foreign exchange contracts				
– fair value	-	-	2	-
– notional amount	-	-	259	-

As of December 31, 2011, the remaining life of the derivative instruments was between 4 and 116 days.

As of December 31, 2012, no material financial investments and derivative instruments were held.

34 Cash and cash equivalents

CHF million	Dec. 31, 2012	Dec. 31, 2011
Cash in hand	2	3
Cash at banks	919	694
Short-term deposits	162	93
Financial investments	-	61
Cash and cash equivalents	1,083	851
Bank overdraft	-25	-16
Cash and cash equivalents in the cash flow statement, net	1,058	835

The majority of the above mentioned amounts is held in commercial banks and cash and cash equivalents are managed centrally in order to limit currency risks. A netting system and a Group cash pool are in place which also further reduces the currency

exposure. Most of the bank balances held by Group companies are in their respective functional currencies, which are mainly in CHF, EUR, USD and GBP.

35 Equity

Share capital and treasury shares 2012

2012		Balance Dec. 31			Jan. 1
	Registered shares of nominal CHF 1 per share	CHF million	Capital share per cent	Voting share per cent	Registered shares of nominal CHF 1 per share
Main shareholders					
Kuehne Holding AG, Schindellegi (Feusisberg)	63,900,000	64	53.3	53.4	63,900,000
Public shareholders	55,834,609	56	46.5	46.6	55,408,099
Entitled to voting rights and dividends	119,734,609	120	99.8	100.0	119,308,099
Treasury shares	265,391	-	0.2		691,901
Total	120,000,000	120	100.0		120,000,000

In 2012 the Company sold 628,527 (2011: 309,089) treasury shares for CHF 59 million (2011: CHF 28 million) under the share-based compensation plans. The Company also purchased 202,017 (2011: 123,510) treasury shares for CHF 20 million (2011: CHF 13 million).

On December 31, 2012, the Company had 265,391 treasury shares (2011: 691,901), of which 265,391 (2011: 691,901) are

blocked under the share-based compensation plans; refer to note 37 for more information.

Dividends

The proposed dividend payment, subject to approval by the Annual General Meeting, is as follows:

Year	per share	CHF million
2013	CHF 3.50	419

The dividend payment 2012 to owners amounted to CHF 3.85 per share or CHF 460 million (2011: CHF 2.75 per share or CHF 328 million).

Capital contribution reserves distribution

During 2012 there was no distribution from capital contribution reserves to the shareholders (2011: CHF 1.50 per share amounting to CHF 179 million).

Share capital and treasury shares 2011

2011		Balance Dec. 31			Jan. 1
	Registered shares of nominal CHF 1 per share	CHF million	Capital share per cent	Voting share per cent	Registered shares of nominal CHF 1 per share
Main shareholders					
Kuehne Holding AG, Schindellegi (Feusisberg)	63,900,000	64	53.3	53.6	63,900,000
Public shareholders	55,408,099	55	46.1	46.4	55,222,520
Entitled to voting rights and dividends	119,308,099	119	99.4	100.0	119,122,520
Treasury shares	691,901	1	0.6		877,480
Total	120,000,000	120	100.0		120,000,000

Authorised and conditional share capital

The Annual General Meeting held on May 8, 2012, extended its authorisation of authorised share capital up to a maximum of CHF 20 million by another two years until May 6, 2014.

The Annual General Meeting held on May 2, 2005, approved a conditional share capital increase up to a maximum of CHF 12 million and to add a respective section in the articles of association.

The Annual General Meeting held on May 8, 2012, approved a conditional share capital increase up to a maximum of CHF 20 million for the purposes of investments of employees of the company or of one of its affiliated companies.

So far no use has been made of these rights. There is no resolution of the Board of Directors outstanding for further issuance of either authorised or conditional capital.

Capital Management

The Group defines the capital that it manages as the Group's total equity, including non-controlling interests. The Group's main objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it can continue to provide services to its customers;
- To provide an adequate return to investors based on the level of risk undertaken;
- To have the necessary financial resources available to allow the Group to invest in areas that may deliver future benefits for customers and investors.

Capital is monitored on the basis of the equity ratio and its development is shown in the table below:

CHF million	2012	2011	2010	2009	2008
Total equity	2,425	2,405	2,378	2,290	2,073
Total assets	6,279	6,141	5,941	5,933	5,555
Equity ratio in per cent	38.6	39.2	40.0	38.6	37.3

The Group is not subject to regulatory capital adequacy requirements as known in the financial services industry.

36 Provisions for pension plans and severance payments

The Group maintains defined benefit pension plans predomi-

nantly in Germany, the Netherlands, the USA and Switzerland as well as defined contribution plans in some other countries. Retirement benefits vary from plan to plan reflecting applicable local practices and legal requirements. Retirement benefits are based on years of credited service and the compensation as defined.

CHF million	Pension plans	Severance payments	Total
Balance as of January 1, 2011	248	36	284
Provisions made	20	2	22
Provisions used	-17	-2	-19
Actuarial (gains)/losses recognised in other comprehensive income	17	-	17
Effect of movements in foreign exchange	-7	-1	-8
Balance as of December 31, 2011	261	35	296
Provisions made	21	7	28
Provisions used	-17	-5	-22
Actuarial (gains)/losses recognised in other comprehensive income	58	-	58
Effect of movements in foreign exchange	-3	-	-3
Balance as of December 31, 2012	320	37	357

CHF million	2012			2011		
	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Present value of obligations	181	271	452	161	218	379
Fair value of plan assets	-132	-	-132	-118	-	-118
Present value of net obligations	49	271	320	43	218	261
Recognised liability for defined benefit obligations	49	271	320	43	218	261
Pension plan assets						
Debt securities	79	-	79	68	-	68
Equity securities	30	-	30	27	-	27
Property	8	-	8	9	-	9
Others	15	-	15	14	-	14
Total	132	-	132	118	-	118

The pension plan assets are held in multi-employer funded plans. The Group is not in a position to state whether the funded plans

contain any investments in shares of Kuehne + Nagel International AG or in any property occupied by the Group.

CHF million	2012			2011		
	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Movements of fair value of plan assets						
Opening fair value of plan assets	118	-	118	98	-	98
Employer contribution	8	-	8	7	-	7
Employee contribution	4	-	4	4	-	4
Actuarial gains/(losses) recognised in other comprehensive income	2	-	2	-6	-	-6
Benefits paid by the plan	-5	-	-5	-4	-	-4
Expected return on plan assets	5	-	5	5	-	5
Assets assumed through business combination	-	-	-	15	-	15
Exchange differences	-	-	-	-1	-	-1
Closing fair value of plan assets	132	-	132	118	-	118
Expected payments to defined benefit plan in next year	7	-	7	7	-	7
Actual return on plan assets for the year	7	-	7	-1	-	-1

The expected long-term rate of return on assets is based on the portfolio of assets as a whole, rather than on individual asset categories.

CHF million	2012			2011		
	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Movements of present value of defined benefit obligations						
Opening liability for defined benefit obligations	161	218	379	126	220	346
Liabilities assumed through business combinations	-	-	-	15	-	15
Employee contribution	4	-	4	4	-	4
Current service costs	6	4	10	6	4	10
Interest costs	6	10	16	5	10	15
Benefits paid by the plan	-5	-9	-14	-4	-10	-14
Actuarial (gains)/losses recognised in other comprehensive income	9	51	60	13	-2	11
Amendments/settlements	-	-	-	-2	2	-
Curtailement	-	-	-	-2	-	-2
Exchange differences	-	-3	-3	-	-6	-6
Closing liability for defined benefit obligations	181	271	452	161	218	379
Expense recognised in the income statement						
Current service costs	6	4	10	6	4	10
Interest costs	6	10	16	5	10	15
Expected return on plan assets	-5	-	-5	-5	-	-5
Expense recognised in personnel expenses (refer to note 21)	7	14	21	6	14	20
Actuarial gains/(losses) recognised in other comprehensive income						
Cumulative amount as of January 1	-36	-6	-42	-17	-8	-25
Recognised during the year	-7	-51	-58	-19	2	-17
Cumulative amount as of December 31	-43	-57	-100	-36	-6	-42

Principal weighted actuarial assumptions at the balance sheet date

Per cent	2012			2011		
	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Discount rate	2.9	3.3	3.2	3.6	4.8	4.3
Expected rate of return on plan assets	4.1	-	4.1	4.5	-	4.5
Future salary increases	1.0	2.0	1.6	0.9	2.0	1.5
Future pension increases	0.2	1.8	1.2	1.8	0.3	0.8

Historical information

CHF million	2012			2011		
	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Present value of the defined benefit plan obligations	181	271	452	161	218	379
Fair value of plan assets	132	-	132	118	-	118
Surplus/(deficit) in the plan	-49	-271	-320	-43	-218	-261
Experience adjustment arising on plan liabilities	-5	-2	-7	-	-2	-2
Experience adjustment arising on plan assets	-	-	-	-1	-	-1

CHF million	2010			2009			2008		
	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Present value of the defined benefit plan obligations	126	220	346	122	240	362	104	227	331
Fair value of plan assets	98	-	98	89	-	89	87	-	87
Surplus/(deficit) in the plan	-28	-220	-248	-33	-240	-273	-17	-227	-244
Experience adjustment arising on plan liabilities	-2	14	12	-	-1	-1	1	2	3
Experience adjustment arising on plan assets	2	-	2	-1	-	-1	-12	-	-12

37 Employee share-based compensation plans

Share matching plan (SMP)

During 2012 the Company implemented a new share-based compensation plan referred to as a "share matching plan" (SMP) that is replacing the employee share purchase and option plan (SPOP) implemented in 2001. This new long-term incentive plan allows selected Group employees to acquire shares of the Company with a discount compared to the actual share price at a specified date; such shares are blocked for three years and give its holder immediate voting rights and rights to receive dividends.

For each purchased share as per above, the Company will match additional shares upon completion of a three years vesting

period and service condition during the same period. The level of the share match (share match ratio) is dependant on the achievement of performance over the next three financial years against defined targets. The maximum matching of one share for each share purchased by the employee (minimum investment is 75 shares) can be obtained by exceeding the defined target by more than 15 per cent. A guaranteed return per purchased share is granted through a minimum matching of 0.2 shares after the vesting period. Should the number of allocated shares be a fraction, then the number of shares is rounded up to the next whole number.

The terms and conditions of the shares allocated under the SMP are as follows:

Share matching plan	2012
Grant date	Aug 7, 2012
Performance period	Jan 2012–Dec 2014
Vesting, service and blocking period	Aug 7, 2012–June 30, 2015
Fair value of shares at grant date in CHF per share	111.50
Purchase price of shares in CHF per share	100.00
Number of shares granted	232,077
Expected share match ratio	0.5
Fair value of shares to be matched at grant date in CHF per share	98.60

The difference between the fair value of the shares at purchase date and the discounted purchase price of the shares is recognised as a personnel expense (2012: CHF 3 million) with a corresponding increase in equity.

CHF 2 million is recognised as personnel expense with a corresponding entry in equity for the matching of shares as of December 31, 2012.

Share purchase and option plan (SPOP)

In 2001 the Company implemented an employee share purchase and option plan (SPOP). The plan allowed Group employees to acquire shares of the Company. The employees could buy shares at a reduced price compared to the actual share price at a cut-off date. The price of the shares offered was 90 to 96.5 per cent of the share price corresponding to the average closing

price of one share at the SIX Swiss Exchange during the months April to June. There are no vesting conditions. The shares are restricted for a period of three years before being released to the employees.

For each share purchased under this plan, the Company granted two options to the participants. Each option entitles the participant to purchase one share of the Company at a specified price. The exercise price is 100 per cent of the share price corresponding to the average closing price of one share at the SIX Swiss Exchange during the months April to June. The options vest three years after the grant date and can be exercised during the three-year period starting on the vesting date. The options cannot be settled in cash. The options granted under this plan continue until they vest and until the exercise period for the options issued in 2012 will expire on June 30, 2018.

The fair value of the shares granted is measured at the market price of the Company's shares, adjusted to take into consideration the conditions upon which the shares will be granted,

such as blocking periods. 1,645 shares were granted in 2012 (2011: 18,687).

CHF per share	2012	2011
Fair value of shares granted at measurement date	101.90	127.60

The terms and conditions of the options granted are as follows:

Grant date	Exercise period	Number issued	Exercise price CHF	Number outstanding as of Dec. 31, 2012	Number outstanding as of Dec. 31, 2011
June 30, 2006	July 1, 2009–June 30, 2012	538,154	87.14	-	160,785
June 30, 2007	July 1, 2010–June 30, 2013	605,990	110.71	280,110	370,410
June 30, 2008	July 1, 2011–June 30, 2014	25,756	107.27	17,968	21,468
June 30, 2009	July 1, 2012–June 30, 2015	307,802	82.12	136,883	278,240
June 30, 2010	July 1, 2013–June 30, 2016	447,398	111.37	394,272	415,298
June 30, 2011	July 1, 2014–June 30, 2017	37,374	131.15	37,374	37,374
June 30, 2012	July 1, 2015–June 30, 2018	3,290	113.40	3,290	-
Total		1,965,764		869,897	1,283,575

The vesting condition is service during the three-year vesting period. The number and weighted average exercise prices of options are as follows:

Options	2012		2011	
	Weighted average exercise price (CHF)	Number of options	Weighted average exercise price (CHF)	Number of options
Options outstanding as of January 1	102.18	1,283,575	99.23	1,581,103
Options granted during the year	113.40	3,290	131.15	37,374
Options cancelled during the year	113.50	-22,163	104.07	-44,500
Options exercised during the year	90.32	-394,805	89.56	-290,402
Options outstanding as of December 31	107.31	869,897	102.18	1,283,575
Options exercisable as of December 31		434,961		552,663

The weighted average life of the options outstanding at December 31, 2012, is 2.4 years (2011: 2.9 years). The options outstanding at December 31, 2012, have an exercise price in the range of CHF 82.12 to CHF 131.15 (2011: CHF 82.12 to CHF 131.15).

CHF	2012	2011
Fair value of options granted at measurement date	22.28	29.96
Share price	101.90	127.60
Exercise price	113.40	131.15
Expected volatility in per cent	33.6	32.2
Expected option life	5 years	5 years
Dividend yield in per cent	2.2	2.2
Risk-free interest rate in per cent	0.04	1.07

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to

publicly available information. The share options are granted under a service condition. Service conditions are not taken into account in the grant date fair value measurement of the services received.

CHF million	2012	2011
Employee expenses		
Expense arising from SMP – purchase of shares	3	–
Expense arising from SMP – matching of shares	2	–
Expense arising from SPOP – purchase of shares	–	–
Expense arising from SPOP – grant of options	5	7
Total expense for share-based compensation plans	10	7

38 Bank liabilities and other interest-bearing liabilities

CHF million	Dec. 31, 2012	Dec. 31, 2011
Less than 1 year	36	44
Between 1–5 years	–	–
Total	36	44

The current bank and other interest-bearing liabilities include finance lease liabilities due for payment within one year of CHF 11 million (2011: CHF 23 million). Current bank and other interest-bearing liabilities also include bank overdrafts of

CHF 25 million (2011: CHF 16 million), which are included in cash and cash equivalents for the purpose of the consolidated cash flow statement.

All loans and bank overdrafts are held in the respective Group companies' own functional currencies, which mainly is in EUR 34.8 per cent (2011: 60.6 per cent), GBP 7.8 per cent (2011: 28.6 per cent) and USD 7.1 per cent (2011: 7.0 per cent) on terms of the prevailing market conditions. The majority of bank overdraft facilities are repayable upon notice or within one

year of the contractual term. The applicable interest rates are at prime interest rates of the respective country.

The non-current portion of finance lease liabilities amounts to CHF 32 million (2011: CHF 43 million) and is presented separately on the face of the balance sheet.

39 Finance lease obligations

CHF million	2012			2011		
	Payments	Interest	Principal	Payments	Interest	Principal
Less than 1 year	12	1	11	25	2	23
Between 1–5 years	27	2	25	34	3	31
After 5 years	7	–	7	12	–	12
Total	46	3	43	71	5	66

40 Trade payables/accrued trade expenses/deferred income

CHF million	Dec. 31, 2012	Dec. 31, 2011
Trade payables	1,337	1,285
Accrued trade expenses	801	736
Deferred income	130	145
Total	2,268	2,166

The majority of all trade payables is in the respective Group companies' own functional currencies, which is in EUR 48.6 per cent

(2011: 51.8 per cent), USD 9.0 per cent (2011: 14.3 per cent) and GBP 9.7 per cent (2011: 8.7 per cent).

41 Provisions

The movements in provisions were as follows:

CHF million	Claim provisions ¹	Provision for deductible of transport liability insurance ²	Others ³	Total provision
Balance as of January 1, 2011	77	29	57	163
Additions through business combinations	1	-	1	2
Provisions used	-19	-11	-13	-43
Provisions reversed	-6	-2	-8	-16
Provisions made	23	14	20	57
Effect of movements in foreign exchange	-1	-	-1	-2
Balance as of December 31, 2011	75	30	56	161
of which				
– Current portion	27	8	29	64
– Non-current portion	48	22	27	97
Total provisions	75	30	56	161
Balance as of January 1, 2012	75	30	56	161
Provisions used	-108	-11	-16	-135
Provisions reversed	-12	-	-12	-24
Provisions made	100	7	29	136
Effect of movements in foreign exchange	-	-	-1	-1
Balance as of December 31, 2012	55	26	56	137
of which				
– Current portion	26	11	31	68
– Non-current portion	29	15	25	69
Total provisions	55	26	56	137

¹ Some companies are involved in legal proceedings on various issues (disputes about logistics services, antitrust etc.). Some legal proceedings have been settled in the reporting period, and corresponding payments have been made.

Since October 2007 various competition authorities have investigated certain antitrust allegations against international freight forwarding companies, inter alia against Kuehne + Nagel. A number of these investigations have been concluded meanwhile. In the US the Group has entered into a plea agreement with the Department of Justice approved by the competent court at the end of 2011. As of March 28, 2012, the EU commission imposed fines against various logistics companies in antitrust proceedings. For Kuehne + Nagel International AG and its subsidiaries, the fine amounts to CHF 65 million (EUR 53.7 million); the same amount was provided for in March 2012 and paid on July 2, 2012. The Group has appealed that decision at the European Court of Justice. In Switzerland the WEKO (Swiss competition authority) imposed a fine of CHF 1.2 million against the Group on December 18, 2012, after a settlement agreement with various logistics companies.

Kuehne + Nagel has furthermore settled a US class action lawsuit which sought civil damages for conduct previously investigated by the Department of Justice. According to the settlement, which is subject to court approval, Kuehne + Nagel paid an amount of CHF 26 Mio. (USD 28 million), and in addition, assigned proceeds itself receives from a pending class action against airlines. The payment has been effected from a provision built for this purpose (see also notes 23 and 45).

² An additional provision for deductibles in case of transport liability has been recognised for the current year's exposure.

³ Other provisions mainly consist of provisions for dilapidation costs amounting to CHF 28 million (2011: CHF 22 million) and of provisions for onerous contracts amounting to CHF 14 million (2011: CHF 14 million).

42 Other liabilities

CHF million	Dec. 31, 2012	Dec. 31, 2011
Personnel expenses (including social security)	443	426
Other tax liabilities	71	67
Other operating expenses	203	215
Sundry	67	56
Total	784	764

43 Acquisition of businesses/subsidiaries

2012 Acquisitions

The acquisition of businesses and subsidiaries, each individually immaterial, had the following effect on the Group's assets and liabilities in 2012:

CHF million	Recognised fair values
Property, plant and equipment	3
Other intangibles	9
Other non-current assets	1
Trade receivables	10
Subtotal assets	23
Trade payables	-7
Other current liabilities	-3
Non-current liabilities	-2
Total identifiable net assets	11
Goodwill	4
Total consideration	15
Contingent and deferred consideration	-6
Purchase price, paid in cash	9
Acquired cash and cash equivalents	-
Net cash outflow	9

All acquisitions in the year 2012 were in connection with the implementation of the Group's "Go for Growth" strategy.

Effective February 2, 2012, the Group acquired Link Logistics International Pty. Ltd, an Australian freight forwarder specialised in perishables logistics. The purchase price of CHF 5.4 million includes a contingent consideration of CHF 1.8 million depending on the financial performance of the acquired business until December 2013. CHF 3.6 million has been paid in cash.

Effective July 3, 2012, the Group acquired the perishable logistics business (mainly a customer list) of Perishables International Transportation Inc., a Canadian independent freight forwarder, specialising in handling and transportation of fresh and frozen perishable goods. The purchase price of CHF 2.2 million includes a contingent consideration of CHF 0.7 million depending on the financial performance of the acquired business until June 2014. CHF 1.5 million has been paid in cash.

Effective October 1, 2012, the Group acquired the companies Flowerport Logistics B.V. and AgriAir Logistics B.V., Netherlands, both specialised in handling airfreight of perishables. The purchase price of CHF 7.0 million includes a deferred consideration of CHF 3.3 million to be paid in three instalments until October 2015. CHF 3.7 million is paid in cash.

The acquisitions (including the part of 2011 acquisitions that completes a twelve months period since the date of acquisition) contributed CHF 287 million of invoiced turnover and CHF 9 million of loss to the consolidated invoiced turnover and earnings respectively for the year 2012. If the acquisitions had occurred on January 1, 2012, the Group's invoiced turnover would have been CHF 20,790 million and consolidated earnings for the period would have been CHF 480 million.

The trade receivables comprise gross contractual amounts due of CHF 10 million, and all amounts are expected to be collectible.

Goodwill of CHF 4 million arose on these acquisitions because certain intangible assets did not meet the IFRS 3 criteria for the

recognition as intangible assets at the date of acquisition. These assets mainly consist of management expertise and workforce. Other intangibles of CHF 9 million recognised on these acquisitions represent non-contractual customer lists having a useful life of one year.

In the 2012 three quarterly Condensed Consolidated Financial Statements, the initial accounting for the acquisitions made in 2012 was only determined provisionally. No material adjustments to the values previously reported were deemed necessary after having finalised the acquisition accounting.

The initial accounting for the acquisitions made from October 1, 2012, has only been determined provisionally. It is not feasible to provide detailed information about the assets and liabilities at this stage.

2011 Acquisitions

The acquisition of businesses and subsidiaries, each individually immaterial, had the following effect on the Group's assets and liabilities in 2011:

CHF million	Recognised fair values
Property, plant and equipment	54
Other intangibles	88
Other non-current assets	4
Trade receivables	49
Other current assets	17
Acquired cash and cash equivalents	-2
Subtotal assets	210
Trade payables	-42
Other current liabilities	-30
Non-current liabilities	-34
Total identifiable net assets	104
Attributable to non-controlling interests, based on its fair value	-7
Goodwill	121
Total consideration	218
Contingent and deferred consideration	-46
Purchase price, paid in cash	172
Acquired cash and cash equivalents	2
Net cash outflow	174

All acquisitions in the year 2011 were in connection with the implementation of the Group's "Go for Growth" strategy.

Effective January 14, 2011, the Group acquired the perishable logistics business (mainly customer list) from two companies in Colombia and one in Ecuador. The business acquired is a specialised perishable forwarding operation having 160 employees and handling 75,000 tons of air export per annum. The purchase price of CHF 21.8 million includes a contingent consideration of CHF 10.9 million depending on the financial performance of the acquired business in the next three years ending December 31, 2013. CHF 10.9 million has been paid in cash.

Effective March 24, 2011, the Group acquired the business (mainly customer list) of Grolman & Co. GmbH and ASTRA Assekuranz GmbH. The purchase price of CHF 0.6 million has been paid in cash.

Effective April 1, 2011, the Group acquired a 75 per cent stake of Cooltainer Holdings Limited, a leading reefer operator in New Zealand. The purchase price of CHF 23.6 million has been paid in cash. As part of the acquisition, the Group issued a written put option, giving the non-controlling shareholder the right from April 1, 2014, to sell its remaining shares in Cooltainer to the Group at fair value. The Group has recognised a liability in the amount of CHF 8 million for this potential obligation. The Group has a call option on the shares held by the non-controlling shareholder with the same terms and conditions as the written put option.

Effective April 1, 2011, the Group acquired Rennies Investment Limited (RH Freight), a European overland provider in the United Kingdom. The purchase price of CHF 88 million has been paid in cash.

Effective September 1, 2011, the Group acquired Eichenberg Group, a Brazilian road logistics provider. The purchase price of CHF 40.1 million includes a deferred consideration of CHF 18.1 million to be paid until April 2013 and a contingent consideration of CHF 5.5 million depending on the financial performance of the acquired business until December 31, 2012. CHF 16.5 million has been paid in cash.

Effective September 2, 2011, the Group acquired shares of K-Logistics, a French co-packing service provider. The purchase price of CHF 1.7 million includes a contingent consideration of CHF 1.1 million depending on the financial performance of the acquired business until December 31, 2012. CHF 0.6 million has been paid in cash.

Effective October 1, 2011, the Group acquired J. van de Put Fresh Cargo Handling B.V., a specialised operator in handling perishables airfreight cargo in the Netherlands. The purchase price of CHF 27.3 million includes a deferred consideration of CHF 3 million and a contingent consideration of CHF 7.3 million depending on the financial performance of the acquired business to be paid until April 30, 2013. CHF 17 million has been paid in cash.

Effective October 24, 2011, the Group acquired the shares of Carl Drude GmbH & Co. KG, located in Bad Hersfeld (Haunack), Germany, specialised in hub operations for international groupage networks. The purchase price of CHF 12.4 million has been paid in cash.

The acquisitions contributed CHF 459 million of invoiced turnover and CHF 4 million of loss to the consolidated invoiced turnover and earnings for the year 2011 respectively. If all acquisitions had occurred on January 1, 2011, the Group's invoiced turnover would have been CHF 19,816 million and consolidated earnings for the period would have been CHF 597 million.

The trade receivables comprise gross contractual amounts due of CHF 52 million, of which CHF 3 million were expected to be uncollectible at the acquisition date.

Goodwill of CHF 121 million arose on these acquisitions because certain intangible assets did not meet the IFRS 3 criteria for the recognition as intangible assets at the date of acquisition. These assets mainly consist of management expertise and workforce. An amount of CHF 32 million of goodwill is expected to be deductible for tax purposes. Other intangibles of CHF 88 million recognised on these acquisitions represent non-contractual customer lists having a useful life of 3 to 7 years.

The accounting for the acquisitions made in 2011 was initially determined provisionally only. No material adjustments to the values previously reported were deemed necessary after having finalised the acquisition accounting.

Effective December 1, 2011, the Group acquired an additional 12.5 per cent of the shares of Amex Ltd., Israel, in which the Group previously owned 75 per cent, for a purchase price of CHF 2 million, which has been paid in cash. The difference between the purchase price paid and the net assets acquired has been recognised in equity.

44 Personnel

Number	Dec. 31, 2012	Dec. 31, 2011
Europe	44,360	43,771
Americas	9,073	9,389
Asia-Pacific	6,989	7,195
Middle East, Central Asia and Africa	2,826	2,755
Total employees (unaudited)	63,248	63,110
Full-time equivalent	72,399	71,884

Employees within the Group are defined as persons with valid employment contracts as of December 31, on payroll of the Group.

Full-time equivalent is defined as all for the Kuehne + Nagel Group - including part-time (monthly, weekly, daily or hourly) -

working persons with or without permanent contract of which all expenses are recorded in the personnel expenses. Whereby pro rata temporis employment, has been recalculated into the number of full-year employees. The number, derived as described, is disclosed in the table above.

45 Contingent liabilities

As of year-end the following contingent liabilities existed:

CHF million	Dec. 31, 2012	Dec. 31, 2011
Guarantees in favour of customers and others	8	2
Contingency under unrecorded claims	1	-
Total	9	2

Some Group companies are defendants in various legal proceedings. Based on respective legal advice, the management is of the opinion that the outcome of those proceedings will have no effect on the financial situation of the Group beyond the existing provision for pending claims (refer to note 41) of CHF 55 million (2011: CHF 75 million).

Antitrust cases in various jurisdictions, amongst them proceedings in Brazil, New Zealand, France and Austria, are still ongoing. It is currently not possible to reliably estimate a potential financial impact of these cases. Consequently, no provision or quantification of the contingent liability for these cases was made in the Consolidated Financial Statements 2012.

46 Other financial commitments

The Group operates a number of warehouse facilities under operating lease contracts. The lease contracts run for a fixed period and none of the lease contracts includes contingent rentals.

As of year-end the following financial commitments existed in respect of non-cancellable long-term operating leases and rental contracts:

As of December 31, 2012			
CHF million	Properties and buildings	Operating and office equipment	Total
2013	334	80	414
2014-2017	618	119	737
Later	241	3	244
Total	1,193	202	1,395

As of December 31, 2011			
CHF million	Properties and buildings	Operating and office equipment	Total
2012	339	79	418
2013-2016	637	112	749
Later	253	4	257
Total	1,229	195	1,424

The expense for operating leases recognised in the income statement is CHF 585 million (2011: CHF 548 million).

47 Capital commitments

As of year-end the following capital commitments existed in respect of non-cancellable purchase contracts.

CHF million	Dec. 31, 2012	Dec. 31, 2011
Great Britain	1	2
New Zealand	2	-
Total	3	2

48 Risk management, objectives and policies

Group risk management

Risk management is a fundamental element of the Group's business practice on all levels and encompasses different types of risks. At Group level, risk management is an integral part of the business planning and controlling processes. Material risks are monitored and regularly discussed with the Management Board and the Audit Committee.

In accordance with Article 663b of the Swiss Code of Obligations, the Group carries out an annual risk assessment. In conformity with the Swiss Code of Best Practice for Corporate

Governance, the risk management system within the Group covers both financial and operational risks. A risk is defined as the possibility of an adverse event which has a negative impact on the achievement of the Group's objectives.

Risk management as an integral part of the Internal Control System

Risk management is part of the Internal Control System (ICS). Preventive and risk-reducing measures to control risks are proactively taken on different levels and are an integral part of management responsibility. Operational risks are treated where they occur in accordance with established competencies.

Conduct of a risk assessment in 2012

The analysis and assessment of financial risks was carried out by the finance and accounting department. An independent risk assessment procedure was adopted for operational risks. Applying an interview methodology, risks were identified in collaboration with regional management and included into a risk overview which was discussed with the senior management. Strategic risks and the adoption of countermeasures were dealt with at Management Board level. Within the framework of the corporate governance process, the Audit Committee of the Board of Directors was informed on the progress of the risk assessment.

Identified risks:

- Financial risks such as development of interest rate, credit and financial markets and currency risks, which are all constantly monitored and controlled by the finance and accounting department.
- The growing challenges of the economic development as well as the uncertainties of the financial markets are of essential importance from the risk-policy point of view, whereby this is counteracted by appropriate risk diversification and avoidance of regional and industry clustering.
- Risk of price volatility in procurement such as the volatility of seafreight rates due to incoherent development of capacities versus demand. In this connection, risks relating to purchase of transportation services are specifically monitored.
- Risk related to the IT network availability are countered by permanent monitoring of systems, redundant infrastructure as well as interlinked data center with back-up structures and business continuity plans. This also includes IT security risks, particularly with regards to ensuring data security and data integrity.
- Organized crime, terrorism, accompanied by increased density of regulations, growing complexity and customer expectations have led to rising security requirements and risks, which is taken into consideration by a holistic supply chain approach.
- Legal and compliance risks such as fraud and intentional and unintentional violations of the law, adherence to export regulations are counteracted by, amongst other measures, comprehensive staff training and the worldwide network of compliance officers at regional and national levels.
- Communication risks with respect to capital markets as well as image and reputation risk, e.g. in connection with compliance-related issues, is taken into consideration by a centralized approach towards corporate communications.

Organisation of risk management

A continuous dialogue between the Management Board, risk management and the Audit Committee is maintained in order to assure the Group's effectiveness in this area. The risk management system is governed by the Risk Assessment Guideline defining the structure and the process of risk assessments. The risk catalogue is reviewed regularly and critical analysis ensures a continuous development of the risk management system.

Summarised assessment of the risk situation

In the 2012 business year there were no significant risks identified that would have the potential to impact the Group and its further development negatively.

Moreover, the Risk and Compliance Committee led by the CEO comprising the members of the Management Board and heads of central administrative departments, pays special attention monitoring the risk profile of the company, the observance and the development of essential internal requirements and the potential interactions between individual risks.

The major risk remains in the uncertainties of the economic development and the financial markets, therefore being in constant focus of management.

Financial risk management

The Group is exposed to various financial risks arising from its underlying operations and finance activities. The Group is primarily exposed to market risk (i.e. interest rate and currency risk) and to credit and liquidity risk.

Financial risk management within the Group is governed by policies and guidelines approved by the senior management. These

policies and guidelines cover interest rate risk, currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by segregated functions within the Group. The objective of financial risk management is to contain, where deemed appropriate, exposures to the various types of financial risks mentioned above in order to limit any negative impact on the Group's results and financial position.

In accordance with its financial risk policies, the Group manages its market risk exposures through the use of financial instruments when deemed appropriate. It is the Group's policy and practice not to enter into derivative transactions for trading or speculative purposes, nor for the purposes unrelated to the underlying business.

Market risk

Market risk is the risk that market prices changes due to interest rates and foreign exchange rates risk affecting the Group's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loans and investments at variable interest rates expose the Group to cash flow interest rate risk. Loans and investment at fixed interest rates expose the Group to fair value interest rate risk.

Exposure

The Group's exposure to changes in interest rates is limited due to the short-term nature of investments of excess funds and borrowings.

The Group's exposure to interest rate risk relates primarily to the Group's bank loans and finance lease liabilities and to the Group's investments of its excess funds. The Group does not use derivative financial instruments to hedge its interest rate risk in respect of investments of excess funds or loans.

Profile

At the reporting date, the interest profile of the Group's interest-bearing financial assets and liabilities was as follows:

CHF million	Carrying amount	
	2012	2011
Fixed rate instruments		
Cash and cash equivalents	-	61
Financial investments	-	250
Total	-	311

CHF million	Carrying amount	
	2012	2011
Variable rate instruments		
Cash and cash equivalents	1,081	787
Current bank and other interest-bearing liabilities	-36	-44
Non-current finance lease obligations	-32	-43
Total	1,013	700

Fair value sensitivity analysis – fixed rate instruments

As of December 31, 2012, the Group does not hold significant investments in fixed rate instruments. A change of 100 basis points in interest rates would not have increased or decreased profit or loss significantly.

As of December 31, 2011, the Group's investments in debt securities were fixed rate financial assets at fair value through profit or loss. In 2011 a change of 100 basis points in interest rates would have increased or decreased profit or loss by CHF 3 million due to the corresponding fair value change of these instruments.

Cash flow sensitivity analysis – variable rate instruments

A change of 100 basis points in interest rates on December 31, 2012, would have increased or decreased profit or loss by CHF 10 million (2011: CHF 7 million) due to changed interest payments on variable rate interest-bearing liabilities and assets. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure

The Group operates on a worldwide basis and, as a result, is exposed to movements in foreign currency exchange rates of mainly EUR, USD and GBP on sales, purchases, investments in debt securities and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. Monthly payments are conducted through a Group clearing system in EUR and USD which facilitates monitoring and control of the group-wide foreign exchange rate exposures.

Derivative financial instruments (foreign exchange contracts) are, to a limited extent, in use to hedge the foreign exchange exposure on outstanding balances in the Group's internal clearing system centralised at the head office. Given that the Group's hedging activities are limited to hedges of recognised foreign currency monetary items, hedge accounting under IAS 39 is not applied. As of the 2012 and 2011 year-end there were no material derivative instruments outstanding. The outstanding derivative contracts as of December 31, 2011, have mainly been

entered into to off-set the foreign exchange effect on investments in foreign currency debt instruments (see note 33). Forecast transactions are not hedged. Likewise, investments in foreign subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

The Group's exposure to foreign currency risk was as follows as of year-end:

CHF million	2012			2011		
	EUR	USD	GBP	EUR	USD	GBP
Cash and cash equivalents	121	75	1	98	66	1
Financial investments	-	-	-	187	-	-
Trade receivables	33	288	2	29	223	8
Trade payables	-27	-83	-1	-33	-60	-4
Gross balance sheet exposure	127	280	2	281	229	5

The majority of all trade related billings and payments as well as all payments of interest-bearing liabilities are done in the respective functional currencies of the Group entities.

Sensitivity analysis

A 10 per cent strengthening of the CHF against the following

currencies on December 31, would have increased profit by the amounts shown below. A 10 per cent weakening of the CHF against the following currencies on December 31, would have had the equal but opposite effect on the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

CHF million	2012				
	1 CHF/EUR	1 CHF/USD	1 GBP/EUR	1 GBP/USD	1 USD/EUR
Reasonably possible change +/- in per cent	10.0	10.0	10.0	10.0	10.0
Positive effect on P/L	12.7	28.0	8.6	19.0	13.9
Negative effect on P/L	-12.7	-28.0	-8.6	-19.0	-13.9

The impact on the profit or loss is mainly a result of foreign exchange gains or losses arising on translation of trade receivables, trade payables and cash and cash equivalents in foreign currencies. The currency risk on investments in foreign currency debt securities held as of December 31, 2011, was mainly offset

by foreign exchange contracts entered into. There would not be an impact on other comprehensive income as the Group does not have any securities classified as available for sale or applies cash flow hedge accounting.

2011					
CHF million	1 CHF/EUR	1 CHF/USD	1 GBP/EUR	1 GBP/USD	1 USD/EUR
Reasonably possible change +/- in per cent	10.0	10.0	10.0	10.0	10.0
Positive effect on P/L	28.1	23.0	19.2	15.7	30.0
Negative effect on P/L	-28.1	-23.0	-19.2	-15.7	-30.0

Foreign currency exchange rates applied

The major foreign currency exchange rates applied during the year are as explained in note 5 (principles of consolidation).

Credit risk

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations,

causing a financial loss to the Group. Credit risk arises primarily from the Group's trade receivables.

Exposure

At the balance sheet date, the maximum exposure to credit risk without taking into account any collateral held or other credit enhancements was:

CHF million	2012	2011
Trade receivables	2,428	2,278
Other receivables	83	69
Cash and cash equivalents	1,081	848
Financial investments	-	252
Total	3,592	3,447

Trade receivables

Trade receivables are subject to a policy of active risk management which focuses on the assessment of country risk, credit availability, ongoing credit evaluation and account monitoring procedures. There are no significant concentrations of credit risk due to the Group's large number of customers and their wide geographical spread. For a large part of credit exposures in critical countries, the Group has obtained credit insurance from first class insurance companies (for further details refer to note 31).

The maximum exposure to credit risk for trade receivables at the reporting date by geographical area was:

CHF million	2012	2011
Europe	1,467	1,427
Americas	527	483
Asia-Pacific	232	202
Middle East, Central Asia & Africa	202	166
Total	2,428	2,278

It is considered that the credit insurance is sufficient to cover potential credit risk concentrations (for additional information refer to note 31).

Investments of excess funds

The Group considers its credit risk to be minimal in respect of investments made of excess funds invested in short-term deposits (with a maturity of less than three months) and in debt securities with first-class financial institutions and countries with the close coordination and management of Centralised Corporate Treasury function. The Group does not invest in equity securities.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficul-

ties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Group companies require sufficient availability of cash to meet their obligations. Individual companies are generally responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover cash deficits subject to guidance by the Group and, in certain cases, to approval at Group level. The Group maintains sufficient reserves of cash to meet its liquidity requirements at all times.

The following are the contractual maturities of financial liabilities (undiscounted), including interest payments and excluding the impact of netting agreements:

2012

CHF million	Carrying amounts	Contractual cash flow	Up to 6 months	6-12 months	Over 1 year
Bank and other interest-bearing liabilities	36	39	33	6	-
Trade payables	1,337	1,337	1,337	-	-
Accrued trade expenses	801	801	801	-	-
Other liabilities	262	262	236	26	-
Finance lease obligations (non-current)	32	34	-	-	34
Total	2,468	2,473	2,407	32	34

2011

CHF million	Carrying amounts	Contractual cash flow	Up to 6 months	6-12 months	Over 1 year
Bank and other interest-bearing liabilities	44	48	27	21	-
Trade payables	1,285	1,285	1,285	-	-
Accrued trade expenses	736	736	736	-	-
Other liabilities	263	263	236	27	-
Finance lease obligations (non-current)	43	46	-	-	46
Total	2,371	2,378	2,284	48	46

It is not expected that the cash flow included in the above maturity analysis could occur at significantly different points in time or at significantly different amounts.

49 Fair value of financial assets and liabilities

The fair values of financial assets and liabilities carried at amortised cost are approximately equal to the carrying amounts.

Cash and cash equivalents with a carrying amount of CHF 1,083 million (2011: CHF 851 million) as well as financial assets with a carrying amount of CHF 2,511 million (2011: CHF 2,347 million) classified as loans and receivables carried at amortised cost, are all classified as current assets.

The Group has financial liabilities with a carrying amount of CHF 2,468 million (2011: CHF 2,371 million) carried at amortised cost. The majority of these financial liabilities are current liabilities. At year-end 2012 and 2011 there were no non-current fixed rate interest-bearing loans and other liabilities.

As of December 31, 2012, the Group holds no debt instruments designated as financial assets at fair value through profit or loss and no significant derivative instruments. As of December 31, 2011, the Group held debt instruments designated as financial assets at fair value through profit or loss upon initial recognition with the carrying amount of CHF 250 million and derivative instruments with the carrying amount of CHF 2 million.

The Group's financial instruments measured at fair value have been categorised into the below levels, reflecting the significance of the inputs used in estimating the fair values:

- Level 1: Quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: Input other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly,
- Level 3: Valuation techniques using significant unobservable inputs.

The Group's debt instruments with the carrying amount of CHF 250 million as of December 31, 2011, were catego-

rised as level 1 investments. Derivative assets in the amount of CHF 2 million as of December 31, 2011, were categorised as level 2 investments.

The fair value of the debt instruments is based on their current bid prices. The fair value of the derivative instruments (forward foreign exchange contracts) is determined based on current and available market data. Pricing models commonly used in the market are used, taking into account relevant parameters such as forward rates, spot rates, discount rates, yield curves and volatility.

50 Related parties and transactions

The Group has a related party relationship with its subsidiaries, joint ventures and with its directors and executive officers.

The Group's operations involve operating activities between the parent company and its subsidiaries and between the subsidiaries due to the nature of business. Overheads are to a certain extent also charged to the subsidiaries based on their use of services provided. All these transactions are eliminated upon consolidation. There were no significant transactions between the Group and its joint ventures and other related parties.

Transactions with related parties are conducted at arm's length.

The total remuneration paid to and accrued for the members of the Board of Directors and the Management Board of Kuehne + Nagel International AG, Schindellegi, Switzerland, amounted to:

- Management Board: CHF 11.3 million (2011: CHF 12.2 million)
- Board of Directors: CHF 4.7 million (2011: CHF 5.1 million)

As of December 31, 2012, no loans or any other commitments were outstanding towards members neither of the Board of Directors nor of the Management Board. Members of the Board of Directors and the Management Board control 53.7 per cent (2011: 53.9 per cent) of the voting shares of the Company.

The following compensation has been paid to and accrued for the Management Board and the Board of Directors:

CHF million	Management Board		Board of Directors	
	2012	2011	2012	2011
Wages, salaries and other short-term employee benefits	10.1	11.4	4.3	4.7
Post-employment benefits	0.4	0.4	0.2	0.2
Share-based compensation	0.8	0.4	0.2	0.2
Total compensation	11.3	12.2	4.7	5.1

Refer to note 12 of the Financial Statements of Kuehne + Nagel International AG for disclosure requirements according to the Swiss law (Article 663b/c CO). For other related parties refer to note 35 outlining the shareholder's structure, and pages 66 to 73 listing the Group's significant subsidiaries and joint ventures.

51 Accounting estimates and judgments

The management has carefully considered the development, selection and disclosure of the Group's critical accounting policies and estimates as well as the application of these policies and estimates.

Acquisition accounting

Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life if they are subject to contractual or legal rights or are separately transferable and their fair value can be reliably estimated. The Group has separately recognised customer lists and customer contracts based on contractual agreements in acquisitions made (see note 28).

The fair value of these acquired intangible assets is based on valuation techniques. The valuation models require input based on assumptions about the future. The management uses its best knowledge to estimate fair value of acquired intangible assets

as of the acquisition date. The value of intangible assets is tested for impairment when there is an indication that they might be impaired (see below). The management must also make assumptions about the useful life of the acquired intangible assets which might be affected by external factors such as increased competition.

Carrying amount of goodwill, other intangibles and property, plant and equipment

The Group tests its goodwill with a total carrying amount of CHF 694 million (2011: CHF 696 million) for impairment every year as disclosed in note 12. No impairment loss on goodwill was recognised in 2012 and 2011. The Group also assesses annually any indicators that other intangible assets or property, plant and equipment might be impaired. In such a case, the assets are tested for impairment. An impairment loss on other intangible assets of CHF 2 million was recognised in 2012 (2011: CHF 5 million). The carrying amount of other intangibles is CHF 141 million (2011: CHF 196 million), and of property, plant and equipment CHF 1,134 million (2011: CHF 1,146 million).

The impairment tests are based on value-in-use calculations. These calculations involve a variety of assumptions such as estimates of future cash inflows and outflows and choice of a discount rate. Actual cash flows might, for example, differ sig-

nificantly from management's current best estimate. Changes in assessed presence or absence of competitors, technological obsolescence etc. might have an impact on future cash flows and result in recognition of impairment losses.

Defined benefit pension plans

The Group has recognised a liability for defined benefit pension plans in the amount of CHF 320 million (2011: CHF 261 million). A number of assumptions are made in order to calculate the liability, including discount rate, rate of return on plan assets, future salary and pension increases. A relatively minor change in any of these assumptions can have a significant impact on the carrying amount of the defined benefit obligation.

Share-based compensation plans

Judgment and estimates are required when determining the expected share match ratio. The variance between estimated and actual share match ratio might have an impact on the amount recognised as personnel expense (see note 37 for more information).

Accrued trade expenses and deferred income

Freight forwarding orders which are completed and for which the costs are not fully received are accrued for expected costs based on best estimate. For orders which are not complete on account of pending service at cut-off date or orders for which revenue is earned and relevant costs can not be estimated, the related revenue is deferred. The Group management's judgment is involved in the estimate of costs and deferral of revenue and their completeness.

Income tax

Judgement and estimates are required when determining deferred as well as current tax assets and liabilities. The management believes that its estimates, based on, for example, interpretation of tax laws, are reasonable. Changes in tax laws and rates, interpretations of tax laws, earnings before tax, taxable profit etc. might have an impact on the amounts recognised as tax assets and liabilities.

The Group has recognised a net deferred tax asset of CHF 44 million (2011: Net deferred tax asset of CHF 6 million). The Group furthermore has unrecognised deferred tax assets relating to unused tax losses and deductible temporary differences of CHF 44 million (2011: CHF 82 million). Based on estimates of the probability of releasing these tax benefits, available taxable temporary differences, periods of reversals of such differences etc., the management does not believe that the criteria to recognise deferred tax assets are met (see note 25).

Provisions and contingent liabilities

The Group has recognised provisions for an amount of CHF 137 million (2011: CHF 161 million) related to legal claims and other exposures in the freight forwarding and logistics operations (see note 41). The provisions represent the best estimate of the risks, but the final amount required is subject to uncertainty.

52 Post balance sheet events

Effective January 8, 2013, the Group acquired 70 per cent of the shares of Universal Freight Services LLC, Oman, mainly specialized in Seafreight and Airfreight forwarding activities. The acquired business will be consolidated from January 8, 2013. The purchase price amounts to CHF 0.6 million.

The Group is in the process of finalising the acquisition accounting and can therefore not provide any other reliable disclosure in line with IFRS 3 at this stage.

There have been no other material events between December 31, 2012, and the date of authorisation of the Consolidated Financial Statements that would require adjustments of the Consolidated Financial Statements or disclosure.

53 Resolution of the Board of Directors

The Consolidated Financial Statements of the Group were authorised for issue by the Board of Directors on March 1, 2013. A resolution to approve the Consolidated Financial Statements will be proposed at the Annual General Meeting on May 7, 2013.

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE GENERAL MEETING OF SHAREHOLDERS OF KUEHNE + NAGEL INTERNATIONAL AG, SCHINDELLEGI, SWITZERLAND

As statutory auditor, we have audited the accompanying consolidated financial statements of Kuehne + Nagel International AG, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes on the pages 4 to 64 for the year ended December 31, 2012.

Board of Directors' Responsibility

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the

entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2012, give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Marc Ziegler
Licensed Audit Expert
Auditor in Charge

Lukas Marty
Licensed Audit Expert

Zurich, March 1, 2013

Holding and Management Companies

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Switzerland	Kuehne + Nagel International AG	Schindellegi	CHF	120,000	100
	Kuehne + Nagel Management AG	Schindellegi	CHF	1,000	100
	Kuehne + Nagel Liegenschaften AG	Schindellegi	CHF	500	100
	Nacora Holding AG	Schindellegi	CHF	500	100
	Nacora Agencies AG	Schindellegi	CHF	400	100
	Kuehne + Nagel Real Estate Holding AG	Schindellegi	CHF	100	100

Operating Companies**South West Europe**

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)	
France	Kuehne + Nagel SAS	Ferrières	EUR	17,380	100	
	Kuehne + Nagel France Immobilier SCI	Ferrières	EUR	4	100	
	Kuehne + Nagel Parts SAS	Trappes	EUR	87	100	
	Kuehne + Nagel DSIA SAS	Nantes	EUR	360	100	
	Kuehne + Nagel Management SAS	Ferrières	EUR	570	100	
	Nacora Courtage d'Assurances SAS	Paris	EUR	40	100	
	Kuehne + Nagel Aerospace & Industry SAS	Ferrières	EUR	37	100	
	Logistique Distribution Gasocogne SAS	Ferrières	EUR	37	100	
	Kuehne + Nagel Road SAS	Villefranche	EUR	4,000	100	
	I.M. Alloin SARL	Villefranche	EUR	8	100	
	Almecca SNC	Villefranche	EUR	32	100	
	Kuehne + Nagel Participations Sarl	Ferrières	EUR	203,630	100	
	K Logistics Sarl	Le Meux	EUR	91	100	
	Kuehne + Nagel Logistique SASU	Bresles	EUR	37	100	
	Italy	Kuehne + Nagel Srl	Milan	EUR	4,589	100
		Nacora Srl	Milan	EUR	104	70
Malta	Kuehne + Nagel Limited	Hamrun	EUR	14	100	
Morocco	Kuehne + Nagel SAS	Casablanca	MAD	300	100	
Portugal	Kuehne + Nagel Lda	Porto	EUR	165	100	
Spain	Kuehne & Nagel S.A.U.	Madrid	EUR	60	100	
	Kuehne & Nagel Investments S.L.U.	Madrid	EUR	3	100	
	Nacora Correduria de Seguros S.A	Madrid	EUR	150	100	
	Kuehne & Nagel Network S.L.U.	Madrid	EUR	60	100	

North West Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Denmark	Kuehne + Nagel A/S	Copenhagen	DKK	5,200	100
	Kuehne + Nagel Holding Denmark A/S	Copenhagen	DKK	750	100
Finland	Oy Kuehne + Nagel Ltd	Helsinki	EUR	200	100
Ireland	Kuehne & Nagel (Ireland) Limited	Dublin	EUR	500	100
Norway	Kuehne + Nagel AS	Oslo	NOK	3,100	100
Sweden	Kuehne & Nagel AB	Stockholm	SEK	500	100
	Kuehne & Nagel Investment AB	Stockholm	EUR	112	100
	Nacora International Insurance Brokers AB	Stockholm	SEK	100	100
United Kingdom	Kuehne + Nagel (UK) Limited	Uxbridge	EUR	8,000	100
	Kuehne + Nagel Limited	Uxbridge	GBP	8,867	100
	Nacora Insurance Brokers Limited	Uxbridge	GBP	150	100
	The RH Group Limited	Nottingham	GBP	600	100
	Kuehne + Nagel Drinks Logistics Limited	Milton Keynes	GBP	-	100
	*Kuehne + Nagel Drinkflow Logistics Limited	Milton Keynes	GBP	877	50
	*Kuehne + Nagel Drinkflow Logistics Holdings Limited	Milton Keynes	GBP	6,123	50

Central Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Belgium	Kuehne + Nagel NV	Antwerp	EUR	6,338	100
	Kuehne + Nagel Logistics NV	Geel	EUR	5,206	100
	Nacora Insurance Brokers NV	Brussels	EUR	155	100
	Logistics Kontich BVBA	Antwerp	EUR	50	100
	Logistics Nivelles SA	Nivelles	EUR	1,521	100
Germany	Kuehne + Nagel (AG & Co.) KG	Bremen	EUR	15,000	100
	KN Airlift GmbH	Frankfurt	EUR	256	100
	Stute Logistics GmbH	Bremen	EUR	1,023	100
	CS Parts Logistics GmbH	Bremen	EUR	426	50
	Kuehne + Nagel Euroshipping GmbH	Regensburg	EUR	256	51
	Pact GmbH	Hamburg	EUR	50	100
	SPS Zweite Vermögensverwaltungs GmbH	Hamburg	EUR	25	90
	Cargopack Verpackungsgesellschaft für Industriegüter mbH	Bremen	EUR	307	100
	Aircraft Production Logistics GmbH	Hamburg	EUR	25	100
	Kuehne + Nagel Beteiligungs-AG	Bremen	EUR	10,277	100
	Nacora Versicherungsmakler GmbH	Hamburg	EUR	79	100
	Gustav. F. Huebener GmbH	Hamburg	EUR	31	100
	Kuehne + Nagel Logistics Langenau GmbH	Langenau	EUR	25	100
	Carl Drude GmbH & Co. KG	Haunack	EUR	250	100

Central Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Luxembourg	Kuehne + Nagel S.a.r.l.	Contern	EUR	5,750	100
	Kuehne und Nagel AG	Contern	EUR	31	100
	Kuehne + Nagel Investments S.a.r.l.	Contern	EUR	200	100
	*Cologic S.A.	Contern	EUR	32	50
The Netherlands	Kuehne + Nagel N.V.	Rotterdam	EUR	3,325	100
	Kuehne + Nagel Investments B.V.	Rotterdam	EUR	50	100
	Nacora Assurantiekantoor B.V.	Rotterdam	EUR	45	100
	Kuehne + Nagel Logistics B.V.	Veghel	EUR	63	100
	Kuehne + Nagel Transport B.V.	Schiphol	EUR	18	100
Switzerland	Kuehne + Nagel AG	Opfikon	CHF	3,000	100
	Nacora Insurance Brokers AG	Opfikon	CHF	100	100

Eastern Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Albania	Transalbania Sh.p.k	Tirana	ALL	41,725	51
Austria	Kuehne + Nagel Eastern Europe AG	Vienna	EUR	1,090	100
	Kuehne + Nagel GmbH	Vienna	EUR	1,820	100
	Nacora Insurance Brokers GmbH	Vienna	EUR	35	100
Belarus	Kuehne + Nagel FPE	Minsk	BYR	286,000	100
Bosnia and Herzegovina	Kuehne + Nagel doo	Sarajevo	BAM	95	100
Bulgaria	Kuehne + Nagel EOOD	Sofia	BGN	365	100
Croatia	Kuehne + Nagel d.o.o.	Zagreb	HRK	4,300	100
Cyprus	Nakufreight Limited	Nicosia	EUR	17	100
Czech Republic	Kuehne + Nagel spol. s r.o.	Prague	CZK	21,000	100
Estonia	Kuehne + Nagel AS	Tallinn	EUR	26	100
Greece	Kuehne + Nagel AE	Athens	EUR	6,648	100
	Arion SA	Athens	EUR	411	100
	Nacora Brokins International AE	Athens	EUR	60	60
	*Sindos Railcontainer Services AE	Thessaloniki	EUR	3,038	50

Eastern Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Hungary	Kuehne + Nagel Kft	Budapest	HUF	134,600	100
Latvia	Kuehne + Nagel SIA	Riga	LVL	100	100
Lithuania	Kuehne & Nagel UAB	Vilnius	LTL	800	100
Macedonia	Kuehne + Nagel d.o.o.e.l.	Skopje	MKD	8,232	100
Poland	Kuehne + Nagel Poland sp.z o.o.	Poznan	PLN	104,416	100
Romania	Kuehne + Nagel SRL	Bucharest	RON	2,543	100
Russia	OOO Kuehne + Nagel	Moscow	RUR	1,228,036	100
	OOO Kuehne & Nagel Sakhalin	Sakhalin	RUR	500	100
	OOO Nakutrans	Moscow	RUR	278	100
Serbia	Kuehne + Nagel d.o.o.	Belgrade	RSD	3,039	100
Slovakia	Kuehne + Nagel s r.o.	Bratislava	EUR	470	100
Slovenia	Kuehne + Nagel d.o.o.	Ljubljana	EUR	10	100
Ukraine	Kuehne + Nagel Ltd.	Kiev	UAH	30,903	100

North America

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Bermuda	Kuehne + Nagel Ltd.	Hamilton	EUR	12	100
Canada	Kuehne + Nagel Ltd.	Toronto	CAD	2,910	100
	Nacora Insurance Brokers Ltd.	Toronto	CAD	-	100
	Kuehne + Nagel Real Estate Ltd.	Toronto	CAD	-	100
	Kuehne + Nagel Services Ltd.	Vancouver	USD	-	100
Mexico	Kuehne + Nagel S.A. de C.V.	México' D.F.	MXN	24,447	100
	Kuehne + Nagel Servicios Administrativos S.A. de C.V.	México' D.F.	MXN	50	100
	Agente de Seguros S.A. de C.V.	México' D.F.	MXN	50	100
USA	Kuehne + Nagel Investment Inc.	Jersey City	USD	1,400	100
	Kuehne + Nagel Inc.	Jersey City	USD	1,861	100
	Nacora Insurance Brokers Inc.	Jersey City	USD	25	100
	Kuehne + Nagel Special Logistics Inc.	Dulles	USD	30	100
	Kuehne + Nagel Real Estate USA Inc.	Jersey City	USD	-	100

South America

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Argentina	Kuehne + Nagel S.A.	Buenos Aires	ARS	3,208	100
	Nacora S.A.	Buenos Aires	ARS	20	100
Bolivia	Kuehne + Nagel Ltda.	Santa Cruz	BOB	260	100
Brazil	Kuehne + Nagel Serviços Logísticos Ltda.	Sao Paulo	BRL	54,725	100
	Nacora Corretagens de Seguros Ltda.	Sao Paulo	BRL	1,094	100
	Transeich Armazens Gerais S.A.	Porto Alegre	BRL	2,479	100
	Transeich Assessoria e Transportes S.A.	Porto Alegre	BRL	17,918	100
Chile	Kuehne + Nagel Ltda.	Santiago	CLP	575,000	100
Colombia	Kuehne + Nagel S.A.S	Bogotá	COP	5,184,600	100
	Agencia De Aduanas KN Colombia S.A.S. Nivel 2	Bogotá	COP	595,000	100
	Nacora Ltda. Agencia de Seguros	Bogotá	COP	20,000	100
Costa Rica	Kuehne + Nagel S.A.	San Jose	CRC	1	100
Cuba	Kuehne Nagel Logistic Services S.A.	Havana	CUC	-	100
Ecuador	Kuehne + Nagel S. A.	Quito	USD	7	100
El Salvador	Kuehne + Nagel S.A. DE C.V.	San Salvador	USD	69	100
Guatemala	Kuehne + Nagel S.A.	Guatemala	GTQ	4,245	100
Honduras	Kuehne + Nagel S.A.	San Pedro Sula	HNL	25	100
Nicaragua	Kuehne + Nagel S.A.	Managua	NIO	10	100
Panama	Kuehne + Nagel S.A.	Colon	USD	1	100
	Kuehne + Nagel Management S.A.	Colon	USD	10	100
Peru	Kuehne + Nagel S.A.	Lima	PEN	654	100
Trinidad & Tobago	Kuehne + Nagel Ltd.	Port of Spain	TTD	31	100
Uruguay	Kuehne + Nagel S.A.	Montevideo	UYU	3,908	100
Venezuela	Kuehne + Nagel S.A.	Caracas	VEF	1,000	100
	KN Venezuela Aduanas C.A.	Caracas	VEF	2	100
	Nacora S.A.	Caracas	VEF	60	100

Asia-Pacific

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Afghanistan	Kuehne + Nagel Ltd	Kabul	USD	6	100
Australia	Kuehne & Nagel Pty Ltd	Melbourne	AUD	2,900	100
	Nacora Insurance Services Pty Ltd	Melbourne	AUD	-	100
	Cooltainer Australia Pty Limited	Sydney	AUD	-	75
Bangladesh	Kuehne + Nagel Limited	Dhaka	BDT	10,000	100
Cambodia	Kuehne + Nagel Limited	Phnom Penh	USD	5	100
China	Kuehne & Nagel Ltd.	Shanghai	CNY	22,072	100
	Kuehne & Nagel Logistics Co Ltd.	Shanghai	CNY	5,515	100
	Kuehne & Nagel Information Company Ltd.	Guangzhou	CNY	1,008	100
	Kuehne & Nagel Ltd.	Hong Kong	HKD	1,560	100
	Transpac Container System Ltd.	Hong Kong	HKD	100	100
	Nacora Insurance Brokers Ltd.	Hong Kong	HKD	500	70
India	Kuehne + Nagel Pvt. Ltd.	New Delhi	INR	40,000	100
Indonesia	PT. KN Sigma Trans	Jakarta	IDR	1,730,100	95
Japan	Kuehne + Nagel Ltd.	Tokyo	JPY	80,000	100
Korea	Kuehne + Nagel Ltd.	Seoul	KRW	500,000	100
Macau	Kuehne & Nagel Ltd.	Macau	HKD	971	100
	Nacora Insurance Brokers Ltd.	Macau	HKD	53	51
Malaysia	Kuehne + Nagel Sdn. Bhd.	Kuala Lumpur	MYR	1,000	100
	Nacora (Malaysia) Sdn. Bhd.	Kuala Lumpur	MYR	100	100
Maldives	Kuehne + Nagel Private Limited	Male	USD	1	100
New Zealand	Kuehne + Nagel Limited	Auckland	NZD	200	100
	Nacora Insurance Services Limited	Auckland	NZD	10	100
	Cooltainer New Zealand Limited	Christchurch	NZD	1,200	75
Pakistan	Kuehne + Nagel (Private) Limited	Karachi	PKR	9,800	100
Philippines	Kuehne + Nagel Inc.	Manila	PHP	5,000	100
	KN Subic Logistics Inc.	Manila	PHP	1,875	100
Singapore	Kuehne + Nagel Pte. Ltd.	Singapore	SGD	500	100
	Nacora Insurance Agency Pte. Ltd.	Singapore	SGD	100	100
	Kuehne + Nagel (Asia Pacific) Management Pte. Ltd.	Singapore	SGD	200	100
Sri Lanka	Kuehne & Nagel (Pvt) Ltd.	Colombo	LKR	2,502	100
Taiwan	Kuehne + Nagel Ltd.	Taipei	TWD	20,000	100
	Nacora Insurance Brokers Ltd.	Taipei	TWD	6,000	100
Thailand	Kuehne + Nagel Limited	Bangkok	THB	20,000	100
	Consolidation Transport Limited	Bangkok	THB	100	100

Middle East and Central Asia

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Bahrain	Kuehne + Nagel WLL	Manama	BHD	200	100
Egypt	Kuehne + Nagel Ltd.	Cairo	EGP	1,000	100
Georgia	KN Ibrakom Logistics Services Ltd	Tbilisi	GEL	83	60
Israel	Amex Ltd.	Holon	ILS	2	87.5
Iran	Kala Navegan Shargh Co. Ltd.	Tehran	IRR	2,000	60
	Caspian Terminal Services Qeshm Co.Ltd.	Bandar Abbas	IRR	200,000	57
Iraq	Jawharat Al-Sharq Co. for General Transportation & Support Services Ltd.	Baghdad	USD	85	100
	Kuehne + Nagel for General Transportation and Logistics Services L.L.C.	Erbil	USD	45	100
Jordan	Kuehne and Nagel Jordan L.L.C.	Amman	JOD	300	100
Kazakhstan	KN Ibrakom L.L.P.	Almaty	KZT	140,000	60
Kuwait	Kuehne + Nagel Company W.L.L.	Kuwait	KWD	150	100
Lebanon	*KN-ITS SAL	Beirut	LBP	113,000	50
Qatar	Kuehne + Nagel L.L.C.	Doha	QAR	1,900	100
Saudi Arabia	Kuehne and Nagel Limited	Jeddah	SAR	1,000	100
Turkey	Kuehne + Nagel Nakliyat Sti.	Istanbul	TRY	5,195	100
	KN Ibrakom Lojistik Hizmetleri Ltd. Sti.	Istanbul	TRY	945	60
UAE	Kuehne + Nagel L.L.C.	Dubai	AED	1,000	100
	Kuehne + Nagel L.L.C.	Abu Dhabi	AED	1,000	100
	Kuehne + Nagel DWC L.L.C.	Dubai	AED	13,000	100
	Kuehne + Nagel Management ME FZE	Dubai	AED	1,000	100
	Ibrakom FZCO	Jebel Ali	USD	273	60
	Ibrakom Cargo LLC	Jebel Ali	USD	82	60
	Lloyds Maritime & Trading Limited	Jebel Ali	USD	-	60
Uzbekistan	Kuehne + Nagel Ibrakom Tashkent Ltd.	Tashkent	UZS	14,000	60

Africa

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Angola	Kuehne & Nagel (Angola) Transitarios Lda	Luanda	AON	7,824	100
Equatorial Guinea	Kuehne + Nagel (Equatorial Guinea) Ltd.	Malabo	CFA	1,046	100
Kenya	Kuehne + Nagel Limited	Nairobi	KES	63,995	100
Mauritius	KN (Mauritius) Limited	Port Louis	MUR	4,000	100
Mozambique	Kuehne & Nagel Mocambique Lda.	Maputo	MZN	133	100
Namibia	Kuehne and Nagel (Pty) Ltd.	Windhoek	NAD	340	100
Nigeria	Kuehne & Nagel (Nigeria) Limited	Lagos	NGN	10,000	100
South Africa	Kuehne + Nagel (Proprietary) Limited	Johannesburg	ZAR	1,651	75
	KN Tsepisa Logistics (Proprietary) Limited	Johannesburg	ZAR	100	92
	Nacora Insurance Brokers (Proprietary) Limited	Johannesburg	ZAR	35	100
Tanzania	Kuehne + Nagel Limited	Dar Salaam	TZS	525,000	100
Uganda	Kuehne + Nagel Limited	Kampala	UGX	827,500	100

CORPORATE TIMETABLE 2013

March 04, 2013	Full year 2012 results
April 15, 2013	1 st quarter 2013 results
May 07, 2013	Annual General Meeting
May 14, 2013	Dividend payment for 2012
July 15, 2013	Half-year 2013 results
October 15, 2013	Nine-months 2013 results

