Capital Markets Day 2011
Introduction and Strategy

Karl Gernandt
Chairman of the Board of Directors, Kuehne + Nagel International AG
September 14, 2011
Contents

Strategy update and economic environment
Chairman’s statement

- Kuehne + Nagel International AG: Change of chairmanship
- Performance of the Kuehne + Nagel Group first-half year 2011
- More challenging economic environment expected
Global trade and global GDP
Different scenarios for the global economy

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Global GDP</th>
<th>Global Trade</th>
<th>Logistics Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Growth</td>
<td>approx. 3%</td>
<td>approx. 7%</td>
<td>Sea: 6% Air: 5% CL/R&amp;R: GDP</td>
</tr>
<tr>
<td>II. Stagnation</td>
<td>+/-0% in developed markets; slower growth in emerging markets</td>
<td>slower growth</td>
<td>0%</td>
</tr>
<tr>
<td>III. Recession</td>
<td>negative growth in developed markets and significant drop in emerging markets</td>
<td>negative growth</td>
<td>(10%)</td>
</tr>
</tbody>
</table>
### Main strategic focus in volatile economic environment

<table>
<thead>
<tr>
<th>Business development</th>
<th>Cost control</th>
<th>Cash control</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Further increase of sales force to secure and expand market share</td>
<td>▪ Reduction of operational costs in line with volume development</td>
<td>▪ Prudent asset management to protect cash</td>
</tr>
<tr>
<td>▪ Mergers &amp; Acquisitions opportunities</td>
<td>▪ Strict travel and employee expenses policy</td>
<td>▪ Tight working capital management</td>
</tr>
<tr>
<td></td>
<td>▪ High focus on reduction of administration costs</td>
<td>▪ Restrictive capex</td>
</tr>
</tbody>
</table>
Strategy update - conclusion

Scenario-adjusted management

- Preparation of different action plans to protect profitability and cash flow
- Track record of effective management for all possible scenarios
- High transparency and control as well as proven tools
- Flexibility to temporarily adjust timing and investment level if needed

Clear commitment on execution and delivery of “Go for Growth” plan
A successful strategy requires high stability in leadership
Capital Markets Day 2011
Execution of Strategy

Reinhard Lange
Chief Executive Officer, Kuehne + Nagel International AG
September 14, 2011
Special welcome to our guests:

Michael Dreher  
VP and Head of Business Solution Logistics in Global Operations  
*adidas Group*

Dr. Ian Shellard  
Global Physical Logistics Director  
*Rolls-Royce*
Contents

Update “Go for Growth”

Current performance

Execution of strategy in a more volatile environment
Strategy “Go for Growth” - update

- Development of industry-specific solutions
- Integrated services through IT leadership
- Continuation of global expansion
  - Focus on China, India, Brazil and Colombia
- Development of European Road & Rail network
  - Enhancement of the network

Profitable Growth
(+19% YTD*)

* 06/2011 YTD profit after tax, excl. forex
Strategy “Go for Growth” – deliveries

- **Development of industry-specific solutions**
  - Recruitment of product specialists
  - **Perishables Logistics:**
    - Acquisition of Translago & Mastertransport / Colombia and Ecuador
    - Acquisition of Cooltainer / New Zealand
    - Acquisition of van de Put / Netherlands
  - **Pharma Logistics**
    - Dedicated infrastructure in progress
    - Development benefiting all business units
    - Sales pipeline increased significantly

On track
Strategy “Go for Growth” – deliveries (cont’d)

Integrated services through IT leadership

- Continuous investment in IT (> CHF 200 million p.a.)
- KNLogin available for all products
- Continuous development of integrated applications based on latest technology

On track
Strategy “Go for Growth” – deliveries (cont’d)

On track

Continuation of global expansion

- Focus on China, India, Brazil and Colombia

- **Brazil**
  - Acquisition of Grupo Eichenberg

- **China**
  - Launch of Road Logistics activities
Strategy “Go for Growth” – deliveries… (cont’d)

- **European Road Logistics network**
  - Acquisition of RH Freight / UK
  - European hub & spoke system in progress
  - Further investments needed

- **Rail**
  - Development of intermodal products

**Development of European Road & Rail network**

- Extension of the network
Current performance

<table>
<thead>
<tr>
<th>First-half year 2011</th>
<th>Kuehne + Nagel</th>
<th>Market</th>
<th>Main competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seafreight</td>
<td>+ 12%</td>
<td>+ 6%</td>
<td>0 to +5%</td>
</tr>
<tr>
<td>Airfreight</td>
<td>+ 18%</td>
<td>+ 1 to 2%</td>
<td>(2) to +9%</td>
</tr>
<tr>
<td>Road &amp; Rail</td>
<td>+ 21%</td>
<td>+ 4%</td>
<td>+9 to +21%</td>
</tr>
<tr>
<td>Contract Logistics</td>
<td>+ 5%</td>
<td>+ 3%</td>
<td>+2 to +7%</td>
</tr>
</tbody>
</table>

Kuehne + Nagel has continued to gain market share
**How to manage business in a volatile environment**

<table>
<thead>
<tr>
<th></th>
<th>I. Growth</th>
<th>II. Stagnation</th>
<th>III. Recession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct manpower</td>
<td><img src="%E2%86%91" alt="Up" /></td>
<td><img src="%E2%86%91" alt="Up" /></td>
<td><img src="%E2%86%93" alt="Down" /></td>
</tr>
<tr>
<td>Administration</td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%86%93" alt="Red" /></td>
</tr>
<tr>
<td>IT</td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%86%91" alt="Green" /></td>
</tr>
<tr>
<td>Sales</td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%86%91" alt="Green" /></td>
</tr>
<tr>
<td>Capex</td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%9A%A0%EF%B8%8F" alt="Orange" /></td>
<td><img src="%E2%86%93" alt="Red" /></td>
</tr>
<tr>
<td>M&amp;A</td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%9A%A0%EF%B8%8F" alt="Orange" /></td>
<td><img src="%E2%86%93" alt="Red" /></td>
</tr>
<tr>
<td>“Go for Growth”</td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%86%91" alt="Green" /></td>
<td><img src="%E2%86%91" alt="Green" /></td>
</tr>
<tr>
<td>Contract Logistics</td>
<td><strong>Selective growth with multinational customers and profitability improvement</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*September 14, 2011*
# Outlook Full Year 2011

<table>
<thead>
<tr>
<th>H1 2011</th>
<th>Sea Logistics</th>
<th>Air Logistics</th>
<th>Road &amp; Rail Logistics</th>
<th>Contract Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>KN</td>
<td>12%</td>
<td>18%</td>
<td>21%</td>
<td>5%</td>
</tr>
<tr>
<td>Market</td>
<td>6%</td>
<td>&lt; 2%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2011</th>
<th>KN</th>
<th>Air Logistics</th>
<th>Road &amp; Rail Logistics</th>
<th>Contract Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-12%</td>
<td>10-12%</td>
<td>15-17%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Market</td>
<td>5%</td>
<td>0%</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Difficult to reliably forecast global trade for 2nd half 2011
Capital Markets Day 2011
Financial Update

Gerard van Kesteren
Chief Financial Officer, Kuehne + Nagel International AG
September 14, 2011
Contents

- Highlights first-half year 2011
- Exchange rate development / impact
- Financial controlling in a more volatile environment
Highlights first-half year 2011

- Material negative forex impact of 16%
- Stable Sea- and Airfreight margins per unit, impacted by negative forex
- Road & Rail Logistics: consolidation of RH Freight (UK) as of April 2011
- Reduction of idle space in Contract Logistics from 9.2% last year to 6.0% in June 2011
- Stable 3.2% working capital intensity
- ROCE at all time high 56%
- Effective tax rate 21% sustainable
### Income statement first-half year 2011

<table>
<thead>
<tr>
<th>CHF million</th>
<th>2010 Actual</th>
<th>2011 with 2010 fx rates</th>
<th>Variance</th>
<th>Forex Impact in CHF million as %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invoiced turnover</strong></td>
<td>9'849</td>
<td>11'152</td>
<td>1'303</td>
<td>(1'366)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>2'961</td>
<td>3'372</td>
<td>411</td>
<td>(418)</td>
</tr>
<tr>
<td><strong>Gross profit margin</strong></td>
<td>30.1%</td>
<td>30.2%</td>
<td>31.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>(2'486)</td>
<td>(2'800)</td>
<td>(314)</td>
<td>348</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>475</td>
<td>572</td>
<td>97</td>
<td>(70)</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>4.8%</td>
<td>5.1%</td>
<td>7.4%</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>357</td>
<td>451</td>
<td>94</td>
<td>(55)</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>3.6%</td>
<td>4.0%</td>
<td>7.2%</td>
<td></td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>358</td>
<td>454</td>
<td>96</td>
<td>(56)</td>
</tr>
<tr>
<td><strong>EBT margin</strong></td>
<td>3.6%</td>
<td>4.1%</td>
<td>7.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Net earnings for the period</strong></td>
<td>281</td>
<td>356</td>
<td>75</td>
<td>(44)</td>
</tr>
</tbody>
</table>
Development main exchange rates vs. CHF

**Turnover and FX impact**

- **Currency mix (Turnover):**
  - 50% EUR, 25% USD, 10% GBP

- **Translation only**

**Full year 2011 estimate forex:**

- Impact on net profit: approx. 14%
  - Based on:
    - EUR / CHF: 1.20
    - USD / CHF: 0.85
    - GBP / CHF: 1.35

**Comments**

- Adjusted figures calculated with 2010 exchange rates
Controlling tool kit: “Go for Growth” – Return on Investment

Key elements and benefits of Kuehne + Nagel’s tool kit

- **Outset**: 250 legal entities in over 100 countries managed via 6,000 profit centers
- **Monthly reporting on 5th working day** of the following month for all profit center managers – globally
- **Full visibility** due to single, standardised reporting and controlling platform
- **Great flexibility** of system. Data available:
  - per business unit (BU)
  - per geography
  - per trade lane and product
  - per industry vertical
  - per customer (across BUs)
  - per salesperson
Example controlling tool kit: trade lane analysis

**Example**

**Investment:**
- Trade lane know-how (24 specialists hired)
- Product know-how (44 specialists hired)

**Controlling:**
- Return on investment \(\Rightarrow\) volume growth and gross profit
- Result: visibility of growth and margins

**Result:** Profitable growth (volume growth, stable margin per unit)
Example controlling tool kit: sales investment

**Investment:**
- > CHF 300 million sales cost (+11% 2011/10)
- 300 additional sales executives first-half year 2011

**Controlling:**
- Return on investment ➔ turnover/ gross profit/ volume growth
- Tools: Performance by sales executive
  - Controlling KPIs
  - TO/GP/volume contribution per customer

**Result:** Contributing double-digit organic growth in Sea & Air
Continuous commitment to protect profitability and secure cash

“Cash is King”
- Kuehne + Nagel approx. CHF 700 million cash

Working capital
- Dedicated taskforce in corporate finance, daily monitoring AR exposure, DSO and DPO

Differentiate actions
- Full transparency by vertical, region, trade lane and customer – take action wherever needed

Controlling
- Dedicated taskforce to identify and monitor profit improvement initiatives
Global container market

- Container trade growth in first-half year 2011 5-6%, slower growth expected in second-half of 2011

- Asia – US market volumes down June / July by 8%

- Rapid rise in ordering activities by carriers

- Supply is growing faster than demand
Market growth by trade lanes

- Far East > Europe
- Far East > North America
- Europe > North America
- Intra Asia
- Far East > Latin America

Q2 08
Q2 09
Q2 10
Q2 11
Market rate development

USD per FEU

<table>
<thead>
<tr>
<th>Route</th>
<th>June 2008</th>
<th>June 2009</th>
<th>June 2010</th>
<th>June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Far East &gt; Med</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Far East &gt; N.Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Far East &gt; North America</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe &gt; North America</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia - ISC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Far East &gt; Latin America</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Growth strategy: “Go for Growth”

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCL TEU</td>
<td>2.5 mn</td>
<td>&gt;5.0 mn</td>
</tr>
<tr>
<td>LCL cbm</td>
<td>1.2 mn</td>
<td>&gt;2.5 mn</td>
</tr>
<tr>
<td>Industry-specific solutions TEU</td>
<td>0.3 mn</td>
<td>&gt;1.0 mn</td>
</tr>
<tr>
<td>Outside Europe TEU</td>
<td>32%</td>
<td>44%</td>
</tr>
</tbody>
</table>
Growth initiatives – status update

**Transpacific (EB) development**
- Specialists being hired to meet 2014 target
- YTD market +4%, Kuehne + Nagel +13%,
  (June / July 2011 market -8%, Kuehne + Nagel +11%)
- Kuehne + Nagel reached Top 3 position, challenging № 1
- Carrier dominated market

**Intra–Asia development**
- Team in place
- Kuehne + Nagel № 1 of international forwarders in a highly fragmented market
- Carrier dominated market, driven by high spot demand
Industry-specific business solutions
(Drinks, Perishables and Forest Products)

- Most of the specialists in place
- Further acquisitions under review

Sea Transport Management / STM (carrier management)

- Volume development within target
Additional focus

**LCL**
- Global team in place

**Small- and medium-sized customers**
- Trade lane focus
## Productivity initiatives

**Goal:** Increase productivity by 5% every year

<table>
<thead>
<tr>
<th>Main focus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Further carrier integration</td>
<td>Today 80% EDI bookings / add. EDI processes</td>
</tr>
<tr>
<td>2. Customer e-Booking</td>
<td>Today 5%, target 25%</td>
</tr>
<tr>
<td>3. New operating software SeaLog / start roll-out in 2013</td>
<td></td>
</tr>
<tr>
<td>4. Paperless operation</td>
<td></td>
</tr>
<tr>
<td>5. Shared service centers</td>
<td></td>
</tr>
</tbody>
</table>
KNLogin: a recognised solution

Kuehne + Nagel

Planning
Optimising
Monitoring
Controlling
Reporting
Execution
Local fulfillment

Detailed information
KNLogin

Customer
Production
Production planning
Sales forecast
marketing
Research and
development
Public relations

Information
Contract

Vendor I
Vendor II
Carrier I
Carrier II
Carrier III
NVO
Forwarder
Airline I
Airline II
Airline III

September 14, 2011
KNLogin: a recognised solution (cont’d)

**Customer**

- 2008: 4,000
- 2009: 6,000
- 2010: 12,000
- 2011: 14,000

**Total Hits**

- 2008: 5,000,000
- 2009: 10,000,000
- 2010: 20,000,000
- 2011: 40,000,000
Capital Markets Day 2011
Airfreight Logistics

Tim Scharwath
Executive Vice President, Kuehne + Nagel International AG
September 14, 2011
Personal background – Tim Scharwath

- 1992 joined Kuehne + Nagel Germany
- 1992 to 2004 various positions in Germany in Sales and General Management
- 2004 to 2007 Senior Vice President Airfreight Logistics Central Europe
- 2007 to 2009 National Manager Netherlands
- 2009 to 2011 Regional Manager North West Europe
- Since September 1, 2011: Executive Vice President Airfreight, Management Board member of Kuehne + Nagel International AG
Contents

- Global market update
- Market position
- Growth initiatives
- Case study: e-Commerce solution
Global Airfreight market

- Slowing growth (last 3 months declining volumes)
- Increasing overcapacity
- Market rate volatility steadily growing
- Airline profitability forecast 2011 halved to USD 4 billions (IATA 2010: USD 18 billions)
Kuehne + Nagel Top 3 worldwide - challenging № 2
Market share 2010 based on turnover

Source: Company reports and Kuehne + Nagel estimates
Kuehne + Nagel outperforming the market since 2001
Airfreight growth initiatives

**Goal:** Maintain № 3 market position, challenge № 2  
**Volume increase of more than 50% (2009 to 2014)**

<table>
<thead>
<tr>
<th>Growth initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Transpacific development</td>
</tr>
<tr>
<td>2 Intra-Asia development</td>
</tr>
<tr>
<td>3 Business solutions:</td>
</tr>
<tr>
<td>- Perishables Logistics</td>
</tr>
<tr>
<td>- Pharma Logistics</td>
</tr>
<tr>
<td>4 Airfreight products: e-Commerce</td>
</tr>
</tbody>
</table>
Growth initiatives – status update

**Transpacific**
- Development team complete
- Delayed start-up

**Intra-Asia**
- Sales team not yet completed
- Volume development delayed

**Pharma logistics**
- Experienced pharma team in place
- Significantly improved sales pipeline
Perishables

- South America: acquisition (Translago) – January 2011
  - Leader in South America
  - Fully integrated

- Europe: acquisition (van de Put) – September 2011
  - EU leading platform secured
  - Kuehne + Nagel can now offer door-to-door services

- 2011 estimated 220,000 t
  - Further acquisitions outside of Europe would make Kuehne + Nagel global market leader
Case study: e-Commerce solution

“Air Logistics Online” – easy-to-use quotation, booking & tracking solution

- Target: small- and medium-sized customers
- Volume growth from customer segments currently not targeted
- Productivity improvement
- Focus on new generation of buyers of logistics services
Success story from different perspectives

- History & Culture
- People
- Processes & IT
- Economic Environment
- Customers
- Seafreight
- Airfreight
- Road & Rail
- Contract Logistics
- Market & Competition
Overview - history

- “Homebase” – founded in 1890
- > 100 locations
- Approx. 10,000 employees
- Low staff turnover and strong focus on talent management
- EUR 4 billion turnover expected for 2011
- Over 19,000 customers
- Industry focus (amongst others):
  - Automotive
  - Technology & Aerospace
  - Pharma
- Strong growth – also driven by acquisitions
Attractive logistics market

<table>
<thead>
<tr>
<th>GDP (change in %)</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4</td>
<td>Unemployment rate: 7%, low youth unemployment rate</td>
</tr>
<tr>
<td>2.7</td>
<td>Specialised and well established logistics education</td>
</tr>
<tr>
<td>1.0</td>
<td>Attractive logistics infrastructure</td>
</tr>
<tr>
<td>-4.7</td>
<td>Export is 1/3 of national output</td>
</tr>
<tr>
<td>3.6</td>
<td>Main import / export partners: France, USA, Netherlands, UK, Italy, Austria, China, Switzerland, Belgium</td>
</tr>
<tr>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

2006 2007 2008 2009 2010 2011

Foreign trade balance (EUR million)
Continuous growth (EBIT Index) …

- 2006: 100
- 2010: 147
- 2011 (1-6): 100

… driven by people (FTE)

- 2006: 6.717
- 2010: 8.605
- 2011 (1-6): 9.304

Key contributor to the Group’s growth and performance

Continuous growth driven by people.
Improved market penetration

Number of customers

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,500</td>
<td>14,900</td>
<td>16,000</td>
<td>16,000</td>
<td>15,000</td>
<td>18,500</td>
<td>19,000</td>
</tr>
</tbody>
</table>

Top 5 customers (Turnover)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+81%

+49%
Cross-selling

Our target: “one stop shopping”

Cross-selling as growth driver

- Industry-focus supports strong position
- Acquisitions with strong cross-selling impact
- Global key account management in other regions supports Germany

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full</td>
<td>7%</td>
<td>15%</td>
</tr>
<tr>
<td>Triple</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>Double</td>
<td>29%</td>
<td>24%</td>
</tr>
<tr>
<td>Single</td>
<td>33%</td>
<td>31%</td>
</tr>
</tbody>
</table>
Seafreight and Airfreight – market positions

**Seafreight market position**

1. Strong market position in the important outbound east/west trade lanes
2. Focus on forest products and dedicated automotive approach
3. Centralised intermodal operations to optimise in- & outbound container flows
4. Improvement of processes & workflows to increase productivity and quality

**Airfreight market position**

1. Strong growth even in a mature market with a market share of 12% (Top 3 together: 38%)
2. Focus on vertical markets, e.g. Pharma, Automotive
3. Increase of productivity by implementing paperless processes

**Growth opportunities & challenges**
Road & Rail and Contract Logistics – market positions

Road & Rail market position

1) 1) Kuehne + Nagel estimates

Contract Logistics market position

Growth opportunities & challenges

- Further development of European network
- Strong focus on product development in vertical markets, e.g. Pharma
- Successful M&A integration
- Concentration on cross-selling
- Increasing productivity by implementation of unified IT-systems

Growth opportunities & challenges

- Experienced management in all areas (IT, Implementation, Operations, ...) in place
- Focus on “Operational Excellence” and customer satisfaction through best practices
- Balance between organic and non-organic growth
- Sound customer mix
- Efficiency improvements through campus concept
Our key success factors

<table>
<thead>
<tr>
<th>Market perspective</th>
<th>People perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top market position</td>
<td>Be proud</td>
</tr>
<tr>
<td>Still hungry</td>
<td>Attract &amp; retain</td>
</tr>
<tr>
<td>Thinking differently</td>
<td>Encourage young talents</td>
</tr>
<tr>
<td>Entrepreneurs, not managers</td>
<td>Driven by diversity</td>
</tr>
</tbody>
</table>
Capital Markets Day 2011
Road & Rail Logistics | Contract Logistics

Dirk Reich
Executive Vice President, Kuehne + Nagel International AG
September 14, 2011
Contents

Introduction

Road & Rail Logistics

Contract Logistics

Conclusion
The Kuehne + Nagel business units in comparison
(in CHF million, June YTD)

<table>
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<tr>
<th>Sea Logistics</th>
<th>Air Logistics</th>
<th>Contract Logistics*</th>
<th>Road &amp; Rail Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>GP: 625</td>
<td>GP: 396</td>
<td>GP: 1’475</td>
<td>GP: 438</td>
</tr>
<tr>
<td>EBIT: 210</td>
<td>EBIT: 121</td>
<td>EBIT: 56</td>
<td>EBIT: (1)</td>
</tr>
<tr>
<td>(54%)</td>
<td>(31%)</td>
<td>(15%)</td>
<td>(0%)</td>
</tr>
<tr>
<td>ROCE: &gt; 100%</td>
<td>ROCE: &gt; 100%</td>
<td>ROCE CL: 23%</td>
<td>ROCE: n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ROCE RE: 4%</td>
<td></td>
</tr>
</tbody>
</table>

Why does Kuehne + Nagel invest outside Sea & Air?

* including Real Estate
Preconditions for global integrated, end-to-end logistics

Preconditions

- IT competence – “end to end”
- Process competence – “end to end”
- Global standards – “end to end”

- Cost competitiveness of Contract Logistics, Road & Rail (local scale)
- Direct operational control
- Quality assurance – “end to end”

End-to-end capabilities
Global Road Logistics - market and trends

Geographic split of global market

- Europe: CHF 340 billion
- Americas: CHF 340 billion
- AsiaPac: CHF 180 billion

Total Market: CHF 900 billion*

Key trends

- Industry consolidation in Europe continues
- Financial crisis leads to pressure in Southern Europe
- South America and Asia: strong growth to continue

* Source: 2010 estimates by Kuehne + Nagel
Global Road Logistics - market and trends (cont’d)

Segment split of global market

- **Special Transport 200**
- **Bulk 200**
- **CEP 150**
- **CEP 150**
- **Groupage 100**
- **FTL/LTL 180**

Key trends

- CEP providers gain market share due to e-Commerce and trend to smaller, high frequency shipments
- FTL / LTL segment shows start of industry consolidation
- Groupage margins under pressure from CEP and FTL / LTL
- **Kuehne + Nagel to focus on Specialised Networks, FTL / LTL and Groupage**

*Source: 2010 estimates by Kuehne + Nagel*
Kuehne + Nagel Road Logistics: turnover growth

<table>
<thead>
<tr>
<th></th>
<th>Specialised Networks</th>
<th>FTL / LTL</th>
<th>Groupage</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Domestic</td>
<td></td>
<td>5%</td>
<td>0 - 5%</td>
</tr>
<tr>
<td>European International</td>
<td>5 - 10%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Americas / Asia</td>
<td></td>
<td>&gt;20%</td>
<td></td>
</tr>
</tbody>
</table>

Focus on international transportation in Europe
### Kuehne + Nagel Road Logistics: EBITA margins

<table>
<thead>
<tr>
<th></th>
<th>Specialised Networks</th>
<th>FTL / LTL</th>
<th>Groupage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>European Domestic</strong></td>
<td></td>
<td></td>
<td>&lt;0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 - 2%</td>
<td></td>
</tr>
<tr>
<td><strong>European International</strong></td>
<td>&gt;2%</td>
<td>3 - 4%</td>
<td>0 - 2%</td>
</tr>
<tr>
<td><strong>Americas / Asia</strong></td>
<td></td>
<td>0 - 3%</td>
<td></td>
</tr>
</tbody>
</table>

**High margin potential in Specialised Networks and FTL / LTL**
### Recent Developments Kuehne + Nagel Road Logistics

<table>
<thead>
<tr>
<th>Specialised Networks</th>
<th>FTL / LTL</th>
<th>Groupage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic growth of high tech network</td>
<td>Acquisition of Grupo Eichenberg / Brazil</td>
<td>Acquisition of RH Freight (international groupage)</td>
</tr>
<tr>
<td>Organic growth of pharma network</td>
<td>Start of FTL / LTL traffics in China organically and for Air, Sea and Contract Logistics’ customers</td>
<td>Improved results in France</td>
</tr>
<tr>
<td></td>
<td>European Transportation Control Center go-live Luxembourg</td>
<td>Stable IDS alliance and positive results in Germany</td>
</tr>
<tr>
<td></td>
<td>Organic growth with key accounts</td>
<td>Challenges in Greece</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development of European hub &amp; spoke system</td>
</tr>
</tbody>
</table>
Outlook Kuehne + Nagel Road Logistics

- Growth to continue through combination of organic development and selected, small acquisitions
- Investments in high growth regions/countries to continue despite start-up losses
- Margins to become positive through tight cost control, scale and higher growth in FTL/LTL
Global Rail Logistics - market and trends

Geographic split of global market

- **North America**: CHF 80 billion
- **Europe**: CHF 20 billion
- **Asia**: CHF 40 billion
- **CIS / Middle East**: CHF 60 billion
- **Total Market**: CHF 200 billion

Key trends

- Sustainability and CO$_2$-reduction as key driver for rail business
- Shortage of equipment
- Limitations of rail infrastructure
- Intermodal business becomes key growth area

* Source: 2010 estimates by Kuehne + Nagel
Outlook Rail Logistics

- Increased demand between Asia and Europe

- First Kuehne + Nagel test-train from Chongqing to Duisburg expected for end of 2011
## Global Contract Logistics – market and trends

### Market size and share

<table>
<thead>
<tr>
<th><strong>Market size</strong></th>
<th><strong>Kuehne + Nagel market share</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR &gt;200 bn globally</td>
<td>approx. 1.5%</td>
</tr>
</tbody>
</table>

### Market growth

- 2011: + 3%

### Market trends

- Multinational customers reduce number of suppliers due to increased demand for consistent, global service offering
- “Lean” becomes prerequisite for success
- Margins stable on low level
- Wincanton has been broken-up, DHL loses market share
- Industry consolidation has lost momentum
Contract Logistics – development of idle space

Significant reduction of idle space, targeting all time low

Target: 5%
Contract Logistics – Kuehne + Nagel platform
Reliable, best-in-class logistics worldwide

- Innovative, integrated solutions
- Kuehne + Nagel Production System
- Standardised process design
- Global WMS and standardised interfacing
- Kuehne + Nagel’s global footprint, local expertise in over 100 countries and a worldwide warehousing network
Contract Logistics - growth through systematic cross-regional selling

Key Focus

Focus on multinational customers is key to success

Increase number of countries with contract logistics activities

Siemens 9
Nestle 9
Bosch 8
Lexmark 8
Huawei 8
Unilever 8
Ericsson 7
Alcatel 7
HP 7
Phillip Morris 7
Danone 6
BMW 6
FIAT 6
Nortel 6
Airbus 6
Carrefour 6
Schindler 6
MaxInvest 5
Samsung 5

# countries
0 2 4 6 8 10 55

Kuehne + Nagel | Capital Markets Day 2011 September 14, 2011 p. 76
Strategic goals – global IT standards
Example: CIEL WMS / TMS

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Release</td>
<td># 1</td>
<td># 28</td>
<td># 34</td>
<td># 37</td>
<td># 39</td>
</tr>
<tr>
<td>Countries</td>
<td>1</td>
<td>42</td>
<td>&gt;50</td>
<td>&gt;50</td>
<td>&gt;50</td>
</tr>
<tr>
<td>Customers</td>
<td>1</td>
<td>450</td>
<td>&gt;600</td>
<td>&gt;700</td>
<td>&gt;750</td>
</tr>
</tbody>
</table>

Kuehne + Nagel:
The only company with a standard WMS / TMS in >50 countries
Outlook Contract Logistics

- Focus on margin improvements
- Growth and investments focused on multinational customers and integrated logistics
- Focus on dedicated and larger logistics campuses at strategic locations
- Target ROCE above 30% in short-term
Global Lead Logistics - market and trends

- Complex and **globalised logistics chains** cover 10 – 20% of the logistics market
- Customers tend to **outsource logistics management** to avoid huge investments / learning curve challenges
- **Industry-specific know-how** is key to manage global chains across all service modes and geographies
- A **limited number of global logistics players** can deliver upon the integrated and industry dedicated requirements

Kuehne + Nagel will further invest into Lead Logistics
Value proposition **Lead Logistics** – overview key benefits for customers

- One managed end-to-end solution integrating all transport and service modes
- Visibility and comprehensive information
- Performance management and cost control
- Single point of contact
- Integrated global IT solution, including centralised billing
- Synergies from shared control center environment

Generation of additional value and growth for Sea, Air, Road & Rail and Contract Logistics
Why integrated end-to-end logistics, instead of Sea & Air only?

- **Customer Value**
  - Customer proposition to cover increasingly complex and global logistics needs
  - Reducing customers total supply chain cost (end-to-end)
  - End-to-end quality assurance

- **Growth**
  - Cross-selling across all business fields
  - Cross-selling across all regions
  - Several years of evidence
  - Long standing and tight relationship with customers (IT)

- **Profitability**
  - Kuehne + Nagel requires each segment to be profitable on it’s own
  - Integrated logistics leads to better margins in Sea & Air
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