



Kuehne + Nagel International AG

Analyst Conference Call – 1st Quarter 2011 Results

April 18, 2011 (CET 14.00)

Schindellegi, Switzerland



Agenda

Welcome & Highlights Q1 2011 | Gerard van Kesteren

Operating Review Q1 2011 | Reinhard Lange

Financial Review | Gerard van Kesteren

Outlook | Reinhard Lange



Highlights 1st Quarter 2011

- Strong **volume growth** above market in all business units:

	Kuehne+Nagel	Market
- Seafreight	14%	7-8%
- Airfreight	21%	6-7%
- Road&Rail	15%	6%
- Contract Logistics	8%	5%

- Material **negative forex** impact of approximately 12%
- Stable **Seafreight** and **Airfreight** margins per unit, impacted by negative forex
- **Road & Rail Logistics** good start into 2011 with CHF 1 million EBIT
- Reduced idle space in **Contract Logistics** to 7% vs. 12% last year
- Stable 3.2% **working capital intensity**
- **ROCE** at all time high 54%
- **Effective tax rate** 21% sustainable



Income Statement 1st Quarter

<i>CHF million</i>	2010	2011	Variance	Excl. Forex
Invoiced turnover	4'604	4'820	4.7%	17.0%
Gross profit	1'442	1'458	1.1%	13.6%
<i>Gross profit margin</i>	31.3%	30.2%		
Total expenses	(1'214)	(1'209)		
EBITDA	228	249	9.2%	21.0%
<i>EBITDA margin</i>	5.0%	5.2%		
EBITA	185	211		
<i>EBITA margin</i>	4.0%	4.4%		
EBIT	167	196	17.4%	30.0%
<i>EBIT margin</i>	3.6%	4.1%		
EBT	167	196	17.4%	30.0%
<i>EBT margin</i>	3.6%	4.1%		
Tax	(35)	(41)		
Earnings for the period	132	155	17.4%	29.5%
Non-controlling interests	1	1		
Net earnings for the period	131	154	17.6%	29.8%



Development Main Exchange Rates vs. CHF

	Q1				Variance %	Impact Net Earnings
	2009	2010	2010	2011		
Balance Sheet (period end rates)						
Euro	1.4899	1.2578	1.4284	1.2935	(9.4%)	
US Dollar	1.0355	0.9532	1.0647	0.9197	(13.6%)	
British Pound	1.6544	1.4712	1.5872	1.4716	(7.3%)	
Income Statement (average rates)						Expected full year 2011
Euro	1.5099	1.3864	1.4640	1.2810	(12.5%)	1.31
US Dollar	1.0811	1.0430	1.0558	0.9363	(11.3%)	0.91
British Pound	1.6774	1.6119	1.6500	1.4872	(9.9%)	1.49
					(12.2%)	(7.2%)



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Status Update: “Go for Growth”

	growth p.a. 2009 - 2014		growth 2009 - 2010		Q1 2011
Turnover*	CHF	15%	22%		17% 
Employees	FTE	9%	9%		9% 
Seafreight	TEU	15%	16%		14% 
Airfreight	Tons	12%	25%		21% ** 
Road & Rail*	CHF	15%	16%		15% 
Contract Logistics*	CHF	9%	5%		8% 

* currency adjusted (net) invoiced turnover

** including impact of acquisitions in Colombia & Ecuador



Annualised Impact - Acquisitions 2011

<i>in CHF million</i>	Cooltainer New Zealand	RH Freight United Kingdom	Perishables Colombia & Ecuador
Business Unit	Seafreight	Road & Rail	Airfreight
External turnover	37	170	78
Gross Profit	13	54	8
EBITDA	6	1	3
Employees	45	630	160
TEU's / TONs in '000	17		72
Additional amortisaion of intangibles (2011 Estimate)	3	5	2



Seafreight



Seafreight: Highlights 1st Quarter 2011

Volume increased by 14% (market growth 7-8%)

- Shipped 754'000 TEUs = highest 1st quarter volume ever

Declining freight rates

- YoY rates significantly down

Started implementation of “Go for Growth” strategy

- Development of activities in the inter-Asian and transpacific trade lanes
- Development of industry-specific solutions: Drinks, Forest and Perishables Logistics

Substantial increase in EBIT / Gross Profit conversion ratio

- 34.3% vs. 31.6% (YoY)
- Productivity stable at high level



Performance of Business Unit **Seafreight** – 1st Quarter

CHF million	2009	2010	2011	Variance	Excl. Forex
Invoiced turnover	1'930	1'992	2'071	4.0%	15.4%
Gross profit	301	285	312	9.5%	21.8%
EBITDA	102	97	112	15.5%	28.9%
EBIT	93	90	107	18.9%	32.2%

EBIT in % of GP	30.9%	31.6%	34.3%
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	TEU's	per TEU		
	'000	GP	Exp.	EBIT
2009	563	535	(369)	166
2010	659	432	(296)	136
2011	754	414	(272)	142



Airfreight



Airfreight: Highlights 1st Quarter 2011

Volume increased by 21% (market growth 6-7%)

- 259'000 tons handled: Highest level of volume in any quarter

Volatile freight rates

Started implementation of the “Go for Growth” strategy

- Development of activities on the inter-Asian and transpacific trade lanes
- Development of industry-specific solutions: Perishables and Pharma Logistics

Substantial increase of EBIT / Gross Profit conversion ratio

- 30.3% vs. 25.7% (YoY)
- Productivity increase by 4% YoY



Performance of Business Unit **Airfreight** – 1st Quarter

CHF million	2009	2010	2011	Variance	Excl. Forex
Invoiced turnover	657	873	994	13.9%	26.7%
Gross profit	162	171	195	14.0%	26.9%
EBITDA	52	49	63	28.6%	40.8%
EBIT	48	44	59	34.1%	47.7%

EBIT in % of GP	29.6%	25.7%	30.3%
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	TON's	per 100kg		
	'000	GP	Exp.	EBIT
2009	164	99	(70)	29
2010	214	80	(59)	21
2011	259	75	(53)	22



Road & Rail Logistics



Road & Rail Logistics: Highlights 1st Quarter 2011

Net invoiced turnover increased by 15% * (market growth 6%)

Continuous pressure on margins

Started implementation of the “Go for Growth” strategy

- Development of the European groupage network
- Development in the Full and Part Load business
- Development of industry-specific distribution services

RH Freight

- Completion as of 1st April 2011
- Consolidation as of 1st April 2011

* currency adjusted



Performance of Business Unit **Road & Rail Logistics** – 1st Quarter

<i>CHF million</i>	2009	2010	2011	Variance	Excl. Forex
Invoiced turnover	611	646	681	5.4%	19.0%
Net Invoiced turnover	574	595	605	1.7%	15.1%
Gross profit	201	206	201	(2.4%)	10.7%
EBITDA	6	14	13	(7.1%)	7.2%
EBITA	(4)	5	6		
EBIT	(10)	(1)	1		
EBIT / Revenue margin	(1.6%)	(0.2%)	0.1%		
EBIT / GP margin	(5.0%)	(0.5%)	0.5%		



Contract Logistics



Contract Logistics: Highlights 1st Quarter 2011

Net invoiced turnover increased by 8%* (market growth 5%)

Idle space rate substantially reduced (March 10: 12% / March 11: 7%)

Decrease of profitability caused by

- Foreign-exchange impact
- Despite continuous start-up costs, 2011 full year estimate improved vs. 2010

* currency adjusted



Performance of Business Unit **Contract Logistics** – 1st Quarter

<i>CHF million</i>	2009	2010	2011	Variance	Excl. Forex
Invoiced turnover	1'064	1'061	1'044	(1.6%)	10.9%
Net Invoiced turnover	1'021	1'027	984	(4.2%)	7.9%
Gross profit	770	770	741	(3.8%)	8.6%
EBITDA	48	45	41	(8.9%)	2.2%
EBITA	25	26	21		
EBIT	16	18	15		
EBITDA / Revenue margin	4.5%	4.2%	3.9%		
EBIT / Revenue margin	1.5%	1.7%	1.4%		
EBIT / GP margin	2.1%	2.3%	2.0%		



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Financial Overview – Highlights 1st Quarter

CHFmillion	2009	2010	2011
Gross Profit	1'444	1'442	1'458
EBITDA	230	228	249
Earnings for the period	128	131	154
Cash & Cash Equivalents	915	942	1'317
<i>Per share CHF</i>			
EPS (basic)	1.09	1.10	1.29
Equity % Total Assets	38.0%	39.6%	41.2%
Operational Cash Flow	226	222	248
Capex	78	30	47
ROCE	44%	35%	54%



Balance Sheet

<i>CHF million</i>	Dec 31 2010	Mar 31 2011
Assets		
Non-current assets	2'058	2'102
Trade receivables	2'077	2'203
Cash and cash equivalents	1'331	1'336
Others	475	543
Current assets	3'883	4'082
Total assets	5'941	6'184
Liabilities and equity		
Total equity	2'378	2'549
Non-current liabilities	609	603
Trade payables	1'201	1'091
Accrued trade expenses / deferred income	877	944
Others	876	997
Current liabilities	2'954	3'032
Total liabilities and equity	5'941	6'184



Cash Flow Statement – 1st Quarter

<i>CHF million</i>	2010	2011	Variance
Operational cash flow	222	248	26
Changes in working capital	(186)	(123)	63
Income taxes paid	(41)	(58)	(17)
Cash flow from operating activities	(5)	67	72
Cash flow from investing activities	(16)	(48)	(32)
Cash flow from financing activities	(7)	(11)	(4)
Exchange difference on cash and cash equivalents	(1)	(6)	(5)
Increase/(decrease) in cash and cash equivalents	(29)	2	31
Cash and cash equivalents at the beginning of the period, net	971	1'315	344
Cash and cash equivalents at the end of the period, net	942	1'317	375



Development of Working Capital

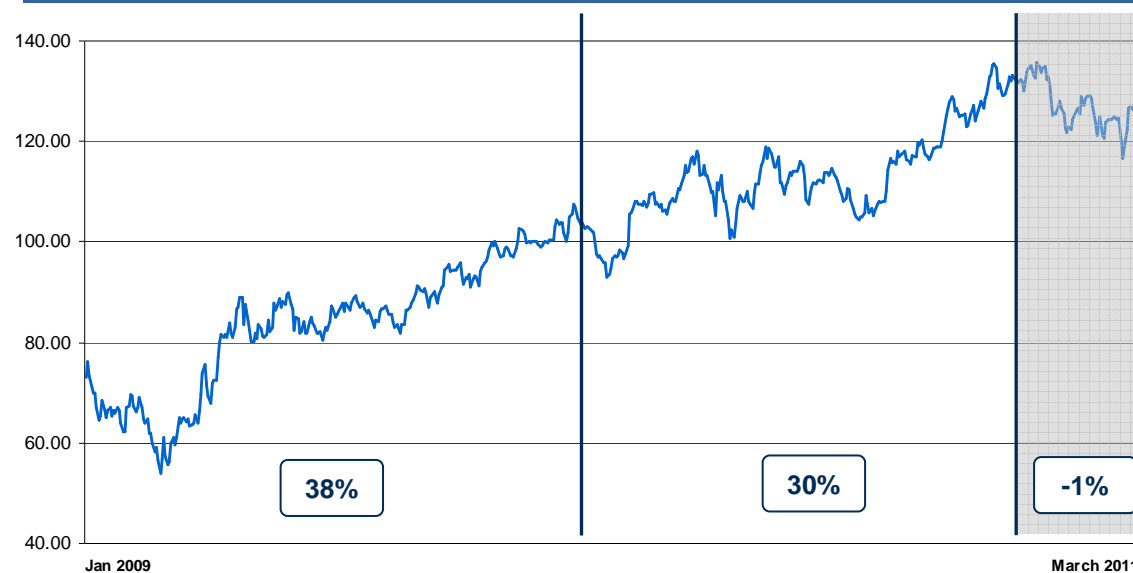
CHF million	Mar 2009	Mar 2010	Dec 2010	Mar 2011
Trade receivables & Work in progress	2'230	2'431	2'387	2'508
Trade payables & Accrued trade expenses	(1'675)	(1'825)	(1'946)	(1'887)
Net Working Capital	555	606	441	621
KPI:				
Working Capital Intensity	3.2%	3.3%	2.2%	3.2%
DSO	42.6	43.0	37.8	42.3
DPO	52.9	53.1	48.0	51.3



Shareholder Value

Distribution Kuehne + Nagel International AG	2010	2009
Dividend per share in CHF	2.75	2.30
Capital contribution reserve per share in CHF	1.50	-
Total	4.25	2.30

Development Share Price 2009 - 2011



Q1 2011

High: 135.80 CHF

Low: 116.70 CHF



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Outlook 2011

	Kuehne + Nagel	Market
Seafreight (TEU)	15%	5 – 7%
Airfreight (Tons)	18%	5 – 7%
Road & Rail Logistics (Net Invoiced TO)	15%	6%
Contract Logistics (Net Invoiced TO)	7%	5%



Upcoming Events 2011

Annual General Meeting	■ 10 May 2011
Dividend + Capital Contribution Reserves	■ 17 May 2011
Half-year results	■ 18 July 2011
Investor Day	■ 14 September 2011 / London
Nine-months results	■ 17 October 2011



Thank you for your attention.



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