



Kuehne + Nagel International AG

Analyst Call – Q1-2010 Results

April 19, 2010 (CET 14.00)

Schindellegi, Switzerland



Agenda

- Highlights Q1-2010 Gerard van Kesteren
- Operating Review Q1-2010 Reinhard Lange
- Financial Review Q1-2010 Gerard van Kesteren
- Full Year Outlook 2010 Reinhard Lange



Highlights Q1-2010



Highlights Q1-2010

- Strong volume growths in air- and seafreight.
 - Continued increases in seafreight rates, have negatively impacted GP per unit
- After weak start, road activity in Jan and Feb, strong volume recovery in March.
 - Due to productivity improvements, doubling of EBITDA
- Further reduction of idle space in North America for contract logistics.
- Expansion of working capital, due to volume growth maintaining KPI's at last year level.
- Substantially lower Capex.
- Effective tax rate 21% sustainable.



Income Statement

<i>CHF million</i>	2008	2009	2010	Variance 2010 / 2009	
				Variance	Excl. Forex
Invoiced turnover	5'310	4'291	4'604	7.3%	8.0%
Gross profit	1'554	1'444	1'442	(0.1%)	1.3%
<i>Gross profit margin</i>	29.3%	33.7%	31.3%		
Total expenses	(1'292)	(1'214)	(1'214)		
EBITDA	262	230	228	(0.9%)	0.9%
<i>EBITDA margin</i>	4.9%	5.4%	5.0%		
Depreciation of property, plant and equipment	(44)	(48)	(43)		
EBITA	218	182	185	1.6%	3.8%
<i>EBITA margin</i>	14.0%	12.6%	12.8%		
Amort. & Impairment of goodwill / intangibles	(21)	(19)	(18)		
EBIT	197	163	167	2.5%	4.9%
<i>EBIT margin</i>	3.7%	3.8%	3.6%		
Financial Result / Joint ventures	4	5	-		
EBT	201	168	167	(0.6%)	1.8%
<i>EBT margin</i>	3.8%	3.9%	3.6%		
Tax	(46)	(39)	(35)		
Earnings for the period	155	129	132	2.3%	4.7%
Net earnings for the period	154	128	131	2.3%	4.7%

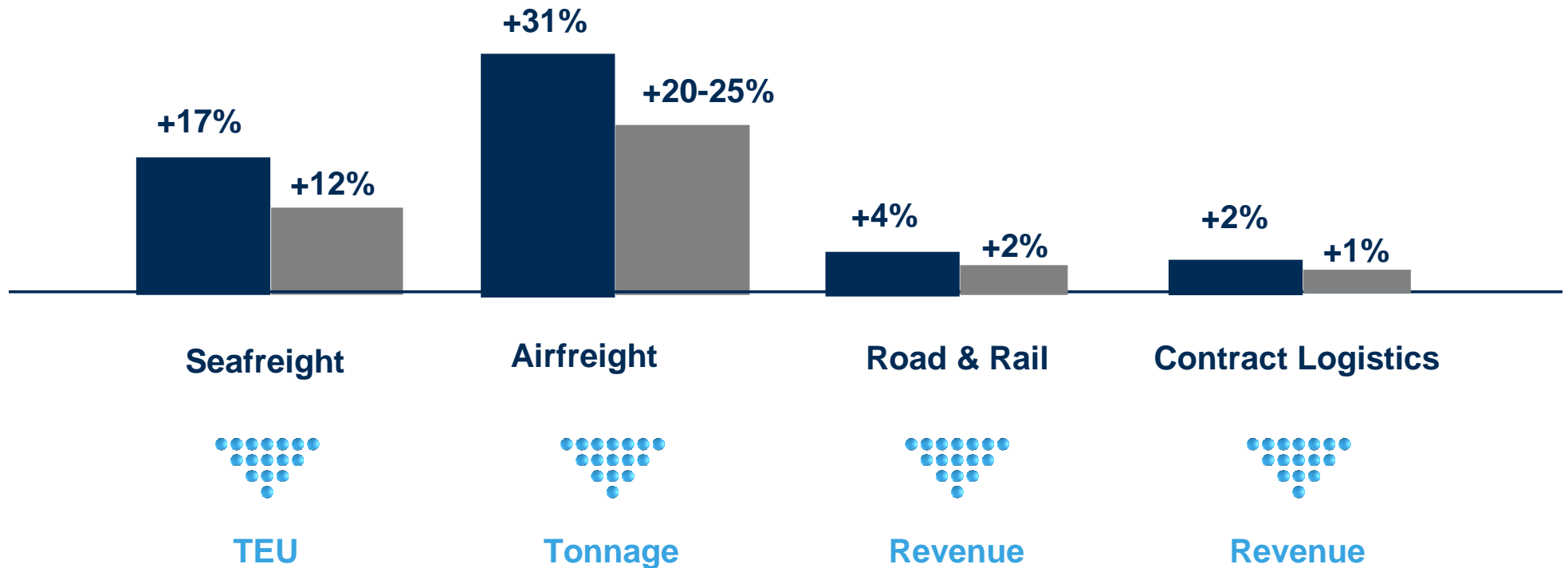


Operating Review Q1-2010



Economic Development and Market Dynamics

Volume Development Q1-2010



- Kuehne + Nagel
- Market*

* Kuehne + Nagel estimate



Segment Reporting by Business Unit

	Invoiced Turnover			Gross profit			EBITDA		
	2009	2010	Variance %	2009	2010	Variance %	2009	2010	Variance %
<i>CHF million</i>									
Seafreight	1'930	1'992	3.2%	301	285	(5.3%)	102	97	(4.9%)
Airfreight	657	873	32.9%	162	171	5.6%	52	49	(5.8%)
Road & Rail Logistics	611	646	5.7%	201	206	2.5%	6	14	133.3%
Contract Logistics	1'064	1'061	(0.3%)	770	770	-	48	45	(6.3%)
Insurance Brokers/ Real Estate	29	32	10.3%	10	10	-	22	23	4.5%
Total Group	4'291	4'604	7.3%	1'444	1'442	(0.1%)	230	228	(0.9%)



Performance of Business Unit Seafreight

January - March

<i>CHF million</i>	2008	2009	2010	Variance
Invoiced turnover	2'439	1'930	1'992	3.2%
Gross profit	329	301	285	(5.3%)
EBITDA	107	102	97	(4.9%)
EBIT	99	93	90	(3.2%)
EBITDA / Turnover margin	4.4%	5.3%	4.9%	
EBIT / Turnover margin	4.1%	4.8%	4.5%	
EBIT / GP margin	30.1%	30.9%	31.6%	
Operating exp. / GP	66.0%	66.0%	66.0%	



- Freight rates up in Q1/Q 2; to stabilise in second half of the year.
- Productivity at record level; slightly higher amount of FTE to be expected in the later part of the year.



Performance of Business Unit Airfreight

	January - March			
<i>CHF million</i>	2008	2009	2010	Variance
Invoiced turnover	951	657	873	32.9%
Gross profit	184	162	171	5.6%
EBITDA	58	52	49	(5.8%)
EBIT	52	48	44	(8.3%)
EBITDA / Turnover margin	6.1%	7.9%	5.6%	
EBIT / Turnover margin	5.5%	7.3%	5.0%	
EBIT / GP margin	28.3%	29.6%	25.7%	
Operating exp. / GP	69.0%	68.0%	71.0%	

- Very strong volume recovery (record Q1 volumes in the history of Kuehne + Nagel).
- Investments to develop new products.



Performance of Business Unit Road & Rail Logistics

January - March				
<i>CHF million</i>	2008	2009	2010	Variance
Invoiced turnover	727	611	646	5.7%
Net invoiced turnover	692	574	595	3.7%
Gross profit	153	201	206	2.5%
EBITDA	11	6	14	133.3%
EBITA	6	(4)	5	-
EBIT	3	(10)	(1)	-
EBITDA / Turnover margin	1.5%	1.0%	2.2%	
EBIT / Turnover margin	0.4%	(1.6%)	(0.2%)	

- Strong volume recovery in March (compensating low start for the year).
- Productivity improvements lead to more than doubling of EBITDA.



Performance Business Unit Contract Logistics

	January - March			
<i>CHF million</i>	2008	2009	2010	Variance
Invoiced turnover	1'162	1'064	1'061	(0.3%)
Net invoiced turnover	1'122	1'021	1'027	0.6%
Gross profit	877	770	770	-
EBITDA	61	48	45	(6.3%)
EBIT	27	16	18	12.5%
EBITDA / Turnover margin	5.2%	4.5%	4.2%	
EBIT / Turnover margin	2.3%	1.5%	1.7%	

➤ Reduction of idle space in North America.



Update on Anti-trust Investigation

- On October 10, 2007 various Kuehne + Nagel organizations have been inspected.
- Full cooperation with respective authorities.
- Proceedings have been closed in Australia and Canada.
- A provision for potential claims and fines from the US Department of Justice has been included in the Income Statement 2009, amounting to CHF 35 million including legal expenses. Final settlement expected during first semester 2010.
- Received statement of objections from EU anti-trust authorities
 - Not possible to reliably estimate a potential financial impact
 - No provision included in the Income Statement 2009



Financial Review Q1-2010



Overview Financials Q1-2010

<i>CHF million</i>	2008	2009	2010
Gross Profit	1'554	1'444	1'442
EBITDA	262	230	228
Earnings for the period	154	128	131
Cash & Cash Equivalents	722	915	942
<i>Per share CHF</i>			
EPS (basic)	1.31	1.09	1.10
Equity % Total Assets	38.2	38.0	39.6
Operational Cash Flow	266	226	222
Capex	48	74	26



Cash Flow Statement - January – March

<i>CHF million</i>	2010	2009	Variance
Operational cash flow	222	226	(4)
Changes in working capital	(186)	43	(229)
Income taxes paid	(41)	(33)	(8)
Cash flow from operating activities	(5)	236	(241)
Cash flow from investing activities	(16)	(301)	285
Cash flow from financing activities	(7)	(52)	45
Exchange difference on cash and cash equivalents	(1)	14	(15)
Increase/(decrease) in cash and cash equivalents	(29)	(103)	74
Cash and cash equivalents at the beginning of the period, net	971	1'018	(47)
Cash and cash equivalents at the end of the period, net	942	915	27



Development of Working Capital

<i>CHF million</i>	Dec 2008	Mar 2009	Dec 2009	Mar 2010
Trade receivables & Work in progress	2'483	2'230	2'300	2'431
Trade payables & Accrued trade expenses	(1'893)	(1'675)	(1'844)	(1'825)
Net Working Capital	590	555	456	606
Turnover (annualised)	21'599	17'164	17'406	18'416
in % of annualised Turnover	2.7%	3.2%	2.6%	3.3%
KPI				
DSO	37.6	42.6	40.6	43.0
DPO	44.0	52.9	53.9	53.1
Work in progress	4.7	4.7	4.8	4.9

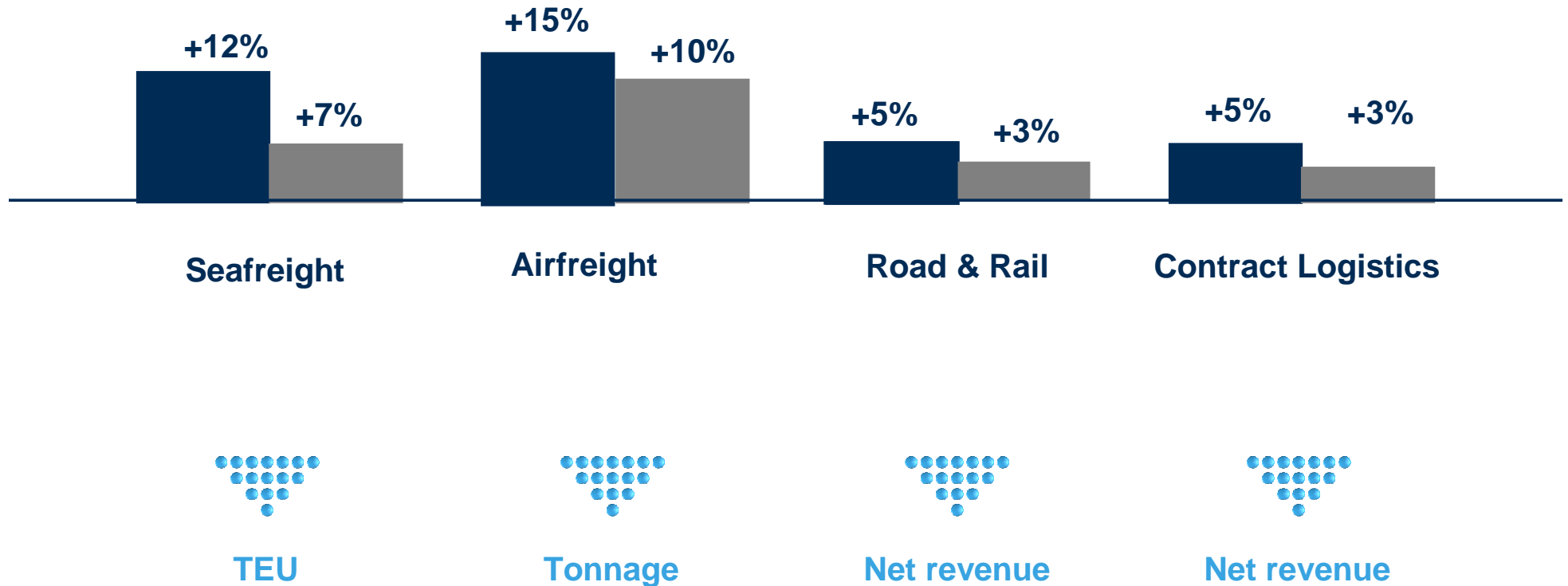
- Higher amount of working capital due to growth of sea- and airfreight volume.
- Working capital intensity stable at previous year's level.



Full Year Outlook 2010



Outlook Full Year 2010 – Volume Growth



- Kuehne + Nagel targets 2010
- Market estimate 2010



CEO Comment / Outlook Full Year 2010



“Our Group is back on course for growth thanks to the economic recovery and measures we introduced in 2009. Indications are that the global economy and some logistics-related parameters are stabilising. We are, therefore, confident of our ability of reaching our goal of above-market average profitable growth in all business units.”

Reinhard Lange, CEO



Thank you for your attention.



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