



**Interim Condensed Consolidated Financial Statements
Half Year 2007 (unaudited)**

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January-June**

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Statements for the First Six Months Ended June 30, 2007**

Schindellegi, July 23, 2007


1. Income Statement January- June

CHF million	January-June			April-June		
	2007	2006	Variance	2007	2006	Variance
Invoiced turnover	9,968.3	8,690.3	14.7%	5,098.8	4,399.6	15.9%
Customs duties and taxes	-1,834.5	-1,622.9		-898.8	-808.9	
Net invoiced turnover	8,133.8	7,067.4	15.1%	4,200.0	3,590.7	17.0%
Net expenses for services from third parties	-5,218.3	-4,561.6		-2,706.2	-2,316.3	
Gross profit	2,915.5	2,505.8	16.4%	1,493.8	1,274.4	17.2%
Personnel expenses	-1,659.1	-1,385.2		-848.4	-707.4	
Selling, general and administrative expenses	-792.0	-716.7		-409.3	-357.3	
Other operating income, net	3.5	11.8		2.0	6.9	
EBITDA	467.9	415.7	12.6%	238.1	216.6	9.9%
Depreciation of property, plant and equipment, and amortisation of intangibles	-122.0	-121.9		-64.4	-64.6	
EBITA	345.9	293.8	17.7%	173.7	152.0	14.3%
Impairment of goodwill and other intangibles	-	-		-	-	
EBIT	345.9	293.8	17.7%	173.7	152.0	14.3%
Financial income	12.3	12.7		6.5	1.5	
Financial expenses	-7.7	-18.6		-3.6	-6.0	
Result from associates and joint ventures	3.0	2.0		1.8	0.5	
Earnings before tax (EBT)	353.5	289.9	21.9%	178.4	148.0	20.5%
Income tax	-86.8	-81.5		-42.8	-41.1	
Earnings for the period	266.7	208.4	28.0%	135.6	106.9	26.8%
Attributable to:						
Equity holders of the parent	265.4	208.1	27.5%	135.1	106.5	26.9%
Minority interest	1.3	0.3		0.5	0.4	
Earnings for the period	266.7	208.4	28.0%	135.6	106.9	26.8%
Basic earnings per share in CHF	2.260	1.776		1.153	0.909	
Diluted earnings per share in CHF	2.246	1.761		1.146	0.900	


2. Balance Sheet

CHF million	30/06/2007	31/12/2006	30/06/2006
Property, plant and equipment	1,254.0	1,189.4	1,120.2
Goodwill	630.1	604.3	595.0
Other intangibles	324.7	329.5	353.6
Investments in joint ventures	11.8	14.1	2.5
Deferred tax assets	153.4	147.9	90.0
Non-current assets	2,374.0	2,285.2	2,161.3
Prepayments	169.6	89.9 *	138.9 *
Work in progress	302.7	283.0	244.3
Trade receivables	2,362.9	2,162.3	1,986.1
Other receivables	232.1	123.2 *	181.8 *
Cash and cash equivalents	826.5	771.3	475.0
Current assets	3,893.8	3,429.7	3,026.1
Total assets	6,267.8	5,714.9	5,187.4
Share capital	120.0	120.0	120.0
Reserves and retained earnings	1,739.4	1,391.0	1,317.1
Earnings for the period	265.4	458.3	208.1
Total equity attributable to the equity holders of the parent	2,124.8	1,969.3	1,645.2
Minority interest	7.0	6.0	6.0
Total equity	2,131.8	1,975.3	1,651.2
Provision for pension plans and severance payments	280.0	264.9	250.1
Deferred tax liabilities	175.6	172.8	140.4
Bank liabilities	90.5	64.0	66.5
Finance lease obligations	62.3	55.0	69.3
Non-current liabilities	608.4	556.7	526.3
Bank and other interest bearing liabilities	326.5	291.1	340.9
Trade payables	1,119.5	1,110.7 *	945.0 *
Accrued trade expenses and deferred income	1,022.3	951.1 *	834.3 *
Current tax liabilities	152.9	107.0	158.6
Provisions	94.7	96.3	70.0
Other liabilities	811.7	626.7	661.1
Current liabilities	3,527.6	3,182.9	3,009.9
Total liabilities and equity	6,267.8	5,714.9	5,187.4

* Certain comparatives were reclassified to conform to the current period's presentation

Schindellegi, July 23, 2007

KUEHNE + NAGEL INTERNATIONAL AG

Klaus Herms
CEO

Gerard van Kesteren
CFO



3. Condensed Statement of Changes in Equity January - June

CHF million	2007	2006
Balance 1/1/	1'975.3	1'601.0
Foreign exchange differences	57.9	-33.6
Net income and expense recognised directly in equity	57.9	-33.6
Earnings for the period attributable to the equity holders of parent	265.4	208.1
Total recognised income and expense for the period	323.3	174.5
Movements in treasury shares	3.5	2.0
Dividend paid	-176.8	-128.9
Expenses of Employee Share Purchase and Option Plan	5.5	2.5
Changes in minority interest	1.0	0.1
Balance 30/6/	2'131.8	1'651.2

4. Condensed Cash Flow Statement January - June

CHF million	January-June			April-June	
	2007	2006	Variance	2007	2006
Operational cash flow	476.8	410.3	66.5	242.3	217.7
Changes in working capital	-108.4	-164.2	55.8	-0.1	-18.7
Income taxes paid	-84.2	-88.2	4.0	-31.6	-47.8
Cash flow from operating activities	284.2	157.9	126.3	210.6	151.2
Cash flow from investing activities	-119.3	-718.0	598.7	-62.0	-64.9
Cash flow from financing activities	-164.4	-207.4	43.0	-145.0	-215.3
Exchange difference on cash and cash equivalents	-11.9	-0.4	-11.5	-12.0	-2.4
Increase/(decrease) in cash and cash equivalents	-11.4	-767.9	756.5	-8.4	-131.4
Cash and cash equivalents at beginning of period	600.2	1'124.6	-524.4	597.2	488.1
Cash and cash equivalents at end of period	588.8	356.7	232.1	588.8	356.7



5. Notes to the Interim Condensed Consolidated Financial statements for the First Six Months Ended June 30, 2007

Accounting policies

5.1 Organisation

Kuehne + Nagel International AG (the Company) is incorporated in Schindellegi (Feusisberg), Switzerland. The Company is one of the world's leading logistics providers. Its strong market position lies in the Seafreight, Airfreight, Rail & Road Logistics and Contract Logistics businesses.

The interim condensed consolidated financial statements of the Company for the six months ended June 30, 2007 comprise the Company and its subsidiaries and interests in joint ventures (the Group).

5.2 Statement of compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2006.

5.3 Basis of preparation

The interim condensed consolidated financial statements are presented in Swiss francs (CHF) million. The interim condensed financial statements are based on the individual financial statements of the consolidated companies as of June 30, 2007. 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). The interim condensed 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 interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The true results may differ from these estimates. Judgements made by management in the application of IFRS that have significant effect on the interim condensed financial statements and estimates with a significant risk of material adjustment in the next year were the same as those applied to the consolidated financial statements for the year ended December 31, 2006.

The accounting policies are the same as those applied in the consolidated financial statements for the year ended December 31, 2006, except for the fact that the Group adopted IFRS 7 (Financial Instruments: Disclosures) and IAS 1 revised (Presentation of Financial Statements: Capital Disclosures) as of January 1, 2007. Other new interpretations that are effective for the 2007 reporting year were not applicable to the Group, or did not have a significant impact on the consolidated financial statements.

The adoption of IFRS 7 and revised IAS 1 did not have an effect on these interim condensed consolidated financial statements, with the exception of some minor reclassifications of amounts in the balance sheet. However, these standards will lead to



increased qualitative and quantitative disclosures about mainly trade receivables, risk and risk management in the year end consolidated financial statements.

5.4 Foreign exchange rates

The major foreign currency conversion rates applied are as follows:

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

<i>Currency</i>	<i>2007</i>	<i>Variance</i>	<i>2006</i>
	<u><i>CHF</i></u>	<u><i>per cent</i></u>	<u><i>CHF</i></u>
EUR 1.--	1.6312	4.2	1.5656
USD 1.--	1.2257	-4.2	1.2794

Balance sheet (period end rates)

<i>Currency</i>	<i>2007</i>	<i>Variance</i>	<i>2006</i>
	<u><i>CHF</i></u>	<u><i>per cent</i></u>	<u><i>CHF</i></u>
EUR 1.--	1.6537	5.7	1.5645
USD 1.--	1.2286	-1.5	1.2467

5.5 Seasonality

The Group is not exposed to significant seasonal or cyclical variations in its operations.

5.6 Changes in the scope of consolidation

The significant changes in the scope of consolidation in the first half year 2007 relate to the following companies:

1st half 2007	<i>Capital share acquired in per cent equals voting rights</i>	<i>Currency</i>	<i>Share capital in 1,000</i>	<i>Acquisition date</i>
Acquisitions				
Orient Transport Comp. Ltd., Saudi Arabia ¹	50	SAR	1,000	January 1, 2007

Divestments

There were no divestments in the half year under review.

¹ The Kuehne + Nagel Group previously owned 50% of the share capital of Orient Transport Comp. Ltd. and applied the equity accounting method. The main activity is sea- and airfreight forwarding.



Significant changes in the scope of consolidation in the first half year 2006 related to the following companies:

1 st half 2006	Capital share acquired in per cent equals voting rights	Currency	Share capital in 1,000	Acquisition date
Acquisitions				
ACR Group, France ¹	100	EUR	9,723	January 1, 2006
Transport Invest AG, Liechtenstein ²	100	CHF	930	January 1, 2006
Arion Real Estate & Commercial S.A. ³	50	EUR	411	January 1, 2006

Divestments

There were no divestments in the half year under review.

¹ The main activity of the ACR Group is contract logistics. ACR Logisitcs Holdings B.V. (ACR) is headquartered in Paris, France. ACR ranks among the leading contract logistics providers in Europe with a leading market position in Great Britain, France, Italy and the Benelux. ACR operates at 140 locations in 11 countries, where it manages 2.2 million sqm of warehouse space. ACR has a strong presence in the retail, telecommunication, industrial and fast moving consumer goods markets. ACR employed about 15,000 staff in 2005.

² The company is holding an investment in a logistics company in Greece.

³ The Kuehne + Nagel Group previously owned 50 % of the share capital of Arion and applied the equity accounting method. The main activity is contract logistics.

5.7 Acquisitions

2007 acquisitions

The acquisitions in the first half year of 2007 had the following effect on the Group's assets and liabilities:

CHF million	Carrying amounts	Fair value adjust- ments	Recog- nised values *
Property, plant and equipment	1.2	0.1	1.3
Intangibles	-	15.5	15.5
Other non current assets	-	-	0.0
Trade receivables	6.2	-	6.2
Other current assets	1.8	-	1.8
Acquired cash and cash equivalents	4.6	-	4.6
Subtotal assets	13.8	15.6	29.4
Trade payables	-1.4	-	-1.4
Other current liabilities	-4.1	-	-4.1
Non current liabilities	-1.1	-0.8	-1.9
Subtotal net identifiable assets and liabilities	7.2	14.8	22.0
Proportionate fair value of investment			-5.8
Goodwill			11.8
Total Consideration			28.0
Contingent consideration			-5.5
Purchase price, paid in cash			22.5
Acquired cash and cash equivalents			-4.6
Net cash out flow			17.9

* In the 2007 interim condensed consolidated financial statements, the initial accounting for the acquisitions made in the first half year of 2007 was only determined provisionally.

Effective January 1, 2007, Kuehne + Nagel International AG, Switzerland acquired the remaining 50% of Orient Transport Comp. Ltd. (OTC), Saudi Arabia. The purchase price of CHF 13.5 million (SAR 42 million) for the shares of OTC was paid in cash. Until the end



of financial year 2006, OTC was accounted for as Joint Venture and considered under the equity method. As of January 1, 2007, the shares of OTC are consolidated by the full consolidation method.

Furthermore, various book of businesses were acquired from sea-freight forwarders in Slovenia, Norway and USA, a warehouse operator in Colombia. Total net cash out flow for all these acquisitions amounted to CHF 9.0 million.

All acquisitions contributed CHF 1.8 million of loss to the consolidated earnings for the first six months in 2007.

In 2007, goodwill of CHF 11.8 arose on these acquisitions because certain intangible assets did not meet the IFRS 3 criteria for recognition as intangible assets at the date of acquisition. These assets are mainly management expertise, workforce and geographic presence.

2006 acquisitions

The acquisitions in the first half year of 2006 had the following effect on the Group's assets and liabilities:

CHF million	ACR			Other acquisitions			Total
	Carrying amounts	Fair value adjustments	Recognised values *	Carrying amounts	Fair value adjustments	Recognised values *	
Property, plant and equipment	435.8	-56.7	379.1	24.8	7.6	32.4	411.5
Intangibles	4.9	294.5	299.4	-	27.5	27.5	326.9
Other non current assets	3.4	21.4	24.8	1.2	-	1.2	26.0
Trade receivables	332.4	-19.7	312.7	44.4	-	44.4	357.1
Other current assets	89.8	5.4	95.2	2.5	-	2.5	97.7
Acquired cash and cash equivalents	86.1	-	86.1	-8.5	-	-8.5	77.6
Subtotal assets	952.4	244.9	1,197.3	64.4	35.1	99.5	1,296.8
Trade payables	-289.9	6.4	-283.5	-22.3	-	-22.3	-305.8
Other current liabilities	-327.5	-32.4	-359.9	-5.3	-	-5.3	-365.2
Non current liabilities	-206.6	-113.9	-320.5	-4.4	-9.9	-14.3	-334.8
Subtotal net identifiable assets and liabilities	128.4	105.0	233.4	32.4	25.2	57.6	291.0
Previous carrying amount of investment						-15.3	-15.3
Goodwill			455.4			14.0	469.4
Total Consideration			688.8			56.3	745.1
Contingent consideration			-			-25.0	-25.0
Purchase price, paid in cash			688.8			31.3	720.1
Acquired cash and cash equivalents			-86.1			8.5	-77.6
Net cash out flow			602.7			39.8	642.5

* In the 2006 interim condensed consolidated financial statements, the initial accounting for the acquisitions made in the first half year of 2006 is only determined provisionally.

Effective January 1, 2006, Kuehne + Nagel International AG, Switzerland, acquired 100% of the shares of ACR Logistics Holdings B.V. (ACR). ACR is consolidated as per January 1, 2006. The purchase price of CHF 688.8 million (EUR 440 million) for the shares of ACR was paid in cash. ACR contributed CHF 14.4 million of profit to the consolidated earnings for the first six months in 2006.

Effective January 1, 2006, the Group also acquired the remaining 50 % of the shares of Arion Real Estate & Commercial S.A. and 100 % of the shares of Transport Invest AG for the total amount of CHF 52.2 million, partly paid in cash and partly as contingent



consideration (based on best estimate). Furthermore, the book of business was acquired of an overland operation in Estonia for the amount of CHF 4.1 million. All other acquisitions contributed CHF 0.6 million of profit to the consolidated earnings for the first six months in 2006.

In 2006, goodwill arose on the acquisition of the ACR Group (CHF 455.4 million) and the other companies (CHF 14.0 million) because certain intangible assets did not meet the IFRS 3 criteria for recognition as intangible assets at the date of acquisition. For ACR, these assets are mainly management expertise, workforce and geographic presence. For the other companies, these assets are mainly management expertise, distribution channels and geographic presence.

In the 2006 interim condensed consolidated financial statements, the initial accounting for the acquisitions made in the first half year of 2006 was only determined provisionally. No material adjustments to these values were deemed necessary after having finalised the purchase accounting the second half of the year.



5.8 Segment reporting January – June

a) Primary reporting

CHF million	TOTAL		Seafreight		Airfreight		Rail & Road Logistics		Contract Logistics		Real Estate		Insurance Brokers		Eliminations	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Invoiced turnover (external customers)	9,968.3	8,690.3	4,530.2	3,986.2	1,722.5	1,607.6	1,383.7	1,177.6	2,263.7	1,861.4	2.4	2.3	65.8	55.2		
Invoiced inter-segment turnover	-	-	757.1	624.2	919.7	848.4	327.8	215.3	103.5	95.0	48.1	40.8	30.3	18.1	-2,186.5	-1,841.8
Customs duties and taxes	-1,834.5	-1,622.9	-1,299.8	-1,093.7	-294.3	-314.8	-148.5	-126.9	-91.9	-87.5	-	-	-	-		
Net invoiced turnover	8,133.8	7,067.4	3,987.5	3,516.7	2,347.9	2,141.2	1,563.0	1,266.0	2,275.3	1,868.9	50.5	43.1	96.1	73.3	-2,186.5	-1,841.8
Net expenses for services from third parties	-5,218.3	-4,561.6	-3,384.7	-2,973.1	-2,014.6	-1,851.2	-1,310.6	-1,037.5	-569.2	-444.6	-	1.2	-77.6	-57.4	2,138.4	1,801.0
Gross profit	2,915.5	2,505.8	602.8	543.6	333.3	290.0	252.4	228.5	1,706.1	1,424.3	50.5	44.3	18.5	15.9	-48.1	-40.8
Total expenses	-2,447.6	-2,090.1	-416.3	-381.4	-235.9	-212.4	-230.7	-199.2	-1,590.7	-1,324.0	-12.8	-6.1	-9.3	-7.8	48.1	40.8
EBITDA	467.9	415.7	186.5	162.2	97.4	77.6	21.7	29.3	115.4	100.3	37.7	38.2	9.2	8.1	-	-
Depreciation of property, plant and equipment, and amortisation of intangibles	-122.0	-121.9	-15.2	-11.5	-11.1	-7.0	-14.3	-29.6	-63.9	-59.4	-17.4	-14.3	-0.1	-0.1		
EBITA	345.9	293.8	171.3	150.7	86.3	70.6	7.4	-0.3	51.5	40.9	20.3	23.9	9.1	8.0	-	-
Impairment of goodwill and of other intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	345.9	293.8	171.3	150.7	86.3	70.6	7.4	-0.3	51.5	40.9	20.3	23.9	9.1	8.0	-	-
Financial income	12.3	12.7														
Financial expense	-7.7	-18.6														
Result from joint ventures and associates	3.0	2.0	1.6	1.7	0.3	0.4	0.1	0.2	1.0	-0.3	-	-	-	-	-	-
EBT	353.5	289.9														
Income tax	-86.8	-81.5														
Earnings for the year	266.7	208.4														
Attributable to:																
Equity holders of the parent	265.4	208.1														
Minority interest	1.3	0.3														
Earnings for the year	266.7	208.4														
Additional information																
Depreciation of property, plant and equipment	83.0	72.0	9.2	7.2	7.7	4.2	6.2	6.5	44.8	39.7	15.0	14.3	0.1	0.1	-	-
Amortisation and impairment of intangible assets	39.0	49.9	6.0	4.3	3.4	2.8	8.1	23.1	19.1	19.7	2.4	-	-	-	-	-



b) Secondary reporting

CHF million	TOTAL		Europe		Americas		Asia Pacific		Middle East, Central Asia and Africa		Eliminations	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Invoiced turnover (external customers)	9,968.3	8,690.3	6,769.4	5,779.0	1,857.1	1,745.8	812.9	704.0	528.9	461.5		
Invoiced inter region turnover	-	-	1,331.2	1,084.0	317.4	285.1	421.9	460.8	67.9	57.2	-2,138.4	-1,887.1
Customs duties and taxes	-1,834.5	-1,622.9	-1,202.3	-1,012.5	-350.0	-350.7	-86.4	-78.8	-195.8	-180.9		
Net invoiced turnover	8,133.8	7,067.4	6,898.3	5,850.5	1,824.5	1,680.2	1,148.4	1,086.0	401.0	337.8	-2,138.4	-1,887.1
Net expenses for services from third parties	-5,218.3	-4,561.6	-4,696.3	-3,987.6	-1,391.7	-1,281.2	-934.7	-900.2	-334.0	-279.7	2,138.4	1,887.1
Gross profit	2,915.5	2,505.8	2,202.0	1,862.9	432.8	399.0	213.7	185.8	67.0	58.1	-	-
Total expenses	-2,447.6	-2,090.1	-1,902.8	-1,599.4	-354.2	-326.9	-136.5	-114.6	-54.1	-49.2	-	-
EBITDA	467.9	415.7	299.2	263.5	78.6	72.1	77.2	71.2	12.9	8.9	-	-
Depreciation of property, plant and equipment, and amortisation of intangibles	-122.0	-121.9	-101.5	-108.5	-11.7	-7.4	-5.7	-3.6	-3.1	-2.4	-	-
EBITA	345.9	293.8	197.7	155.0	66.9	64.7	71.5	67.6	9.8	6.5	-	-
Impairment of goodwill and of other intangibles	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	345.9	293.8	197.7	155.0	66.9	64.7	71.5	67.6	9.8	6.5	-	-
Financial income	12.3	12.7										
Financial expense	-7.7	-18.6										
Result from joint ventures and associates	3.0	2.0	3.0	1.6	-	-	-	-	-	0.4	-	-
EBT	353.5	289.9										
Income tax	-86.8	-81.5										
Earnings for the year	266.7	208.4										
Attributable to:												
Equity holders of the parent	265.4	208.1										
Minority interest	1.3	0.3										
Earnings for the year	266.7	208.4										
Additional information												
Depreciation of property, plant and equipment	83.0	72.0	64.7	61.7	10.7	5.3	5.4	3.0	2.2	2.0	-	-
Amortisation and impairment of intangible assets	39.0	49.9	36.8	46.8	1.0	2.1	0.3	0.6	0.9	0.4	-	-



5.9 Equity

In the first six months of 2007, the Company sold 183.920 treasury shares (2006: 93,000 treasury shares) for CHF 3.5 million (2006: CHF 2.0 million) under the Employee Share Option and Purchase Plan.

A dividend of CHF 1.50 per share (2006: CHF 1.10) was paid during the interim period.

During the Annual General Meeting on May 2, 2006, the shareholders approved a 1:5 split of the registered shares and a corresponding increase in the number of Kuehne + Nagel shares. At the same time, the nominal value per share relating to approved share capital and conditional share capital was also lowered from CHF 5 to CHF 1.

Furthermore, the Annual General Meeting of May 2, 2006, extended its authorisation of approved share capital up to a maximum of CHF 20 million by a further two years until May 2008.

5.10 Number of staff

Number of staff as of June 30, 2007 was 47,185 (2006: 42,019)

5.11 Capital expenditure

Total capital expenditure (excluding intangible assets and property, plant and equipment out of acquisitions) from January to June 2007 was CHF 127.8 million (2006: CHF 136.6 million)

5.12 Post balance sheet events

These unaudited interim condensed consolidated financial statements of Kuehne + Nagel International AG were authorised for issue by the Audit Committee of the Group on July 20, 2007.

There have been no material events between June 30, 2007, and the date of authorisation that would require adjustments of the interim financial statements or disclosure.