



Kuehne + Nagel International

Analyst Conference – Result 2008

March 3, 2009

Zürich, Switzerland



Reinhard Lange, CEO

Gerard van Kesteren, CFO



Agenda

- Welcome and Highlights 2008 Gerard van Kesteren
- Operating Review 2008 Reinhard Lange
- Financial Review 2008 Gerard van Kesteren
- Update on Antitrust Investigation Reinhard Lange
- Outlook 2009 / Action Plan Reinhard Lange / Gerard van Kesteren



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Highlights 2008

- 1 Half Year
Achieved strong growth in all Business Units.
- 2 Half Year
Drastic reduction of Volumes in all Business Units due to economic crisis.
- Another year of record result.
- Proposed dividend of CHF 2.30 (+ 21 %).



Highlights 2008

Strategy

- Continued expansion in European Road Network through acquisition of Alloin Group, France.

Finance

- Capex stable at last year level.
- Tax rate 23%.
- Net Working Capital 2.7% of turnover vs. 2.9% in 2007.
- Cash & Cash equivalents of CHF 1'018 million.



Overview Financials 2008

<u>CHF million</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
- Gross Profit	5'253	6'014	6'253
- EBITDA	857	1'019	1'020
- Net earnings	459	539	588
- Cash & Cash Equivalents	600	812	1'018
<u>Per share (CHF)</u>			
- EPS (basic)	3.91	4.54	4.96
- Dividend	1.50	1.90	2.30
- Extraordinary Dividend			2.50
Equity % Total Assets	34.3	36.8	37.3
Operational Cash Flow	857	1043	1015



Income Statement

CHF million

	2006	2007	2008	Variance	Excl. Forex
Invoiced turnover	18'194	20'975	21'599	3.0%	9.7%
Gross profit	5'253	6'014	6'253	4.0%	11.3%
<i>Gross profit margin</i>	28.9%	28.7%	29.0%		
Total expenses	(4'396)	(4'995)	(5'233)		
EBITDA	857	1'019	1'020	0.1%	5.8%
<i>EBITDA margin</i>	4.7%	4.9%	4.7%		
Depreciation of property, plant and equipment	(151)	(180)	(169)		
Amortisation of Intangibles	(97)	(89)	(100)		
Impairment of intangibles / goodwill	(7)	(57)	(15)		
EBIT	602	693	736	6.2%	12.0%
<i>EBIT margin</i>	3.3%	3.3%	3.4%		
Financial Result / Joint ventures	1	15	28		
EBT	603	708	764	7.9%	13.6%
<i>EBT margin</i>	3.3%	3.4%	3.5%		
Tax	(143)	(169)	(176)		
Earnings after tax	460	539	588	9.1%	14.4%
Minority interest	(1)	(3)	(3)		
Net earnings for the period	459	536	585	9.1%	14.4%



Segment Reporting by Business Unit

	Invoiced Turnover		Variance	Excl. Forex	Gross profit		Variance	Excl. Forex	EBITDA		Variance	Excl. Forex	Volume Δ
	2007	2008			2007	2008			2007	2008			
<u>CHF million</u>													
- Seafreight	9'641	10'032	4.1%	11.1%	1'270	1'377	8.4%	14.9%	427	458	7.3%	12.5%	+2%
- Airfreight	3'719	3'859	3.8%	10.4%	698	726	4.0%	10.6%	219	221	0.9%	6.9%	+2%
- Road & Rail Logistics	2'821	2'853	1.1%	4.9%	515	590	14.6%	18.7%	34	23	(32.4%)	(20.9%)	+7%
- Contract Logistics	4'666	4'732	1.4%	9.1%	3'490	3'514	0.7%	9.0%	246	216	(12.2%)	(5.7%)	+3%
- Real Estate & Insurance Brokers	128	123	(3.9%)	3.2%	41	46	12.2%	16.9%	93	102	9.7%	15.4%	-
Total Group	20'975	21'599	3.0%	9.7%	6'014	6'253	4.0%	11.3%	1'019	1'020	0.1%	5.8%	



Segment Reporting by Region

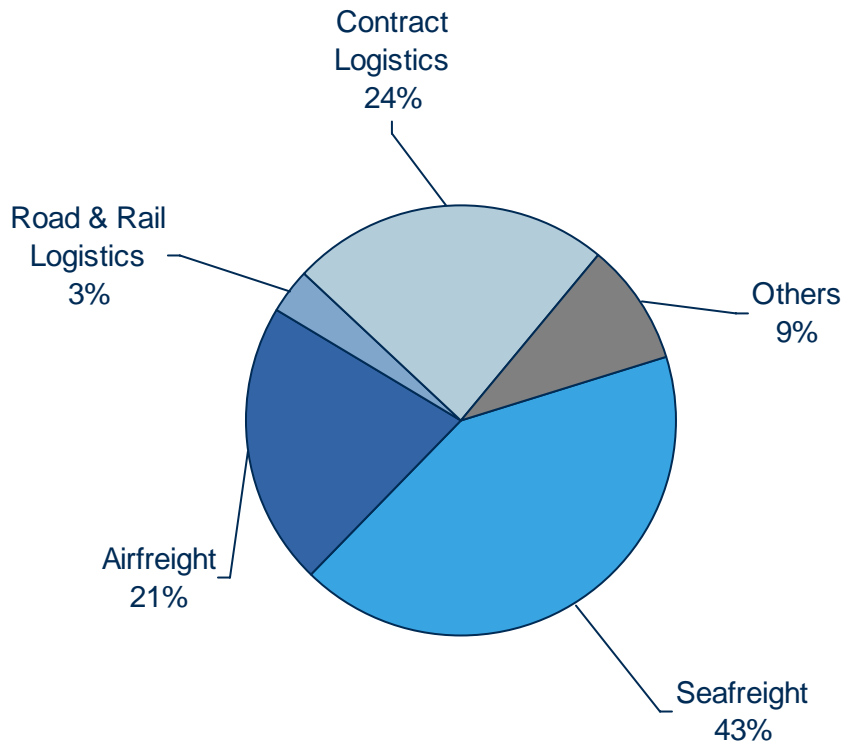
CHF million

	Invoiced Turnover			Excl. Forex	Gross profit			Excl. Forex	EBITDA			Excl. Forex
	2007	2008	Variance		2007	2008	Variance		2007	2008	Variance	
- Europe	14'128	14'216	0.6%	6.1%	4'532	4'708	3.9%	10.8%	638	626	(1.9%)	2.2%
- America's	3'958	4'235	7.0%	15.5%	885	907	2.5%	11.3%	172	174	1.2%	10.6%
- Asia Pacific	1'767	1'862	5.4%	12.3%	455	478	5.1%	11.6%	180	182	1.1%	7.3%
- Middle East, Central Asia & Africa	1'122	1'286	14.6%	27.5%	142	160	12.7%	23.8%	29	38	31.0%	42.6%
Total Group	20'975	21'599	3.0%	9.7%	6'014	6'253	4.0%	11.3%	1'019	1'020	0.1%	5.8%

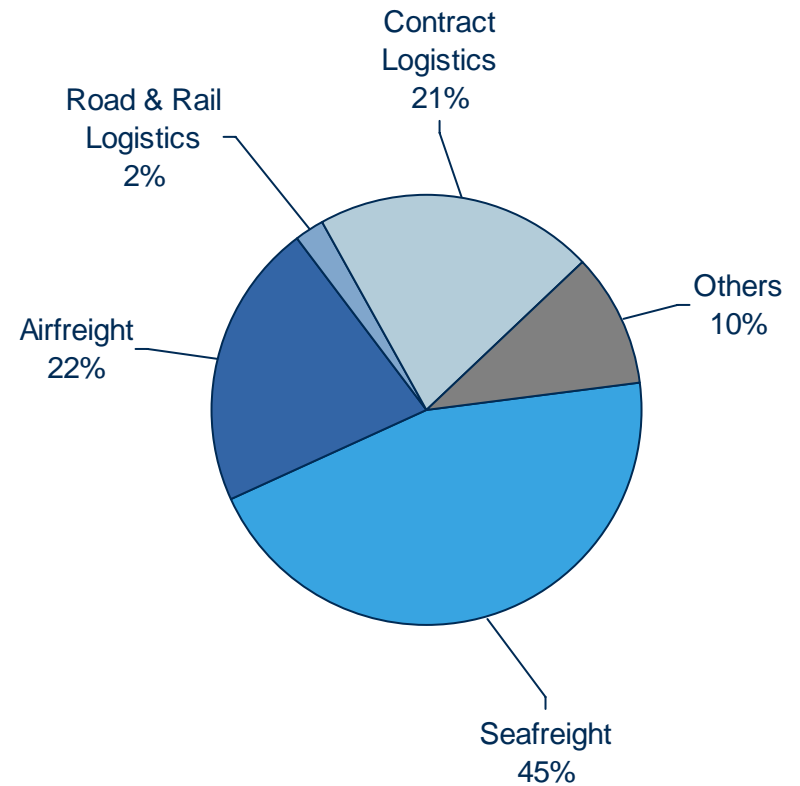


EBITDA per Business Unit

2007

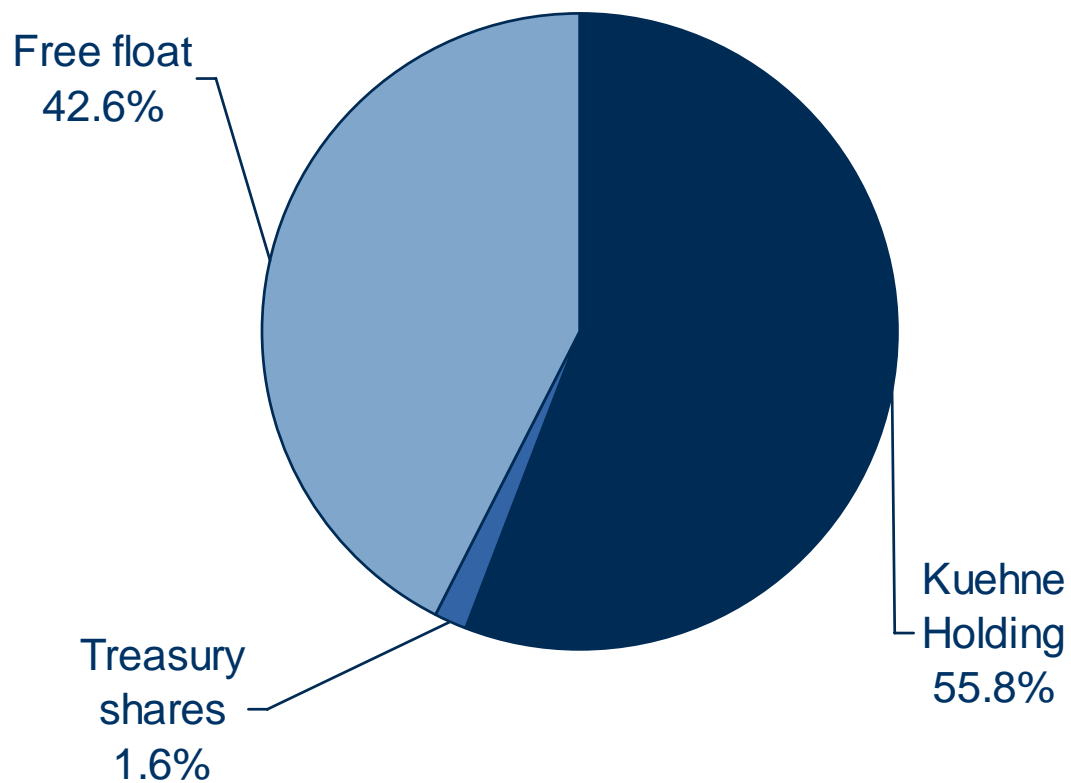


2008





Shareholders Structure Kuehne + Nagel December 31, 2008





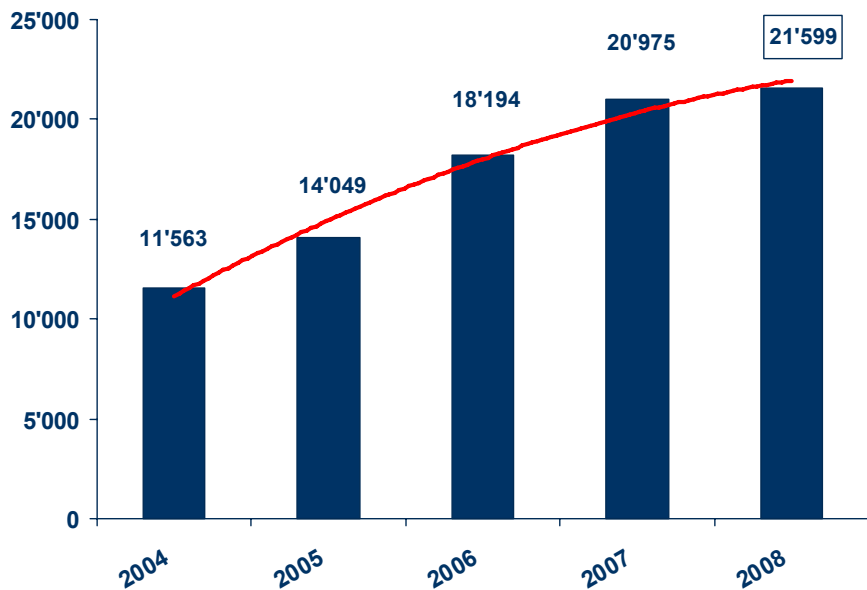
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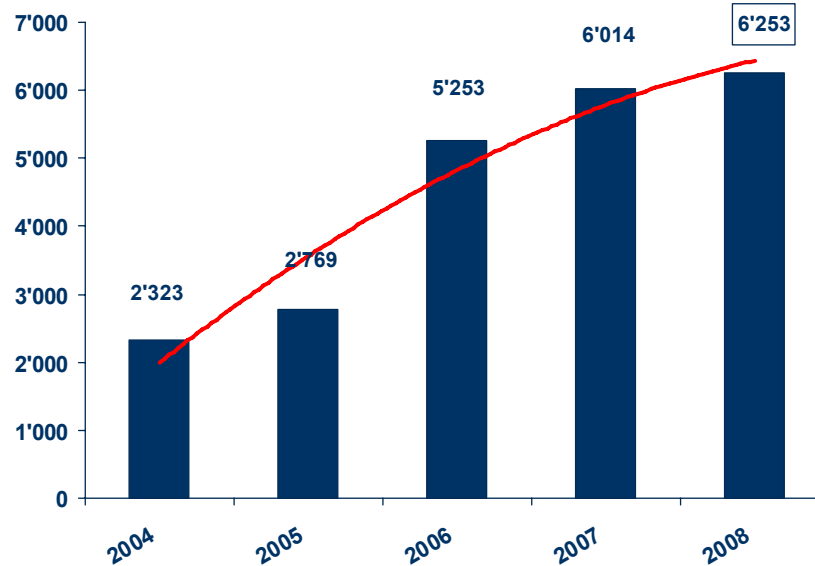


Financial Performance 2004 – 2008 (in CHF million)

Turnover



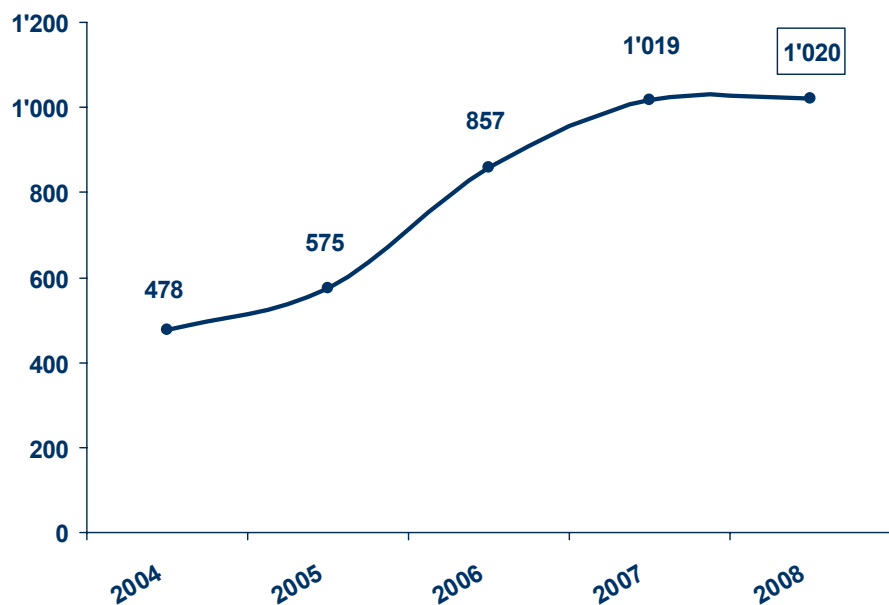
Gross Profit



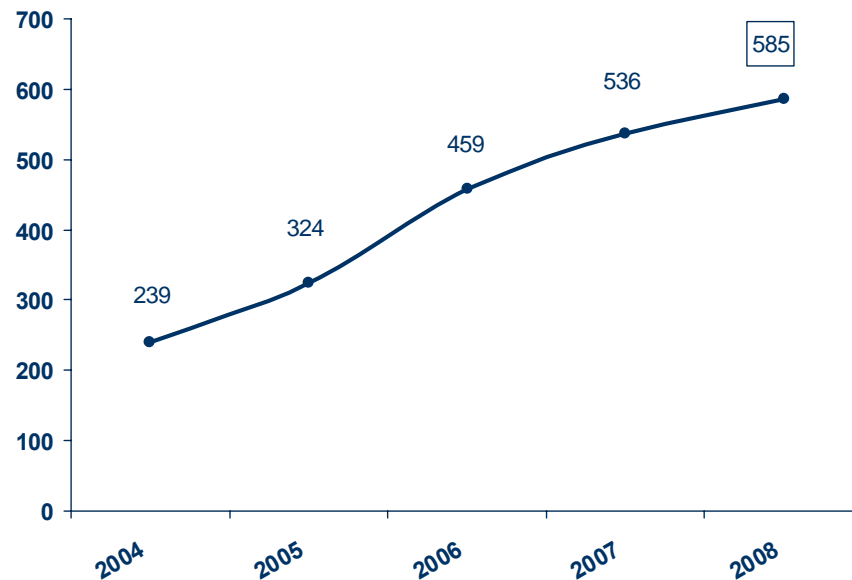


Financial Performance 2004 – 2008 (in CHF million)

EBITDA

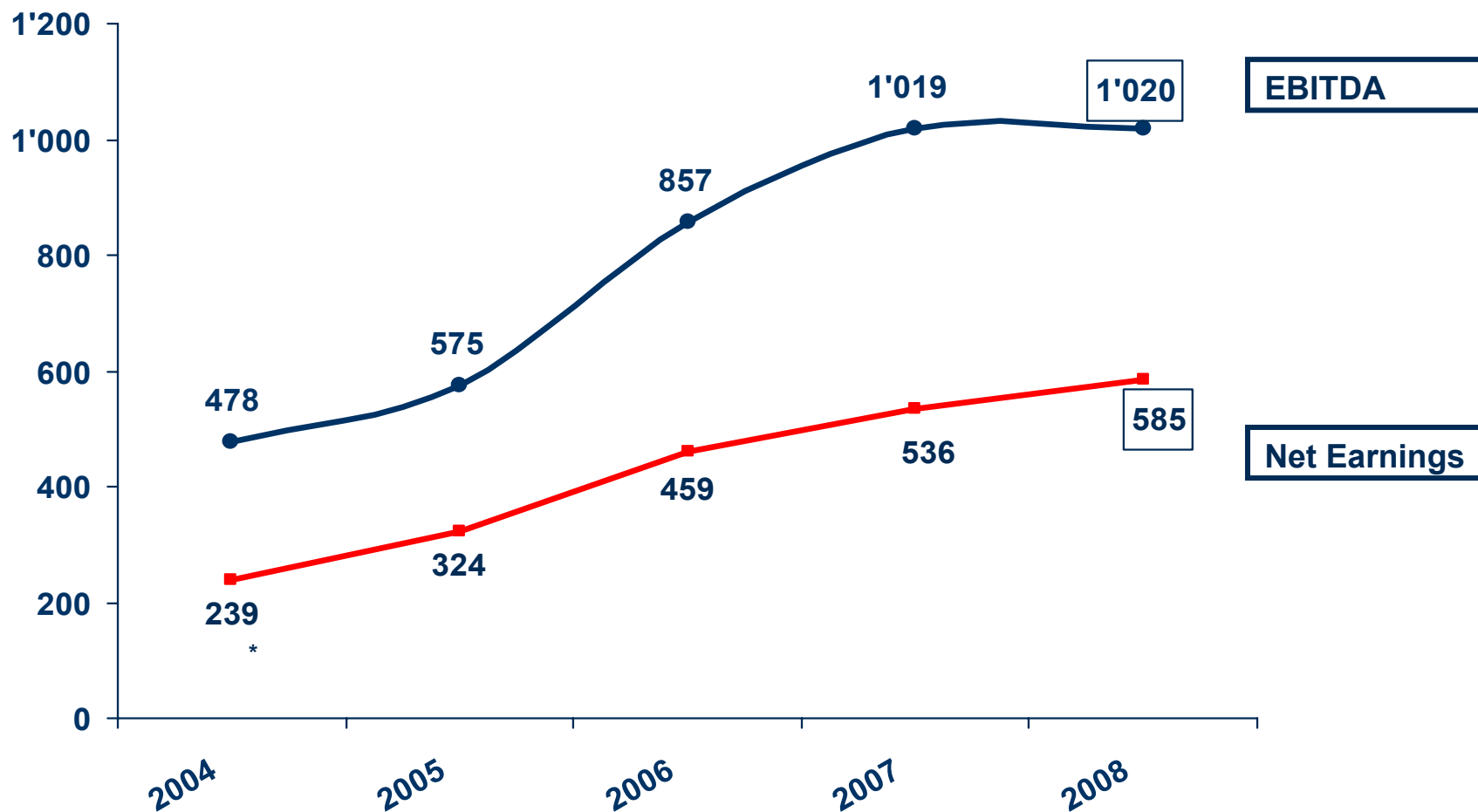


Net Earnings



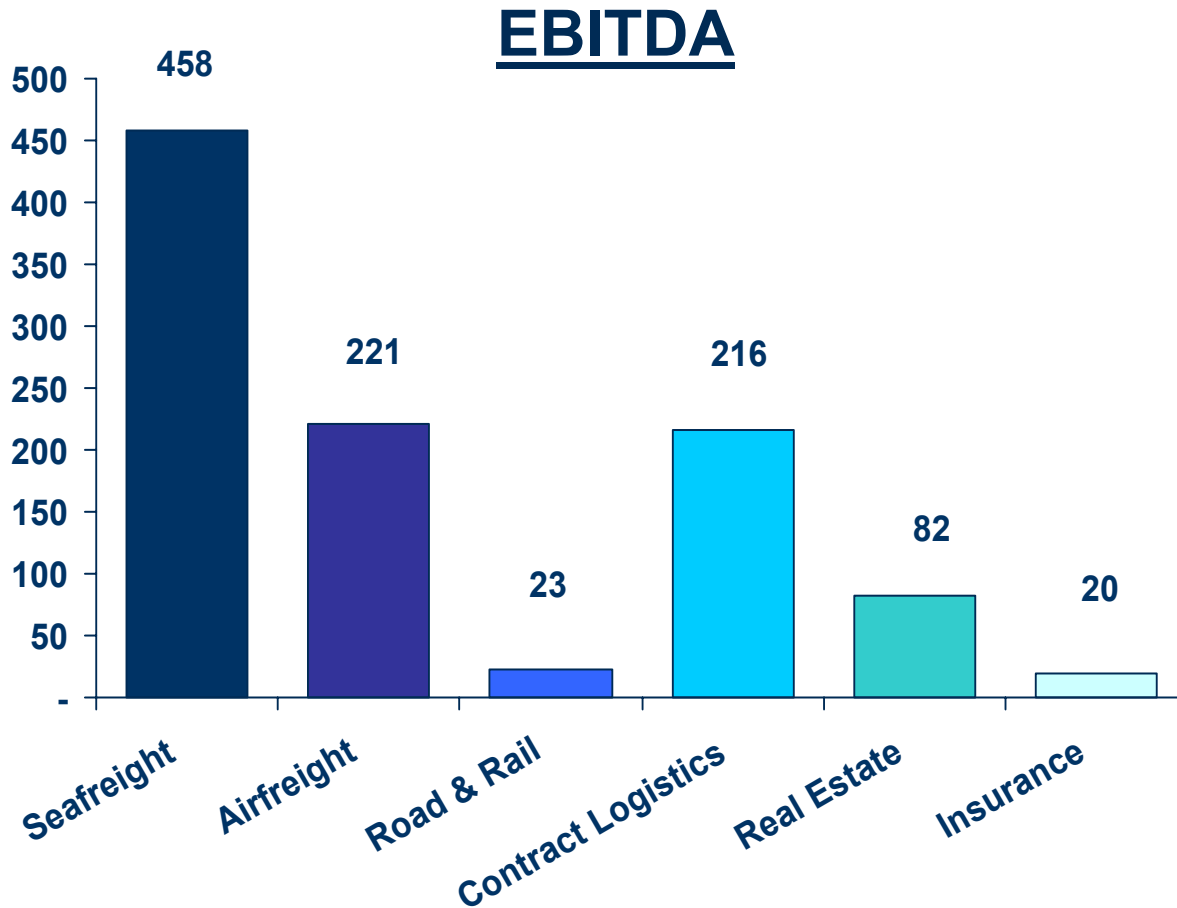


Financial Performance 2004 – 2008 *(in CHF million)*





Financial Performance 2008 *(in CHF million)*





Seafreight



Performance Business Unit Seafreight 2006 - 2008

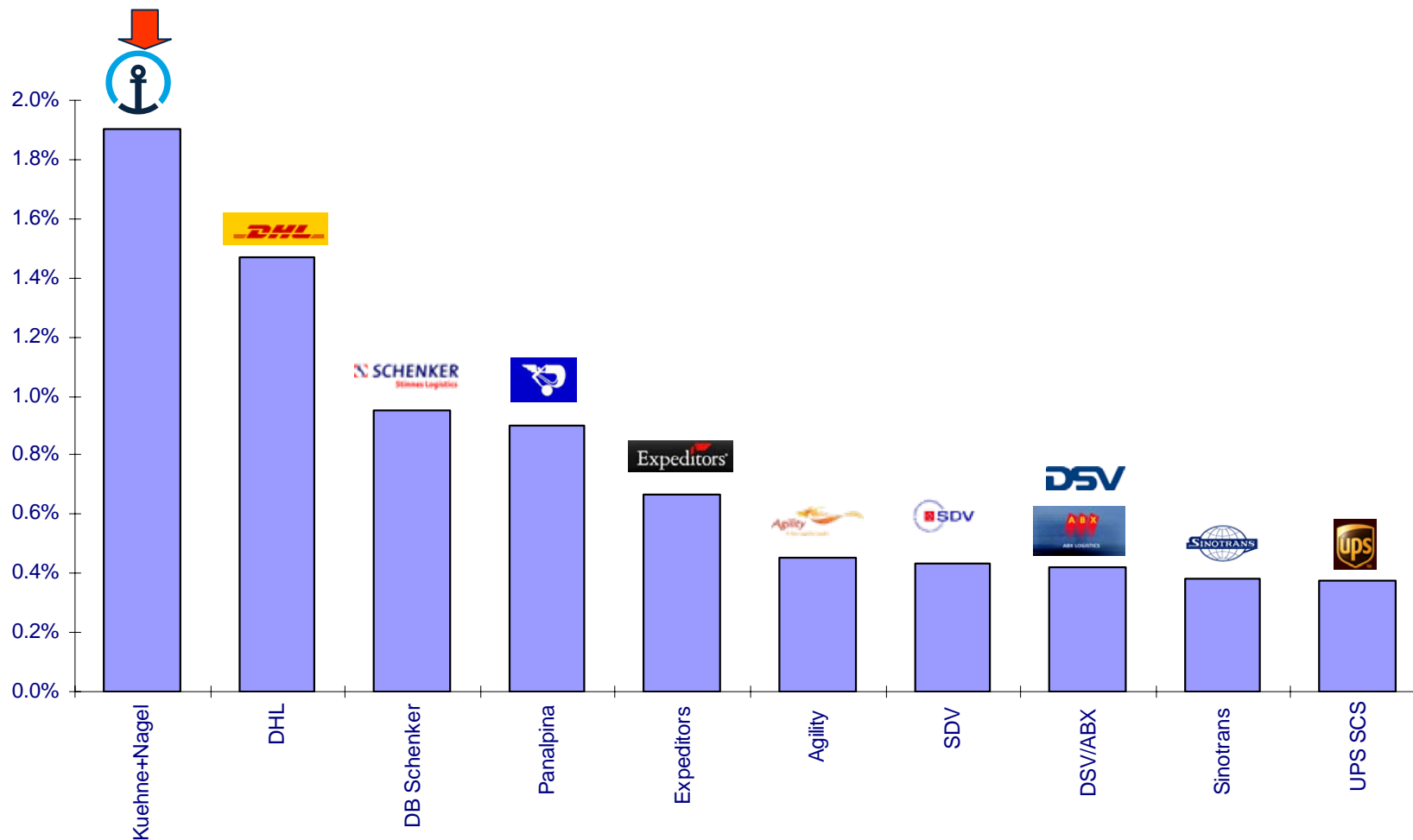
<i>CHF million</i>	2006	2007	2008	Variance	Excl. Forex		TEU's '000	GP/ TEU	EBIT/ TEU
Invoiced turnover	8'306	9'641	10'032	4.1%	11.1%	2006	2'275	501	152
Gross profit	1'139	1'270	1'377	8.4%	14.9%	2007	2'618	485	148
EBITDA	374	427	458	7.3%	12.5%	2008	2'670	516	155
EBIT	346	388	414	6.7%	-				
EBITDA / Revenue margin	4.5%	4.4%	4.6%						
EBIT / Revenue margin	4.2%	4.0%	4.1%						
EBIT / GP Margin	30.4%	30.6%	30.1%						
Operating Exp. / GP	67.0%	66.0%	67.0%						

- Strong performance during 1st Half of 2008
- Reduction of Volume starting in 3rd Quarter, negative growth in 4th Quarter
- High profitability according to strategic goal setting



Market Position Seafreight

Market share 2007 based on revenue



Source: Company reports and Kuehne + Nagel estimates



Airfreight



Performance Business Unit Airfreight 2006 - 2008

<i>CHF million</i>	2006	2007	2008	Variance	Excl. Forex
Invoiced turnover	3'386	3'719	3'859	3.8%	10.4%
Gross profit	599	698	726	4.0%	10.6%
EBITDA	166	219	221	0.9%	6.9%
EBIT	151	197	198	0.5%	-

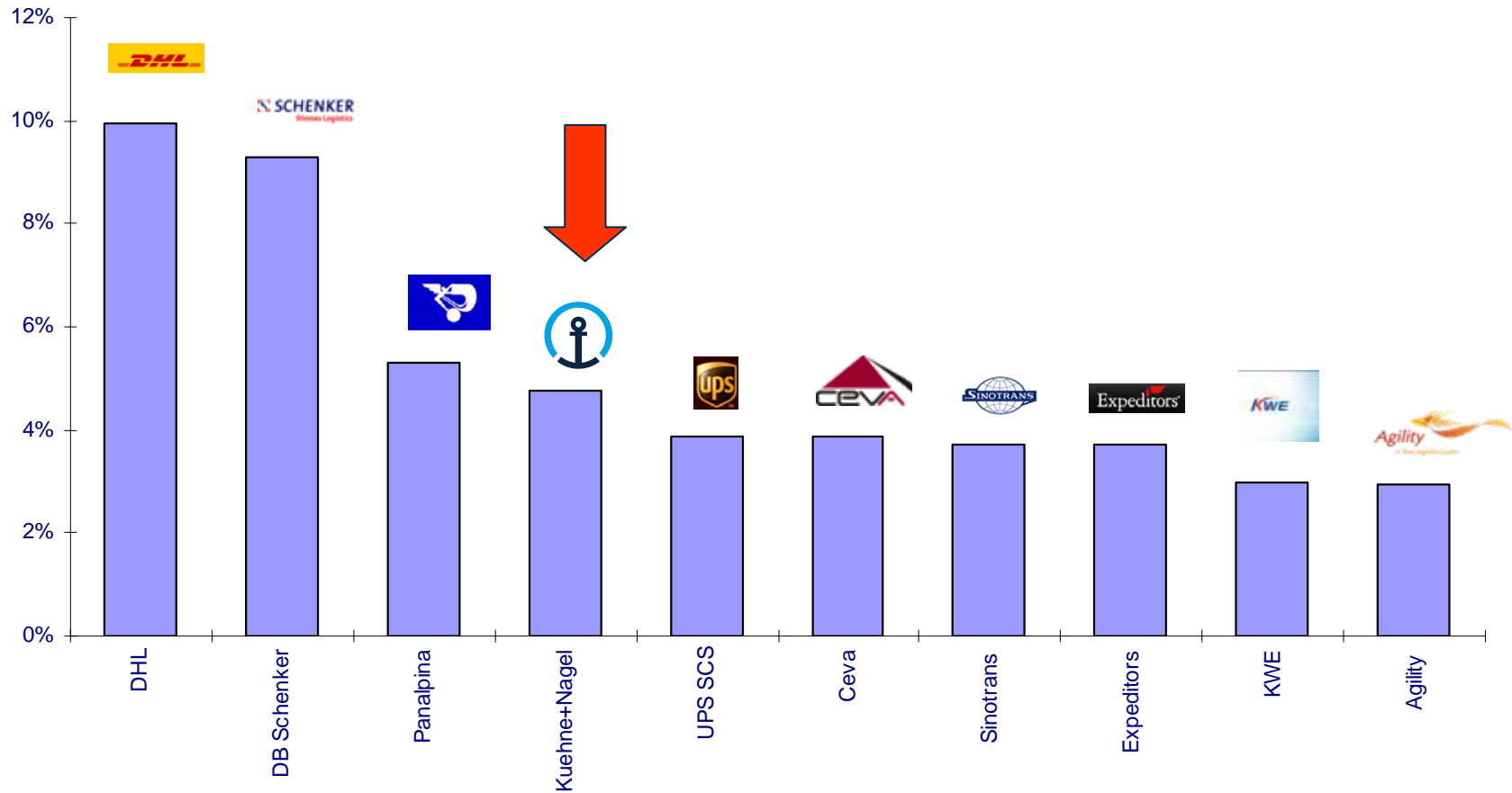
	TONs '000	GP/ kg	EBIT/ kg
2006	720	0.83	0.21
2007	818	0.85	0.24
2008	835	0.87	0.24

EBITDA / Revenue margin	4.9%	5.9%	5.7%
EBIT / Revenue margin	4.5%	5.3%	5.1%
EBIT / GP Margin	25.2%	28.2%	27.3%
Operational Exp. / GP	72.0%	69.0%	70.0%

- Strong performance during 1st Half of 2008
- Reduction of Volume starting in 3rd Quarter, negative growth in 4th Quarter
- Further expansion in volume and margins from niche products



Market Position Airfreight Market share 2007 based on revenue



Source: Company reports and Kuehne + Nagel estimates



Road & Rail Logistics



Performance Business Unit Road & Rail Logistics 2006 - 2008

<i>CHF million</i>	2006	2007	2008	2007/2008	Forex	Acquisitions	Growth
				%			
Invoiced turnover	2'474	2'821	2'853	1.1%	(3.8%)	7.8%	(2.9%)
Net Invoiced Turnover	2'213	2'523	2'693	6.7%	(3.8%)	8.3%	2.2%
Gross profit	458	515	590	14.6%	(4.1%)	12.0%	6.6%
EBITDA	37	34	23	(32.4%)	-	-	-
EBIT	(15)	(54)	(10)	-	-	-	-
EBIT / Revenue margin	(0.6%)	(1.9%)	(0.4%)				
EBIT / GP Margin	(3.3%)	(10.5%)	(1.7%)				

- Strong volume growth in the first three quarters
- Completion of integration of G.L. Kayser and Cordes & Simon
- Reduction in volumes in Q4 in line with economic environment
- Continuation of extension of European Road network through acquisition of Alloin Group, France



EBIT development

<u>CHF million</u>	2008	2007	Variance
Rail & Road Logistics			
Q 3	(10)	(4)	(6)
Q 4	(7) * ₂	(58) * ₁	51

*₁ Impairment intangibles: <55>

*₂ Redundancy and other provision: <6>



Acquisition of Alloin Group of companies



Acquisition of Alloin Group of companies

- Effective January 1, 2009 Kuehne + Nagel acquired 100% of the shares of the Alloin Group, Lyon, France.
- The purchase price amounts to EUR 156 million.
- Kuehne + Nagel has financed the acquisition with existing cash.
- Purchase price allocation will be finished in 1st half 2009.
- Integration into Kuehne + Nagel organization has started.



Company back-ground / Strategic reasoning

- The Alloin Group is among the top 10 groupage providers in France with excellent management and integrated operations.
- Comprehensive groupage network in France (53 locations) with full control of the business.
- Further expansion of groupage network in Europe – no overlap with existing Kuehne + Nagel organisation in France.
- Attractive cross-selling opportunities.



Company Overview / Groupage Network

Map



Organisational Setup

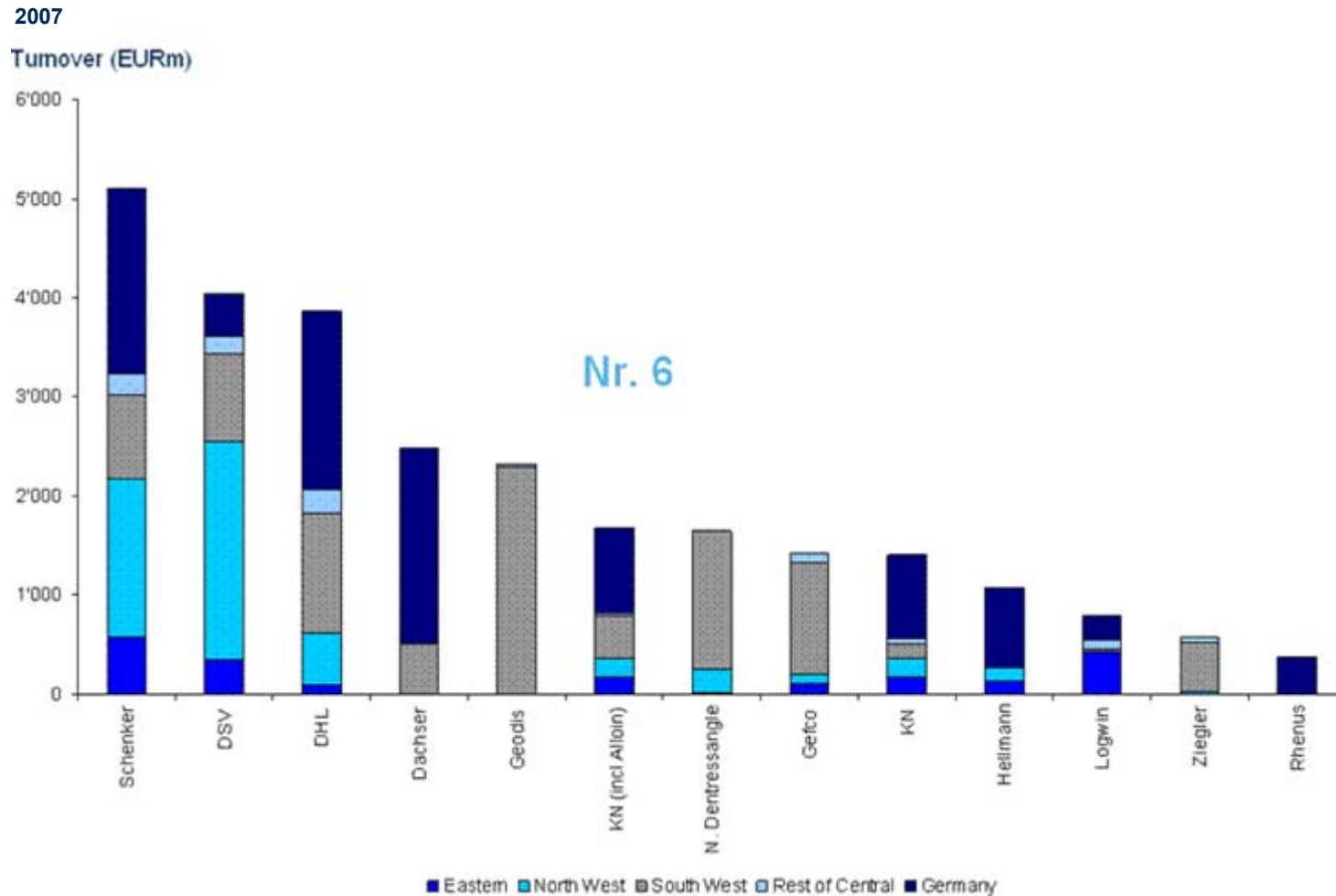
- 7 Regions
- 53 Cross-docking terminals (including 5 international branches)
- 5 Contract Logistics Warehouses
- 4 Offices for Sea & Air Logistics

Shipment Data 2007

- 20'000 Shipments per day
- 2'850 tons Groupage per day
- 450 daily shuttles



Kuehne+Nagel's position in European Road Logistics improves from Nr. 8 to Nr. 6





Financials

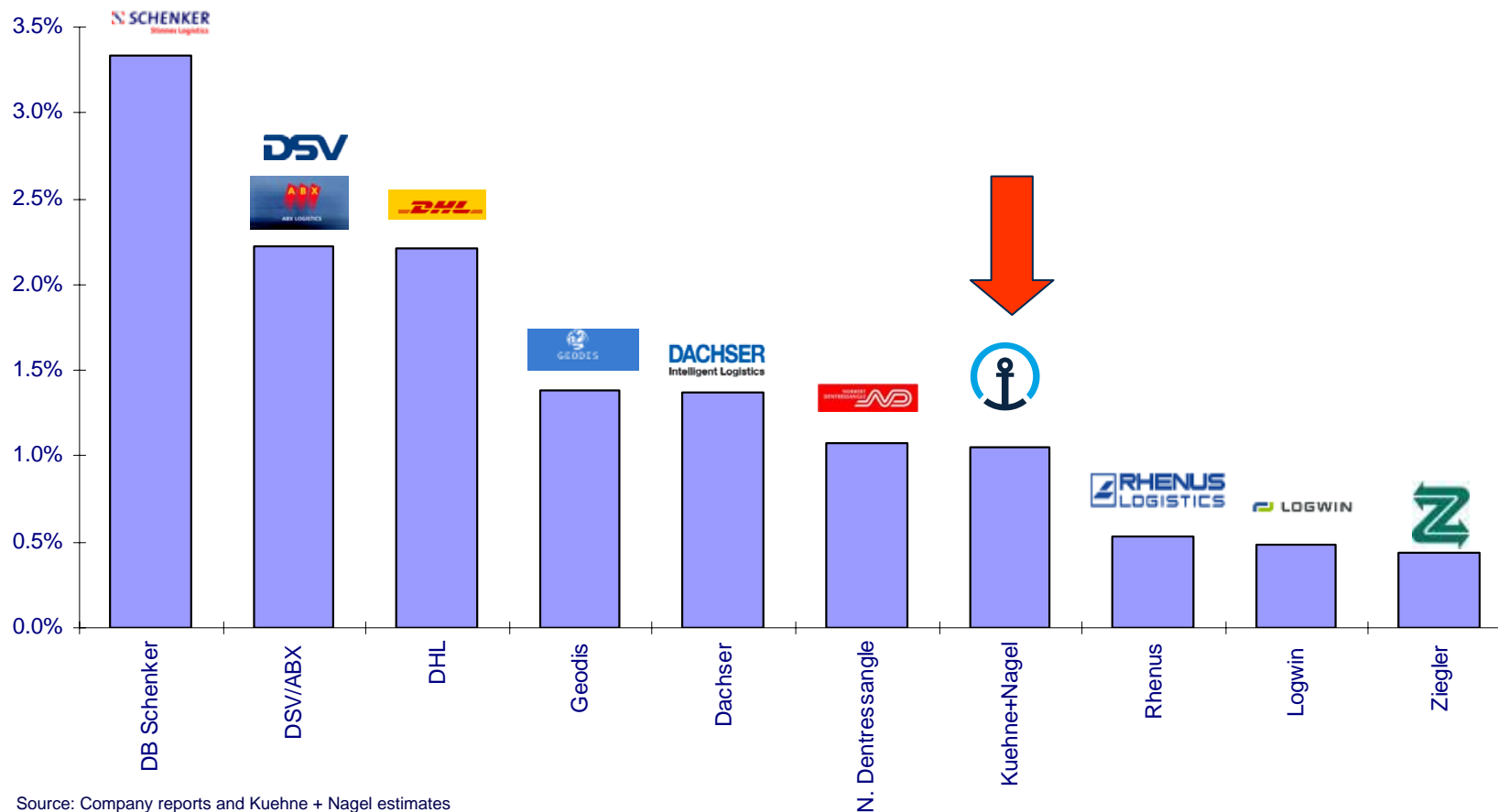
<u>EUR million</u>	2008 Prov.
Invoiced turnover	300
Gross profit	220
EBITDA	40
EBITA	20
EBIT *	10

* Assumption € 10 million amortisation Intangibles as per PPA



Market Position Rail & Road Logistics

Market share 2007 based on revenue



Source: Company reports and Kuehne + Nagel estimates



Contract Logistics



Performance Business Unit Contract Logistics 2006 - 2008

<i>CHF million</i>	2006	2007	2008	2007/2008	Forex	Acquisitions	Growth
				%			
Invoiced turnover	3'916	4'666	4'732	1.4%	(7.7%)	1.5%	7.6%
Net Invoiced Turnover	3'800	4'480	4'599	2.7%	(7.8%)	1.2%	9.2%
Gross profit	3'019	3'490	3'514	0.7%	(8.3%)	1.5%	7.5%
EBITDA	189	246	216	(12.2%)	(6.5%)	0.8%	(6.5%)
EBIT	64	105	54	(48.6%)	-	-	-
EBITDA / Revenue margin	4.8%	5.3%	4.6%				
EBIT / Revenue margin	1.6%	2.3%	1.1%				
EBIT / GP Margin	2.1%	3.0%	1.5%				
Operational Exp. / GP	94.0%	93.0%	94.0%				

- Further development of global network
- Signing of major customer contracts (Airbus / Beiersdorf), good pipeline
- Insufficient capacity utilization of warehousing space in USA, Canada, England and start-up cost impacting the operational result



EBIT development

<u>CHF million</u>	2008	2007	Variance
Contract Logistics			
Q 3	15	23	(8)
Q 4	(18) * ₁	27 * ₂	(45)

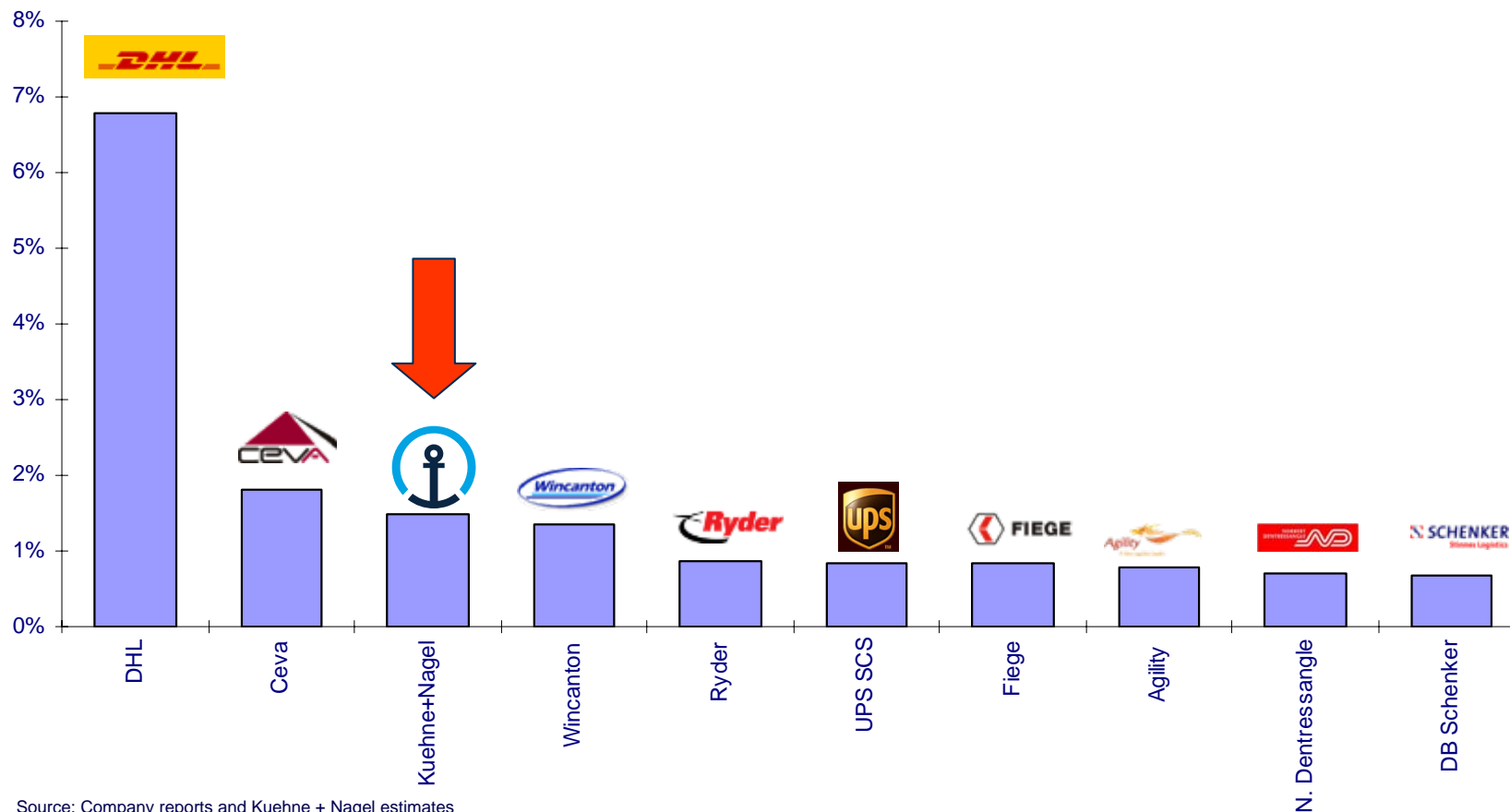
*₁ Impairment intangibles: <15>

*₂ Provision for onerous contracts and others: <16>



Market Position Contract Logistics

Market share 2007 based on revenue



Source: Company reports and Kuehne + Nagel estimates



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Currency Development CHF

	Dec 2007	Dec 2008	Variance %	Impact Net Earning
Balance Sheet				
Euro	1.6673	1.5033	(9.8%)	
US Dollar	1.1551	1.0714	(7.2%)	
British Pound	2.2878	1.5660	(31.5%)	
Income Statement				
Euro	1.6420	1.5883	(3.3%)	} (5%)
US Dollar	1.1987	1.0851	(9.5%)	
British Pound	2.3965	2.0024	(16.4%)	

Forecast for 2009 - Income Statement	2008	2009	Variance %	Impact Net Earning
Euro	1.5883	1.5004	(5.5%)	} (5 %) - (6 %)
US Dollar	1.0851	1.1444	5.5%	
British Pound	2.0024	1.6000	(20.1%)	



Reconciliation (CHF Mio.)

	2007	Forex	Acq.	Organic Growth	2008
Invoiced turnover	20'975	(1'550)	374	1'800	21'599
Gross profit	6'014	(489)	131	597	6'253
EBITDA	1'019	(62)	(1)	64	1'020
EBIT	693	(45)	(19)	107	736
EBT	708				700
Net earnings	539				534
Staff	51'075	-	1'158	1'590	53'823



Amortisation & Impairment of Intangibles & Goodwill (including software)

<i>In CHF '000</i>	Actual 2007	Actual 2008	of which impairment	Forecast 2009
Seafreight	16	24	-	23
Airfreight	8	12	-	10
Rail & Road Logistics	74	19	-	33
Contract Logistics	42	59	15	47
Real Estate	5	1	-	-
Insurance Broker	1	-	-	-
TOTAL Kuehne + Nagel	146	115	15	113



Development of Working Capital

CHF Mio

	<u>Dec 2006</u>	<u>Dec 2007</u>	<u>Dec 2008</u>
Trade receivables	2'259	2'606	2'214
Work in progress	283	322	269
Subtotal	2'542	2'928	2'483
Trade payables	(1'111)	(1'329)	(1'129)
Accrued trade expenses	(853)	(980)	(764)
Net Working Capital	578	619	590

Turnover (annualised)	18'194	20'975	21'599
in % of Revenue	3.2%	2.9%	2.7%

KPI

DSO	41.4	41.9	37.6
DPO	51.2	51.4	44.0
Work in progress	5.5	5.4	4.7



Working Capital Management

- Current economic environment will lead to further pressure on working capital.
- Approx. 60 % trade receivables insured in 2008 versus 45 % in 2007.
- Credit Insurance Policy covering 80 % of approved credit limit, focussing mainly on small and medium exposures.



Capital Expenditure in fixed assets

<i>CHF Mio</i>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Forecast 2009</u>
- Europe	189	150	198	165
- Americas	38	28	23	40
- Asia Pacific	15	33	8	15
- Middle East/Central Asia and Africa	5	20	16	5
Total fixed assets	<u>246</u>	<u>231</u>	<u>245</u>	<u>225</u>
Sea & Air Logistics	18	37	16	35
Road & Rail Logistics	24	20	9	40
Contract Logistics	92	115	107	45
Real Estate	112	58	113	105
Total fixed assets	<u>246</u>	<u>231</u>	<u>245</u>	<u>225</u>



Return on Capital Employed

	CHF Mio				ROCE in %	
	EBIT		Capital Employed *			
	2007	2008	2007	2008	2007	2008
- Seafreight	388	414	125	99	> 100 %	
- Airfreight	197	198	128	28	> 100 %	
- Road & Rail	(54)	(10)	19	44	-	-
- Contract Logistics	105	54	566	541	19%	10%
- Other	57	80	940	822	6%	10%
TOTAL	693	736	1'778	1'532	39%	48%

* Average beginning / end of the year as per Segment Reporting (see note 41)



Corporation Tax

<u>CHF Mio</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
- Earnings before Tax	603	708	764
- Tax charge	143	169	176
- Effective Tax Rate	24%	24%	23%

Effective Tax Rate for 2009 → 23%



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Update on Antitrust Investigation

- October 10, 2007, various KN organizations have been inspected.
- Class action lawsuits were filed in the USA.
- Full co-operation with respective authorities.
- No decisions have been received from the respective authorities.
- No provision (see note 39 / 44 of Annual Report) in 2008.
- Dedicated Compliance Officer at Corporate Headoffice.



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Outlook 2009

- No qualified outlook possible.
- However, further reduction in volumes expected in all business units especially in first semester.



Action Plan

▪ **Cost Reduction**

- Reduce Manpower of operational staff in line with Volume reduction.
- Reduce Overhead by 10 % versus Actual 2008.

▪ **Optimize Cash Position**

- Freeze Capex.
- Safeguard Accounts Receivables.

▪ **Increase investment in future growth**

- Intensify Sales / Additional 400 Sales force in 2009 to gain market share.
- Further investments in niche products.
- Further expansion of European Road Network.



Corporate Timetable 2009

03.03.2009	Press Conference / Analyst Conference result 2008
20.04.2009*	Announcement First Quarter 2009 Result
13.05.2009	Annual General Meeting 2008
18.05.2009	Dividend distribution 2008
20.07.2009*	Announcement Half-Year 2009 Result
20.10.2009*	Announcement Nine Months 2009 Result

* Analyst Conference Call at 2pm CET



Thank you for your attention.



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