Roadshow with Bank Vontobel

Geneva, 22nd September 2009

Panalpina – a leading global Supply Chain Management company

PANALPINA
on 6 continents

A PASSION FOR SOLUTIONS

Air Freight | Ocean Freight | Supply Chain Management

Panalpina at a glance

Comprehensive global network

- Worldwide no. 3 in Air freight, no. 4 in Ocean freight
- Among top 15 in Supply Chain Management
- 500 own offices in over 80 countries
- > 13'000 employees

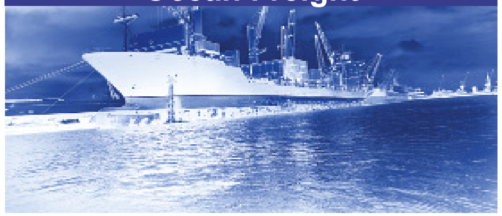
Financial highlights (2008)

- Net forwarding revenue: CHF 8.9 billion (€ 5.6 billion)
- Gross profit: CHF 1.7 billion (€ 1.1 billion)
- EBITDA: CHF 241 million (€ 152 million)
- Net earnings: CHF 114 million (€ 72 million)

Three business segments

Air Freight

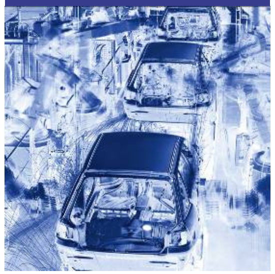
Ocean Freight



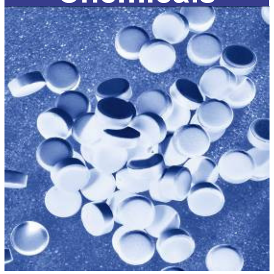
Supply Chain Management

Six industry verticals

Automotive

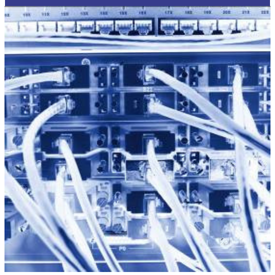


Healthcare & Chemicals



Retail & Fashion

Hi-Tech



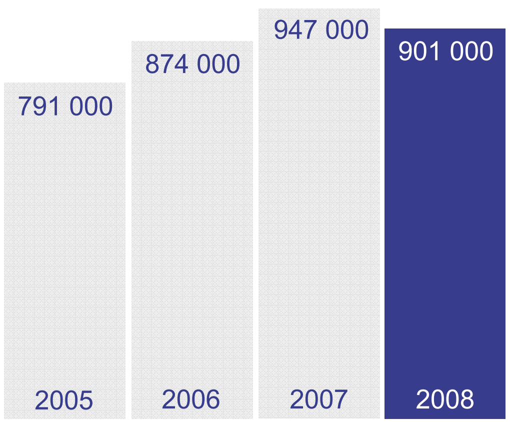
Telecom

Oil & Gas

Many years with above-market growth…

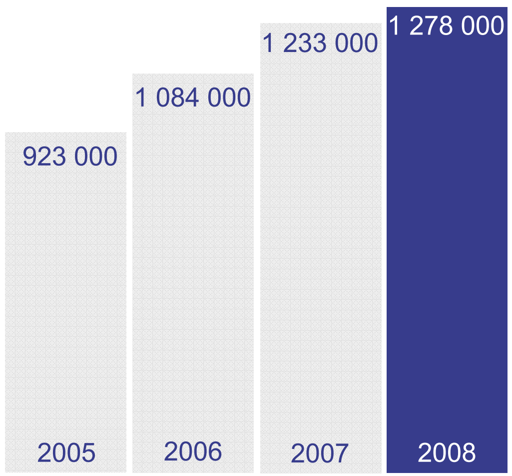
Air freight

901 000 tons (2008)



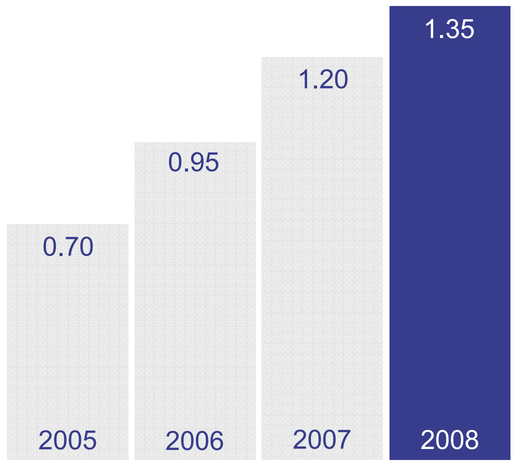
Ocean freight

1 278 000 TEU (2008)



Non-containerized*

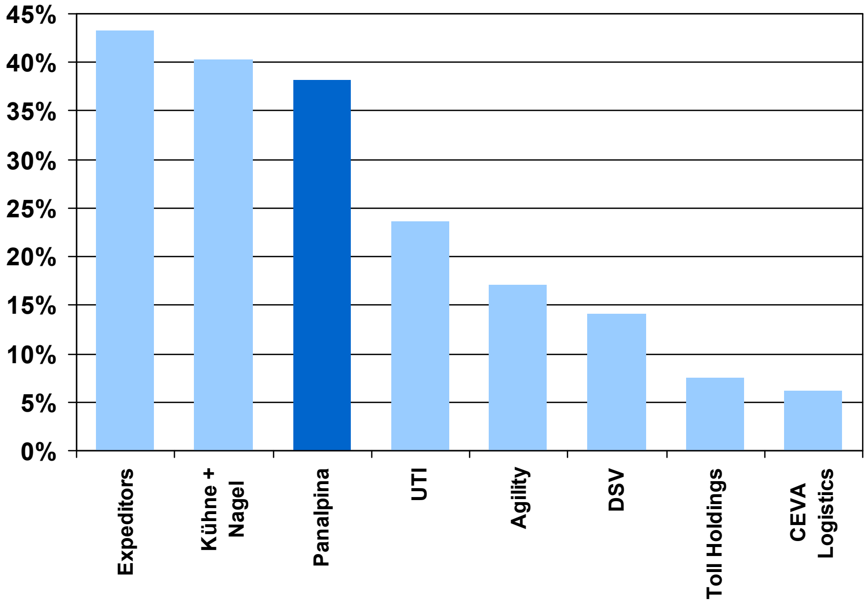
1.35 million tons (2008)



*non-containerized break bulk cargo from Oil & Gas and Special Project forwarding

…and industry-leading returns

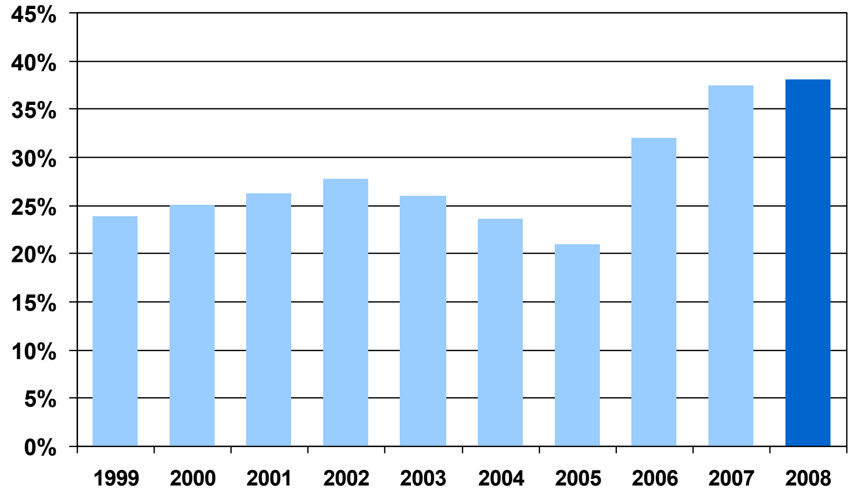
Return on Capital Employed (ROCE)* in 2008



*ROCE defined as EBIT before special items less taxes in % of average equity plus net debt

Source: Annual reports

ROCE (1999-2008)*



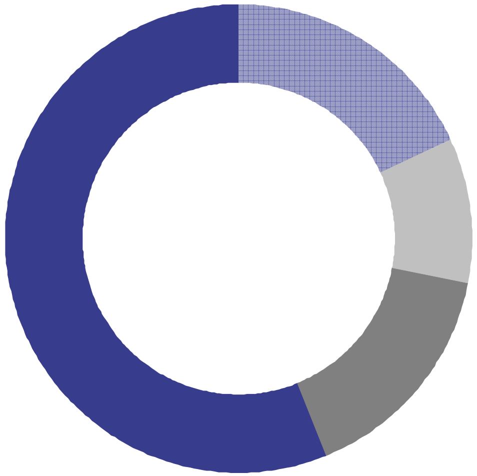
*2007/08 on the basis of EBIT before special items

Source: Panalpina

- **Long history of delivering attractive returns, in line with industry top performers**
- **Value creation through consistently exceeding the cost of capital**

Gross profit distribution per region and business segment

Regions



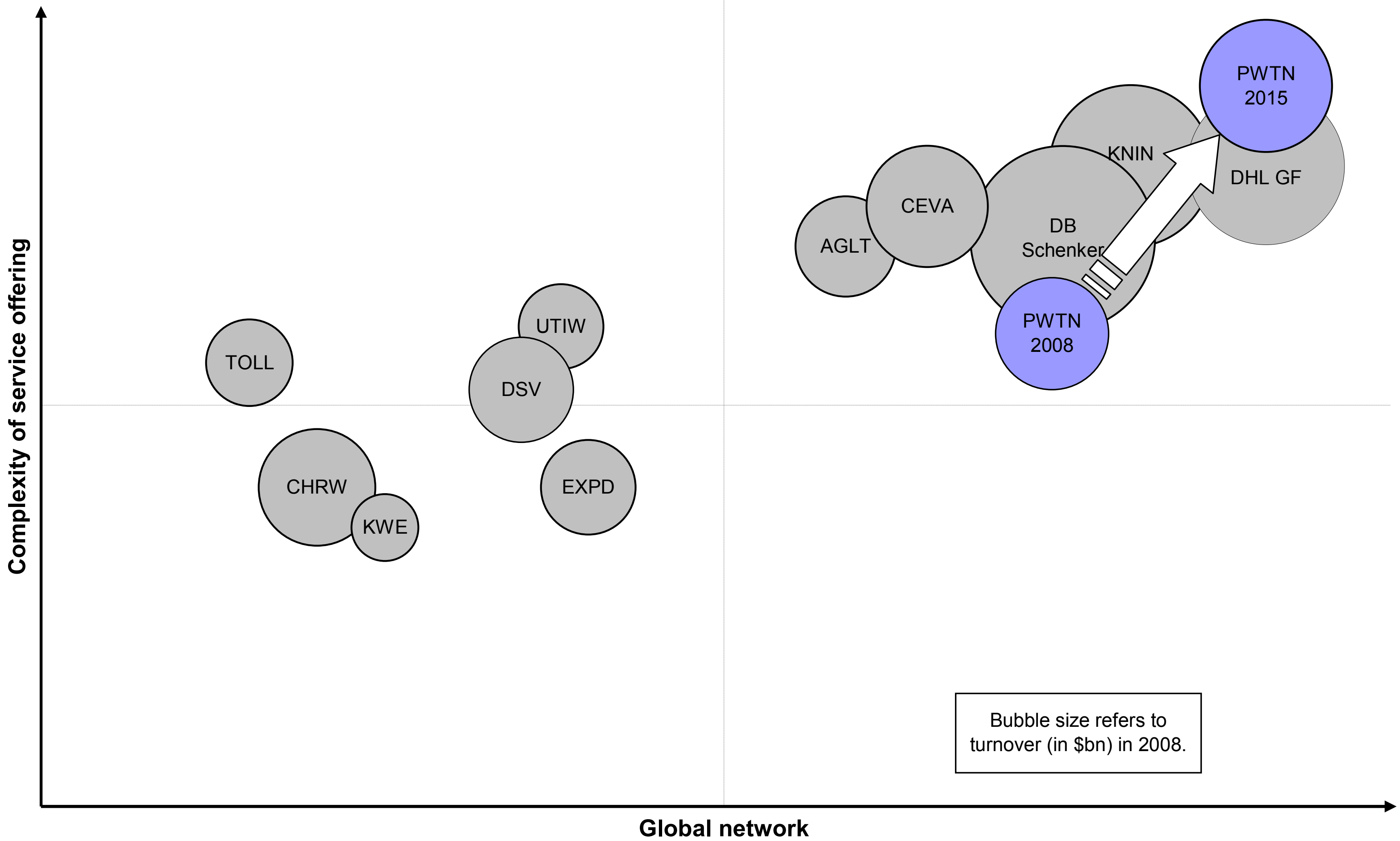
Gross profit 2008:
CHF 1’742 million

Business segments

- Europe / Africa / Middle East / CIS (56%)
- North America (18%)
- Asia / Pacific (16%)
- Central and South America (10%)

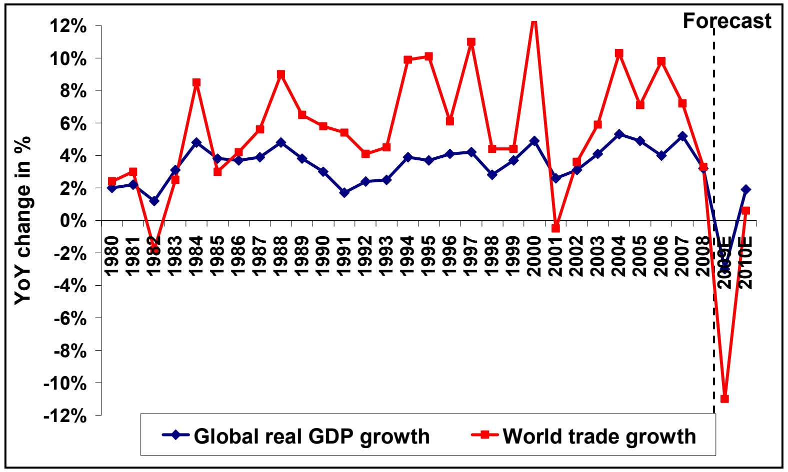
- Air Freight (43%)
- Ocean Freight (32%)
- Supply Chain Management (25%)

Panalpina stands for global presence and complex supply chain solutions – with ambitions to grow further

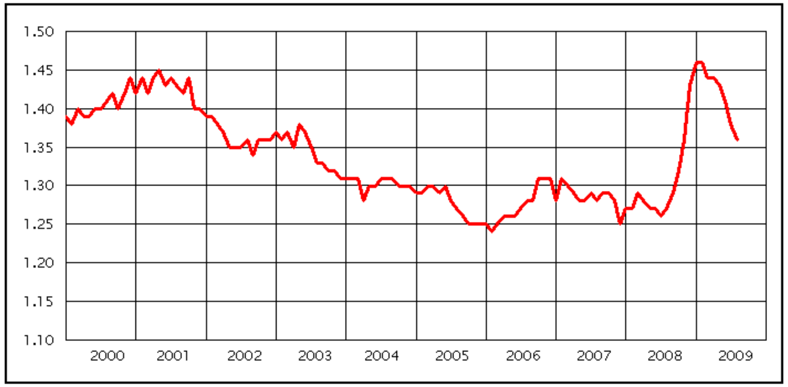


Currently, trade is being hit much harder than production…

World trade and GDP growth forecasts (%)



Total U.S. business inventories/sales ratio



Precedent years

- High GDP growth, driven by emerging markets
- Trade growing at a 1.5 multiple of GDP
- Sales growing faster than inventories

Present

- Trade forecasted to shrink much more than GDP in 2009
- Investments into emerging markets decreasing
- Inventories falling, but due to collapse of demand 50% of U.S. shippers do not expect restocking to occur before 2010.*

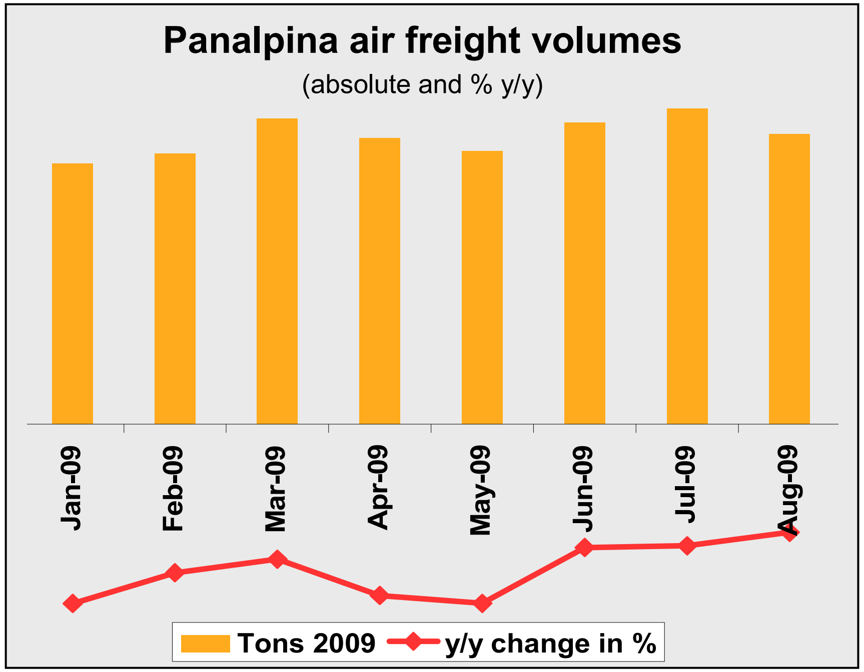
Future

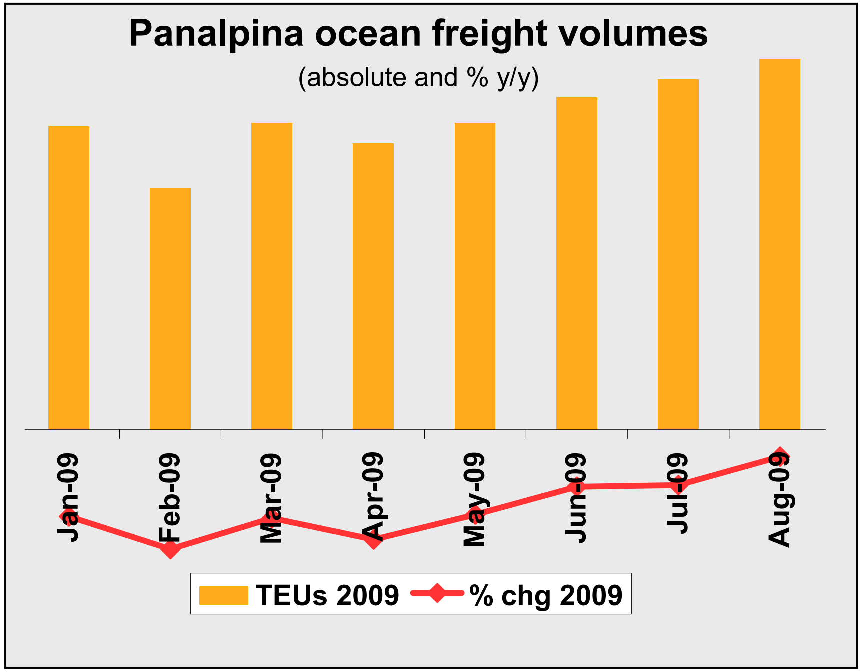
- Is a major short-term boost from restocking activity on the horizon?
- Will we get back to the growth figures seen in recent years?
- Will trade still outpace GDP growth as a rule?

Source: IMF, World Bank, U.S. Census Bureau

*Source: Wolfe Research Shipper Survey, August 2009

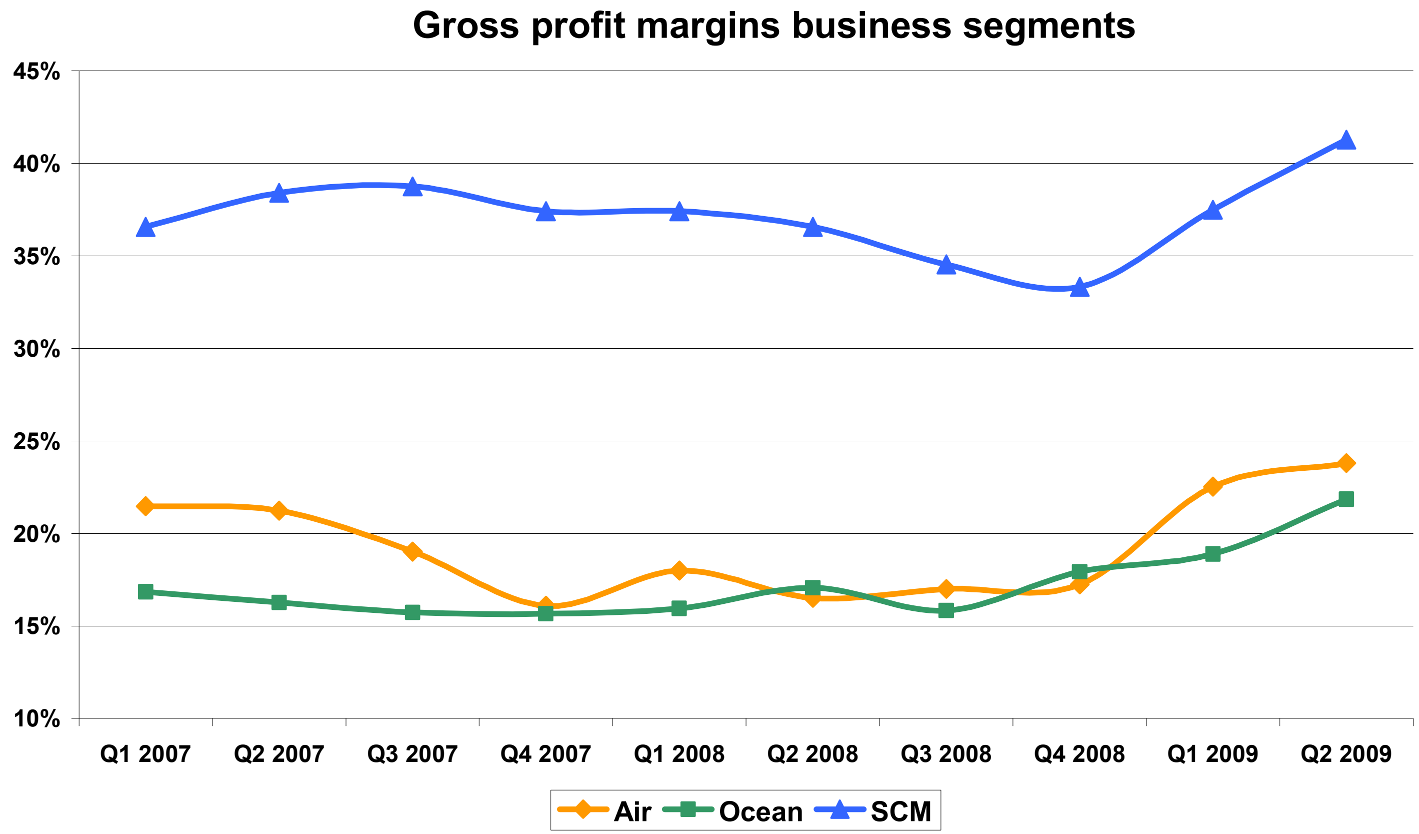
…as a result, 2009 volumes are tracking far below 2008…





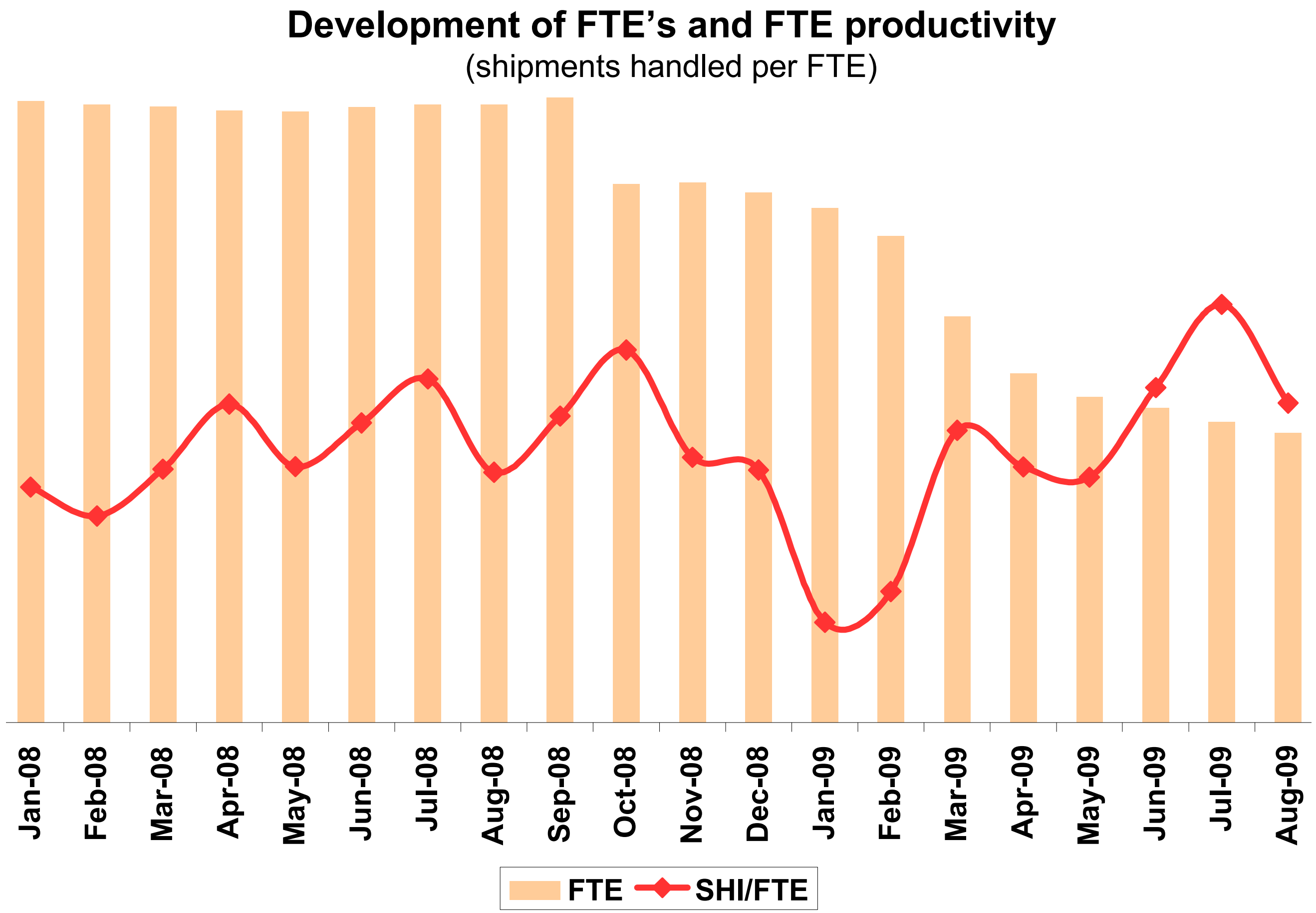
- **Continuous improvement both year-on-year and month-to-month over the last 4-5 months**
- **Volumes still double-digit below prior year in Air and single-digit in Ocean**

…partially compensated by GP margins at record levels…



GP margins have reached historically high levels as a result of:
- **Declining freight rates to record low levels**
- **Falling oil prices, resulting in lower fuel surcharges**
- **Focus on profitable business, resulting in high GP per cargo unit**

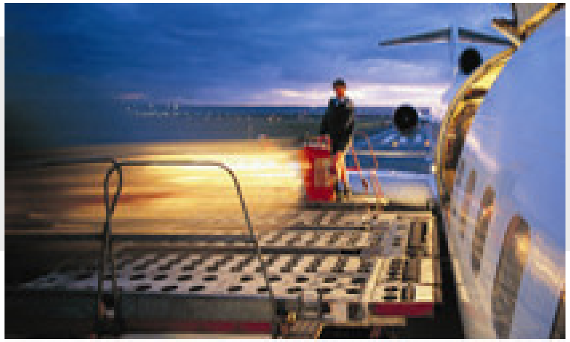
…and productivity improvements through FTE reduction



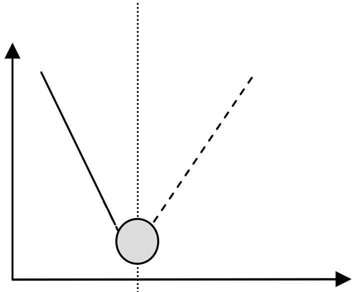
- **Productivity declined sharply as a result of strongly falling volumes towards year-end 2008**
- **FTE reduction initiated in March 2009 helped to improve productivity**
- **Positive recent trend reinforced through customers' tendency to opt for smaller shipment sizes**

The fundamental growth drivers are intact…

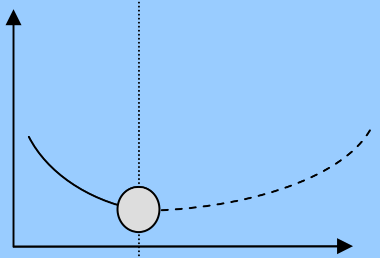
- Shippers will continue to expand their reliance on leading logistics partners as SCM complexity and cost pressure continue to challenge int'l freight movements.
- Further consolidation of the market is likely, given the high fragmentation, financial constraints of smaller competitors and the importance of economies of scale.
- Forwarding and logistics companies continue to grow their share of the market pie as asset owners concentrate on their core competences.
- Economic growth will come back at some point and – coupled with the ongoing globalization process – will spur international trade.



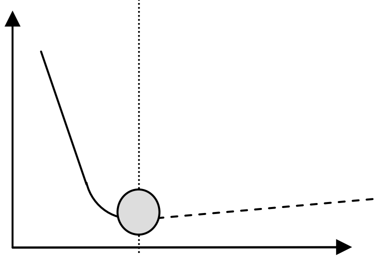
…however a U-shaped scenario is assessed by Panalpina to be the most probable one



- Optimistic scenario
- Economy close to hit bottom
- Fiscal stimulus leading to rebound already before 2010
- Quick recovery, similar speed as decline



- **Base scenario: long U-shape**
- **Bottom to be reached towards year end**
- **Recession lasting well into 2010**
- **Gradual recovery of markets and turnaround during 2nd half of 2010 with reviving trade flows and globalization**
- **Air volumes back at 07 levels in 2013 and ocean in 2012**

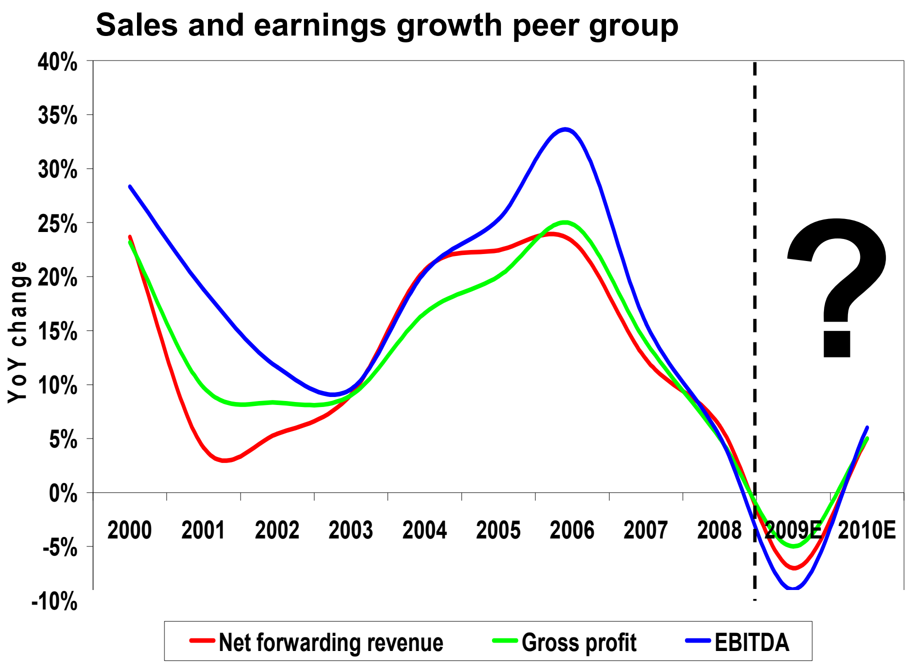


2010

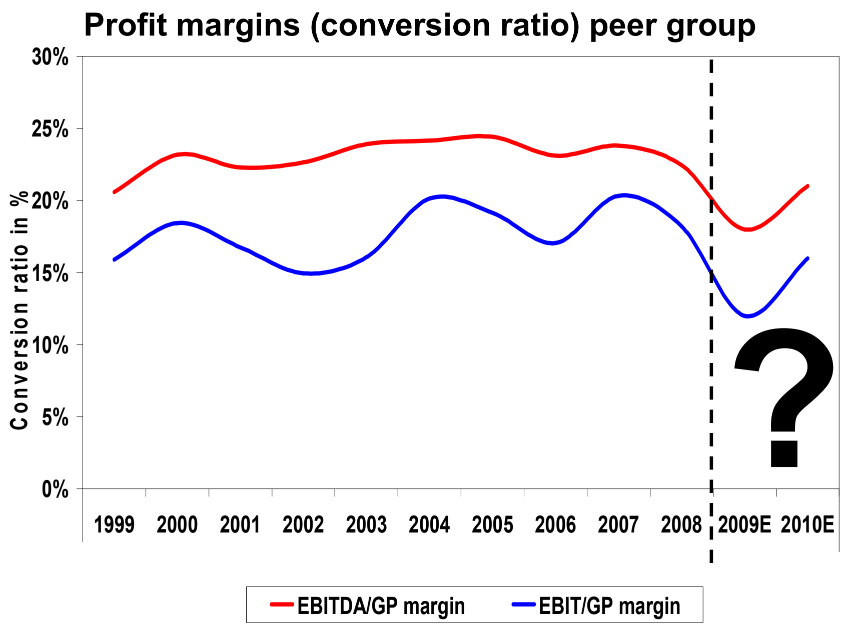
- Worst case: L-shaped, similar to “lost decade” in Japan
- Still long way until bottom is reached
- Depression to last 3-5 years or longer
- Downward spiral resulting from mass layoffs, collapse of consumer spending, protectionism and reversed globalization

○ today

Forwarding proved to be resilient to margin pressure during past down cycles



Median for Panalpina, Kühne & Nagel, Expeditors, UTi Worldwide, CH Robinson, DSV



Median for Panalpina, Kühne & Nagel, Expeditors, UTi Worldwide, CH Robinson, DSV

The company is well positioned to weather the storm…

Key success factors in freight forwarding:

- **Be globally present**
- **Be responsive to customer needs**
- **Deliver constantly high quality**
- **Be able to provide complex logistics solutions beyond transportation**
- **Manage subcontractors**
- Continued focus on expense control
- Be able to work in a network and exploit synergies
- Have an impeccable image and compliant underlying procedures
- Be innovative
- Have sufficient financial strength
- Have an integrated IT

Panalpina is well positioned:

- People business: motivated staff, ‘can do’ attitude
- Global network
- Diversified across industries and trade lanes
- Asset-light (most asset-light of any publicly listed logistics companies)
- Strong balance sheet

…and is on track to achieve its short- and mid-term targets

2009 financial targets

★ Downsize global FTEs by ~1‘500 (10% of workforce)

★ Reduce operating expenses by CHF 130 million (see below for details)

★ Adapt cost structure in line with volume development

★ Preserve cash (tight NWC management, low capex, travel ban, no share buybacks)

Status quo

☑ Number of FTE‘s reduced by >1‘700 as per 30 June

☑ Full financial benefits (‚run rate‘) from personnel cost savings will be visible in second half of 2009

☑ Contingency plans in place in case that volume development in second half-year deviates materially from internal assumptions

Other targets

★ Continue to gain market share

★ Implementation of various long-term efficiency improvement initiatives

★ Resolve pending investigations

Status quo

☑ Large number of new business wins in recent weeks

☑ Automation and consolidation of various administrative processes in progress

😐 FCPA: completion of investigations in Q4 remains target; Anti-trust: likely to stretch into 2010

Recap of 2009 cost reduction target (vs. 2008, figures in CHF million):

40	**Net organic savings**
	50 Organic savings (resulting from FTE reduction and other implemented cost measures)
	-10 Severance provisions (booked in 1Q09 due to FTE reduction)
48	**One-time costs incurred in 2008 (risk provisions, liquidation Nigerian subsidiary)**
37	**Reduced cost base as a result of discontinued business as of 1 Oct 2008**
5	**Reduction in anticipated legal fees in 2009 vs. 2008**
130	**Cost reduction target in 2009**

Panalpina's way to sustainably maintain global leadership

Growth

- Refocus sales activities on strategic products and customer segments while maintaining leadership with Global Accounts
- Build on existing expertise to provide global Supply Chain Management solutions in key industries
- Focus on growth opportunities in ocean freight
- Leverage air freight competence

Cost control

- Reach cost competitiveness
- Drive process discipline and quality

People & systems

- Continually invest in our people
- Commit to our global network
- Continually invest in integrated and standardized IT systems

Recap of investment highlights

- Market leadership in freight forwarding and supply chain solutions
- Leading global network and leverage through size and scale of operations
- Limited cyclicality and high returns on capital due to asset-light business model
- Strong net cash position and potential to improve profitability
- Long-term industry growth prospects with goal to gain market share
- Differentiation through customer-focused approach and specialist industry expertise

PANALPINA on 6 continents

Appendix

PANALPINA on 6 continents

A PASSION FOR SOLUTIONS

Air Freight | Ocean Freight | Supply Chain Management

First half 2009 – Executive summary

- Gross profit for the Group declined 9% on a like-for-like basis
- Targeted CHF 130m savings on track – underlying operating expenses declined 4%
- Number of FTEs reduced by 11% during first half-year, ahead of target
- Group performance impacted by legal fees, FX, discontinued business:

	Result 1H09 (CHF million)	Growth y/y 1H09 (actual)	Growth y/y 1H09 (local currencies)	Growth y/y 1H09 (like-for-like)
Net forwarding revenue	2'973.4	-31.6%	-28.1%	
Gross profit	727.4	-15.0%	-11.5%	-8.8%
Operating expenses	675.9	-6.7%	-3.5%	-4.3%
EBITDA	51.5	-60.9%	-56.9%	-34.4%
Net earnings	16.9	-77.9%	-79.5%	

- Strong cash flow generation (free cash flow of CHF 155m, up 175%), resulting in net cash position of CHF 433m (>20% of market cap)
- Year-on-year volumes and gross profit impacted by continued weak market environment; quarter-on-quarter volume improvement:

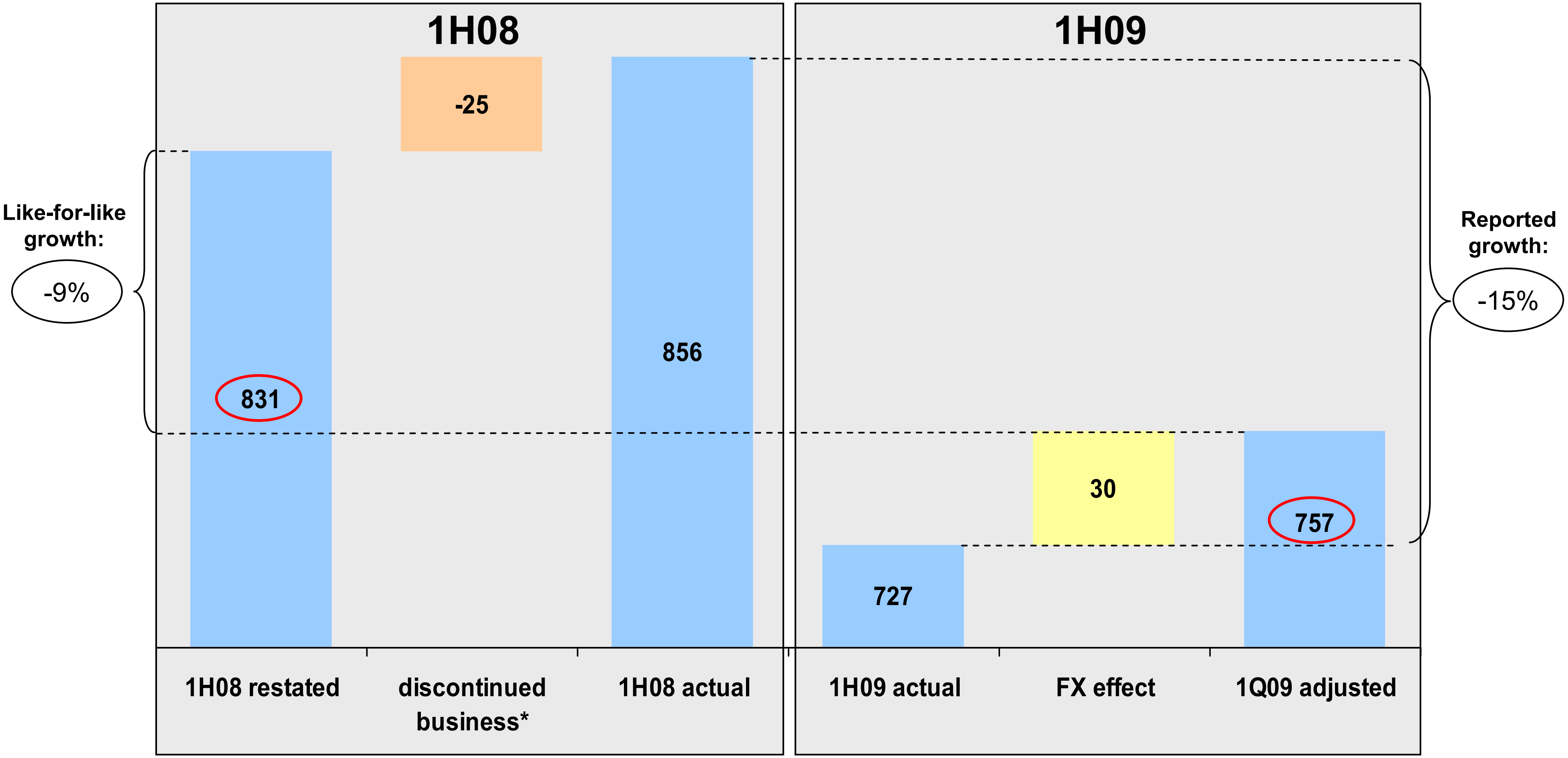
1H09: development of volumes vs. gross profit			
Growth (y/y)	**Volumes**	**GP**	**GP** (excl. FX)
Air (tons)	-28%	-18%	-15%
Ocean (TEU)	-21%	-8%	-7%

Volume growth by quarter:

2Q09 vs. 2Q08:	**2Q09 vs. 1Q09:**
-28%	+3%
-20%	+8%

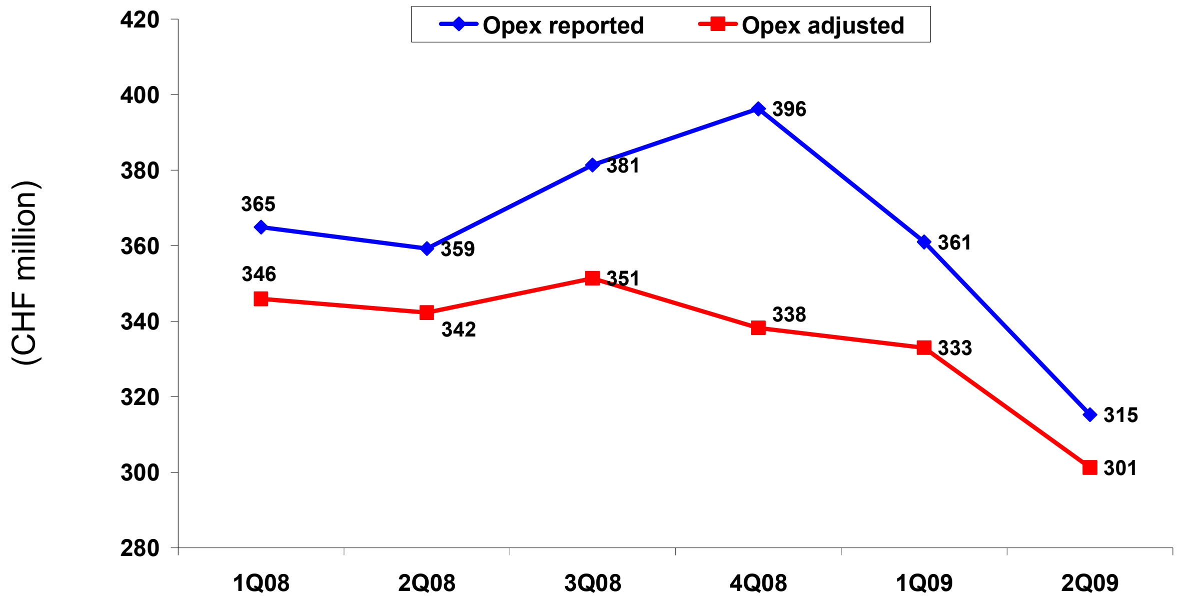
Gross profit declined 9% on a like-for-like basis

(Figures in CHF million)



* Adjustment for discontinued business for which GP was still recorded during 2008 (refer to Appendix for details)

Total expense overview reveals cost base on track to achieve targeted CHF 130m savings in 2009*

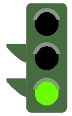
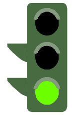
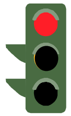
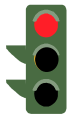
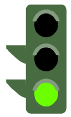


	30 Jun 09	31 Dec 08	Δ	% Δ
FTE	13’530	15’270	-1’740	-11%

- **Reduction of more than 1’700 FTEs over the last six months, ahead of target**
- **Resulting cost savings started at the end of Q1 – major effect expected in second half-year**
- **Strict cost control to continue – cost structure / FTEs adapted in line with volume declines**

* based on originally guided CHF 40m legal fees

Outlook for current business year – review of Guidance

Guidance 2009	Status	Assessment
•Reduction of 1'400 – 1'600 FTEs		•Ahead of target – continue to adapt cost structure in line with volume development.
•Reduce operating expenses by CHF 130m*		•Full financial benefits ('run rate') from personnel cost savings will be visible in second half of 2009
•Market share gains		•Substantially lower volumes with larger customers, especially in Automotive / Hi-Tech. Recent business wins should have positive impact in 2nd half-year.
•CHF 40m legal fees related to pending investigations		•Likely to exceed guided amount – fees can be influenced by the Group only to a limited extent
•Tax rate 26 – 27%		•On track

YoY volume declines should lessen in H2, however no substantial short-term recovery expected:

- **Strict cost control and tight cash management continue and remain a high priority**
- **Focus on growth opportunities and continually invest in people & systems**

* based on originally guided CHF 40m legal fees