A passion for solutions

Panalpina Group

Basel, March 7, 2012

2011 Full Year Review

PANALPINA
on 6 continents

Supply Chain Solutions

Air Freight	Ocean Freight	Logistics

Highlights 2011

Financial review

Outlook

2011 – Strengthening of the corporate platform and focused growth

- Strategy reviewed, clarified and refined
  - End-to-end Supply Chain Solutions
  - Air/Ocean Freight complemented by Supply Chain Services / Value-Added Logistics Services
- Organic network expansion, particularly in emerging markets
  - New offices and logistics facilities in China, India and Brazil
- Two acquisitions
  - Apollo Perth
  - Grieg Logistics
- Product divisions strengthened
  - Key hires
  - Product innovations
- Enhanced customer portfolio
  - Profitability restoration program
  - New contracts in all Industry Verticals

2011 – Focused execution leads to solid financial results

- Gross profit of the Group up 12% year-on-year net of FX, supported by organic growth across all regions and product divisions
- GP margin rising to 22.7% (2010: 20.7%)
- Air volume growth (-5% yoy) affected by profitability restoration program; record Ocean volumes (growth +6%, in line with market)
- GP per ton up 9% yoy (+21% net of FX), GP per TEU down 8% yoy (+3% net of FX)
- EBITDA/GP margin rising to 14.4% (2010: 14.1% underlying)
- Free cash flow (before money market investments and acquisitions) of CHF 153 million (2010: CHF 12 million)
- Proposal to the Annual General Meeting to:
  - pay a dividend of CHF 2.00 per share
  - cancel 1‘250‘000 treasury shares
  - pay back CHF 1.90 per share through a reduction of the share capital (tax-free)

Highlights 2011

Financial review

Outlook

Key figures

CHF million

	Q4 2011	Q4 2010	Variance % CHF	Variance % Excl. FX	FY 2011	FY 2010	Variance % CHF	Variance % Excl. FX
Net forwarding revenue	**1'647.9**	**1'808.9**	-8.9%	2.2%	**6'499.6**	**7'164.2**	-9.3%	2.2%
Forwarding expenses	(1'271.2)	(1'418.1)			(5'022.6)	(5'684.1)		
Gross profit	**376.7**	**390.8**	-3.6%	6.5%	**1'477.0**	**1'480.1**	-0.2%	11.9%
in % of net forwarding revenue	*22.9%*	*21.6%*			*22.7%*	*20.7%*		
Total operating expenses	(328.1)	(334.3)	-1.8%	10.5%	(1'265.0)	(1'417.7)	-10.8%	-0.1%
EBITDA	**48.5**	**56.5**	-14.2%	-17.3%	**212.1**	**62.4**	240.1%	283.4%
in % of gross profit	*12.9%*	*14.5%*			*14.4%*	*4.2%*		
Operating result (EBIT)	**38.7**	**44.0**	-12.1%	-18.3%	**174.2**	**15.4**	1034.1%	1183.3%
in % of gross profit	*10.3%*	*11.3%*			*11.8%*	*1.0%*		
Consolidated profit	**28.8**	**32.9**			**127.4**	**(26.0)**		
in % of gross profit	*7.6%*	*8.4%*			*8.6%*	*-1.8%*		
Non-recurring items	-	(2)			-	(146)		
underlying EBITDA	**48.5**	**58.5**	-17.1%	-20.1%	**212.1**	**208.4**	1.8%	14.7%
in % of gross profit	*12.9%*	*15.0%*			*14.4%*	*14.1%*		
underlying EBIT	**38.7**	**46.0**	-15.9%	-21.8%	**174.2**	**161.4**	8.0%	22.2%
in % of gross profit	*10.3%*	*11.8%*			*11.8%*	*10.9%*		

- Gross profit 2011 flat vs. prior year, up 12% net of FX
- EBITDA/GP margin 2011 increased to 14.4%, up from underlying 14.1% in 2010

Forex with a major adverse effect on financial results

Average FX development to CHF

Currency	Weight	Ø exch. rates to CHF FY11	Ø exch. rates to CHF FY10	Δ in %
EUR	31.6%	1.2308	1.3787	-10.7%
USD	17.6%	0.8848	1.0414	-15.0%
BRL	6.0%	0.5299	0.5918	-10.5%
CNY	6.0%	0.1369	0.1538	-11.0%
CHF	5.4%	1.0000	1.0000	0.0%
CAD	3.8%	0.8949	1.0111	-11.5%
Others	29.5%			-12.6%
Total	100.0%		**Impact on NFR**	-11.5%

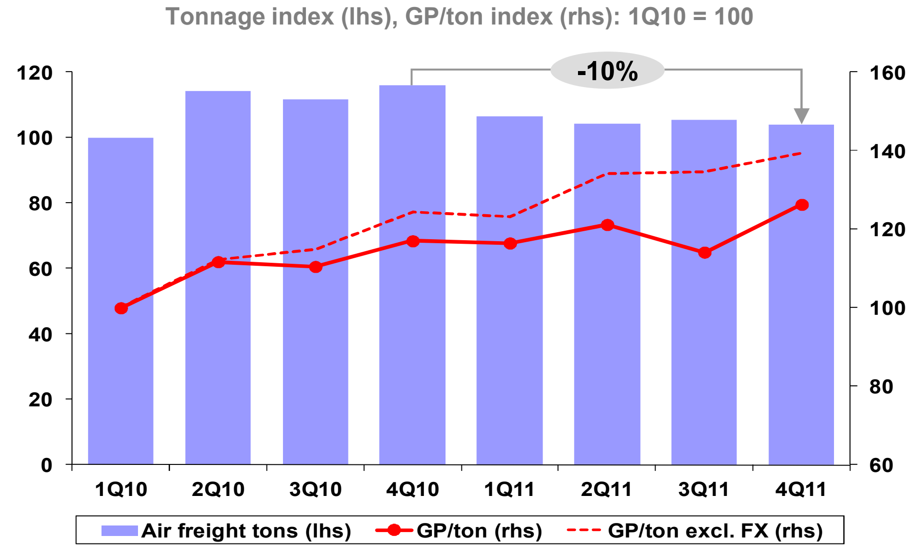
◄ Impact on NFR

FX impact on other key metrics, FY11 vs. FY10:
- Gross profit: -12.1%
- Operating expenses: -10.8%

- Net forwarding revenue in 2011 experienced the strongest negative FX impact ever
- Natural FX hedge b/w revenues and costs – FX fluctuations in 2011 with no impact on operating margins
- Transaction risk selectively hedged, translation risk not hedged

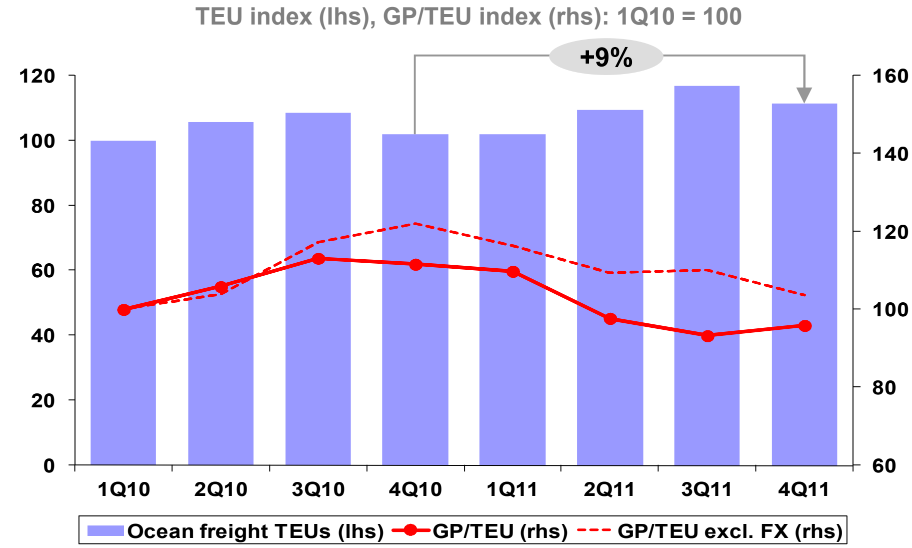
Further rise in Air Freight yields, record volumes in Ocean Freight

Air Freight: tonnage vs. GP/ton development



	2011	2010	Δ (%)	Excl. FX (%)
Tons ('000)	848	892	-5%	
GP/ton (CHF)	811	748	+9%	+21%
GP (CHF m)	688	667	+3%	+15%

Ocean Freight: TEU vs. GP/TEU development

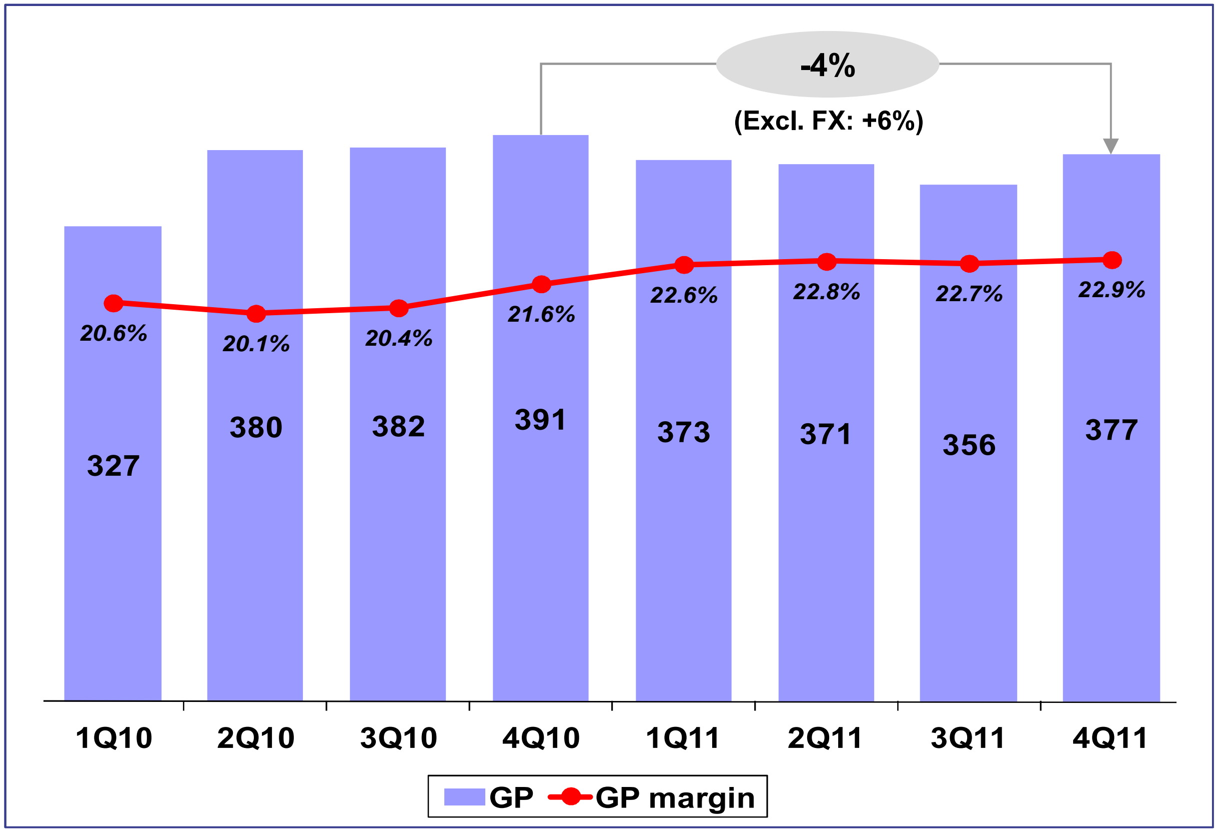


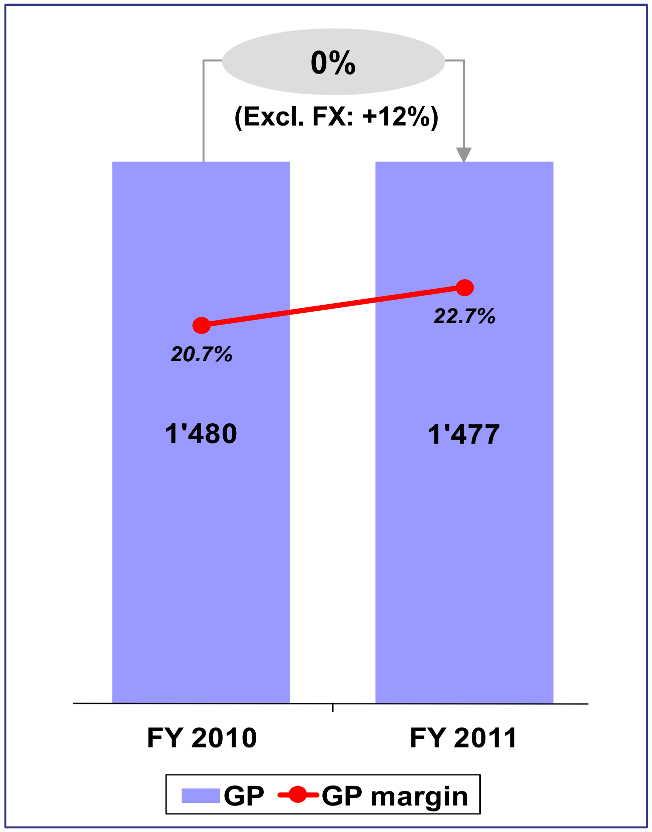
	2011	2010	Δ (%)	Excl. FX (%)
TEUs ('000)	1'310	1'241	+6%	
GP/TEU (CHF)	335	365	-8%	+3%
GP (CHF m)	439	453	-3%	+9%

- Air Freight: volume growth affected by profitability restoration program. Yield focus leading to further increase in GP/ton in 4Q11 – up 8% yoy in CHF, up 20% net of FX
- Ocean Freight: Growth in line with market leading to new volume record in 2011. GP/TEU in 4Q11 down 14% yoy in CHF, down 6% net of FX due to low level of rates and highly competitive environment

Double-digit organic growth, significant uplift of gross profit margin

Gross profit in CHF million

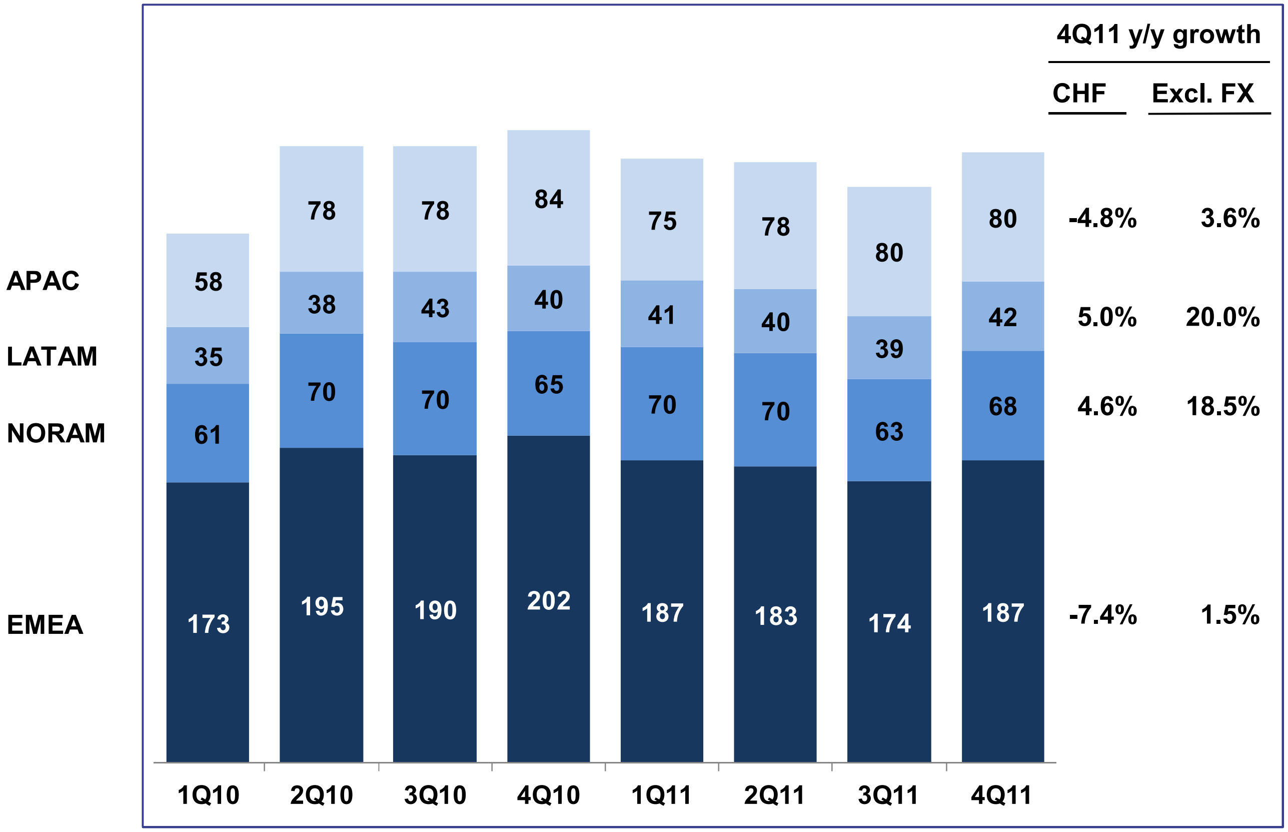


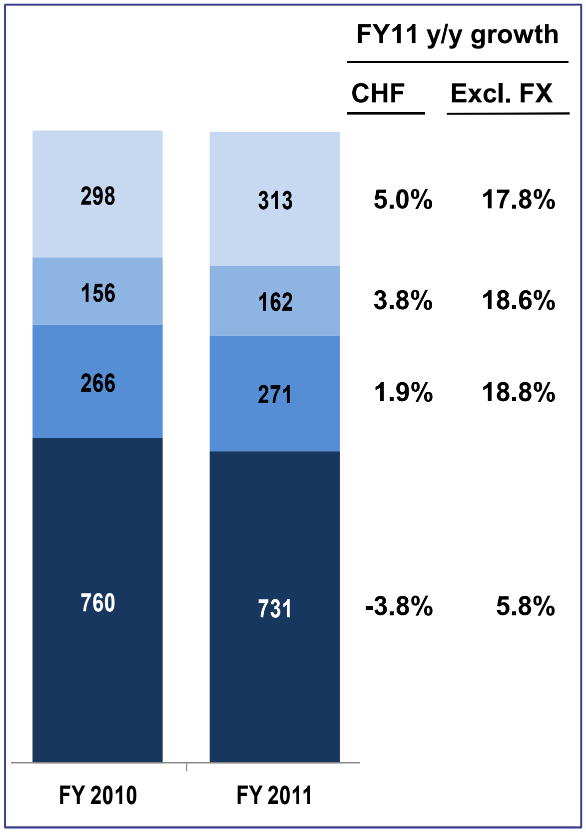


- 12% growth in gross profit in 2011 (net of FX) despite declining air freight market and rates
- Increase of GP margin in spite of intense competition due to yield management, falling rates

GP growth across all regions net of FX

Gross profit in CHF million

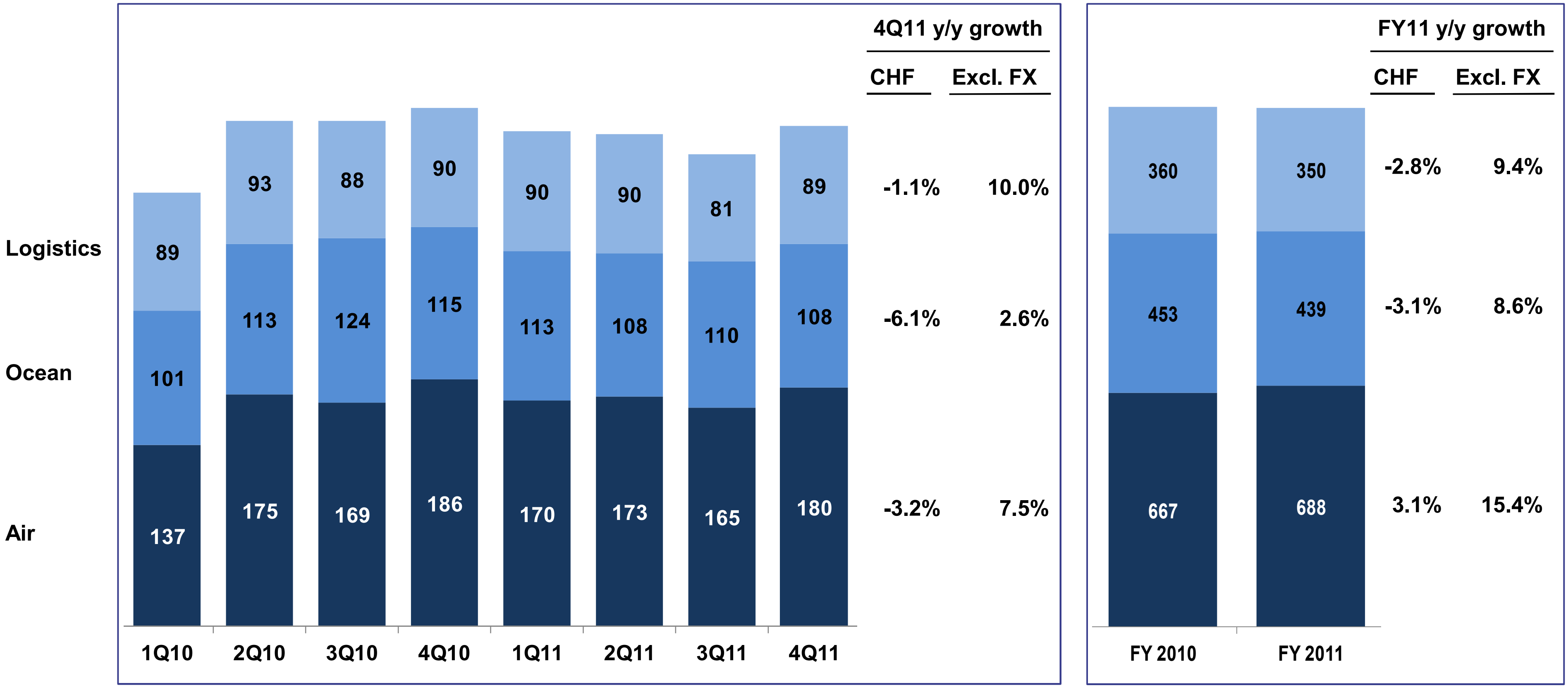




- Organic gross profit increase in all regions – strong negative currency translation impact
- Record FY gross profit for APAC
- Robust development in NORAM and LATAM

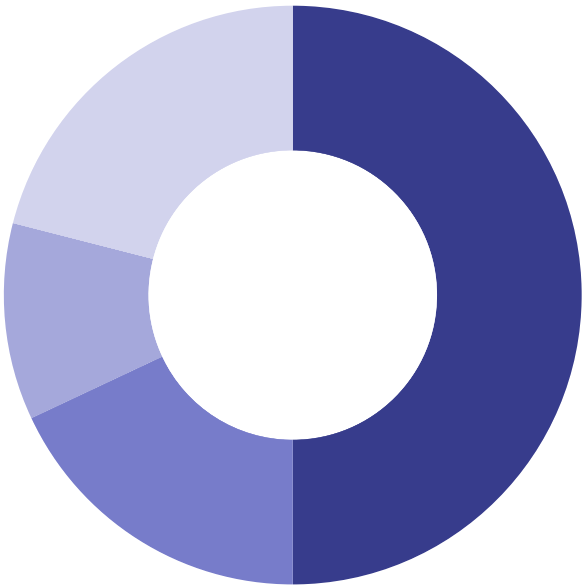
GP growth across all product divisions net of FX

Gross profit in CHF million

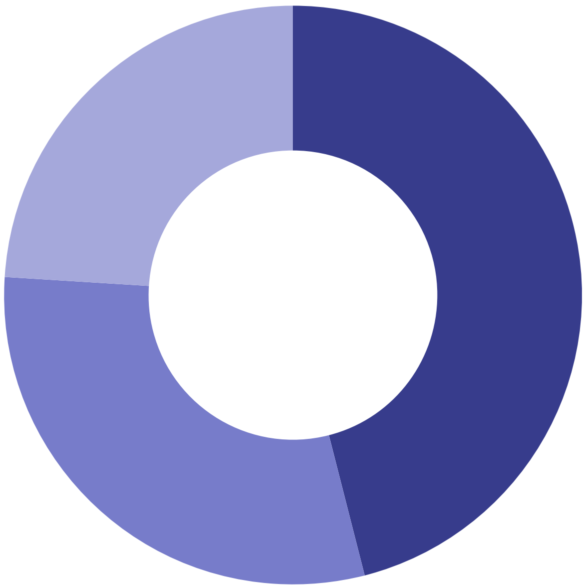


- Organic gross profit increase in all product divisions – strong negative currency translation impact
- Yield focus as primary driver of Air Freight performance
- Record TEU number supporting Ocean Freight performance

Gross profit – relative contribution by region and product division



Gross profit 2011
CHF 1,477 million

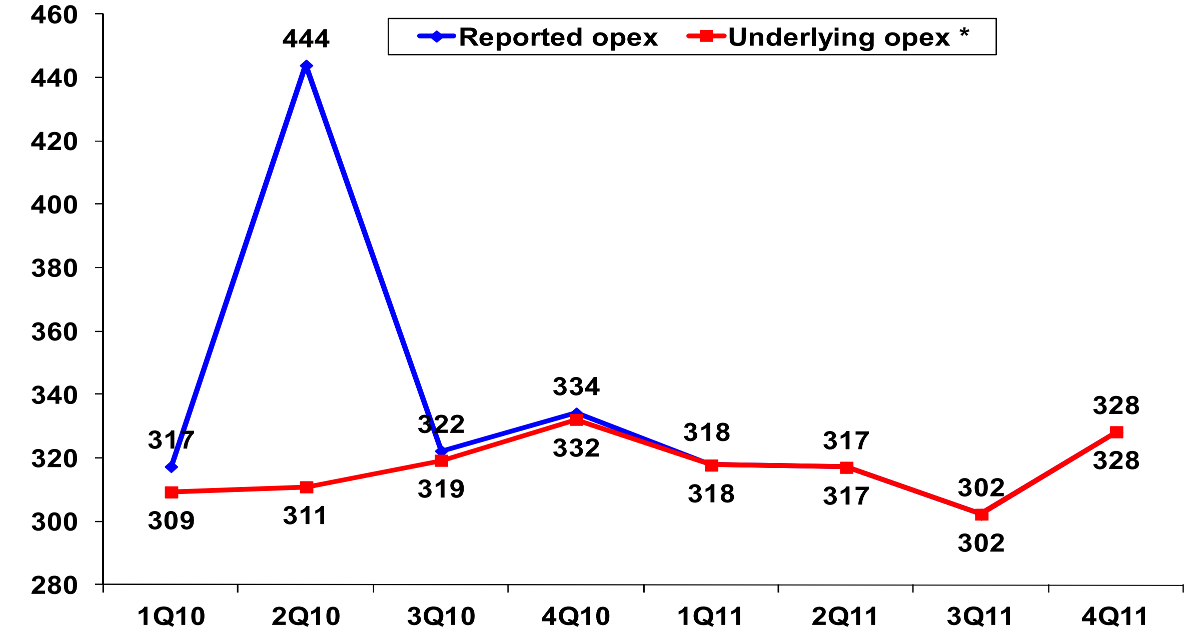


- Europe / Africa / Middle East / CIS (50%)
- North America (18%)
- Central and South America (11%)
- Asia / Pacific (21%)

- Air Freight (46%)
- Ocean Freight (30%)
- Logistics (24%)

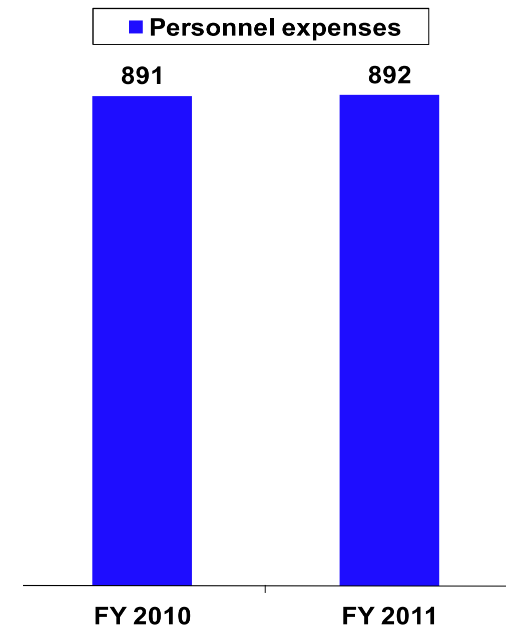
Cost development reflects investments in Sales and Logistics

Operating expenses in CHF million



Ø FTE	13‘703	13‘911	14‘445	14‘838	14‘943	15‘147 †	15‘375	15‘676

Ø FTE = Full-time equivalents (quarterly average)
† Increase from 1Q11 to 2Q11 includes effect from Grieg acquisition (approx. 100 FTEs)



	FY 2010	FY 2011
P/FTE	62‘636	58‘385
PGP	60.2%	60.1%

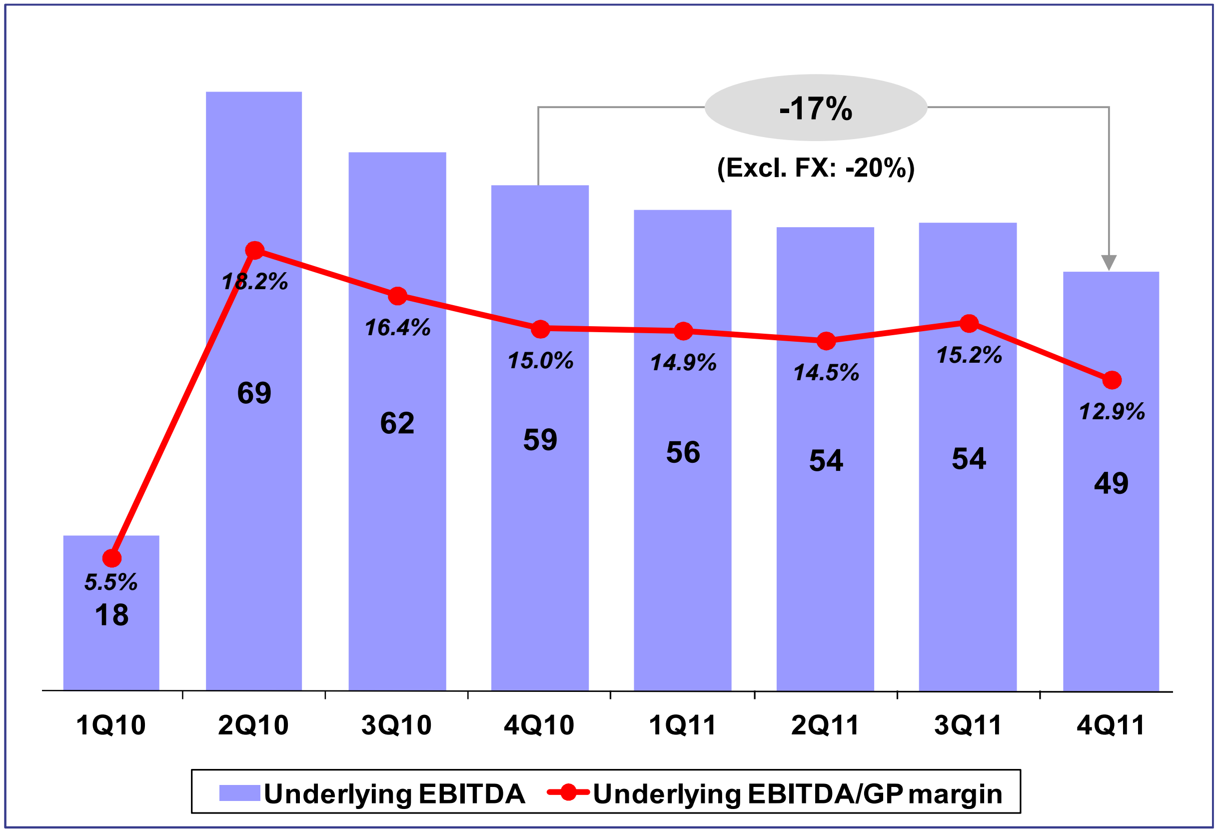
P/FTE = Personnel expenses per Ø FTE
PGP = Personnel expenses / gross profit ratio (currency neutral)

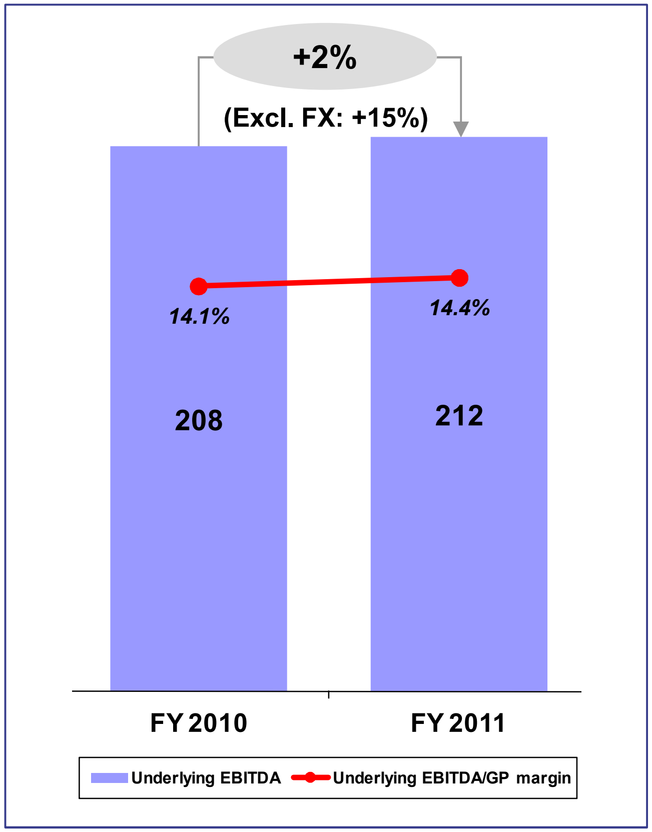
- Operating expenses falling 2% yoy in 4Q11 – sequential increase driven by FX, investments in personnel
- Personnel expenses in 2011 flat vs. prior year

* 2010 numbers adjusted for fines and related costs, legal fees and charges related to internal reorganization project

Increase of EBITDA/GP margin over prior year

EBITDA in CHF million

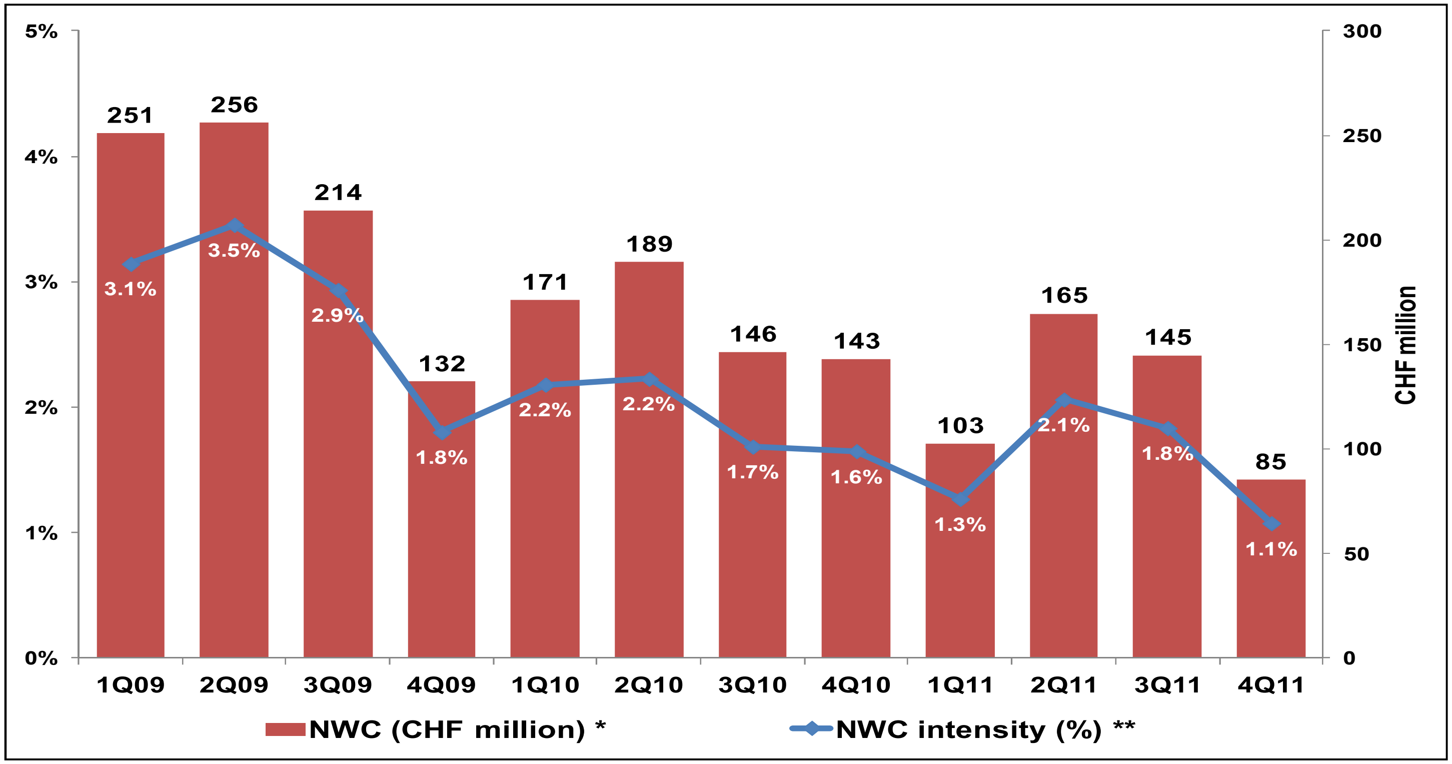




- Mix of volumes, yield and cost management leading to margin expansion in 2011
- Margin in Q4 affected by investments in personnel – hiring freeze implemented towards end of quarter

Note: 2010 numbers adjusted for fines and related costs, legal fees and charges related to internal reorganization project

Net working capital intensity at new all-time low



(# of days)	**Dec 31, 2011**	**Dec 31, 2010**
DSO (3-m-rolling)	44.1	37.4
DPO (3-m-rolling)	32.7	23.8
Δ (DSO – DPO)	11.4	13.6

- Significant NWC reduction, NWC intensity falling to record-low 1.1%
- Gap between DSO and DPO further reduced by almost 2 days

* Net working capital defined as current assets net of cash and liquid instruments minus current liabilities net of interest bearing debt

** NWC intensity defined as NWC divided by gross forwarding revenue

Strong free cash flow before planned investment outflows

Figures in CHF million

	Q4 2011	Q4 2010	FY 2011	FY 2010
Cash flow before changes in working capital	10.3 *	60.7	161.7 *	150.2
Changes in working capital	47.2	(13.9)	67.4	(75.0)
Cash from operations	**57.5**	**46.8**	**229.1**	**75.3**
Interest and income taxes paid	(4.2)	(17.7)	(35.6)	(38.2)
Net cash from operating activities	53.2	29.1	193.5	37.0
Net cash from investing activities	75.1 **	(15.9)	(151.6) **	(30.8)
Free cash flow (FCF)	**128.3**	**13.2**	**41.9**	**6.2**
FCF adj. for money market investments and acquisitions	34.4	9.1	152.7	12.3
Net cash used in financing activities	0.4	(2.9)	(3.8)	(8.1)
Effect of exchange rate changes	13.5	(7.5)	6.5	(1.0)
Cash and cash equivalents at beginning of period	431.4	526.2	528.9	531.8
Net increase (decrease) in cash and cash equivalents	**142.2**	**2.7**	**44.6**	**(2.9)**
Cash and cash equivalents at end of period	573.6	528.9	573.6	528.9

* Includes outflow of CHF 30 million (2010: CHF 27 million) for fines paid to U.S. authorities and accounted for in previously booked provisions. The remaining payable amount of total CHF 33 million will be paid in two equal installments due in 4Q12 and 4Q13.

** Includes inflow of CHF 94 million in 4Q11 (FY11: outflow of CHF 51 million) from money market investments with a maturity of more than three months (4Q10: inflow of CHF 6 million; FY10: outflow of CHF 4 million), as well as an outflow of CHF 60 million in 2011 (4Q11: nil) related to acquisitions (4Q10 / FY10: CHF 2 million).

Proposals to the AGM

Dividend payment:

- Pay a dividend of CHF 2.00 per share
- Equivalent to an amount of CHF 47.3 million (excl. treasury shares)
- Representing a payout ratio of 37% - upper range of 30-40% payout target
- Dividend yield (based on 2011 year-end share price) of 2.1%

Two-fold reduction of share capital:

- Cancellation of 1‘250‘000 shares (equivalent to 5% of share capital) held in treasury since the completion of the share buyback program in 2008
- Reduction of nominal value per share from CHF 2.00 to CHF 0.10, leading to new share capital of CHF 2‘375‘000 (23‘750‘000 shares * CHF 0.10 per share)
- Tax-free return of CHF 44.9 million (CHF 1.90 per share) to shareholders
- No impact on the Group‘s reported earnings per share

- Dividend payment of CHF 2.00 per share
- Reduction of share capital for a tax-free return of CHF 1.90 per share
- Return of CHF 3.90 per share or yield of 4.1% (based on 2011 year-end share price)

Highlights 2011

Financial review

Outlook

“Sustainable, profitable growth” strategy 2014: status update

	2010	2011	2014
EBITDA/GP	14.1% *	14.4%	20%
Tax rate	25.9% *	24.4%	25%
NWC intensity (end of period)	1.6%	1.1%	≤2%
Capex (% of NFR)	0.6%	0.8%	0.8%

Based on following assumptions:

- Steady growth of core markets. Assumed market volume CAGR 2011-14:
  - Air Freight: 5%
  - Ocean Freight: 7%
  - Logistics: 5%
- Panalpina to outperform market
- On average, stable unit profitability (currency neutral) compared to 2010

* 2010 adjusted for non-recurring items

Contingency plans in place to address ongoing volatility

Planning assumptions for 2012:

- Economic environment remains volatile
- Capacity growth outstripping growth in demand, particularly in Ocean Freight
- Uneven demand growth by core market and geography
- Soft expectations for near-term volumes with uptick in second half-year
- Panalpina to outperform market
- Targeted productivity increases

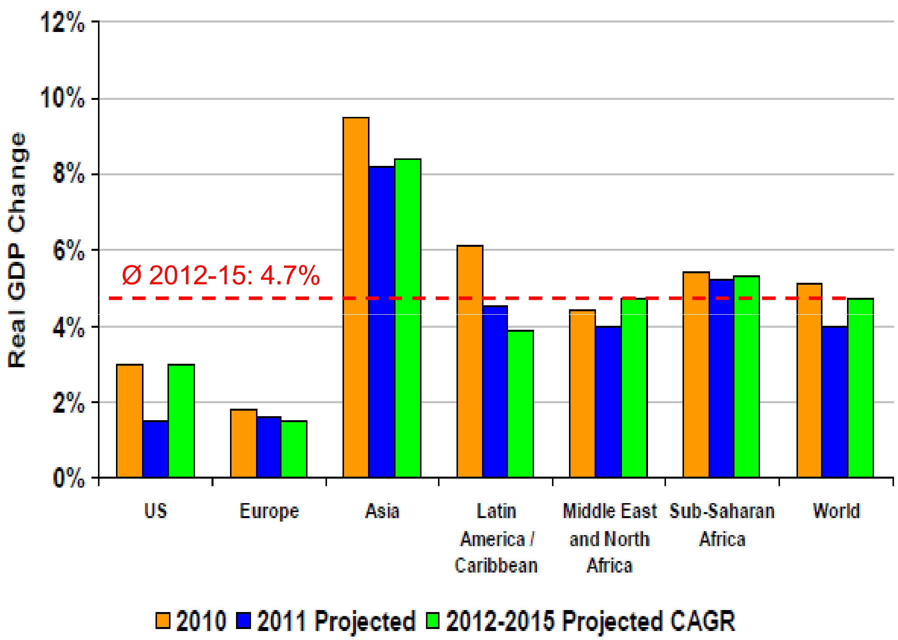
Implications for strategy execution:

- Pre-defined scenarios with concrete simulations and corresponding action plans
- Continued investments in Sales, Logistics and IT
- Group-wide cost-containing measures implemented during latter part of 2011

- Low-visibility environment remains with expectations for soft near-term and rebound in H2 2012
- Working with scenarios allowing to react quickly to deviations from budget

Investments in emerging markets to continue in 2012

Global economic growth (in % y/y)



Source: IMF, Norbridge

Examples of Panalpina investments in emerging markets in 2011:

- Opening of three new offices in India:
  - Ahmedabad
  - Jaipur
  - Ludhiana
- Expansion of network in China:
  - Opening of office in Chongqing
  - Opening of logistics center in Tianjin
- Introduction of Intra-Asia trucking solution
- 44 new LCL services connecting Asia/Latam
- Significant investments in Value-Added Services platforms in Brazil

- GDP growth in emerging markets expected to be 2-4 times higher than in advanced economies
- Panalpina continues to invest in emerging markets (in particular BRICVIT)

A business model geared to cope with changing industry dynamics

	Volatility is the ‚new normal‘	Market growth with significant regional variations	Lower growth rates further intensify degree of competition
Market characteristics	▪ Low planning visibility ▪ Requirement for quick reaction ▪ Importance of high flexibility	▪ Growth rates differ strongly depending on geography ▪ Importance of local decision-taking ▪ Consolidating market (supplier base, customers, competitors) ▪ Relocation of outsourced production ▪ Market plagued by overcapacities	▪ Requirement for continuous investments in order to stay competitive ▪ Productivity increases and lean cost structures a prerequisite to maintain/ expand margins ▪ Importance of differentiation
Panalpina setup	▪ Contingency planning, working with scenarios ▪ Asset-light business model ▪ Integrated IT systems ▪ Full financial visibility	▪ Global network ▪ Focus on ‚high growth‘ countries ▪ Power of decision moving close to customer base ▪ Significant scale (#4 in Air/Ocean forwarding) ▪ Asset-light model allows to move with customers	▪ Net cash position allows to invest regardless of economic environment ▪ Various productivity enhancement and cost reduction initiatives ▪ High-value propositions to customers: ➢ End-to-end Supply Chain Solutions ➢ Own-controlled network ➢ Industry Vertical focus / niches ➢ Compliance leadership

Planning assumptions and outlook for 2012

World trade growth 2012: ~3%

Air Freight

Market

- 0% growth (<0% in first half)
- No capacity bottlenecks expected
- Rates to stay under pressure on major trade lanes in first half

Panalpina

- Volume growth > market growth as of Q2 2012
- Decrease of GP per ton vs. 2011

Logistics

- Stable GP margin
- Continued investments in Value-Added Services

Ocean Freight

Market

- 4-5% growth
- Oversupply – more vessel lay-ups expected
- Rate increases expected in first half

Panalpina

- Volume growth > market growth
- Stable GP per TEU vs. 2011

Panalpina's priorities in 2012

- Implement Sales Excellence
- Grow above market
- Drive operational productivity
- Step up Logistics performance
- Boost end-to-end Supply Chain Solutions

Disclaimer

Investing in the shares of Panalpina World Transport Holding Ltd involves risks. Prospective investors are strongly requested to consult their investment advisors and tax advisors prior to investing in shares of Panalpina World Transport Holding Ltd.

This document contains forward-looking statements which involve risks and uncertainties. These statements may be identified by such words as “may”, “plans”, “expects”, “believes” and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. No obligation is assumed to update any forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

The information contained in this document has not been independently verified and no representation or warranty, express or implied, is made to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information in this presentation is subject to change without notice, it may be incomplete or condensed, and it may not contain all material information concerning the Panalpina Group. None of Panalpina World Transport Holding Ltd or their respective affiliates shall have any liability whatsoever for any loss whatsoever arising from any use of this document, or its content, or otherwise arising in connection with this document.

This document does not constitute, or form part of, an offer to sell or a solicitation of an offer to purchase any shares and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This information does neither constitute an offer to buy shares of Panalpina World Transport Holding Ltd nor a prospectus within the meaning of the applicable Swiss law.

A passion for solutions

Panalpina Group

Basel, March 7, 2012

Appendix

PANALPINA
on 6 continents

Supply Chain Solutions

Air Freight	Ocean Freight	Logistics

Detailed figures including currency impact

in CHF million

	Q4 2010	FY 2010	Q4 2011	Δ y/y	Q4 2011 (excl. FX)	Δ y/y	FY 2011	Δ y/y	FY 2011 (excl. FX)	Δ y/y
Net forwarding revenue	**1'808.9**	**7'164.2**	**1'647.9**	-8.9%	**1'848.5**	2.2%	**6'499.6**	-9.3%	**7'321.9**	2.2%
Forwarding expenses	(1'418.1)	(5'684.1)	(1'271.2)		(1'432.3)		(5'022.6)	-11.6%	(5'665.9)	
Gross profit	**390.8**	**1'480.1**	**376.7**	-3.6%	**416.1**	6.5%	**1'477.0**	-0.2%	**1'656.0**	11.9%
in % of net forwarding revenue	*21.6%*	*20.7%*	*22.9%*		*22.5%*		*22.7%*		*22.6%*	
Personnel expenses	(231.7)	(890.9)	(230.6)	-0.4%	(256.3)	10.7%	(892.4)	0.2%	(995.7)	11.8%
in % of gross profit (PGP)	*59.3%*	*60.2%*	*61.2%*		*61.6%*		*60.4%*		*60.1%*	
Other operating expenses	(102.5)	(527.1)	(97.5)	-5.0%	(113.0)	10.2%	(372.4)	-29.3%	(421.1)	-20.1%
in % of gross profit (OGP)	*26.2%*	*35.6%*	*25.9%*		*27.2%*		*25.2%*		*25.4%*	
Gains (losses) on sales of non-current assets	(0.1)	0.3	(0.1)		(0.0)		(0.1)		(0.1)	
Total operating expenses	(334.3)	(1'417.7)	(328.1)	-1.8%	(369.4)	10.5%	(1'265.0)	-10.8%	(1'416.9)	-0.1%
EBITDA	**56.5**	**62.4**	**48.5**	-14.2%	**46.8**	-17.3%	**212.1**	240.1%	**239.1**	283.4%
in % of gross profit	*14.5%*	*4.2%*	*12.9%*		*11.2%*		*14.4%*		*14.4%*	
in % of net forwarding revenue	*3.1%*	*0.9%*	*2.9%*		*2.5%*		*3.3%*		*3.3%*	
Depreciation of property, plant and equipment	(10.7)	(38.9)	(7.4)	-31.3%	(8.2)	-23.6%	(28.5)	-26.8%	(31.8)	-18.2%
Amortization of intangible assets	(1.8)	(8.1)	(2.5)	35.8%	(2.6)	43.8%	(9.4)	15.7%	(10.1)	25.0%
Goodwill impairment	0.0	0.0	0.0		0.0		0.0		0.0	
Operating result (EBIT)	**44.0**	**15.4**	**38.7**	-12.1%	**36.0**	-18.3%	**174.2**	1034.1%	**197.1**	1183.3%
in % of gross profit	*11.3%*	*1.0%*	*10.3%*		*8.6%*		*11.8%*		*11.9%*	
in % of net forwarding revenue	*2.4%*	*0.2%*	*2.3%*		*1.9%*		*2.7%*		*2.7%*	
Financial result	(3.1)	(9.2)	(0.4)	-86.5%			(5.6)	-39.0%		
Earnings before taxes (EBT)	**41.0**	**6.1**	**38.3**	-6.6%			**168.6**	2653.7%		
Income tax expenses	(8.1)	(32.1)	(9.5)	17.8%			(41.2)	28.2%		
% of EBT	*19.7%*	*524.6%*	*24.9%*				*24.4%*			
Consolidated profit	**32.9**	**(26.0)**	**28.8**	-12.6%			**127.4**	-590.1%		
in % of gross profit	*8.4%*	*-1.8%*	*7.6%*				*8.6%*			
Non-recurring items	(2)	(146)	-		-		-		-	
underlying EBITDA	**58.5**	**208.4**	**48.5**	-17.1%	**46.8**	-20.1%	**212.1**	1.8%	**239.1**	14.7%
in % of gross profit	*15.0%*	*14.1%*	*12.9%*		*11.2%*		*14.4%*		*14.4%*	
underlying EBIT	**46.0**	**161.4**	**38.7**	-15.9%	**36.0**	-21.8%	**174.2**	8.0%	**197.1**	22.2%
in % of gross profit	*11.8%*	*10.9%*	*10.3%*		*8.6%*		*11.8%*		*11.9%*	

Balance sheet

Figures in CHF million

	31-Dec-11	31-Dec-10	Variance CHF	Variance %
Cash, equivalents, other current financial assets	593.6	535.0	58.6	10.9%
Trade receivables, unbilled forwarding services	1'061.8	1'032.9	28.9	2.8%
Other current assets	90.0	118.4	-28.4	-24.0%
Property, plant and equipment	113.2	113.8	-0.7	-0.6%
Intangible assets	141.7	78.1	63.7	81.5%
Other non-current assets	135.0	111.0	24.0	21.6%
Total assets	2'135.3	1'989.2	146.1	7.3%
Short-term borrowings	7.3	9.3	-2.0	-21.8%
Trade payables, accrued cost of services	772.6	696.0	76.6	11.0%
Other current liabilities	293.6	296.8	-3.1	-1.1%
Long-term borrowings	0.2	0.4	-0.2	-42.7%
Other long-term liabilities	146.7	174.5	-27.9	-16.0%
Total liabilities	1'220.4	1'177.1	43.4	3.7%
Share capital	50.0	50.0	0.0	0.0%
Reserves, treasury shares	855.8	754.3	101.5	13.5%
Non-controlling interests	9.1	7.9	1.2	15.1%
Total equity	914.9	812.2	102.7	12.6%
Total liabilities and equity	2'135.3	1'989.2	146.1	7.3%
Net cash (debt)	586.1	525.3	60.8	11.6%
Asset intensity *	5.3%	5.7%		

* Calculated as tangible fixed assets / total assets