

Panalpina Fourth Quarter Results 2009

Consolidated Income Statement

for the quarters and years ended 31 December 2009 and 2008

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in thousand CHF	October - December			January - December		
	2009	2008	Change vs PY in %	2009	2008	Change vs PY in %
Forwarding services	1,869,236	2,570,179	(27.3)	7,340,327	10,597,121	(30.7)
Customs, duties and taxes	(300,228)	(411,830)	(27.1)	(1,382,414)	(1,719,472)	(19.6)
Net forwarding revenue	1,569,008	2,158,349	(27.3)	5,957,913	8,877,649	(32.9)
Forwarding services from third parties	(1,257,509)	(1,723,894)	(27.1)	(4,581,020)	(7,136,052)	(35.8)
Gross profit	311,499	434,455	(28.3)	1,376,893	1,741,597	(20.9)
% of net forwarding revenue	19.9	20.1		23.1	19.6	
Personnel expenses	(210,510)	(243,245)	(13.5)	(879,142)	(992,495)	(11.4)
% of gross profit	67.6	56.0		63.8	57.0	
Other operating expenses	(94,467)	(152,997)	(38.3)	(418,518)	(509,251)	(17.8)
% of gross profit	30.3	35.2		30.4	29.2	
Gains on sales of non-current assets	27	(33)	(181.8)	495	877	(43.6)
EBITDA	6,549	38,180	(82.8)	79,728	240,728	(66.9)
% of gross profit	2.1	8.8		5.8	13.8	
Depreciation of property, plant and equipment	(12,074)	(9,488)	27.3	(37,224)	(36,054)	3.2
Amortization of intangible assets	(2,446)	(3,218)	(24.0)	(10,771)	(11,693)	(7.9)
Impairment of financial assets	0	(4)	(100.0)	0	(4)	(100.0)
Goodwill impairment	10	0	100.0	(1,823)	0	100.0
Operating result (EBIT)	(7,961)	25,470	(131.3)	29,910	192,977	(84.5)
% of gross profit	(2.6)	5.9		2.2	11.1	
Finance income	753	3,415	(78.0)	6,612	14,953	(55.8)
Finance costs	(7,930)	(13,933)	(43.1)	(22,653)	(43,512)	(47.9)
Profit before income tax (EBT)	(15,138)	14,952	(201.2)	13,869	164,418	(91.6)
Income tax expenses	4,131	(6,134)	(167.3)	(3,426)	(50,649)	(93.2)
% of EBT	27.3	41.0		24.7	30.8	
Consolidated profit	(11,007)	8,818	(224.8)	10,443	113,769	(90.8)
Consolidated profit attributable to:						
Owners of the parent	(11,407)	8,766	(230.1)	8,492	112,722	(92.5)
Non-controlling interests	400	52	669.2	1,951	1,047	86.3
Earnings per share (in CHF per share)						
Basic	(0.48)	0.38	(226.3)	0.36	4.70	(92.3)
Diluted	(0.48)	0.38	(226.3)	0.36	4.70	(92.3)

Consolidated Statement of Financial Position

as at 31 December 2009 and 2008

Assets

in thousand CHF	2009	2008
Non-current assets		
Property, plant and equipment	141,273	147,696
Intangible assets	71,877	73,733
Investments	37,404	37,823
Derivative financial instruments	5,561	0
Post-employment benefit assets	14,444	0
Deferred income tax assets	55,339	32,614
Total non-current assets	325,898	291,866
Current assets		
Other receivables and other current assets	110,422	84,001
Unbilled forwarding services	83,103	116,198
Trade receivables	856,872	1,077,625
Derivative financial instruments	5,725	38,755
Other current financial assets	10,809	0
Cash and cash equivalents	531,803	362,409
Total current assets	1,598,734	1,678,988
Total assets	1,924,632	1,970,854

Liabilities and equity

in thousand CHF	2009	2008
Equity		
Share capital	50,000	50,000
Treasury shares	(192,567)	(197,753)
Reserves	999,131	1,011,469
Total equity attributable to owners of the parent	856,564	863,716
Non-controlling interests	7,015	7,632
Total equity	863,579	871,348
Non-current liabilities		
Borrowings	891	2,647
Provisions	66,658	75,770
Post-employment benefit liabilities	39,126	42,920
Deferred income tax liabilities	21,915	19,445
Total non-current liabilities	128,590	140,782
Current liabilities		
Trade payables	519,596	500,995
Other payables and accruals	122,823	142,897
Accrued cost of services	159,712	168,617
Borrowings	11,995	17,642
Derivative financial instruments	2,233	14,894
Provisions and other liabilities	103,371	91,677
Current income tax liabilities	12,733	22,002
Total current liabilities	932,463	958,724
Total liabilities	1,061,053	1,099,506
Total equity and liabilities	1,924,632	1,970,854

Consolidated Statement of Cash Flows

for the years ended 31 December 2009 and 2008

in thousand CHF	2009	2008 ¹
Profit for the period	10,443	113,769
Income tax expenses	3,426	50,649
Depreciation of property, plant and equipment	37,224	36,054
Amortization of intangible assets	10,771	11,693
Goodwill impairment charge	1,823	0
Impairment of financial assets	0	4
Finance income	(6,612)	(14,953)
Interest expenses	15,192	22,560
Exchange differences	2,153	13,258
(Gain) on sales of property, plant and equipment	(495)	(877)
Adjustment of net expenses for defined benefit plans	996	1,755
Equity-settled share-based payment transactions	5,697	3,101
Other non-cash expenses	1,338	0
	81,956	237,013
Working capital adjustments:		
Decrease receivables and other current assets	219,800	67,716
Decrease payables, accruals and deferred income	(5,784)	(29,003)
(Decrease) long-term provisions	(8,728)	(5,809)
Increase short-term provisions and other liabilities	24,516	4,566
Cash generated from operations	311,760	274,483
Interest paid	(8,937)	(22,685)
Income taxes paid	(43,060)	(58,592)
Net cash from operating activities	259,763	193,206
Interest received	14,977	11,261
Dividends received	228	804
Proceeds from sales of PPE and assets held for sale	3,883	11,155
Proceeds from sales of securities	239	0
Loan and receivables repayments	2,643	2,360
Repayment of other financial assets	4,834	21,606
Purchase of property, plant and equipment	(33,263)	(48,816)
Purchase of intangible assets and other assets	(9,420)	(12,734)
Purchase of investments held for trading	(10,906)	0
Purchase of other financial assets	(7,086)	(8,659)
Net cash flows from investing activities	(33,871)	(23,023)
Free cash flow	225,892	170,183
Proceeds of short- and long-term borrowings	862	13,363
Repayment of short- and long-term borrowings	(12,705)	(21,482)
Dividends paid	(44,895)	(77,103)
Dividends paid to non-controlling interests	(290)	0
Purchase of non-controlling interests	(268)	0
Purchase of treasury shares	(3,259)	(104,836)
Sale of treasury shares	3,331	8,480
Net cash used in financing activities	(57,224)	(181,578)
Effect of exchange rate changes on cash and cash equivalents	726	22,293
Net increase (decrease) in cash and cash equivalents	169,394	10,898
Cash and cash equivalents at the beginning of the year	362,409	351,511
Cash and cash equivalents at the end of the year	531,803	362,409

¹ Certain comparatives have been restated to conform to the current period's presentation.

Condensed Operating Segment Information

for the years and quarters ended 31 December 2009 and 2008

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Segment information

for the years ended 31 December 2009 and 2008

in million CHF	Europe/ Africa/ Middle East / CIS		North America		Central and South America		Asia/ Pacific		Total reportable segment		Corporate		Total Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008 ¹	2009	2008	2009	2008
3rd party forw. revenue (net)	3,189	4,976	1,176	1,751	702	948	891	1,203	5,958	8,878	0	0	5,958	8,878
Segment GP	731	973	256	317	145	167	245	285	1,377	1,742	0	0	1,377	1,742
GP (decrease) increase in %	(24.9)		(19.2)		(13.2)		(14.0)		(21.0)				(21.0)	
Segment EBITDA	43	139	(27)	14	15	24	64	108	95	285	(15)	(44)	80	241
EBITDA in % of GP	5.9	14.3	(10.5)	4.4	10.3	14.4	26.1	37.9	6.9	16.4			5.8	13.8
Segment EBIT	15	116	(33)	7	11	20	57	99	50	242	(20)	(49)	30	193
EBIT in % of GP	2.1	11.9	(12.9)	2.2	7.6	12.0	23.3	34.7	3.6	13.9			2.2	11.1

for October to December 2009 and 2008

in million CHF	Europe/ Africa/ Middle East / CIS		North America		Central and South America		Asia/ Pacific		Total reportable segment		Corporate		Total Group	
	Q4 2009	Q4 2008 ¹	Q4 2009	Q4 2008 ¹	Q4 2009	Q4 2008 ¹	Q4 2009	Q4 2008 ¹	Q4 2009	Q4 2008 ¹	Q4 2009	Q4 2008 ¹	Q4 2009	Q4 2008 ¹
3rd party forw. revenue (net)	837	1,156	297	441	183	248	252	313	1,569	2,158	0	0	1,569	2,158
Segment GP	172	232	58	79	36	47	45	76	311	434	0	0	311	434
GP (decrease) increase in %	(25.9)		(26.6)		(23.4)		(40.8)		(28.3)				(28.3)	
Segment EBITDA	15	21	(9)	1	0	6	0	28	6	56	1	(18)	7	38
EBITDA in % of GP	8.7	9.1	(15.5)	1.3	0.0	12.8	0.0	36.8	1.9	12.9			2.3	8.8
Segment EBIT	4	15	(10)	(1)	(1)	5	(1)	25	(8)	44	0	(19)	(8)	25
EBIT in % of GP	2.3	6.5	(17.2)	(1.3)	(2.8)	10.6	(2.2)	32.9	(2.6)	10.1			(2.6)	5.8

¹ Certain comparatives have been restated to conform to the current period's presentation.

Business information

for the years ended 31 December 2009 and 2008

in million CHF	Air freight		Ocean freight		Supply Chain Management		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Third party forwarding revenue (net)	2,714	4,334	2,360	3,299	884	1,245	5,958	8,878
(Decrease) increase in %	(37.4)		(28.5)		(29.0)		(32.9)	
Segment GP	562	744	458	557	357	441	1,377	1,742
GP margin in %	20.7	17.2	19.4	16.9	40.4	35.4	23.1	19.6
GP (decrease) increase in %	(24.5)		(17.8)		(19.0)		(21.0)	

for October to December 2009 and 2008

in million CHF	Air freight		Ocean freight		Supply Chain Management		Total	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Third party forwarding revenue (net)	774	1,043	579	803	216	312	1,569	2,158
(Decrease) increase in %	(25.8)		(27.9)		(30.8)		(27.3)	
Segment GP	122	179	100	151	89	104	311	434
GP margin in %	15.8	17.2	17.3	18.8	41.2	33.3	19.8	20.1
GP (decrease) increase in %	(31.8)		(33.8)		(14.4)		(28.3)	