

Panalpina Fourth Quarter Results 2011

Consolidated Income Statement

for the quarters and years ended December 31, 2011 and 2010

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in thousand CHF	October - December			January - December		
	2011	2010	Variance vs PY in %	2011	2010	Variance vs PY in %
Forwarding services	1,998,160	2,165,408	(7.7)	7,925,993	8,675,826	(8.6)
Customs, duties and taxes	(350,301)	(356,508)	(1.7)	(1,426,345)	(1,511,665)	(5.6)
Net forwarding revenue	1,647,859	1,808,900	(8.9)	6,499,648	7,164,161	(9.3)
Forwarding services from third parties	(1,271,209)	(1,418,082)	(10.4)	(5,022,599)	(5,684,084)	(11.6)
Gross profit	376,650	390,818	(3.6)	1,477,049	1,480,077	(0.2)
Personnel expenses	(230,630)	(231,659)	(0.4)	(892,421)	(890,937)	0.2
Other operating expenses	(97,455)	(102,544)	(5.0)	(372,438)	(527,051)	(29.3)
Gains on sales of non-current assets	(56)	(74)	(24.3)	(106)	277	(138.3)
EBITDA	48,509	56,541	(14.2)	212,084	62,366	240.1
Depreciation of property, plant and equipment	(7,351)	(10,701)	(31.3)	(28,484)	(38,891)	(26.8)
Amortization of intangible assets	(2,454)	(1,807)	35.8	(9,383)	(8,113)	15.7
Operating result (EBIT)	38,704	44,033	12.1	174,217	15,362	1,034.1
Finance income	1,769	(298)	693.6	6,268	6,248	0.3
Finance costs	(2,182)	(2,757)	(20.9)	(11,903)	(15,488)	(23.1)
Profit before income tax (EBT)	38,291	40,978	(6.6)	168,582	6,122	2,653.7
Income tax expenses	(9,534)	(8,091)	17.9	(41,169)	(32,119)	28.2
Consolidated profit	28,757	32,887	(12.6)	127,413	(25,997)	590.1
Consolidated profit attributable to:						
Owners of the parent	28,956	33,142	(12.6)	126,294	(27,350)	561.8
Non-controlling interests	(199)	(255)	(22.0)	1,119	1,353	(17.3)
Earnings per share (in CHF per share)						
Basic	1.22	1.40	(12.9)	5.34	(1.16)	560.3
Diluted	1.21	1.40	(13.6)	5.33	(1.16)	559.5

Consolidated Statement of Financial Position

as at December 31, 2011 and 2010

Assets

in thousand CHF	December 31 2011	December 31 2010
Non-current assets		
Property, plant and equipment	113,180	113,833
Intangible assets	141,743	78,091
Investments	72,256	34,843
Derivative financial instruments	459	0
Post-employment benefit assets	0	10,312
Deferred income tax assets	62,313	65,871
Total non-current assets	389,951	302,950
Current assets		
Other receivables and other current assets	84,997	97,957
Unbilled forwarding services	77,346	74,742
Trade receivables	984,404	958,114
Derivative financial instruments	5,045	20,454
Other current financial assets	20,000	6,089
Cash and cash equivalents	573,579	528,936
Total current assets	1,745,371	1,686,292
Total assets	2,135,322	1,989,242

Liabilities and equity

in thousand CHF	December 31 2011	December 31 2010
Equity		
Share capital	50,000	50,000
Treasury shares	(197,278)	(196,003)
Reserves	1,053,086	950,282
Total equity attributable to owners of the parent	905,808	804,279
Non-controlling interests	9,082	7,890
Total equity	914,890	812,169
Non-current liabilities		
Borrowings	231	403
Provisions	85,032	112,579
Post-employment benefit liabilities	47,151	40,671
Derivative financial instruments	0	539
Deferred income tax liabilities	14,492	20,745
Total non-current liabilities	146,906	174,937
Current liabilities		
Trade payables	588,104	521,207
Other payables and accruals	144,354	134,264
Accrued cost of services	184,519	174,840
Borrowings	7,296	9,335
Derivative financial instruments	4,648	4,993
Provisions and other liabilities	125,420	141,053
Current income tax liabilities	19,185	16,444
Total current liabilities	1,073,526	1,002,136
Total liabilities	1,220,432	1,177,073
Total equity and liabilities	2,135,322	1,989,242

Consolidated Statement of Cash Flows

for the years ended December 31, 2011 and 2010

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in thousand CHF	October - December		January - December	
	2011	2010	2011	2010
Profit for the period	28,757	32,887	127,413	(25,997)
Income tax expenses	9,534	8,091	41,169	32,119
Depreciation of property, plant and equipment	7,351	10,701	28,484	38,891
Amortization of intangible assets	2,454	1,807	9,383	8,113
Finance income and dividend on available-for-sale financial assets	(1,770)	(791)	(6,268)	(6,078)
Interest expenses	440	1,367	5,932	5,516
Exchange differences	762	1,473	2,840	609
(Losses)/gains on sales of property, plant and equipment	56	74	106	(277)
Equity-settled share-based payment transactions	448	248	2,936	2,281
Other non-cash expenses	2,878	7,309	(869)	9,791
	50,910	63,166	211,126	64,968
Working capital adjustments:				
(Increase)/decrease receivables and other current assets	77,131	62,362	(21,893)	(208,859)
Increase/(decrease) payables, accruals and deferred income	(29,911)	(76,279)	89,262	133,890
(Decrease)/increase long-term provisions	(16,993)	(12,875)	(15,508)	48,980
(Decrease)/increase short-term provisions and other liabilities	(23,660)	10,403	(33,915)	36,287
Cash generated from operations	57,477	46,777	229,072	75,266
Interest paid	897	(714)	(2,577)	(5,198)
Income taxes paid	(5,141)	(16,967)	(32,996)	(33,031)
Net cash from operating activities	53,233	29,096	193,499	37,037
Interest received	941	968	4,695	5,206
Dividends received	10	89	172	99
Proceeds from sales of PPE	495	1,888	1,633	3,009
Proceeds from investments held for trading	12	0	12	0
Proceeds from sales of securities	0	8	0	150
Loan and receivables repayments	225	(6,044)	1,148	7,586
Repayment of other financial assets	1,564	835	1,927	1,345
Purchase of property, plant and equipment	(11,280)	(12,077)	(30,715)	(28,173)
Acquisition of subsidiary, net of cash acquired	(517)	(2,384)	(59,986)	(2,384)
Purchase of intangible assets and other assets	(10,828)	(5,675)	(19,648)	(13,967)
Purchase of investments held for trading	129,086	8,243	(13,840)	0
Purchase of other financial assets	(34,616)	(1,728)	(36,954)	(3,663)
Net cash flows from investing activities	75,092	(15,877)	(151,556)	(30,792)
Free cash flow	128,325	13,219	41,943	6,245
Proceeds of short- and long-term borrowings	87	2,771	142	2,831
Repayment of short- and long-term borrowings	0	(2,806)	0	(5,228)
Dividends paid to non-controlling interests	1	2	(46)	(52)
Purchase of treasury shares	0	(6,312)	(8,617)	(10,540)
Sale of treasury shares	279	3,403	4,685	4,865
Net cash used in financing activities	367	(2,942)	(3,836)	(8,124)
Effect of exchange rate changes on cash and cash equivalents	13,459	(7,547)	6,536	(988)
Net increase/(decrease) in cash and cash equivalents	142,151	2,730	44,643	(2,867)
Cash and cash equivalents at the beginning of the period	431,428	526,206	528,936	531,803
Cash and cash equivalents at the end of the period	573,579	528,936	573,579	528,936

Condensed Operating Segment Information

for the years and quarters ended December 31, 2011 and 2010

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Segment information

for the years ended December 31, 2011 and 2010

in million CHF	Europe, Middle East, Africa, CIS		North America		Central and South America		Asia Pacific		Total reportable segment		Corporate		Total Group	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
External forwarding services	3,171	3,640	1,270	1,409	834	845	1,225	1,270	6,500	7,164	0	0	6,500	7,164
Segment GP	731	760	271	266	162	156	313	298	1,477	1,480	0	0	1,477	1,480
GP (decrease) increase in %	(3.8)		1.9		3.8		5.0		(0.2)				(0.2)	
Segment EBITDA	39	78	8	(17)	17	19	88	92	152	172	60	18	212	190
EBITDA in % of GP	5.3	10.3	3.0	(6.4)	10.5	12.2	28.1	30.9	10.3	11.6			14.4	12.8
Segment EBIT	22	53	3	(23)	13	15	82	85	120	130	54	13	174	143
EBIT in % of GP	3.0	7.0	1.1	(8.6)	8.0	9.6	26.2	28.5	8.1	8.8			11.8	9.7

for October to December 2011 and 2010

in million CHF	Europe, Middle East, Africa, CIS		North America		Central and South America		Asia Pacific		Total reportable segment		Corporate		Total Group	
	Q4 2011	Q4 2010	Q4 2011	Q4 2010	Q4 2011	Q4 2010	Q4 2011	Q4 2010	Q4 2011	Q4 2010	Q4 2011	Q4 2010	Q4 2011	Q4 2010
External forwarding services	786	926	324	329	216	219	322	335	1,648	1,809	0	0	1,648	1,809
Segment GP	187	202	68	65	42	40	80	84	377	391	0	0	377	391
GP (decrease) increase in %	(7.4)		4.6		5.0		(4.8)		(3.6)				(3.6)	
Segment EBITDA	0	23	(3)	34	4	1	23	25	24	83	24	101	48	184
EBITDA in % of GP	0.0	11.4	(4.4)	52.3	9.5	2.5	28.8	29.8	6.4	21.2			12.7	47.1
Segment EBIT	(4)	21	(4)	32	3	(1)	21	24	16	76	22	96	38	172
EBIT in % of GP	(2.1)	10.4	(5.9)	49.2	7.1	(2.5)	26.3	28.6	4.2	19.4			10.1	44.0

Business information

for the years ended December 31, 2011 and 2010

in million CHF	Air Freight		Ocean Freight		Logistics		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Third party forwarding revenue (net)	3,281	3,503	2,313	2,771	906	890	6,500	7,164
(Decrease) increase in %	(6.3)		(16.5)		1.8		(9.3)	
Segment GP	688	667	439	453	350	360	1,477	1,480
GP margin in %	21.0	19.0	19.0	16.3	38.6	40.4	22.7	20.7
GP (decrease) increase in %	3.1		(3.1)		(2.8)		(0.2)	

for October to December 2011 and 2010

in million CHF	Air Freight		Ocean Freight		Logistics		Total	
	Q4 2011	Q4 2010	Q4 2011	Q4 2010	Q4 2011	Q4 2010	Q4 2011	Q4 2010
External forwarding services	835	919	574	650	239	240	1,648	1,809
Increase (decrease) in %	(9.1)		(11.7)		(0.4)		(8.9)	
Segment GP	180	186	108	115	89	90	377	391
GP margin in %	21.6	20.2	18.8	17.7	37.2	37.5	22.9	21.6
GP increase (decrease) in %	(3.2)		(6.1)		(1.1)		(3.6)	