Panalpina Condensed Consolidated Interim Financial Statements

January to March 2013

PANALPINA
on 6 continents

Content

Key Developments in First Quarter 2013

Panalpina Group: Key Figures First Quarter 2013

in million CHF	Q1 2013	Q1 2012[1]
Net forwarding revenue	1,601.6	1,539.8
Gross profit	365.8	364.1
EBITDA	30.1	(25.5)
EBIT	18.5	(35.6)
Consolidated profit/(loss)	14.3	(40.9)
Non-recurring items:	0.0	(59.2)
underlying EBITDA	30.1	33.7
underlying EBIT	18.5	23.6

1 Prior year's figures have been restated due to the application of IAS 19 (as revised in 2011) retrospectively. Please refer to the notes, chapter Changes in accounting policies.

Panalpina reports a first quarter profit

The Panalpina Group returned to profit in the first quarter of 2013 after a loss in the last year. The provider of supply chain solutions reported a consolidated profit of CHF 14 million for the first three months of the year. Net forwarding revenue increased by 4% to CHF 1,602 million and gross profit by 0.5% to CHF 366 million compared to the previous year. While the Air Freight division continued to struggle in a shrinking market, the Ocean Freight division grew comfortably above market. The Logistics division also pursued its growth path.

Consolidated profit of CHF 14 million

Panalpina reported a consolidated profit of CHF 14 million for the first quarter of 2013. Last year, one-off costs in the first quarter had led to a group loss of CHF 41 million. Net forwarding revenue in the first quarter of 2013 was up by 4% to CHF 1,602 million. Gross profit amounted to CHF 366 million, an increase of 0.5%.

Americas ahead of EMEA and Asia Pacific

Strong trade across the Pacific positively impacted gross profit in the Americas. It reached CHF 113 million in the first quarter of 2013 (+5%). However, weak European imports affected gross profit in EMEA and Asia Pacific. Gross profit in Asia Pacific fell by 8% to CHF 72 million. The EMEA region saw a slight increase of gross profit by 2% to CHF 181 million. Europe recorded strong exports in Ocean Freight but weak overall imports, particularly from Asia.

Further market share gains in Ocean Freight

In Ocean Freight, volumes reached a new first quarter record level. Panalpina shipped 7% more TEUs (twenty-foot equivalent units) than the year before, expanding well ahead of the market which grew by approximately 2%. Gross profit per TEU of Ocean Freight was below prior year (-4%) but up 3% quarter-on-quarter. The lower unit profitability was more than offset by the higher volumes, leading to an increase of gross profit of 2% to CHF 117 million.

In Air Freight, the environment remained difficult. While the volumes of Panalpina's customers in the high-tech, telecommunication and chemicals industries stayed weak, the volumes of consumer and retail, healthcare and oil and gas customers showed double-digit growth. Overall, volumes were down by 3% in the first quarter (market: -2%). Gross profit per ton of air freight decreased by 5% year-on-year but increased by 6% quarter-on-quarter. The lower volumes and unit profitability led to a contraction in gross profit compared to the previous year of 8% to CHF 147 million.

Panalpina's Logistics division, which is increasingly offering Value-Added Services (VAS) to its customers, grew by a solid 13% and reached a gross profit of CHF 102 million.

EBITDA of CHF 30 million

EBITDA came in at CHF 30 million in the first quarter of 2013, a decrease of 11% compared to the underlying prior year figure. The EBITDA-to-gross profit margin decreased to 8.2% from underlying 9.3% in the previous year.

Consolidated Income Statement

for three months ended March 31, 2013 and 2012

in thousand CHF	January - March 2013	2012[1]	Variance vs PY in %
Forwarding services	1,943,096	1,897,795	2.4
Customs, duties and taxes	(341,543)	(357,950)	(4.6)
Net forwarding revenue	**1,601,553**	**1,539,845**	**4.0**
Forwarding services from third parties	(1,235,731)	(1,175,787)	5.1
Gross profit	**365,822**	**364,058**	**0.5**
Personnel expenses[1]	(229,219)	(233,302)	(1.8)
Other operating expenses[2]	(106,568)	(156,360)	(31.8)
Gains on sales of non-current assets	84	107	(21.5)
EBITDA	**30,119**	**(25,497)**	**n/a**
Depreciation of property, plant and equipment	(8,516)	(7,058)	20.7
Amortization of intangible assets	(3,144)	(3,030)	3.8
Operating result (EBIT)	**18,459**	**(35,585)**	**n/a**
Finance income	1,885	2,517	(25.1)
Finance costs	(1,464)	(2,133)	(31.4)
Profit/(loss) before income tax (EBT)	**18,880**	**(35,201)**	**n/a**
Income tax expenses[1]	(4,580)	(5,732)	(20.1)
Consolidated profit/(loss)	***14,300***	***(40,933)***	***n/a***
Consolidated profit/(loss) attributable to:			
Owners of the parent	14,695	(40,966)	n/a
Non-controlling interests	(395)	33	n/a
Earnings per share (in CHF per share)			
Basic	0.62	(1.73)	n/a
Diluted	0.62	(1.73)	n/a

1 Prior year's figures have been restated due to the application of IAS 19 (as revised in 2011) retrospectively. Please refer to the notes, chapter Changes in accounting policies.
2 Other operating expenses include antitrust fines of approximately CHF 59.2 Mio.

Consolidated Statement of Comprehensive Income

for three months ended March 31, 2013 and 2012

	January - March	
in thousand CHF	2013	2012[1]
Consolidated profit/(loss)	**14,300**	**(40,933)**
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Amounts recognized in equity for defined benefit post-employment plans		
– Return on plan assets, excluding amounts included in interest expense / income	(3,329)	3,296
– Losses from demographic assumptions	0	(4,539)
– Losses from financial assumptions	0	(5,659)
– Experience gains	0	641
– Exchange difference	(96)	47
Income tax on these components of other comprehensive income	834	1,718
Subtotal, net of tax	**(2,591)**	**(4,496)**
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets	270	0
Exchange difference on translations of foreign operations	15,457	(7,778)
Income tax on these components of other comprehensive income	0	0
Subtotal, net of tax	**15,727**	**(7,778)**
Other comprehensive income for the period, net of tax	**13,136**	**(12,274)**
Total comprehensive income for the period	***27,436***	***(53,207)***
Attributable to owners of the parent	27,708	(53,134)
Attributable to non-controlling interests	(272)	(73)

Consolidated Statement of Financial Position

as at March 31, 2013, December 31, 2012 respectively as at March 31, 2012

Assets

in thousand CHF	March 31 2013	December 31 2012[1]	March 31 2012[1]
Non-current assets			
Property, plant and equipment	130,525	130,209	111,207
Intangible assets	138,238	134,135	142,545
Investments	33,506	31,636	40,002
Deferred income tax assets	70,878	65,792	65,822
Total non-current assets	**373,147**	**361,772**	**359,576**
Current assets			
Other receivables and other current assets	136,986	81,052	108,474
Unbilled forwarding services	84,901	85,227	69,346
Trade receivables	1,059,288	1,032,995	934,824
Derivative financial instruments	1,654	2,948	859
Cash and cash equivalents	392,151	393,061	635,963
Total current assets	**1,674,980**	**1,595,283**	**1,749,466**
Total assets	***2,048,127***	***1,957,055***	***2,109,042***

Equity and liabilities

in thousand CHF	March 31 2013	December 31 2012[1]	March 31 2012[1]
Equity			
Share capital	2,375	2,375	50,000
Treasury shares	(9,404)	(10,018)	(198,689)
Reserves[1]	769,999	742,235	1,014,232
Total equity attributable to owners of the parent	**762,970**	**734,592**	**865,543**
Non-controlling interests	8,892	9,241	9,009
Total equity	**771,862**	**743,833**	**874,552**
Non-current liabilities			
Borrowings	250	257	284
Provisions	77,907	73,081	84,600
Post-employment benefit liabilities[1]	61,522	57,557	35,614
Deferred income tax liabilities[1]	13,767	14,269	18,935
Total non-current liabilities	**153,446**	**145,164**	**139,433**
Current liabilities			
Trade payables	581,504	572,825	537,902
Other payables and accruals	165,282	149,459	150,731
Accrued cost of services	222,186	200,226	179,941
Borrowings	2,797	1,611	4,084
Derivative financial instruments	6,451	1,256	787
Provisions and other liabilities	123,518	124,479	198,589
Current income tax liabilities	21,081	18,202	23,023
Total current liabilities	**1,122,819**	**1,068,058**	**1,095,057**
Total liabilities	**1,276,265**	**1,213,222**	**1,234,490**
Total equity and liabilities	***2,048,127***	***1,957,055***	***2,109,042***

1 Prior year's figures have been restated due to the application of IAS 19 (as revised in 2011) retrospectively. Please refer to the notes, chapter Changes in accounting policies.

Condensed Consolidated Statement of Changes in Equity

for three months ended March 31, 2013 and 2012

in thousand CHF	Attributable to owners of the parent: Share capital	Treasury shares	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Restated balance on January 1, 2013	**2,375**	**(10,018)**	**0**	**(164,810)**	**907,045**	**734,592**	**9,241**	**743,833**
Consolidated profit/(loss)					14,695	14,695	(395)	14,300
Other comprehensive income for the period, net of tax				15,334	(2,321)	13,013	123	13,136
Total comprehensive income for the period	**0**	**0**	**0**	**15,334**	**12,374**	**27,708**	**(272)**	**27,436**
Dividends paid						0	(77)	(77)
Share-based payments - employee share plan					318	318		318
Share-based payments - option plan					13	13		13
Sold treasury shares		614			(275)	339		339
Balance on March 31, 2013	***2,375***	***(9,404)***	***0***	***(149,476)***	***919,475***	***762,970***	***8,892***	***771,862***

in thousand CHF	Attributable to owners of the parent: Share capital	Treasury shares	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance on January 1, 2012	50,000	(197,278)	(121,706)	(162,103)	1,336,895	905,808	9,082	914,890
Reclassification of other reserves to retained earnings			121,706		(121,706)	0		0
Adjustment of DBO opening balance due to IAS 19R					18,388	18,388		18,388
Tax impact on effect of IAS 19R on DBO opening balance					(4,505)	(4,505)		(4,505)
Restated balance on January 1, 2012	**50,000**	**(197,278)**	**0**	**(162,103)**	**1,229,072**	**919,691**	**9,082**	**928,773**
Restated consolidated (loss)/profit					(40,966)	(40,966)	33	(40,933)
Other comprehensive income for the period, net of tax				(7,672)	(4,496)	(12,168)	(106)	(12,274)
Total restated comprehensive income for the period	**0**	**0**	**0**	**(7,672)**	**(45,462)**	**(53,134)**	**(73)**	**(53,207)**
Share-based payments - employee share plan					496	496		496
Share-based payments - option plan					112	112		112
Changes in treasury shares, net		(1,412)			(210)	(1,622)		(1,622)
Restated balance on March 31, 2012	***50,000***	***(198,690)***	***0***	***(169,775)***	***1,184,008***	***865,543***	***9,009***	***874,552***

Prior year's figures have been restated due to the application of IAS 19 (as revised in 2011) retrospectively. Please refer to the notes, chapter Changes in accounting policies.

Condensed Consolidated Statement of Cash Flows

for three months ended March 31, 2013 and 2012

	January - March	
in thousand CHF	2013	2012[1]
Profit/(loss) for the period	**14,300**	**(40,933)**
Income tax expenses	4,580	5,732
Depreciation and amortization	11,659	10,088
Net interest income	(261)	(742)
Gain on sales of property, plant and equipment	(84)	(107)
Non-cash expenses	45	1,035
	30,239	**(24,927)**
Increase in working capital	(9,006)	(13,159)
Increase in short- and long-term provisions	3,095	79,260
Cash generated from operations	**24,328**	**41,174**
Interest paid	(280)	(650)
Income taxes paid	(11,747)	(12,446)
Net cash from operating activities	**12,301**	**28,078**
Interest and dividends received	541	1,578
Proceeds from sales of property, plant and equipment	169	422
Repayments of loans, receivables and other financial assets	456	52,739
Purchase of property, plant and equipment	(6,734)	(6,910)
Purchase of intangible assets and other assets	(5,880)	(3,018)
Purchase of investments held for trading and other financial assets	(1,486)	(1,069)
Net cash flows from investing activities	**(12,934)**	**43,742**
Free cash flow	**(633)**	**71,820**
Repayment of current and non-current borrowings	(104)	(43)
Dividends paid to non-controlling interests	(77)	0
Purchase of treasury shares	0	(1,977)
Sale of treasury shares	339	355
Net cash used in financing activities	**158**	**(1,665)**
Effect of exchange rate changes on cash and cash equivalents	(435)	(7,771)
Net (decrease)/increase in cash and cash equivalents	**(910)**	**62,384**
Cash and cash equivalents at the beginning of the period	393,061	573,579
Cash and cash equivalents at the end of the period	***392,151***	***635,963***

1 Prior year's figures have been restated due to the application of IAS 19 (as revised in 2011) retrospectively. Please refer to the notes, chapter Changes in accounting policies.

Selected Explanatory Notes to the Condensed Consolidated Interim Financial Statements

for the three months ended March 31, 2013

General information

The Panalpina Group is one of the world's leading providers of supply chain solutions. The company combines its core products of Air Freight, Ocean Freight, and Logistics to deliver globally integrated, tailor-made end-to-end solutions. Drawing on in-depth industry know-how and customized IT systems, Panalpina manages the needs of its customers' supply chains, no matter how demanding they might be.

Panalpina World Transport (Holding) Ltd. is a limited company incorporated and domiciled in Basel. The registered address is Viaduktstrasse 42, 4002 Basel, Switzerland. The Company shares are publicly traded and listed on the SIX Swiss Exchange in Zurich.

The condensed consolidated interim financial statements for the three months ended March 31, 2013 were approved for issue by the Audit Committee on May 6, 2013.

Basis of preparation of the condensed consolidated interim financial statements

These interim financial statements comprise the unaudited consolidated interim financial statements of the Company and its affiliates (together referred to as the "Group" and individually as "Group entities") for the three-month period ended March 31, 2013.

They are prepared in accordance with the International Accounting Standard 34 (IAS 34) "*Interim Financial Reporting*". These consolidated interim financial statements do not include the notes contained in the annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2012.

The condensed consolidated interim financial statements are presented in Swiss francs (CHF) which is the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

Accounting policies

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies applied in the consolidated financial statements 2012, except where noted below. Where necessary, comparative information has been reclassified from the previously reported consolidated interim financial statements taking into account any presentational changes made in the consolidated financial statements 2012 or in these consolidated interim financial statements.

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect application of accounting policies and the reported amounts of assets, liabilities, income and expenses of the consolidated interim financial statements.

It requires management to exercise its judgments and assumptions in the process of applying the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Deviations from estimates and judgments are recognized in the period in which the estimates are revised and in any future periods affected.

Income tax expenses are recognized based on management's best estimation of the weighted average annual income tax rate expected for the full financial year. Due to non-deductible expenses in 2012, the current tax rate is not comparable with the current year's tax rate.

Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities, unless otherwise stated. If necessary, comparative amounts have been reclassified to conform to the current year's presentation.

Effective January 1, 2012 the Group adopted the amendments to IFRS 7 *"Disclosures - Transfer of Financial Assets"*, the amendments to IAS 12 *"Deferred tax - Recovery of Underlying Assets"* as well as the amendments to IAS 19 *"Employee benefits".*

IAS 19 "Employee benefits"

In the current year, the Group has applied IAS 19 (as revised in June 2011) Employee Benefits and the related consequential amendments. The Group has applied IAS 19 revised retrospectively and in accordance with the transitional provisions as set out in IAS 19.173 revised. These transitional provisions do not have an impact on future periods. The opening statement of financial position of January 1, 2012 has been restated.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a "net-interest" amount under IAS 19 revised, which is calculated by applying the discount rate to the net defined benefit liability or asset. IAS 19 revised introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures that will be presented in the annual report 2013.

As the Group already eliminated the "corridor approach" prior to the application of IAS 19 revised and recognized all actuarial gains and losses in Other Comprehensive Income (OCI) as they occurred and already recognized all past service cost, the main impact on Group level was the replacement of interest cost and the expected return on plan assets with the net-interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Impact of application of IAS 19 (as revised in 2011)

The condensed consolidated interim financial statements for the three months ended March 31, 2013 are the first financial statements in which the Group has adopted IAS 19 revised. IAS 19 revised has been adopted in accordance with IAS 8. Consequently, the Group has adjusted opening balances as of January 1, 2012 and the figures for 2012 have been restated as if IAS 19 revised had always been applied.

in thousand CHF	Post-employment benefit liabilities	Deferred tax liability	Equity
Balance as reported at January 1, 2012	**47,151**	**14,492**	**914,890**
Effect of application of IAS 19 (as revised in 2011)	(18,388)	4,505	13,883
Restated balance at January 1, 2012	**28,763**	**18,997**	**928,773**

in thousand CHF	Post-employment benefit liabilities	Deferred tax liability	Equity
Balance as reported at December 31, 2012	**49,629**	**16,211**	**749,819**
Effect of application of IAS 19 (as revised in 2011) on opening balance	(18,388)	4,505	13,883
Effect on OCI for the year	23,525	(5,763)	(17,762)
Effect on income statement for the year	2,791	(684)	(2,107)
Restated balance at December 31, 2012	**57,557**	**14,269**	**743,833**

in thousand CHF	Post-employment benefit liabilities	Deferred tax liability	Equity
Balance as reported at March 31, 2012	**48,685**	**15,928**	**864,488**
Effect of application of IAS 19 (as revised in 2011) on opening balance	(18,388)	4,505	13,883
Effect on income statement for the quarter	698	(171)	(527)
Effect on OCI for the quarter	4,619	(1,327)	(3,292)
Restated balance at March 31, 2012	**35,614**	**18,935**	**874,552**

Presented below are the reconciliations for the year 2012 and the first quarter 2012 income statement between the reported IFRS figures under the existing standard and the restated amounts.

	Three months ended March 31, 2012			Year ended December 31, 2012		
in thousand CHF	As originally published	Application of IAS 19 (revised)	Restated	As originally published	Application of IAS 19 (revised)	Restated
Gross profit	**364,058**	**0**	**364,058**	**1,465,044**	**0**	**1,465,044**
Personnel expenses	(232,604)	(698)	(233,302)	(955,011)	(2,791)	(957,802)
EBITDA	**(24,799)**	**(698)**	**(25,497)**	**36,482**	**(2,791)**	**33,691**
Operating result (EBIT)	**(34,887)**	**(698)**	**(35,585)**	**(37,397)**	**(2,791)**	**(40,188)**
Loss before income tax (EBT)	**(34,503)**	**(698)**	**(35,201)**	**(41,910)**	**(2,791)**	**(44,701)**
Income tax expense	(5,903)	171	(5,732)	(28,275)	684	(27,591)
Consolidated loss	***(40,406)***	***(527)***	***(40,933)***	***(70,185)***	***(2,107)***	***(72,292)***
Consolidated profit/(loss) attributable to:						
Owners of the parent	(40,439)	(527)	(40,966)	(70,456)	(2,107)	(72,563)
Non-controlling interests	33	0	33	271	0	271
Earnings per share (in CHF per share)						
Basic	(1.70)	(0.03)	(1.73)	(2.98)	(0.09)	(3.07)
Diluted	(1.70)	(0.03)	(1.73)	(2.98)	(0.09)	(3.07)

The following new or revised standards, amendments to standards and interpretations have been adopted in 2013:

IFRS 10 *"Consolidated Financial Statements",* IFRS 11 *"Joint Arrangements",* IFRS 12 *"Disclosure of interests in other entities",* IFRS 13 *Fair value measurement"* as well as IAS 1 (amended) *"Presentation of Financial Statements"*, IAS 28 (amended) *"Investments in Associates"* and IAS 32 (amended) *"Financial Instruments - Presentation"* and IFRS 7 *"Financial Instruments - Offsetting of Financial Assets and Financial Liabilities"*. The adoption did not have any or any material impact on the consolidated financial statements of the Group. In addition, the IASB issued annual improvements to its standards (IFRS 2009-2011 Cycle), primarily with a view to remove inconsistencies and clarifying the wording. The group has adopted these amendments and updated its accounting policies.

The following new or revised standards, amendments to standards and interpretations that have been published are mandatory for the future accounting periods but the Group has not early adopted them:

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32); effective date 1 January 2014
- IFRS 9 Financial Instruments; effective date 1 January 2015

Their impact on the consolidated financial statements of the Group has not yet been analysed in detail but is not expected to be material, if any.

Change in scope and method of consolidation

The consolidated interim financial statements comprise the financial statements of all companies which are directly or indirectly controlled by Panalpina. According to IFRS 10 control is given when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. During the period under review, no new subsidiary has been established.

Seasonality

Historically, the Group's results have been subject to seasonal trends. The first fiscal quarter has traditionally been the weakest and the third and fourth fiscal quarters have generally been the strongest. This seasonality is based on many factors, including holiday seasons, consumer demand, climate and economic conditions.

Condensed operating segment information

Management has determined the operating segments based on the reports reviewed by the Executive Board that are used to make strategic decisions. The Executive Board considers the business from a geographic perspective, as the Group's operations are predominantly managed by the geographical location. The Executive Board assesses performance of the operating segments based on a measure of adjusted EBIT. This measurement basis excludes the effects on non-recurring expenditure from the operating segments such as restructuring expenses, reorganization costs as well as fines recognized and related legal expenses. The measurement also excludes the unrealized gains/losses on financial instruments as well as interest income and expenses, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Income and deferred income taxes are not assessed by segment.

During 2012, the regional management as well as the new reporting structure became effective. Since July 2012 North as well as Central and South America are no longer reported seperately. To be in line with the internal reporting structure, the consolidated segment reporting shows only combined figures for Americas. For comparative analysis the previous year operating segment has been aligned to conform the current period's presentation.

Condensed operating segment information
for three months ended March 31, 2013 and 2012

	Europe, Africa, Middle East, CIS		Americas		Asia Pacific		**Total segment**		Corporate		Total Group	
in million CHF	2013	2012	2013	2012	2013	2012	**2013**	**2012**	2013	2012	2013	2012
Third-party net forwarding revenue	746	727	566	512	290	301	**1,602**	**1,540**	0	0	1,602	1,540
Gross profit (GP)	**181**	**178**	**113**	**108**	**72**	**78**	**366**	**364**	**0**	**0**	**366**	**364**
GP (decrease)/increase in %	*1.7*		*4.6*		*(7.7)*		*0.5*				*0.5*	
EBITDA	**(6)**	**0**	**3**	**(4)**	**14**	**18**	**11**	**14**	**19**	**20**	**30**	**34**
EBITDA in % of GP	*(3.3)*	*0.0*	*2.7*	*(3.7)*	*19.4*	*23.1*	*3.0*	*3.8*			*8.2*	*9.3*
Segment operating result (Segment EBIT)	**(10)**	**(4)**	**0**	**(6)**	**14**	**16**	**4**	**6**	**15**	**18**	**19**	**24**
EBIT in % of GP	*(5.5)*	*(2.2)*	*0.0*	*(5.6)*	*19.4*	*20.5*	*1.1*	*1.6*			*5.2*	*6.6*
Fine and related costs											0	(59)
Operating result (EBIT)											19	(35)

Information by product

The Group's business can be divided into three divisions: Air Freight, Ocean Freight, Logistics.

For three months ended March 31, 2013 and 2012:

	Air Freight		Ocean Freight		Logistics		**Total**	
in million CHF	2013	2012	2013	2012	2013	2012	**2013**	**2012**
Third-party net forwarding revenue	**720**	**748**	**664**	**581**	**218**	**211**	**1,602**	**1,540**
Increase/(decrease) in %	(3.7)		14.3		3.3		**4.0**	
Gross profit (GP)	**147**	**159**	**117**	**115**	**102**	**90**	**366**	**364**
GP margin in %	20.4	21.3	17.6	19.8	46.8	42.7	**22.8**	**23.6**
GP increase/(decrease) in %	(7.5)		1.7		13.3		**0.5**	

Property, plant and equipment and intangible assets

During the period under review, the Group acquired CHF 3.0 million (2012: CHF 5.3 million) machinery and equipment, CHF 1.8 million (2012: CHF 1.0 million) buildings and buildings under construction, CHF 2.0 million vehicles (2012: 0.5 million) and CHF 5.9 million (2012: 3.0 million) intangible assets. Acquired intangible assets comprise mainly software licences.

The following tables show the movements in the net book values of property, plant and equipment and intangible assets for the three-month period ended March 31, 2013 and 2012.

in thousand CHF	Property, plant and equipment	Intangible assets
Period ended March 31, 2013		
Net book value on January 1, 2013	**130,209**	**134,135**
Translation differences	2,140	1,356
Additions	6,777	5,891
Disposals (net)	(85)	0
Depreciation and amortization	(8,516)	(3,144)
Net book value on March 31, 2013	**130,525**	**138,238**

in thousand CHF	Property, plant and equipment	Intangible assets
Period ended March 31, 2012		
Net book value on January 1, 2012	**113,180**	**141,743**
Translation differences	(1,595)	829
Additions	6,814	3,003
Disposals (net)	(134)	0
Depreciation and amortization	(7,058)	(3,030)
Net book value on March 31, 2012	**111,207**	**142,545**

Intangible assets as of March 31, 2013 include goodwill of CHF 65.0 million (March 31, 2011: CHF 82.0 million), brands and customer relations of CHF 1.5 million (March 31, 2012: CHF 15.7 million) and software of CHF 71.5 million (March 31, 2012: CHF 44.6 million).

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the country of operation. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash-flow projections based on financial budgets of a CGU approved by management covering a five-year period. Cash-flows beyond the five year period are extrapolated using estimated growth rates.

There were no impairment charges recorded on goodwill during the three months ended March 31, 2013 and 2012. Management believes that the current key assumptions applied would not cause the carrying value of goodwill to exceed the recoverable amount. As per March 31, 2013 no impairment indicators were determined.

Intangible assets with estimable useful lives are amortized over the period of their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with IAS 36 *"Impairment of Assets"*. Intangible assets, stated at cost net of amortization and impairment charges, include brand name and customer relations, which are amortized on a straight-line basis over the estimated useful life of 5 to 10 years. Accumulated amortization as of March 31, 2013 and December 31, 2012 for brand name and customer relations was CHF 37.4 million and CHF 37.1 million, respectively. Amortization expenses of these intangible assets totaled CHF 334 thousand for the three months ended March 31, 2013 (2012: CHF 794 thousand). There were no impairment charges recorded on these other intangible assets during the three months ended March 31, 2013 and 2012.

Equity

The ordinary share capital and issued numbers of shares as well as the authorized capital have not changed during the interim period 2013. The weighted average number of shares issued was 23,652,780 (March 31, 2012: 23,633,855). At the Annual Meeting of Shareholders on May 8, 2012, the shareholders approved the cancelation of 1,250,000 repurchased shares. This resulted in a total remaining share capital of CHF 47.5 million (23,750,000 shares). Furthermore, the Annual Meeting of Shareholders approved a reduction of the nominal value of the remaining 23,750,000 shares by CHF 1.90 per share. Therefore, the share capital further decreased by CHF 45.125 million to CHF 2.375 million.

Dividends

The amount available for dividend distribution is based on the available distributable retained earnings of Panalpina World Transport (Holding) Ltd. determined in accordance with the legal provisions of the Swiss Code of Obligations. The Board of Directors has proposed dividends for the fiscal year 2012 of CHF 2.00 per share. This proposal is subject to approval at the Annual Meeting of Shareholders on May 15, 2013.

Share capital and treasury shares

in thousand CHF	Outstanding number of shares (numbers)	Ordinary shares	Treasury shares	Total
Issued shares	23,750,000	2,375		2,375
Treasury shares	(100,398)		(10,018)	(10,018)
On January 1, 2013	**23,649,602**	**2,375**	**(10,018)**	**(7,643)**
Treasury shares				
Sold under employee share plan	846		84	84
Sold under employee option plan	5,313		530	530
On March 31, 2013	***23,655,761***	***2,375***	***(9,404)***	***(7,029)***

As of March 31, 2013, the number of outstanding shares amounted to 23,655,761 shares (March 31, 2012: 23,617,344 shares) and the number of treasury shares to 94,239 (March 31, 2012: 1,382,656). Treasury shares have been deducted from shareholder's equity.

Provisions and other liabilities

Provisions are recognized where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Restructuring provisions are recognized when the Group has a detailed formal plan that has either commenced implementation or been announced.

Long-term provisions

in thousand CHF	Employee provision	Claims and other provisions	Total
Period ended March 31, 2013			
Balance on January 1, 2013	**34,097**	**38,984**	**73,081**
Translation differences	592	560	1,152
Addition	824	4,089	4,913
Reversal of unused amounts	(127)	(948)	(1,075)
Utilization	(140)	(20)	(160)
Balance on March 31, 2013	**35,246**	**42,665**	**77,911**

in thousand CHF	Employee provision	Claims and other provisions	Total
Period ended March 31, 2012			
Balance on January 1, 2012	**37,869**	**47,163**	**85,032**
Translation differences	(453)	(766)	(1,219)
Addition	1,406	1,686	3,092
Reversal of unused amounts	(71)	(1,294)	(1,365)
Utilization	(311)	(629)	(940)
Balance on March 31, 2012	**38,440**	**46,160**	**84,600**

Employee provision mostly relate to certain employee benefit obligations, such as “anniversary” benefits, termination payments and long-service benefits mainly in Switzerland, Germany, Austria, Italy, France and USA. The timings of these cash outflows can be reasonably estimated based on past performance. In addition employee provisions include the liability of CHF 363 thousand (December 31, 2012: CHF 363 thousand) for the cash settled compensation plan. Significant provisions are discounted by using the corresponding discount rate applicable in respective countries were the obligation occurs.

The balance for claims represents a provision for certain claims brought forward against the Group by customers and forwarding agents. The balance as of March 31 is expected to be utilized within the next two to five years.

The management determined the provision based on past performance and its expectation of the funds needed for the future settlement of the claims which are not yet reported.

Short-term provisions and other liabilities

in thousand CHF	Employee benefits and others	Outstanding vacation entitlement	Claims	Restructuring provisions	Total
Period ended March 31, 2013					
Balance on January 1, 2013	**51,585**	**22,238**	**33,225**	**17,431**	**124,479**
Translation differences	789	446	890	384	2,509
Addition	14,923	1,374	516	1,438	18,251
Reversal of unused amounts	(3,235)	(89)	(1,866)	(135)	(5,325)
Utilization	(1,011)	(105)	(6,827)	(8,453)	(16,396)
Balance on March 31, 2013	**63,051**	**23,864**	**25,938**	**10,665**	**123,518**

in thousand CHF	Employee benefits and others	Outstanding vacation entitlement	Claims	Restructuring provisions	Total
Period ended March 31, 2012					
Balance on January 1, 2012	**73,107**	**22,420**	**29,244**	**649**	**125,420**
Translation differences	(945)	(333)	(1,624)	(9)	(2,911)
Addition	20,911	2,458	61,574	0	84,943
Reversal of unused amounts	(2,279)	(913)	(2,200)	(19)	(5,411)
Utilization	(2,390)	(720)	(192)	(150)	(3,452)
Balance on March 31, 2012	**88,404**	**22,912**	**86,802**	**471**	**198,589**

Apart from outstanding vacation entitlement and the current portion of provisions, as disclosed under long-term provisions, short-term provisions and other liabilities include personnel profit participation, social security and payroll taxes. During the period under review CHF 1.0 million of personnel profit participation (2012: CHF 0.4 million) has been paid out. For the current year, additional personnel profit participation of CHF 12.4 million and termination benefits (2012: CHF 12.2 million) as well as related social security costs and payroll taxes have been recorded.

Claim provision includes the current portion of certain claims brought forward against the Group by customers and forwarding agents as well as a short-term provision of approximately CHF 17.1 million to cover the fines relating to the settlement of the U.S. Foreign Corrupt Practices Act (FCPA) and the U.S. anti-trust investigations. During the prior period CHF 59.2 million have been recognized to settle the penalties from WEKO and EU anti-trust. Thereof approximately CHF 56.0 million was paid within the third quarter 2012 and CHF 3.2 million was paid within the period under review.

The restructuring provisions from 2012 concern headcount reductions in all functions mainly in marketing and sales and in operations in various countries with the largest amount incurred in Europe and North America as well as on corporate level. During the period under review no additional restructuring provisions have been recognized.

Major legal claims

The status of the proceedings disclosed under "pending legal claims" in the consolidated financial statements 2012 (pages 126 and 127) remained unchanged.

Contingent liabilities and other commitments

There have been no material changes in contingent liabilities and other commitments since the last annual balance sheet date.

Events after the balance sheet date

Since the balance sheet date no further events have become known of for which a disclosure is required.

Basel, May 6, 2013