
2014
Third Quarter

CONDENSED INTERIM CONSOLI- DATED FINANCIAL STATEMENTS

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KEY DEVELOPMENTS IN THIRD QUARTER 2014

1 PANALPINA GROUP: KEY FIGURES THIRD QUARTER 2014

IN MILLION CHF	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Net forwarding revenue	1,725.5	1,700.1	4,955.9	5,028.1
Gross profit	400.8	403.1	1,178.7	1,168.0
EBITDA	48.8	48.3	137.5	130.5
Operating result (EBIT)	34.3	34.4	94.4	93.2
Consolidated profit / (loss)	25.2	23.8	69.2	62.3

2 PANALPINA DELIVERS STABLE PROFITS DURING TURNAROUND

International freight forwarding and logistics company Panalpina kept up overall profitability in the first nine months of 2014. Undeterred by ongoing restructuring, group gross profit and EBIT both increased 1% (currency adjusted +6% and +4%), reaching CHF 1,178.7 million and CHF 94.4 million respectively. EBIT loss in Logistics was reduced drastically to CHF 6.9 million for the period of January to September (down from CHF 26.8 million in the same period of 2013). Air Freight and Ocean Freight volumes grew 4% and 8% year-to-date, but unit profitability decreased due to margin pressure and currency effects.

“We have managed to keep up profitability in the first nine months of the year,” says Panalpina CEO Peter Ulber. “I am particularly pleased with our progress in Logistics, where we have significantly reduced losses and are close to reaching break-even. We also showed continued good volume growth in Air Freight and very strong volume growth in Ocean Freight.”

2.1 GROSS PROFIT AND EBIT IMPACTED BY CURRENCIES

Group gross profit increased 1% (adjusted: +6%) to CHF 1,178.7 million in the first nine months of 2014 (YTD 2013: CHF 1,168.0 million). Total operating expenses amounted to CHF 1,041.2 million, 0.4% (adjusted: +5%) more than in the same period of the previous year (YTD 2013: CHF 1,037.5 million). Panalpina achieved an EBIT of CHF 94.4 million, an increase of 1% (adjusted: +4%) compared to the same period of last year (YTD 2013: CHF 93.2 million). The EBIT-to-gross-profit margin remained unchanged at 8.0% year-on-year.

2.2 AIR FREIGHT

Panalpina’s Air Freight volumes grew 4% in the first nine months of 2014, slightly ahead of the market. Gross profit per ton decreased 5% to CHF 745 (YTD 2013: CHF 781). As a result, gross profit remained practically unchanged at CHF 469.0 million (YTD 2013: CHF 473.0 million). Air Freight achieved an EBIT of CHF 85.3 million, 8% less than in the same period of last year (YTD 2013: CHF 93.0 million). The EBIT-to-gross-profit margin for the first nine months of 2014 decreased to 18.2% (YTD 2013: 19.7%).

2.3 OCEAN FREIGHT

Panalpina’s Ocean Freight volumes grew a strong 8% in the first nine months of 2014. This was in part the result of some important new business wins in the area of managed solutions. The ocean freight market grew approximately 4%. High rate volatility remains an issue. Gross profit per TEU decreased 8% to CHF 309 (YTD 2013: CHF 335), which resulted in a stable gross profit of CHF 370.4 million (YTD 2013: CHF 371.4 million). Ocean Freight posted an EBIT of CHF 16.0 million (YTD 2013: CHF 26.9 million). The EBIT-to-gross profit margin decreased to 4.3% in the first nine months of 2014 (YTD 2013: 7.2%) but was up quarter-on-quarter.

2.4 LOGISTICS

Logistics increased gross profit 5% to CHF 339.3 million (YTD 2013: CHF 323.6 million) and cut its EBIT loss of CHF 26.8 million in the first nine months of 2013 to a loss of CHF 6.9 million in the same period this year.

2.5 OUTLOOK

“With our Logistics business likely to reach break-even far earlier than anticipated, our main focus has now clearly shifted to improving our performance in Ocean Freight,” says Ulber. “We already produce high volumes, but we have to reengineer processes and roll out the next generation IT platform.” Panalpina expects the air and ocean freight markets to grow by 3% and 4% respectively in 2014.

CONSOLIDATED INCOME STATEMENT

for the three and nine months ended September 30, 2014 and 2013

IN THOUSAND CHF	NOTES	JULY - SEPTEMBER		JANUARY - SEPTEMBER	
		2014	2013	2014	2013
Net forwarding revenue ¹	4	1,725,459	1,700,097	4,955,942	5,028,129
Forwarding services from third parties	4	(1,324,629)	(1,296,951)	(3,777,195)	(3,860,112)
Gross profit	4	400,830	403,146	1,178,747	1,168,017
Personnel expenses ²		(240,149)	(243,486)	(719,912)	(707,453)
Other operating expenses		(111,820)	(111,544)	(321,342)	(330,277)
Gains / losses on sales of non-current assets		(62)	174	39	247
EBITDA		48,799	48,290	137,532	130,534
Depreciation of property, plant and equipment	5	(7,941)	(8,424)	(24,012)	(25,607)
Amortization of intangible assets	5	(6,511)	(5,505)	(19,079)	(11,752)
Operating result (EBIT)		34,347	34,361	94,441	93,175
Finance income		512	1,226	1,667	2,570
Finance costs		(1,289)	(3,889)	(3,843)	(12,840)
Profit / (loss) before income tax (EBT)		33,570	31,698	92,265	82,905
Income tax expenses		(8,392)	(7,885)	(23,066)	(20,644)
Consolidated profit / (loss)		25,178	23,813	69,199	62,261
Consolidated profit / (loss) attributable to:					
Owners of the parent		24,247	23,538	68,932	62,321
Non-controlling interests		932	275	268	(60)
Earnings per share (in CHF per share)					
Basic		1.03	0.99	2.91	2.63
Diluted		1.02	0.99	2.90	2.63

¹ Refer to Note 2.6 for details to the change of presentation of net forwarding revenue.

² Figures as of September 30, 2013 have been restated due to the early adoption of the amendments to IAS 19 (November 2013) in 2013. Please refer to note 2.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three and nine months ended September 30, 2014 and 2013

	JULY - SEPTEMBER		JANUARY - SEPTEMBER	
IN THOUSAND CHF	2014	2013	2014	2013
Consolidated profit / (loss)	25,178	23,813	69,199	62,261
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurement of the net defined benefit asset / liability	(25,494)	468	(19,058)	(2,832)
Income taxes on these components of other comprehensive income	5,808	(50)	4,231	716
Subtotal, net of tax	(19,686)	418	(14,827)	(2,116)
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets	0	(7)	0	246
Exchange difference on translations of foreign operations	12,851	(21,210)	6,230	(16,593)
Income tax on these components of other comprehensive income	0	(58)	0	(120)
Subtotal, net of tax	12,851	(21,275)	6,230	(16,467)
Other comprehensive income for the period, net of tax	(6,835)	(20,857)	(8,597)	(18,583)
Total comprehensive income for the period	18,343	2,956	60,603	43,678
Attributable to owners of the parent	16,917	2,934	59,835	43,904
Attributable to non-controlling interests	1,426	22	768	(226)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at September 30, 2014, December 31, 2013 and September 30, 2013, respectively

IN THOUSAND CHF	NOTES	SEPTEMBER 30, 2014	DECEMBER 31, 2013	SEPTEMBER 30, 2013
ASSETS				
Non-current assets				
Property, plant and equipment	5	109,256	118,908	123,124
Intangible assets	5	121,469	118,093	137,522
Investments		31,652	28,349	34,369
Post-employment benefit assets		694	19,905	0
Deferred income tax assets		69,750	65,457	65,462
Total non-current assets		332,821	350,712	360,477
Current assets				
Other receivables and other current assets		145,670	102,671	130,333
Unbilled forwarding services		114,070	91,192	88,748
Trade receivables		1,048,928	1,059,582	1,079,641
Derivative financial instruments		3,414	2,905	4,067
Other current financial assets		0	5,472	0
Cash and cash equivalents		340,934	336,923	337,271
Total current assets		1,653,016	1,598,745	1,640,060
Total assets		1,985,837	1,949,457	2,000,537
EQUITY AND LIABILITIES				
Equity				
Share capital	6	2,375	2,375	2,375
Treasury shares	6	(1,512)	(3,339)	(4,516)
Retained earnings and reserves		706,632	698,472	732,854
Total equity attributable to owners of the parent		707,495	697,508	730,713
Non-controlling interests		12,441	11,673	11,966
Total equity		719,936	709,181	742,679
Non-current liabilities				
Borrowings		345	208	311
Provisions	7	82,460	77,617	76,936
Post-employment benefit liabilities ¹		50,099	49,674	62,348
Deferred income tax liabilities ¹		13,585	16,533	17,827
Total non-current liabilities		146,489	144,032	157,422
Current liabilities				
Trade payables		571,736	577,205	570,388
Other payables and accruals		192,370	152,017	180,879
Accrued cost of services		216,055	184,479	211,924
Borrowings		516	3,053	3,853
Derivative financial instruments		5,306	1,710	1,670
Provisions and other liabilities	7	111,379	155,366	118,526
Current income tax liabilities		22,050	22,414	13,196
Total current liabilities		1,119,412	1,096,244	1,100,436
Total liabilities		1,265,901	1,240,276	1,257,858
Total equity and liabilities		1,985,837	1,949,457	2,000,537

¹ Figures as of September 30, 2013 have been restated due to the early adoption of the amendments to IAS 19 (November 2013) in 2013. Please refer to note 2.5 Panalpina **Third Quarter 2014**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months ended September 30, 2014 and 2013

2014 IN THOUSAND CHF	ATTRIBUTABLE TO THE OWNERS OF THE PARENT					NON- CON- TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	TRANS- LATION RESERVE	RETAINED EARNINGS	TOTAL		
Balance on January 1, 2014	2,375	(3,339)	(187,798)	886,270	697,508	11,673	709,181
Consolidated profit				68,932	68,932	268	69,199
Other comprehensive income			5,730	(14,827)	(9,097)	500	(8,597)
Total comprehensive income for the period	0	0	5,730	54,105	59,835	768	60,603
Dividends paid				(52,185)	(52,185)	0	(52,185)
Share-based payments employee share plan				1,123	1,123		1,123
Share-based payments option plan				0	0		0
Changes in treasury shares, net		1,827		(614)	1,213		1,213
Reclassification of non-controlling interests to parent shareholders					0	0	0
Balance on September 30, 2014	2,375	(1,512)	(182,068)	888,699	707,495	12,441	719,936

2013 IN THOUSAND CHF	ATTRIBUTABLE TO THE OWNERS OF THE PARENT					NON- CON- TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	TRANS- LATION RESERVE	RETAINED EARNINGS	TOTAL		
Balance on January 1, 2013	2,375	(10,018)	(164,810)	905,965	733,512	9,241	742,753
Consolidated profit				62,321	62,321	(60)	62,261
Other comprehensive income			(16,427)	(1,990)	(18,417)	(166)	(18,583)
Total comprehensive income for the period	0	0	(16,427)	60,331	43,904	(226)	43,678
Dividends paid				(47,343)	(47,343)	(176)	(47,519)
Share-based payments employee share plan				595	595		595
Share-based payments option plan				(72)	(72)		(72)
Changes in treasury shares, net		5,502		(2,258)	3,244		3,244
Reclassification of non-controlling interests to parent shareholders				(3,127)	(3,127)	3,127	0
Balance on September 30, 2013	2,375	(4,516)	(181,237)	914,091	730,713	11,966	742,679

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the three and nine months ended September 30, 2014 and 2013

IN THOUSAND CHF	NOTES	JULY - SEPTEMBER		JANUARY - SEPTEMBER	
		2014	2013	2014	2013
Consolidated profit / (loss)		25,178	23,813	69,199	62,261
Income tax expenses		8,392	7,885	23,066	20,644
Depreciation and amortization	5	14,452	13,929	43,091	37,359
Net interest expenses / (income)		(483)	(888)	(838)	(1,633)
Loss / (gain) on sales of property, plant and equipment	5	62	(174)	(39)	(247)
Other non-cash (income) and expenses		2,095	19,606	2,077	14,882
		49,696	64,171	136,556	133,266
(Increase) / decrease in working capital		63,995	(72,265)	15,961	(104,616)
(Decrease) / increase in short-term and long-term provisions and other liabilities		16,431	38,632	(41,822)	30,291
Cash generated from operations		130,122	30,538	110,695	58,941
Interest paid		(128)	(338)	(981)	(937)
Income taxes paid		(4,517)	(11,172)	(16,909)	(27,293)
Net cash from operating activities		125,477	19,028	92,805	30,711
Interest and dividends received		0	1,226	1,798	2,570
Proceeds from sales of property, plant and equipment		1,020	287	2,347	537
Proceeds / Expenses from investments and other current financial assets		(3,306)	0	1,508	0
Proceeds / Repayments of long-term loans and receivables and other financial assets		(3,755)	1,903	(3,039)	3,933
Purchase of property, plant and equipment		(5,738)	(6,040)	(14,586)	(20,928)
Purchase of intangible assets and other assets		(3,631)	(4,706)	(21,733)	(16,312)
Purchase of investments and other financial assets		(2,374)	(3,733)	(4,578)	(8,027)
Net cash used in investing activities		(17,784)	(11,063)	(38,283)	(38,227)
Free cash flow		107,693	7,965	54,522	(7,516)
Proceeds from short- and long-term borrowings		0	3,824	2,053	3,652
Repayment of short- and long-term borrowings		0	0	(4,433)	0
Dividends paid		0	0	(52,185)	(47,343)
Dividends paid to non-controlling interests		0	(99)	0	(176)
Purchase of treasury shares		(2,172)	0	(2,172)	0
Sale of treasury shares		7,596	1,662	3,385	3,244
Net cash used in financing activities		5,424	5,387	(53,352)	(40,623)
Effect of exchange rate changes on cash and cash equivalents		3,662	(8,787)	2,841	(7,651)
Net increase / (decrease) in cash and cash equivalents		116,779	4,565	4,011	(55,790)
Cash and cash equivalents at the beginning of the period		224,155	332,706	336,923	393,061
Cash and cash equivalents at the end of the period		340,934	337,271	340,934	337,271

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CON- SOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Panalpina World Transport (Holding) Ltd. (referred to hereafter as the Company) and its subsidiaries (collectively the "Group" and individually "Group Companies") 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 knowledge 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.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements are the unaudited condensed interim consolidated financial statements (hereafter "the Interim Financial Statements") of the Company for the nine-months period ended September 30, 2014 (hereafter "the Interim Period"). These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2013 (hereafter "the Annual Financial Statements"), as they provide an update of previously reported information. They were authorized for issuance in accordance with a resolution by the Group's Audit Committee on October 20, 2014.

2.2 STATEMENT OF COMPLIANCE

The Interim Financial Statements have been prepared in accordance with the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group since the Annual Financial Statements.

2.3 MANAGEMENT JUDGMENTS AND ESTIMATES

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas in which assumptions and estimates are significant to the Interim Financial Statements, were the same as those applied in the Annual Financial Statements.

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.

The remeasurement loss on the net defined benefit obligation of CHF 25.5 million which was recognised in other comprehensive income for Q3/2014 is mainly attributable to changes in discount rates assumptions.

2.4 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.

2.5 SIGNIFICANT ACCOUNTING POLICIES

Except as described in note 2.6, the accounting policies applied in these Interim Financial Statements are the same as those applied in the Annual Financial Statements.

As described in the Annual Financial Statements, in 2013 the Group early adopted the amendments to IAS 19 "Defined Benefit

Plans - Employee Contributions" issued in November 2013 and decided to apply the practical expedient (IAS 19 para. 93 (b)). As a result, the defined benefit obligation increased by CHF 1.185 million as of January 1, 2012 and remeasurement losses recognized within other comprehensive income by CHF 0.856 million for the year ended December 31, 2012, respectively, whereas current service costs decreased by CHF 0.611 million for the year ended December 31, 2012, resulting in an overall net increase of post-employment benefit liabilities of CHF 1.430 million as of January 1, 2013 (CHF 1.080 million net of deferred tax) with a relating decrease of equity.

2.6 RESTATEMENT

Inconsistent to IAS 1, in the past Panalpina presented in the consolidated income statement in addition to the net forwarding revenue the invoiced forwarding services and the customs, duties and taxes separately. The correction of the presentation has been changed in condensed consolidated interim financial statements 2014 in accordance with IAS 8. This change does not affect the consolidated profit or loss. The development of the invoiced forwarding services as well as the customs, duties and taxes are newly integrated in the segment reporting.

2.7 CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following new standards, new interpretations and amendments to existings standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2014: Amendments to IFRS 10, IFRS 11 and IAS 27 "*Investment Entities*", Amendments to IAS 39 "*Novation of Derivatives and Continuation of Hedge Accounting*", IFRIC 21 "*Levies*" and certain amendments to various standards from "*Annual Improvements to IFRS 2010-2012 Cycle*" issued by the IASB. These do not have a material impact on the Group's overall results and financial position as well as related disclosures.

2.8 FUTURE NEW AND REVISED STANDARDS

The following new or revised standards, amendments to existings standards and interpretations have been issued, but are not yet effective:

- Annual Improvements to IFRS 2010-2012 Cycle
- Annual Improvements to IFRS 2011-2013 Cycle
- IFRS 14 - Regulatory Deferral Accounts (effective date January 1, 2016)
- IFRS 9 - Financial Instruments" (effective date 1 January, 2018)
- IFRS 15 - Revenue from Contracts with Customers (effective date 1 January 2017)
- Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations (effective date 1 January 2016)
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization (effective date 1 January 2016)
- Amendments to IAS 16 and IAS 41 - Bearer Plants (effective date 1 January 2016)
- Amendments to IAS 27 - Equity Method in Separate Financial Statements (effective date 1 January 2016)
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date 1 January 2016)

The Group has not yet analyzed in detail the changes to the accounting policies and the impact on the Group's overall results and financial position.

3 CHANGE IN SCOPE OF CONSOLIDATION

During the Interim Period under review, no significant new subsidiary has been established and there was no business combination and no significant subsidiaries were disposed of.

4 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 operating result (Segment EBIT). This measurement basis excludes the effects on non-recurring expenditure from the operating segments.

Condensed operating segment information for the nine months ended September 30, 2014

2014 IN THOUSAND CHF	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	ASIA PACIFIC	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	2,594,104	508,920	1,886,132	1,028,453		6,017,610
Customs, duties and taxes	(656,346)	(104,909)	(234,051)	(66,363)		(1,061,668)
Intra-group forwarding services	906,540	149,663	620,384	1,209,835	(2,886,423)	0
Net forwarding revenue	2,844,298	553,675	2,272,466	2,171,926	(2,886,423)	4,955,942
Forwarding services	(2,384,001)	(445,392)	(1,912,893)	(1,921,332)	2,886,423	(3,777,195)
Gross profit	460,297	108,283	359,573	250,594	0	1,178,747
Personnel expenses	(308,817)	(59,044)	(225,676)	(126,375)		(719,912)
Other operating expenses	(127,073)	(36,151)	(95,500)	(62,578)		(321,303)
EBITDA	24,407	13,089	38,396	61,641	0	137,532
Depreciation and amortization	(14,819)	(4,922)	(12,761)	(10,589)		(43,091)
Operating result (EBIT)	9,588	8,167	25,634	51,052	0	94,441
Financial result						(2,176)
Finance income						1,667
Finance costs						(3,843)
Profit before income tax (EBT)						92,265
Income tax expenses						(23,066)
Consolidated profit						69,199

Condensed operating segment information for the nine months ended September 30, 2013

2013 IN THOUSAND CHF	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	ASIA PACIFIC	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	2,576,900	508,239	1,997,201	1,013,285		6,095,624
Customs, duties and taxes	(652,007)	(91,823)	(251,952)	(71,713)		(1,067,495)
Intra-group forwarding services	1,010,497	143,298	606,005	1,115,890	(2,875,690)	0
Net forwarding revenue	2,935,390	559,713	2,351,254	2,057,462	(2,875,690)	5,028,129
Forwarding services	(2,456,131)	(464,138)	(1,994,217)	(1,821,315)	2,875,690	(3,860,112)
Gross profit	479,259	95,575	357,037	236,146	0	1,168,017
Personnel expenses	(318,823)	(58,980)	(213,523)	(116,126)		(707,453)
Other operating expenses	(136,918)	(30,561)	(108,271)	(54,280)		(330,030)
EBITDA	23,518	6,034	35,243	65,740	0	130,534
Depreciation and amortization	(12,867)	(5,160)	(10,987)	(8,345)		(37,359)
Operating result (EBIT)	10,651	873	24,256	57,395	0	93,175
Financial result						(10,270)
Finance income						2,570
Finance costs						(12,840)
Profit before income tax (EBT)						82,905
Income tax expenses						(20,644)
Consolidated profit						62,261

Condensed operating segment information for July to September 2014

2014 IN THOUSAND CHF	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	ASIA PACIFIC	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	893,655	164,683	667,285	367,868		2,093,492
Customs, duties and taxes	(225,330)	(34,898)	(84,316)	(23,490)		(368,033)
Intra-group forwarding services	297,117	53,334	208,445	430,515	(989,412)	0
Net forwarding revenue	965,442	183,120	791,415	774,894	(989,412)	1,725,459
Forwarding services	(811,976)	(146,125)	(666,622)	(689,318)	989,412	(1,324,629)
Gross profit	153,466	36,995	124,793	85,576	0	400,830
Personnel expenses	(101,894)	(19,678)	(75,195)	(43,382)		(240,149)
Other operating expenses	(44,077)	(12,019)	(33,987)	(21,798)		(111,882)
EBITDA	7,495	5,299	15,610	20,396	0	48,799
Depreciation and amortization	(4,809)	(1,622)	(4,242)	(3,779)		(14,452)
Operating result (EBIT)	2,686	3,677	11,367	16,617	0	34,347
Financial result						(777)
Finance income						512
Finance costs						(1,289)
Profit before income tax (EBT)						33,570
Income tax expenses						(8,392)
Consolidated profit						25,178

Condensed operating segment information for July to September 2013

2013 IN THOUSAND CHF	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	ASIA PACIFIC	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	883,598	178,699	659,439	355,139		2,076,875
Customs, duties and taxes	(232,283)	(32,489)	(87,653)	(24,353)		(376,778)
Intra-group forwarding services	342,706	52,514	280,114	384,384	(1,059,718)	0
Net forwarding revenue	994,022	198,724	851,900	715,169	(1,059,718)	1,700,097
Forwarding services	(830,724)	(163,563)	(730,465)	(631,917)	1,059,718	(1,296,951)
Gross profit	163,298	35,161	121,435	83,252	0	403,146
Personnel expenses	(108,660)	(20,992)	(74,163)	(39,671)		(243,486)
Other operating expenses	(46,845)	(10,234)	(34,419)	(19,873)		(111,370)
EBITDA	7,793	3,935	12,853	23,709	0	48,290
Depreciation and amortization	(4,865)	(1,728)	(4,088)	(3,247)		(13,929)
Operating result (EBIT)	2,928	2,207	8,764	20,462	0	34,361
Financial result						(2,663)
Finance income						1,226
Finance costs						(3,889)
Profit before income tax (EBT)						31,698
Income tax expenses						(7,885)
Consolidated profit						23,813

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

Information by product for the nine months ended September 30, 2014 and 2013

2014 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	2,678,329	2,725,995	613,286	6,017,610
Customs, duties and taxes	(377,158)	(617,004)	(67,506)	(1,061,668)
Net forwarding revenue	2,301,171	2,108,991	545,780	4,955,942
Forwarding services from third parties	(1,832,138)	(1,738,618)	(206,440)	(3,777,195)
Gross profit	469,033	370,373	339,340	1,178,747
Personnel expenses	(270,146)	(247,710)	(202,056)	(719,912)
Other operating expenses	(97,741)	(91,618)	(131,943)	(321,303)
EBITDA	101,146	31,045	5,341	137,532
Depreciation and amortization	(15,844)	(15,016)	(12,231)	(43,091)
Operating result (EBIT)	85,302	16,029	(6,890)	94,441
Financial result				(2,176)
Finance income				1,667
Finance costs				(3,843)
Profit before income tax (EBT)				92,265
Income tax expenses				(23,066)
Consolidated profit				69,199
2013 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	2,576,026	2,678,675	840,923	6,095,624
Customs, duties and taxes	(323,339)	(583,568)	(160,588)	(1,067,495)
Net forwarding revenue	2,252,687	2,095,107	680,335	5,028,129
Forwarding services from third parties	(1,779,645)	(1,723,757)	(356,710)	(3,860,112)
Gross profit	473,042	371,350	323,625	1,168,017
Personnel expenses	(259,316)	(238,927)	(209,210)	(707,453)
Other operating expenses	(108,130)	(93,796)	(128,105)	(330,030)
EBITDA	105,596	38,627	(13,690)	130,534
Depreciation and amortization	(12,554)	(11,744)	(13,061)	(37,359)
Operating result (EBIT)	93,042	26,883	(26,750)	93,175
Financial result				(10,270)
Finance income				2,570
Finance costs				(12,840)
Profit before income tax (EBT)				82,905
Income tax expenses				(20,644)
Consolidated profit				62,261

Information by product for July to September 2014 and 2013

2014 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	930,007	958,632	204,853	2,093,492
Customs, duties and taxes	(136,086)	(216,029)	(15,918)	(368,033)
Net forwarding revenue	793,921	742,603	188,935	1,725,459
Forwarding services from third parties	(635,651)	(618,828)	(70,151)	(1,324,629)
Gross profit	158,270	123,775	118,784	400,830
Personnel expenses	(90,457)	(81,587)	(68,105)	(240,149)
Other operating expenses	(34,427)	(28,381)	(49,074)	(111,882)
EBITDA	33,386	13,808	1,605	48,799
Depreciation and amortization	(5,340)	(4,939)	(4,173)	(14,452)
Operating result (EBIT)	28,047	8,869	(2,569)	34,347
Financial result				(777)
Finance income				512
Finance costs				(1,289)
Profit before income tax (EBT)				33,570
Income tax expenses				(8,392)
Consolidated profit				25,178
2013 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	870,403	925,325	281,147	2,076,875
Customs, duties and taxes	(118,410)	(205,079)	(53,289)	(376,778)
Net forwarding revenue	751,993	720,246	227,858	1,700,097
Forwarding services from third parties	(591,176)	(590,864)	(114,911)	(1,296,951)
Gross profit	160,817	129,382	112,947	403,146
Personnel expenses	(87,699)	(82,397)	(73,391)	(243,486)
Other operating expenses	(34,950)	(32,330)	(44,090)	(111,370)
EBITDA	38,168	14,656	(4,534)	48,290
Depreciation and amortization	(4,737)	(4,525)	(4,667)	(13,929)
Operating result (EBIT)	33,431	10,131	(9,201)	34,361
Financial result				(2,663)
Finance income				1,226
Finance costs				(3,889)
Profit before income tax (EBT)				31,698
Income tax expenses				(7,885)
Consolidated profit				23,813

5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Interim Period, the Group recognized a total of additions of CHF 8.8 million (2013: CHF 12.7 million) as machinery and equipment, CHF 4.9 million (2013: CHF 5.1 million) as buildings and buildings under construction, CHF 1.3 million (2013: 3.1 million) as vehicles and CHF 21.7 million (2013: CHF 6.3 million) as intangible assets. Additions to intangible assets mainly comprise costs incurred relating to software licenses and software development costs (both external and internally generated costs capitalized).

The following table shows the movements in the net book values of property, plant and equipment and intangible assets for the nine months periods ended September 30, 2014 and 2013, respectively.

IN THOUSAND CHF	PROPER- TY, PLANT AND EQUIP- MENT 2014	INTANGI- BLE AS- SETS 2014	PROPER- TY, PLANT AND EQUIP- MENT 2013	INTANGI- BLE AS- SETS 2013
Net book value on January 1	118,908	118,093	130,209	134,135
Translation differences	1,729	773	(2,116)	(1,171)
Additions	14,924	21,699	20,928	16,310
Disposals (net)	(2,292)	(17)	(290)	0
Depreciation and amortization	(24,012)	(19,079)	(25,607)	(11,752)
Net book value on September 30	109,256	121,469	123,124	137,522

Intangible assets as of September 30, 2014 include goodwill of CHF 45.0 million (September 30, 2013: CHF 62.8 million), brands and customer relations of CHF 0.0 million (September 30, 2013: CHF 0.9 million) and software of CHF 76.4 million (September 30, 2013: CHF 73.8 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 nine months periods ended September 30, 2014 and 2013, respectively. Management believes that the current key assumptions applied would not cause the carrying value of goodwill to exceed the recoverable amount. As per September 30, 2014, no impairment indicator was identified.

Intangible assets with a finite useful life 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 that were fully amortized at December 31, 2013. There were no impairment charges recorded on intangible assets during the nine months periods ended September 30, 2014 and 2013, respectively.

6 SHARE CAPITAL AND TREASURY SHARES

The share capital, the number of issued shares and the authorized capital have not changed during the Interim Period. The weighted average number of shares issued was 23,726,341 (September 30, 2013: 23,670,814).

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 2013 of CHF 2.20 per share. This proposal has been approved at the Annual Meeting of Shareholders on May 9, 2014.

	OUT- STANDING NUMBER OF SHARES	ORDINARY SHARES	TREASURY SHARES	TOTAL
	Numbers	In TCHF	In TCHF	In TCHF
Treasury shares held	(33,467)		(3,339)	(3,339)
Balance on January 1, 2014	23,716,533	2,375	(3,339)	(964)
Treasury shares				
Purchased	(15,000)	0	(2,172)	(2,172)
Free shares from share plan	5,003	0	541	541
Sold under employee share plan	9,995	0	1,241	1,241
Sold under employee option plan	7,315	0	744	744
Bonus settled with own shares	14,766	0	1,473	1,473
Subtotal movement of treasury shares during the period	22,079	0	1,827	1,827
Shares issued	23,750,000	2,375		2,375
Treasury shares held	(11,388)		(1,512)	(1,512)
Balance on September 30, 2014	23,738,612	2,375	(1,512)	863

As of September 30, 2014, the number of outstanding shares amounted to 23,738,612 shares (September 30, 2013: 23,704,741 shares) and the number of treasury shares to 11,388 (September 30, 2013: 45,259). Treasury shares have been deducted from shareholder's equity.

7 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.

7.1 LONG-TERM PROVISIONS

2014 IN THOUSAND CHF	EMPLOYEE BENEFITS	CLAIMS AND OTHER PROVI- SIONS	TOTAL PROVI- SIONS
Balance on January 1	32,055	45,562	77,617
Translation differences	569	570	1,139
Addition	4,616	6,203	10,819
Reversal of unused amount	(1,064)	(3,328)	(4,392)
Charged in income statement	3,552	2,875	6,427
Utilization	(1,964)	(759)	(2,723)
Balance on September 30	34,212	48,248	82,460

2013 IN THOUSAND CHF	EMPLOYEE BENEFITS	CLAIMS AND OTHER PROVI- SIONS	TOTAL PROVI- SIONS
Balance on January 1	34,097	38,984	73,081
Translation differences	(227)	(816)	(1,043)
Addition	2,557	5,462	8,019
Reversal of unused amount	(683)	(1,029)	(1,712)
Charged in income statement	1,874	4,433	6,307
Utilization	(1,253)	(156)	(1,409)
Balance on September 30	34,491	42,445	76,936

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 the USA. The timings of these cash outflows can be reasonably estimated based on past performance. Significant provisions are discounted by using the corresponding discount rate applicable in respective countries where 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 September 30 is expected to be utilized within the next two to five years. Management determined the provision based on past performance and its expectation of the funds needed for the future settlement of claims not yet reported.

7.2 SHORT-TERM PROVISIONS AND OTHER LIABILITIES

2014 (IN THOUSAND CHF)	EMPLOYEE BENEFITS AND OTHERS	OUT- STANDING VACATION ENTITLE- MENT	CLAIMS	RESTRUC- TURING	TOTAL
Balance on January 1	74,457	23,035	49,178	8,696	155,366
Translation differences	1,201	140	2,200	36	3,577
Addition	47,649	12,949	6,279	1,208	68,085
Reversal of unused amounts	(8,544)	(4,704)	(5,956)	(746)	(19,950)
Charged in income statement	39,105	8,245	323	462	48,135
Utilization	(42,881)	(7,373)	(39,898)	(5,547)	(95,699)
Balance on September 30	71,882	24,047	11,803	3,647	111,379

2013 (IN THOUSAND CHF)	EMPLOYEE BENEFITS AND OTHERS	OUT- STANDING VACATION ENTITLE- MENT	CLAIMS	RESTRUC- TURING	TOTAL
Balance on January 1	51,585	22,238	33,225	17,431	124,479
Translation differences	(721)	(643)	(379)	(234)	(1,977)
Addition	42,578	3,962	9,520	2,100	58,160
Reversal of unused amounts	(5,054)	(897)	(4,184)	(2,682)	(12,817)
Charged in income statement	37,524	3,065	5,336	(582)	45,343
Utilization	(26,967)	(2,684)	(7,836)	(11,832)	(49,319)
Balance on September 30	61,421	21,976	30,346	4,783	118,526

Claims provisions include the current portion of certain claims brought forward against the Group by customers and forwarding agents as well as an amount of USD 35 million related to a U.S. class action settlement agreement formally executed in Q1/2014 and paid in Q2/2014. Claim provision as at December 31, 2013 included the current portion of certain claims brought forward against the Group by customers and forwarding agents, the aforementioned amount of USD 35 million recognized in the fourth quarter 2013 related to a preliminary agreement entered into to settle a U.S. class action lawsuit alleging anti-competitive industry practices regarding certain freight surcharges 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.

8 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives, policies and government structure are consistent with those disclosed in note 17 to the Annual Financial Statements.

Fair value hierarchy

The table below analyzes recurring fair value measurement for financial assets and financial liabilities. These fair value measurements are categorized into different levels in the fair value hierarchy based on the input and techniques used. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

SEPTEMBER 30, 2014 (IN THOUSAND CHF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets	0	2,194	0	2,194
Financial assets at fair value through profit or loss held for trading	929	0	0	929
Derivative financial assets	0	3,414	0	3,414
Available-for-sale financial assets at cost				125
Total				6,662
Derivative financial liabilities	0	5,306	0	5,306
Total				5,306

DECEMBER 31, 2013 (IN THOUSAND CHF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets	0	2,146	0	2,146
Financial assets at fair value through profit or loss held for trading	6,512	0	0	6,512
Derivative financial assets	0	2,905	0	2,905
Available-for-sale financial assets at cost				134
Total				11,697
Derivative financial liabilities	0	1,710	0	1,710
Total				1,710

There were no significant transfers between Level 1 and Level 2 and vice versa during the Interim Period.

The Group determines Level 2 fair values using the following valuation techniques:

- Available-for-sale investments using a valuation model based on the most recently published financial data.
- Derivative financial instruments are based on valuation models that use observable market data for interest rates and foreign exchange rates at the measurement date.

Other financial instruments (such as e.g. short-term trade and other receivables / payables / accruals) are not disclosed as their carrying amounts are a reasonable approximation of fair values.

9 MAJOR LEGAL CLAIMS

As reported in the Annual Financial Statements, Panalpina entered into a preliminary agreement to settle a class action lawsuit and agreed to pay an amount of USD 35 million, which includes previously received proceeds of USD 5.8 million, in an unrelated class action against various airlines. This agreement which is still subject to U.S. court approval has been formally executed in Q1/2014 and the payment, which has been fully provisioned in 2013, has been made in April 2014.

Other than this, the status of the proceedings disclosed under “pending legal claims” in the Annual Financial Statements (pages 131 and 132) has remained unchanged.

10 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

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

11 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, October 20, 2014

