



2015

Second Quarter



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

for the three and six months ended June 30, 2015 and 2014

IN THOUSAND CHF	NOTES	APRIL – JUNE		JANUARY – JUNE	
		2015	2014	2015	2014
Net forwarding revenue	4	1,438,012	1,634,027	2,941,376	3,230,483
Forwarding services from third parties	4	(1,073,685)	(1,240,375)	(2,205,267)	(2,452,566)
Gross profit	4	364,327	393,652	736,109	777,917
Personnel expenses		(219,983)	(239,325)	(449,754)	(479,763)
Other operating expenses		(97,846)	(104,554)	(201,056)	(209,522)
Gains / Losses on sales of non-current assets		1,293	(157)	1,286	101
EBITDA		47,791	49,616	86,585	88,733
Depreciation of property, plant and equipment	5	(6,847)	(7,723)	(14,441)	(16,071)
Amortization of intangible assets	5	(5,838)	(6,275)	(11,782)	(12,568)
Operating result (EBIT)		35,106	35,618	60,362	60,094
Finance income		(54)	497	1,762	1,155
Finance costs		(846)	(1,159)	(1,759)	(2,554)
Profit before income tax (EBT)		34,206	34,956	60,365	58,695
Income tax expenses		(8,517)	(8,739)	(15,091)	(14,674)
Consolidated profit		25,689	26,217	45,274	44,021
Consolidated profit / (loss) attributable to:					
Owners of the parent		25,606	26,714	45,353	44,686
Non-controlling interests		84	(496)	(78)	(664)
Earnings per share (in CHF per share)					
Basic		1.07	1.13	1.91	1.88
Diluted		1.07	1.13	1.91	1.88

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three and six months ended June 30, 2015 and 2014

IN THOUSAND CHF	APRIL – JUNE		JANUARY – JUNE	
	2015	2014	2015	2014
Consolidated profit	25,689	26,217	45,274	44,021
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurement of the net defined benefit asset / liability	3,913	5,476	741	6,436
Income taxes on this component of other comprehensive income	(869)	(1,342)	(165)	(1,577)
Subtotal, net of tax	3,044	4,134	576	4,859
Items that may be reclassified subsequently to profit or loss:				
Exchange difference on translations of foreign operations	(11,335)	(1,816)	(95,994)	(6,621)
Subtotal, net of tax	(11,335)	(1,816)	(95,994)	(6,621)
Other comprehensive income for the period, net of tax	(8,291)	2,318	(95,418)	(1,762)
Total comprehensive income for the period	17,398	28,535	(50,144)	42,259
Attributable to owners of the parent	17,525	27,727	(49,840)	41,601
Attributable to non-controlling interests	(127)	808	(304)	658

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of June 30, 2015 and December 31, 2014

IN THOUSAND CHF	NOTES	JUNE 30, 2015	DECEMBER 31, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	5	84,506	104,283
Intangible assets	5	109,326	122,029
Investments		26,963	28,269
Post-employment benefit assets		7,317	6,862
Deferred income tax assets		60,065	67,962
Total non-current assets		288,177	329,405
Current assets			
Other receivables and other current assets		108,593	101,191
Unbilled forwarding services		78,831	111,486
Trade receivables		875,893	1,012,647
Derivative financial instruments	8	975	2,960
Cash and cash equivalents		255,772	372,043
Total current assets		1,320,064	1,600,327
Total assets		1,608,241	1,929,732
EQUITY AND LIABILITIES			
Equity			
Share capital	6	2,375	2,375
Treasury shares	6	(1,842)	(2,089)
Retained earnings and reserves		605,173	720,618
Total equity attributable to owners of the parent		605,706	720,904
Non-controlling interests		11,941	12,245
Total equity		617,647	733,149
Non-current liabilities			
Borrowings		118	132
Provisions	7	32,409	41,432
Other Liabilities	7	31,596	35,086
Post-employment benefit liabilities		51,323	57,069
Deferred income tax liabilities		9,635	11,074
Total non-current liabilities		125,081	144,793
Current liabilities			
Trade payables		363,609	533,693
Other payables and accruals		153,017	158,229
Accrued cost of services		254,834	205,612
Borrowings		513	520
Derivative financial instruments	8	3,807	7,988
Provisions	7	25,025	42,124
Other Liabilities	7	53,521	78,088
Current income tax liabilities		11,187	25,536
Total current liabilities		865,512	1,051,790
Total liabilities		990,593	1,196,583
Total equity and liabilities		1,608,241	1,929,732

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended June 30, 2015 and 2014

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT					NON-CON-TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	TRANS-LATION RESERVE	RETAINED EARNINGS	TOTAL		
2015 IN THOUSAND CHF							
Balance on January 1, 2015	2,375	(2,089)	(186,647)	907,265	720,904	12,245	733,149
Consolidated profit				45,353	45,353	(78)	45,274
Other comprehensive income							
Exchange difference on translations of foreign operations			(95,768)		(95,768)	(226)	(95,994)
Remeasurement of the net defined benefit asset / liability, net of tax				576	576		576
Total other comprehensive income, net of tax	0	0	(95,768)	576	(95,192)	(226)	(95,418)
Total comprehensive income for the period	0	0	(95,768)	45,929	(49,840)	(304)	(50,144)
Dividends paid				(65,240)	(65,240)		(65,240)
Share-based payments employee share plan				1,575	1,575		1,575
Changes in treasury shares, net		248		(1,941)	(1,693)		(1,693)
Balance on June 30, 2015	2,375	(1,842)	(282,415)	887,588	605,706	11,941	617,647

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT					NON-CON-TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	TRANS-LATION RESERVE	RETAINED EARNINGS	TOTAL		
2014 IN THOUSAND CHF							
Balance on January 1, 2014	2,375	(3,339)	(187,798)	886,270	697,508	11,673	709,181
Consolidated profit				44,685	44,685	(664)	44,021
Other comprehensive income							
Exchange difference on translations of foreign operations			(7,943)		(7,943)	1,322	(6,621)
Remeasurement of the net defined benefit asset / liability, net of tax				4,859	4,859		4,859
Total other comprehensive income, net of tax	0	0	(7,943)	4,859	(3,084)	1,322	(1,762)
Total comprehensive income for the period	0	0	(7,943)	49,544	41,601	658	42,259
Dividends paid				(52,185)	(52,185)		(52,185)
Share-based payments employee share plan				566	566		566
Changes in treasury shares, net		1,659		(587)	1,072		1,072
Balance on June 30, 2014	2,375	(1,680)	(195,741)	883,608	688,562	12,331	700,893

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended June 30, 2015 and 2014

JANUARY – JUNE

IN THOUSAND CHF	NOTES	2015	2014
Consolidated profit		45,274	44,021
Income tax expenses		15,091	14,674
Depreciation of property, plant and equipment	5	14,441	16,071
Amortization of intangible assets	5	11,783	12,568
Interest income and dividend on available-for-sale financial assets		(676)	(1,046)
Exchange differences		(1,051)	(250)
Loss / (gain) on sales of property, plant and equipment	5	(1,286)	(101)
Share-based payment transactions		1,575	566
Other non-cash (income) and expenses		(1,305)	357
Subtotal cash flow from operations		83,846	86,860
Working capital adjustments:			
(Increase) / decrease receivables and other current assets		43,528	(20,154)
Increase / (decrease) payables and accruals incl. accrued cost of service		(41,741)	(27,880)
(Decrease) / increase non-current provisions and other liabilities		(7,283)	(1,389)
(Decrease) / increase current provisions and other liabilities		(44,284)	(56,864)
Cash generated from operations		34,066	(19,427)
Interest paid		(994)	(853)
Income taxes paid		(17,604)	(12,392)
Net cash from / (used in) operating activities		15,468	(32,672)
Interests received		711	1,785
Dividends received		1	13
Proceeds from sales of property, plant and equipment and intangible assets	5	1,613	1,327
Proceeds from investments		182	1,622
Proceeds from sale of other financial assets		425	3,192
Repayments of loans and long-term receivables		3,813	716
Purchase of property, plant and equipment	5	(5,690)	(8,848)
Purchase of intangible assets	5	(501)	(18,102)
Increase of other financial assets		(2,617)	(2,204)
Increase of long-term loans and long-term receivables		(2,890)	0
Net cash used in investing activities		(4,953)	(20,499)
Free cash flow		10,516	(53,171)
Proceeds of short- and long-term borrowings		184	2,053
Repayment of short- and long-term borrowings		(112)	(4,433)
Dividends paid		(65,240)	(52,185)
Purchase of treasury shares	6	(4,942)	(6,250)
Sale of treasury shares	6	1,778	2,039
Net cash used in financing activities		(68,332)	(58,776)
Effect of exchange rate changes on cash and cash equivalents ¹		(58,455)	(821)
Net increase / (decrease) in cash and cash equivalents		(116,271)	(112,768)
Cash and cash equivalents at the beginning of the period		372,043	336,923
Cash and cash equivalents at the end of the period		255,772	224,155

¹ Also refer to note 2.9 for further details on the foreign exchange

SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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 consolidated interim financial statements (hereafter "the Interim Financial Statements") of the Company for the six-months period ended June 30, 2015 (hereafter "the Interim Period"). These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2014 (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 July 22, 2015.

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 gain on the net defined benefit obligation of CHF 0.7 million which was recognised in other comprehensive income for the first half year 2015 is mainly attributable to changes in discount rates.

Venezuela is an economy with strict exchange controls where multiple foreign exchange rate mechanisms administered by the government are in place. Following the latest developments in the country, management revised its assumptions to determine which rate for the bolivar should be applied while preparing these Interim Financial Statements. Management reached the conclusion that the applicable rate as from January 1, 2015 is the SICAD 2 and as from April 1, 2015 is the SIMADI to better reflect the fair valuation of VEF. For further details also refer to note 2.9.

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 in volumes. This seasonality is based on many factors, including holiday seasons, consumer demand, climate and economic conditions.

2.5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these Interim Financial Statements are the same as those applied in the Annual Financial Statements.

2.6 CHANGES IN PRESENTATION

In 2015 the Group has made minor presentational changes to the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes related to provisions and other liabilities (note 7) to increase the understandability of the information provided.

2.7 CHANGES IN ACCOUNTING POLICIES

In 2015, the Group has adopted the following new standards, new interpretations and amendments to existing standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2015: Amendments to various standards from "*Annual Improvements to IFRS 2010-2012 Cycle*" and "*Annual Improvements to IFRS 2011-2013 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 existing standards and interpretations have been issued, but are not yet effective. They have not been applied early in these condensed consolidated interim financial statements.

New Standards or Interpretations:

- IFRS 14 - Regulatory Deferral Accounts (effective date January 1, 2016)
- IFRS 15 - Revenue from Contracts with Customers (effective date January 1, 2017)
- IFRS 9 - Financial Instruments (effective date January 1, 2018)

Revision and amendments of Standards and Interpretations:

- Amendments to IFRS 11- Accounting for Acquisitions of Interests in Joint Operations (effective date January 1, 2016)
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization (effective date January 1, 2016)
- Amendments to IAS 16 and IAS 41 - Bearer Plants (effective date January 1, 2016)
- Amendments to IAS 27 - Equity Method in Separate Financial Statements (effective date January 1, 2016)
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date January 1, 2016)
- Annual Improvements to IFRS 2012-2014 Cycle (effective date January 1, 2016)
- Amendments to IAS 1 - Disclosure Initiative (effective date January 1, 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception (effective date January 1, 2016)

The Group is currently analyzing in detail the changes to the accounting policies and the impact on the Group's overall results and financial position. Based on a preliminary assessment, none of the above changes effective as of January 1, 2016 would have a material impact on the Groups' consolidated financial statements.

2.9 FOREIGN CURRENCY

The following foreign currency exchange rates mostly impacted the current financial statements:

	Statement of Financial Position ¹		Income statement and cash flow statement ²		Variance %		
	JUNE 2015	DECEMBER 2014	JUNE 2015	JUNE 2014	STATEMENT OF FINANCIAL POSITION ¹	INCOME STATEMENT AND CASH FLOW STATEMENT ²	
EUR	1.041	1.203	EUR	1.056	EUR	(13%)	(14%)
USD	0.937	0.988	USD	0.947	USD	(5%)	6%
VEF	0.005	0.157	VEF	0.011	VEF	(97%)	(92%)
CAD	0.760	0.850	CAD	0.767	CAD	(11%)	(6%)
CNY	0.151	0.159	CNY	0.152	CNY	(5%)	5%

¹ Period end rate

² Period end average rate

The negative effect of exchange rate changes on cash and cash equivalent in the amount of CHF 58.5 million impacting the consolidated statement of cash flows is mainly driven by Euro (CHF 26.2 million). Panalpina International Ltd., which serves as a treasury vehicle for the group (and thus pools the group cash and cash equivalents), uses Euro as functional currency. Furthermore, the Venezuelan Bolivar Fuerte depreciated by 97% (impact of CHF 21.3 million when using the SIMADI of 0.005 instead of the official currency exchange rate provided by the central bank of 0.157). In addition the Chinese Yuan decreased by 5% (impact of CHF 1.9 million), the US Dollar by 5% (impact of CHF 0.8 million) and the Canadian Dollar by 11% (impact of CHF 0.5 million). The remaining impact (CHF 7.8 million) is driven by the rest of the 53 functional currencies used within the Group, of which based on the Group exchange rates used for the statement of financial position all have depreciated against the CHF during the six month ended June 30, 2015.

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 that 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. In 2014 and 2015, there were no such adjustments necessary.

Condensed operating segment information for the six months ended June 30, 2015

2015 IN THOUSAND CHF	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	ASIA PACIFIC	TOTAL SEGMENTS	ELIMINATIONS	TOTAL GROUP
External forwarding services	1,533,585	251,075	1,149,055	651,722	3,585,437		3,585,437
Customs, duties and taxes	(389,578)	(54,683)	(148,186)	(51,613)	(644,060)		(644,060)
Intra-group forwarding services	528,067	105,788	386,942	699,266	1,720,062	(1,720,062)	0
Net forwarding revenue	1,672,074	302,180	1,387,810	1,299,375	4,661,439	(1,720,062)	2,941,376
Forwarding services	(1,400,315)	(232,503)	(1,166,287)	(1,126,225)	(3,925,330)	1,720,062	(2,205,267)
Gross profit	271,759	69,677	221,523	173,150	736,109	0	736,109
Personnel expenses	(176,025)	(39,474)	(147,188)	(87,068)	(449,754)		(449,754)
Other operating expenses	(72,078)	(19,261)	(62,283)	(46,148)	(199,769)		(199,769)
EBITDA	23,656	10,942	12,052	39,935	86,585	0	86,585
Depreciation and amortization	(8,929)	(3,183)	(7,389)	(6,722)	(26,223)		(26,223)
Operating result (EBIT)	14,727	7,759	4,664	33,212	60,362	0	60,362
Financial result							3
Finance income							1,762
Finance costs							(1,759)
Profit before income tax (EBT)							60,365
Income tax expenses							(15,091)
Consolidated profit							45,274

Condensed operating segment information for the six months ended June 30, 2014

2014 IN THOUSAND CHF	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	ASIA PACIFIC	TOTAL SEGMENTS	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	1,700,449	344,237	1,218,847	660,585	3,924,118		3,924,118
Customs, duties and taxes	(431,016)	(70,011)	(149,735)	(42,873)	(693,635)		(693,635)
Intra-group forwarding services	609,423	96,329	411,939	779,320	1,897,011	(1,897,011)	0
Net forwarding revenue	1,878,856	370,555	1,481,051	1,397,032	5,127,494	(1,897,011)	3,230,483
Forwarding services	(1,572,025)	(299,267)	(1,246,271)	(1,232,014)	(4,349,577)	1,897,011	(2,452,566)
Gross profit	306,831	71,288	234,780	165,018	777,917	0	777,917
Personnel expenses	(206,923)	(39,366)	(150,481)	(82,993)	(479,763)		(479,763)
Other operating expenses	(82,996)	(24,132)	(61,513)	(40,780)	(209,421)		(209,421)
EBITDA	16,912	7,790	22,786	41,245	88,733	0	88,733
Depreciation and amortization	(10,010)	(3,300)	(8,519)	(6,810)	(28,639)		(28,639)
Operating result (EBIT)	6,902	4,490	14,267	34,435	60,094	0	60,094
Financial result							(1,399)
Finance income							1,155
Finance costs							(2,554)
Profit before income tax (EBT)							58,695
Income tax expenses							(14,674)
Consolidated profit							44,021

Condensed operating segment information for April to June 2015 is as follows:

2015 IN THOUSAND CHF	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	ASIA PACIFIC	TOTAL SEGMENTS	ELIMINATIONS	TOTAL GROUP
External forwarding services	752,452	119,408	548,713	315,353	1,735,927		1,735,927
Customs, duties and taxes	(182,633)	(24,445)	(66,689)	(24,148)	(297,915)		(297,915)
Intra-group forwarding services	260,274	54,582	188,517	339,605	842,979	(842,979)	0
Net forwarding revenue	830,093	149,546	670,541	630,811	2,280,991	(842,979)	1,438,012
Forwarding services	(695,591)	(115,067)	(561,747)	(544,259)	(1,916,664)	842,979	(1,073,685)
Gross profit	134,501	34,479	108,794	86,552	364,327	0	364,327
Personnel expenses	(84,492)	(19,203)	(73,162)	(43,127)	(219,983)		(219,983)
Other operating expenses	(34,432)	(8,778)	(29,998)	(23,344)	(96,552)		(96,552)
EBITDA	15,577	6,499	5,633	20,081	47,791	0	47,791
Depreciation and amortization	(4,184)	(1,552)	(3,605)	(3,343)	(12,685)		(12,685)
Operating result (EBIT)	11,393	4,947	2,028	16,738	35,106	0	35,106
Financial result							(900)
Finance income							(54)
Finance costs							(846)
Profit before income tax (EBT)							34,206
Income tax expenses							(8,517)
Consolidated profit							25,689

Condensed operating segment information for **April to June 2014** is as follows:

2014 IN THOUSAND CHF	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	ASIA PACIFIC	TOTAL SEGMENTS	ELIMINATIONS	TOTAL GROUP
External forwarding services	836,934	171,883	621,414	341,972	1,972,203		1,972,203
Customs, duties and taxes	(208,710)	(41,025)	(64,059)	(24,382)	(338,176)		(338,176)
Intra-group forwarding services	297,601	48,278	206,233	401,124	953,236	(953,236)	0
Net forwarding revenue	925,825	179,136	763,588	718,714	2,587,263	(953,236)	1,634,027
Forwarding services	(773,181)	(141,287)	(643,671)	(635,472)	(2,193,611)	953,236	(1,240,375)
Gross profit	152,644	37,849	119,917	83,242	393,652	0	393,652
Personnel expenses	(103,092)	(19,313)	(75,450)	(41,470)	(239,325)		(239,325)
Other operating expenses	(40,344)	(11,917)	(28,861)	(23,589)	(104,711)		(104,711)
EBITDA	9,208	6,619	15,606	18,183	49,616	0	49,616
Depreciation and amortization	(4,671)	(1,636)	(4,311)	(3,380)	(13,998)		(13,998)
Operating result (EBIT)	4,537	4,983	11,295	14,803	0	0	35,618
Financial result							(662)
Finance income							497
Finance costs							(1,159)
Profit before income tax (EBT)							34,956
Income tax expenses							(8,739)
Consolidated profit							26,217

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

Information by product for the six months ended June 30, 2015 and 2014

2015 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	1,533,932	1,710,449	341,055	3,585,437
Customs, duties and taxes	(236,499)	(379,926)	(27,635)	(644,060)
Net forwarding revenue	1,297,433	1,330,523	313,421	2,941,376
Forwarding services from third parties	(1,003,850)	(1,093,238)	(108,179)	(2,205,267)
Gross profit	293,583	237,284	205,242	736,109
Personnel expenses	(171,469)	(158,167)	(120,118)	(449,754)
Other operating expenses	(66,506)	(57,195)	(76,069)	(199,769)
EBITDA	55,608	21,922	9,055	86,585
Depreciation and amortization	(9,575)	(9,112)	(7,537)	(26,223)
Operating result (EBIT)	46,033	12,811	1,518	60,362
Financial result				3
Finance income				1,762
Finance costs				(1,759)
Profit before income tax (EBT)				60,365
Income tax expenses				(15,091)
Consolidated profit				45,274

2014 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	1,748,322	1,767,363	408,433	3,924,118
Customs, duties and taxes	(241,072)	(400,975)	(51,588)	(693,635)
Net forwarding revenue	1,507,250	1,366,388	356,845	3,230,483
Forwarding services from third parties	(1,196,487)	(1,119,790)	(136,289)	(2,452,566)
Gross profit	310,763	246,598	220,556	777,917
Personnel expenses	(179,689)	(166,123)	(133,951)	(479,763)
Other operating expenses	(63,315)	(63,238)	(82,869)	(209,421)
EBITDA	67,760	17,237	3,736	88,733
Depreciation and amortization	(10,504)	(10,077)	(8,058)	(28,639)
Operating result (EBIT)	57,256	7,160	(4,322)	60,094
Financial result				(1,399)
Finance income				1,155
Finance costs				(2,554)
Profit before income tax (EBT)				58,695
Income tax expenses				(14,674)
Consolidated profit				44,021

Information by product for April to June 2015 and 2014 is as follows:

2015 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	747,417	820,081	168,429	1,735,927
Customs, duties and taxes	(111,443)	(173,599)	(12,873)	(297,915)
Net forwarding revenue	635,974	646,482	155,556	1,438,012
Forwarding services from third parties	(490,374)	(528,288)	(55,023)	(1,073,685)
Gross profit	145,599	118,194	100,533	364,327
Personnel expenses	(85,316)	(79,316)	(55,352)	(219,983)
Other operating expenses	(29,209)	(26,093)	(41,251)	(96,553)
EBITDA	31,074	12,786	3,931	47,791
Depreciation and amortization	(4,616)	(4,447)	(3,621)	(12,685)
Operating result (EBIT)	26,458	8,339	309	35,106
Financial result				(900)
Finance income				(54)
Finance costs				(846)
Profit before income tax (EBT)				34,206
Income tax expenses				(8,517)
Consolidated profit				25,689

2014 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	883,659	896,423	192,121	1,972,203
Customs, duties and taxes	(123,405)	(197,089)	(17,682)	(338,176)
Net forwarding revenue	760,254	699,334	174,439	1,634,027
Forwarding services from third parties	(603,235)	(575,410)	(61,730)	(1,240,375)
Gross profit	157,019	123,924	112,709	393,652
Personnel expenses	(89,879)	(83,400)	(66,046)	(239,325)
Other operating expenses	(30,732)	(32,330)	(41,650)	(104,711)
EBITDA	36,409	8,194	5,013	49,616
Depreciation and amortization	(5,157)	(4,971)	(3,870)	(13,998)
Operating result (EBIT)	31,252	3,223	1,143	35,618
Financial result				(662)
Finance income				497
Finance costs				(1,159)
Profit before income tax (EBT)				34,956
Income tax expenses				(8,739)
Consolidated profit				26,217

5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Interim Period, the Group recognized additions in the amount of CHF 3.4 million (2014: CHF 5.4 million) as machinery and equipment. Furthermore additions in the amount of CHF 2.2 million (2014: CHF 2.3 million) have been recognized as buildings and buildings under construction. The Group also acquired vehicles in the amount of CHF 0.3 million (2014: CHF 1.2 million). In the prior period additions to intangible assets related to software licenses and to external and internal software development costs capitalized.

The following table shows the movements in the net book values of property, plant and equipment and intangible assets for the periods ended June 30, 2015 and 2014, respectively.

IN THOUSAND CHF	PROPERTY, PLANT AND EQUIP- MENT 2015	INTANGI- BLE AS- SETS 2015	PROPERTY, PLANT AND EQUIP- MENT 2014	INTANGI- BLE AS- SETS 2014
Net book value on January 1	104,283	122,029	118,908	118,093
Translation differences	(10,554)	(1,272)	409	534
Additions	5,851	485	8,936	18,143
Disposals (net)	(633)	(134)	(1,226)	(42)
Depreciation and amortization	(14,441)	(11,782)	(16,071)	(12,568)
Net book value on June 30	84,506	109,326	110,956	124,160

Intangible assets as of June 30, 2015 include goodwill of CHF 44.0 million (June 30, 2014: CHF 44.8 million) and software of CHF 65.3 million (June 30, 2014: CHF 79.4 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 six months periods ended June 30, 2015 and 2014, respectively. Management believes that the current key assumptions applied would not cause the carrying value of goodwill to exceed the recoverable amount. As per June 30, 2015, 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 June 30, 2015. There were no impairment charges recorded on intangible assets during the six months periods ended June 30, 2015 and 2014, 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 23,734,623 (June 30, 2014: 23,722,461).

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 2014 of CHF 2.75 gross per share. This proposal has been approved at the Annual Meeting of Shareholders on May 12, 2015 and subsequently paid on May 20, 2015.

	OUTSTANDING NUMBER OF SHARES	VALUE
	Numbers	In TCHF
Total number of shares issued as of January 1, 2015	23,750,000	2,375
Treasury shares outstanding as of January 1, 2015	(16,282)	(2,089)
Total number of shares outstanding as of January 1, 2015¹	23,733,718	
Movements in Treasury shares		
Purchased	(38,000)	(4,942)
Free shares from share plan	2,414	314
Sold under employee share plan	12,819	1,661
Sold under employee option plan	4,286	552
Bonus settled with own shares	20,542	2,662
Subtotal movement of treasury shares during the period	2,061	248
Total number of shares outstanding as of June 30, 2015¹	23,735,779	
Total number of treasury shares outstanding as of June 30, 2015	(14,221)	(1,842)

¹ i.e. shares entitled to voting rights and dividends

7 PROVISIONS AND OTHER LIABILITIES

7.1 NON-CURRENT AND CURRENT PROVISIONS

2015 (IN THOUSAND CHF)	CLAIMS	RESTRUC- TURING	OTHER PRO- VISIONS	TOTAL
Balance on January 1	38,462	10,805	34,289	83,556
Translation differences	(2,031)	(763)	(1,809)	(4,603)
Addition	4,683	2,792	6,260	13,735
Reversal of unused amounts	(5,844)	(801)	(9,136)	(15,781)
Charged in income statement	(1,161)	1,991	(2,876)	(2,046)
Utilization	(6,541)	(3,204)	(9,728)	(19,473)
Balance on June 30	28,729	8,829	19,876	57,434
thereof				
non-current	19,836	1,192	11,381	32,409
current	8,893	7,637	8,495	25,025

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. Management determined the provision based on past performance and its expectation of the funds needed for the future settlement of claims not yet reported. Restructuring provisions are recognized when the Group has a detailed formal plan that has either commenced implementation or been announced.

Claim provision as at June 30, 2015 include a portion of certain claims brought forward against the Group by customers and forwarding agents (CHF 18.9 million). Utilization of the claim provision in 2015 includes the payment to settle the agreement with the Brazilian competition authorities.

The non-current part of the provisions as of June 30, is expected to be utilized within the next two to five years.

7.2 NON-CURRENT AND CURRENT OTHER LIABILITIES

2015 IN THOUSAND CHF	EMPLOYEE BENEFITS
Balance on January 1	113,174
Balance on June 30	85,117
thereof	
non-current	31,596
current	53,521

The non-current part of employee benefits 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. The current part include vacation entitlement, personnel profit participation and related social security costs and payroll taxes.

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)

JUNE 30, 2015 (IN THOUSAND CHF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets	0	1,444	523	1,967
Financial assets at fair value through profit or loss held for trading	351	0	0	351
Derivative financial assets	0	975	0	975
Available-for-sale financial assets at cost				0
Total				3,294
Derivative financial liabilities	0	3,807	0	3,807
Total				3,807

DECEMBER 31, 2014 (IN THOUSAND CHF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets	0	1,742	0	1,742
Financial assets at fair value through profit or loss held for trading	401	0	0	401
Derivative financial assets	0	2,960	0	2,960
Available-for-sale financial assets at cost				113
Total				5,215
Derivative financial liabilities	0	7,988	0	7,988
Total				7,988

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.

The Group holds a new investment since June 2015 with a fair value of CHF 523 thousand at June 30, 2015. This investment was classified as available-for-sale level 3 as it is not traded on an active market and there are no comparative observable arm's length transactions. No gains or losses were recognized in OCI and / or consolidated income statement during the interim period.

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

In June 2015 Panalpina was informed by the Competition Commission Singapore that it will discontinue its anti-trust investigation commenced in 2012 against certain freight forwarders including Panalpina. The Singapore investigation was the last pending anti-trust investigation involving Panalpina.

The provisions as described in note 7 include amounts for certain litigations and claims that have been set up to cover legal and administrative proceedings that arise in the ordinary course of business. In management's opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as of June 30, 2015.

Otherwise the status of the proceedings disclosed under "pending legal claims" in the Annual Financial Statements (note 30.2) 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, July 22, 2015