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# 2015 Third Quarter

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# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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# CONSOLIDATED INCOME STATEMENT

for the three and nine months ended September 30, 2015 and 2014

IN THOUSAND CHF	NOTES	JULY - SEPTEMBER		JANUARY - SEPTEMBER	
		2015	2014	2015	2014
<b>Net forwarding revenue</b>	4	1,467,878	1,725,459	4,409,254	4,955,942
Forwarding services from third parties	4	(1,096,643)	(1,324,629)	(3,301,910)	(3,777,195)
<b>Gross profit</b>	4	<b>371,235</b>	<b>400,830</b>	<b>1,107,344</b>	<b>1,178,747</b>
Personnel expenses		(225,784)	(240,149)	(675,538)	(719,912)
Other operating expenses		(102,872)	(111,820)	(303,928)	(321,342)
Gains / Losses on sales of non-current assets		2,329	(62)	3,615	39
<b>EBITDA</b>		<b>44,908</b>	<b>48,799</b>	<b>131,493</b>	<b>137,532</b>
Depreciation of property, plant and equipment	5	(7,173)	(7,941)	(21,614)	(24,012)
Amortization of intangible assets	5	(5,718)	(6,511)	(17,500)	(19,079)
<b>Operating result (EBIT)</b>		<b>32,017</b>	<b>34,347</b>	<b>92,379</b>	<b>94,441</b>
Finance income		841	512	2,603	1,667
Finance costs		(875)	(1,289)	(2,634)	(3,843)
<b>Profit before income tax (EBT)</b>		<b>31,983</b>	<b>33,570</b>	<b>92,348</b>	<b>92,265</b>
Income tax expenses		(7,996)	(8,392)	(23,087)	(23,066)
<b>Consolidated profit</b>		<b>23,987</b>	<b>25,178</b>	<b>69,261</b>	<b>69,199</b>
Consolidated profit attributable to:					
Owners of the parent		23,628	24,247	68,980	68,932
Non-controlling interests		358	932	281	268
<b>Earnings per share (in CHF per share)</b>					
Basic		1.00	1.03	2.91	2.91
Diluted		1.00	1.02	2.91	2.90

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three and nine months ended September 30, 2015 and 2014

IN THOUSAND CHF	JULY - SEPTEMBER		JANUARY - SEPTEMBER	
	2015	2014	2015	2014
<b>Consolidated profit</b>	23,987	25,178	69,261	69,199
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Remeasurement of the net defined benefit asset / liability	(16,845)	(25,494)	(16,104)	(19,058)
Income taxes on this component of other comprehensive income	3,740	5,808	3,575	4,231
<b>Subtotal, net of tax</b>	<b>(13,105)</b>	<b>(19,686)</b>	<b>(12,529)</b>	<b>(14,827)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange difference on translations of foreign operations	6,938	12,851	(89,056)	6,230
<b>Subtotal, net of tax</b>	<b>6,938</b>	<b>12,851</b>	<b>(89,056)</b>	<b>6,230</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>(6,167)</b>	<b>(6,835)</b>	<b>(101,585)</b>	<b>(8,597)</b>
<b>Total comprehensive income for the period</b>	<b>17,820</b>	<b>18,343</b>	<b>(32,324)</b>	<b>60,602</b>
Attributable to owners of the parent	17,070	16,917	(32,770)	59,835
Attributable to non-controlling interests	750	1,426	446	768

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of September 30, 2015 and December 31, 2014

IN THOUSAND CHF	NOTES	SEPTEMBER 30, 2015	DECEMBER 31, 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	80,156	104,283
Intangible assets	5	104,226	122,029
Investments		27,617	28,269
Post-employment benefit assets		0	6,862
Deferred income tax assets		60,926	67,962
<b>Total non-current assets</b>		<b>272,925</b>	<b>329,405</b>
<b>Current assets</b>			
Other receivables and other current assets		106,160	101,191
Unbilled forwarding services		89,410	111,486
Trade receivables		896,257	1,012,647
Derivative financial instruments	8	1,743	2,960
Cash and cash equivalents		298,121	372,043
<b>Total current assets</b>		<b>1,391,691</b>	<b>1,600,327</b>
<b>Total assets</b>		<b>1,664,616</b>	<b>1,929,732</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	2,375	2,375
Treasury shares	6	(2,282)	(2,089)
Retained earnings and reserves		622,824	720,618
<b>Total equity attributable to owners of the parent</b>		<b>622,918</b>	<b>720,904</b>
Non-controlling interests		12,691	12,245
<b>Total equity</b>		<b>635,609</b>	<b>733,149</b>
<b>Non-current liabilities</b>			
Borrowings		122	132
Provisions	7	34,449	41,432
Other Liabilities	7	33,018	35,086
Post-employment benefit liabilities		62,619	57,069
Deferred income tax liabilities		9,112	11,074
<b>Total non-current liabilities</b>		<b>139,320</b>	<b>144,793</b>
<b>Current liabilities</b>			
Trade payables		389,957	533,693
Other payables and accruals		155,685	158,229
Accrued cost of services		242,891	205,612
Borrowings		6	520
Derivative financial instruments	8	6,213	7,988
Provisions	7	20,810	42,124
Other Liabilities	7	62,227	78,088
Current income tax liabilities		11,899	25,536
<b>Total current liabilities</b>		<b>889,688</b>	<b>1,051,790</b>
<b>Total liabilities</b>		<b>1,029,008</b>	<b>1,196,583</b>
<b>Total equity and liabilities</b>		<b>1,664,616</b>	<b>1,929,732</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months ended September 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		
<b>2015</b> IN THOUSAND CHF							
<b>Balance on January 1, 2015</b>	<b>2,375</b>	<b>(2,089)</b>	<b>(186,647)</b>	<b>907,265</b>	<b>720,904</b>	<b>12,245</b>	<b>733,149</b>
Consolidated profit				68,980	68,980	281	69,261
<b>Other comprehensive income</b>							
Exchange difference on translations of foreign operations			(89,221)		(89,221)	165	(89,056)
Remeasurement of the net defined benefit asset / liability, net of tax				(12,529)	(12,529)		(12,529)
<b>Total other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>(89,221)</b>	<b>(12,529)</b>	<b>(101,750)</b>	<b>165</b>	<b>(101,585)</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>(89,221)</b>	<b>56,451</b>	<b>(32,770)</b>	<b>446</b>	<b>(32,324)</b>
Dividends paid				(65,240)	(65,240)		(65,240)
Share-based payments employee share plan				2,235	2,235		2,235
Changes in treasury shares, net		(194)		(2,017)	(2,211)		(2,211)
<b>Balance on September 30, 2015</b>	<b>2,375</b>	<b>(2,283)</b>	<b>(275,868)</b>	<b>898,693</b>	<b>622,918</b>	<b>12,691</b>	<b>635,609</b>

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT					NON-CON-TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	TRANS-LATION RESERVE	RETAINED EARNINGS	TOTAL		
<b>2014</b> IN THOUSAND CHF							
<b>Balance on January 1, 2014</b>	<b>2,375</b>	<b>(3,339)</b>	<b>(187,798)</b>	<b>886,270</b>	<b>697,508</b>	<b>11,673</b>	<b>709,181</b>
Consolidated profit				68,932	68,932	268	69,199
<b>Other comprehensive income</b>							
Exchange difference on translations of foreign operations			5,730		5,730	500	6,230
Remeasurement of the net defined benefit asset / liability, net of tax				(14,827)	(14,827)		(14,827)
<b>Total other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>5,730</b>	<b>(14,827)</b>	<b>(9,097)</b>	<b>500</b>	<b>(8,597)</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>5,730</b>	<b>54,105</b>	<b>59,835</b>	<b>768</b>	<b>60,603</b>
Dividends paid				(52,185)	(52,185)		(52,185)
Share-based payments employee share plan				1,123	1,123		1,123
Changes in treasury shares, net		1,827		(614)	1,213		1,213
<b>Balance on September 30, 2014</b>	<b>2,375</b>	<b>(1,512)</b>	<b>(182,068)</b>	<b>888,699</b>	<b>707,495</b>	<b>12,441</b>	<b>719,936</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine months ended September 30, 2015 and 2014

## JANUARY - SEPTEMBER

IN THOUSAND CHF	NOTES	2015	2014
<b>Consolidated profit</b>		<b>69,261</b>	<b>69,199</b>
Income tax expenses		23,087	23,066
Depreciation of property, plant and equipment	5	21,614	24,012
Amortization of intangible assets	5	17,500	19,079
Interest income and dividend on available-for-sale financial assets		(1,030)	(1,657)
Exchange differences		(1,586)	(39)
Loss / (gain) on sales of property, plant and equipment	5	(3,615)	0
Share-based payment transactions		2,235	1,123
Other non-cash (income) and expenses		1,317	1,773
<b>Subtotal cash flow from operations</b>		<b>128,783</b>	<b>136,556</b>
Working capital adjustments:			
(Increase) / decrease receivables and other current assets		16,603	(34,539)
Increase / (decrease) payables and accruals incl. accrued cost of service		(31,122)	50,500
(Decrease) / increase non-current provisions and other liabilities		(4,041)	3,546
(Decrease) / increase current provisions and other liabilities		(25,973)	(45,368)
<b>Cash generated from operations</b>		<b>84,250</b>	<b>110,695</b>
Interest paid		(371)	(981)
Income taxes paid		(27,440)	(16,909)
<b>Net cash from / (used in) operating activities</b>		<b>56,438</b>	<b>92,805</b>
Interests received		711	1,659
Dividends received		113	139
Proceeds from sales of property, plant and equipment and intangible assets	5	7,750	2,347
Proceeds from investments		412	1,508
Proceeds from sale of other financial assets		491	(1,021)
Repayments of loans and long-term receivables		3,476	(2,018)
Purchase of property, plant and equipment	5	(11,355)	(14,586)
Purchase of intangible assets	5	(635)	(21,733)
Acquisition of subsidiaries, net of cash		(1,618)	0
Increase of other financial assets		(5,546)	(3,210)
Increase of long-term loans and long-term receivables		(1,120)	(1,368)
<b>Net cash used in investing activities</b>		<b>(7,321)</b>	<b>(38,283)</b>
<b>Free cash flow</b>		<b>49,117</b>	<b>54,522</b>
Proceeds of short- and long-term borrowings		0	2,053
Repayment of short- and long-term borrowings		(454)	(4,433)
Dividends paid		(65,240)	(52,185)
Purchase of treasury shares	6	(5,455)	(2,172)
Sale of treasury shares	6	1,670	3,385
<b>Net cash used in financing activities</b>		<b>(69,479)</b>	<b>(53,352)</b>
Effect of exchange rate changes on cash and cash equivalents <sup>1</sup>		(53,560)	2,841
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(73,922)</b>	<b>4,011</b>
Cash and cash equivalents at the beginning of the period		372,043	336,923
<b>Cash and cash equivalents at the end of the period</b>		<b>298,121</b>	<b>340,934</b>

<sup>1</sup> 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 nine-months period ended September 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 October 19, 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 loss on the net defined benefit obligation of CHF 16.1 million was recognised in other comprehensive income for the first nine months of 2015. It is mainly attributable to changes in discount rates (loss of CHF 5.8 million) and to remeasurement losses on plan assets (loss of CHF 10.4 million).

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 15 – Revenue from Contracts with Customers (effective date January 1, 2018)
- 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 <sup>1</sup>		Income statement and cash flow statement <sup>2</sup>		Variance %			
	SEPTEMBER 2015	DECEMBER 2014	SEPTEMBER 2015	SEPTEMBER 2014	STATEMENT OF FINANCIAL POSITION <sup>1</sup>	INCOME STATEMENT AND CASH FLOW STATEMENT <sup>2</sup>		
BRL	0.239	0.372	BRL	0.305	0.393	BRL	(36%)	(22%)
CAD	0.727	0.850	CAD	0.758	0.822	CAD	(14%)	(8%)
CNY	0.153	0.159	CNY	0.152	0.146	CNY	(4%)	5%
EUR	1.091	1.203	EUR	1.062	1.218	EUR	(9%)	(13%)
USD	0.974	0.988	USD	0.952	0.899	USD	(1%)	6%
VEF	0.005	0.157	VEF	0.009	0.143	VEF	(97%)	(94%)

<sup>1</sup> Period end rate

<sup>2</sup> Period end average rate (i.e. year to date rate)

The negative effect of exchange rate changes on cash and cash equivalent in the amount of CHF 53.6 million impacting the consolidated statement of cash flows is mainly driven by Euro (CHF 19.5 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 21.7 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 Brazilian Real decreased by 36% (impact of CHF 2.6 million), the Chinese Yuan by 4% (impact of CHF 1.7 million) and the Canadian Dollar by 14% (impact of CHF 0.4 million). The remaining impact (CHF 7.7 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) 51 have depreciated against the CHF during the nine months ended September 30, 2015.

## 3 CHANGE IN SCOPE OF CONSOLIDATION

During the Interim Period under review, Panalpina acquired 100% of the shares of Al Afifi Logistics International LLC. The acquisition was settled for a cash consideration of CHF 1.7 million. There was no other business combination and no 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 nine months ended September 30, 2015

2015 IN THOUSAND CHF	ASIA PACIFIC	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	TOTAL SEGMENTS	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	971,409	2,327,043	366,952	1,698,441	5,363,845		5,363,845
Customs, duties and taxes	(76,914)	(583,404)	(74,145)	(220,127)	(954,591)		(954,591)
Intra-group forwarding services	1,049,410	801,190	157,326	567,471	2,575,396	(2,575,396)	0
<b>Net forwarding revenue</b>	<b>1,943,904</b>	<b>2,544,829</b>	<b>450,132</b>	<b>2,045,785</b>	<b>6,984,650</b>	<b>(2,575,396)</b>	<b>4,409,254</b>
Forwarding services	(1,683,425)	(2,134,703)	(346,990)	(1,712,188)	(5,877,306)	2,575,396	(3,301,910)
<b>Gross profit</b>	<b>260,479</b>	<b>410,126</b>	<b>103,142</b>	<b>333,597</b>	<b>1,107,344</b>	<b>0</b>	<b>1,107,344</b>
Personnel expenses	(128,462)	(268,790)	(58,314)	(219,972)	(675,538)		(675,538)
Other operating expenses	(71,350)	(109,221)	(29,852)	(89,890)	(300,313)		(300,313)
<b>EBITDA</b>	<b>60,668</b>	<b>32,115</b>	<b>14,976</b>	<b>23,734</b>	<b>131,493</b>	<b>0</b>	<b>131,493</b>
Depreciation and amortization	(10,008)	(13,374)	(4,846)	(10,886)	(39,114)		(39,114)
<b>Operating result (EBIT)</b>	<b>50,660</b>	<b>18,741</b>	<b>10,130</b>	<b>12,848</b>	<b>92,379</b>	<b>0</b>	<b>92,379</b>
Financial result							(31)
Finance income							2,603
Finance costs							(2,634)
<b>Profit before income tax (EBT)</b>							<b>92,348</b>
Income tax expenses							(23,087)
<b>Consolidated profit</b>							<b>69,261</b>

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

2014 IN THOUSAND CHF	ASIA PACIFIC	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	TOTAL SEGMENTS	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	1,028,453	2,594,104	508,920	1,886,132	6,017,610		6,017,610
Customs, duties and taxes	(66,363)	(656,346)	(104,909)	(234,051)	(1,061,668)		(1,061,668)
Intra-group forwarding services	1,209,835	906,540	149,663	620,384	2,886,423	(2,886,423)	0
<b>Net forwarding revenue</b>	<b>2,171,926</b>	<b>2,844,298</b>	<b>553,675</b>	<b>2,272,466</b>	<b>7,842,365</b>	<b>(2,886,423)</b>	<b>4,955,942</b>
Forwarding services	(1,921,332)	(2,384,001)	(445,392)	(1,912,893)	(6,663,618)	2,886,423	(3,777,195)
<b>Gross profit</b>	<b>250,594</b>	<b>460,297</b>	<b>108,283</b>	<b>359,573</b>	<b>1,178,747</b>	<b>0</b>	<b>1,178,747</b>
Personnel expenses	(126,375)	(308,817)	(59,044)	(225,676)	(719,912)		(719,912)
Other operating expenses	(62,578)	(127,073)	(36,151)	(95,500)	(321,303)		(321,303)
<b>EBITDA</b>	<b>61,641</b>	<b>24,407</b>	<b>13,089</b>	<b>38,396</b>	<b>137,532</b>	<b>0</b>	<b>137,532</b>
Depreciation and amortization	(10,589)	(14,819)	(4,922)	(12,761)	(43,091)		(43,091)
<b>Operating result (EBIT)</b>	<b>51,052</b>	<b>9,588</b>	<b>8,167</b>	<b>25,634</b>	<b>94,441</b>	<b>0</b>	<b>94,441</b>
Financial result							(2,176)
Finance income							1,667
Finance costs							(3,843)
<b>Profit before income tax (EBT)</b>							<b>92,265</b>
Income tax expenses							(23,066)
<b>Consolidated profit</b>							<b>69,199</b>

Condensed operating segment information for July to September 2015 is as follows:

2015 IN THOUSAND CHF	ASIA PACIFIC	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	TOTAL SEGMENTS	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	319,688	793,457	115,877	549,386	1,778,408		1,778,408
Customs, duties and taxes	(25,302)	(193,826)	(19,462)	(71,941)	(310,530)		(310,530)
Intra-group forwarding services	350,144	273,124	51,538	180,529	855,334	(855,334)	0
<b>Net forwarding revenue</b>	<b>644,530</b>	<b>872,755</b>	<b>147,952</b>	<b>657,975</b>	<b>2,323,212</b>	<b>(855,334)</b>	<b>1,467,878</b>
Forwarding services	(557,201)	(734,388)	(114,487)	(545,902)	(1,951,977)	855,334	(1,096,643)
<b>Gross profit</b>	<b>87,329</b>	<b>138,367</b>	<b>33,465</b>	<b>112,073</b>	<b>371,235</b>	<b>0</b>	<b>371,235</b>
Personnel expenses	(41,394)	(92,765)	(18,840)	(72,784)	(225,784)		(225,784)
Other operating expenses	(25,202)	(37,143)	(10,591)	(27,607)	(100,543)		(100,543)
<b>EBITDA</b>	<b>20,733</b>	<b>8,459</b>	<b>4,034</b>	<b>11,682</b>	<b>44,908</b>	<b>0</b>	<b>44,908</b>
Depreciation and amortization	(3,286)	(4,445)	(1,663)	(3,497)	(12,891)		(12,891)
<b>Operating result (EBIT)</b>	<b>17,448</b>	<b>4,014</b>	<b>2,371</b>	<b>8,185</b>	<b>32,017</b>	<b>0</b>	<b>32,017</b>
Financial result							(34)
Finance income							841
Finance costs							(875)
<b>Profit before income tax (EBT)</b>							<b>31,983</b>
Income tax expenses							(7,996)
<b>Consolidated profit</b>							<b>23,987</b>

Condensed operating segment information for **July to September 2014** is as follows:

<b>2014</b> IN THOUSAND CHF	<b>ASIA PACIFIC</b>	<b>EUROPE</b>	<b>MIDDLE EAST, AFRICA, CIS</b>	<b>AMERICAS</b>	<b>TOTAL SEGMENTS</b>	<b>ELIMI- NATIONS</b>	<b>TOTAL GROUP</b>
External forwarding services	367,868	893,655	164,683	667,285	2,093,492		2,093,492
Customs, duties and taxes	(23,490)	(225,330)	(34,898)	(84,316)	(368,033)		(368,033)
Intra-group forwarding services	430,515	297,117	53,334	208,445	989,412	(989,412)	0
<b>Net forwarding revenue</b>	<b>774,894</b>	<b>965,442</b>	<b>183,120</b>	<b>791,415</b>	<b>2,714,871</b>	<b>(989,412)</b>	<b>1,725,459</b>
Forwarding services	(689,318)	(811,976)	(146,125)	(666,622)	(2,314,041)	989,412	(1,324,629)
<b>Gross profit</b>	<b>85,576</b>	<b>153,466</b>	<b>36,995</b>	<b>124,793</b>	<b>400,830</b>	<b>0</b>	<b>400,830</b>
Personnel expenses	(43,382)	(101,894)	(19,678)	(75,195)	(240,149)		(240,149)
Other operating expenses	(21,798)	(44,077)	(12,019)	(33,987)	(111,882)		(111,882)
<b>EBITDA</b>	<b>20,396</b>	<b>7,495</b>	<b>5,299</b>	<b>15,610</b>	<b>48,799</b>	<b>0</b>	<b>48,799</b>
Depreciation and amortization	(3,779)	(4,809)	(1,622)	(4,242)	(14,452)		(14,452)
<b>Operating result (EBIT)</b>	<b>16,617</b>	<b>2,686</b>	<b>3,677</b>	<b>11,367</b>	<b>34,347</b>	<b>0</b>	<b>34,347</b>
Financial result							(777)
Finance income							512
Finance costs							(1,289)
<b>Profit before income tax (EBT)</b>							<b>33,570</b>
Income tax expenses							(8,392)
<b>Consolidated profit</b>							<b>25,178</b>

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, 2015 and 2014**

2015 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	2,303,836	2,550,192	509,816	5,363,844
Customs, duties and taxes	(353,826)	(559,271)	(41,493)	(954,591)
<b>Net forwarding revenue</b>	<b>1,950,010</b>	<b>1,990,921</b>	<b>468,323</b>	<b>4,409,254</b>
Forwarding services from third parties	(1,510,356)	(1,628,730)	(162,824)	(3,301,910)
<b>Gross profit</b>	<b>439,655</b>	<b>362,191</b>	<b>305,499</b>	<b>1,107,344</b>
Personnel expenses	(257,578)	(237,894)	(180,066)	(675,538)
Other operating expenses	(100,101)	(87,740)	(112,471)	(300,313)
<b>EBITDA</b>	<b>81,975</b>	<b>36,557</b>	<b>12,961</b>	<b>131,493</b>
Depreciation and amortization	(14,425)	(13,775)	(10,914)	(39,114)
<b>Operating result (EBIT)</b>	<b>67,550</b>	<b>22,782</b>	<b>2,047</b>	<b>92,379</b>
Financial result				(31)
Finance income				2,603
Finance costs				(2,634)
<b>Profit before income tax (EBT)</b>				<b>92,348</b>
Income tax expenses				(23,087)
<b>Consolidated profit</b>				<b>69,261</b>
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)
<b>Net forwarding revenue</b>	<b>2,301,171</b>	<b>2,108,991</b>	<b>545,780</b>	<b>4,955,942</b>
Forwarding services from third parties	(1,832,138)	(1,738,618)	(206,440)	(3,777,195)
<b>Gross profit</b>	<b>469,033</b>	<b>370,373</b>	<b>339,340</b>	<b>1,178,747</b>
Personnel expenses	(270,146)	(247,710)	(202,056)	(719,912)
Other operating expenses	(97,741)	(91,618)	(131,943)	(321,303)
<b>EBITDA</b>	<b>101,146</b>	<b>31,045</b>	<b>5,341</b>	<b>137,532</b>
Depreciation and amortization	(15,844)	(15,016)	(12,231)	(43,091)
<b>Operating result (EBIT)</b>	<b>85,302</b>	<b>16,029</b>	<b>(6,890)</b>	<b>94,441</b>
Financial result				(2,176)
Finance income				1,667
Finance costs				(3,843)
<b>Profit before income tax (EBT)</b>				<b>92,265</b>
Income tax expenses				(23,066)
<b>Consolidated profit</b>				<b>69,199</b>

Information by product for July to September 2015 and 2014 is as follows:

<b>2015</b> IN THOUSAND CHF	<b>AIR FREIGHT</b>	<b>OCEAN FREIGHT</b>	<b>LOGISTICS</b>	<b>TOTAL GROUP</b>
External forwarding services	769,904	839,743	168,761	1,778,408
Customs, duties and taxes	(117,327)	(179,345)	(13,859)	(310,530)
<b>Net forwarding revenue</b>	<b>652,577</b>	<b>660,398</b>	<b>154,902</b>	<b>1,467,878</b>
Forwarding services from third parties	(506,505)	(535,491)	(54,646)	(1,096,643)
<b>Gross profit</b>	<b>146,072</b>	<b>124,907</b>	<b>100,257</b>	<b>371,235</b>
Personnel expenses	(86,109)	(79,727)	(59,948)	(225,784)
Other operating expenses	(33,596)	(30,546)	(36,402)	(100,543)
<b>EBITDA</b>	<b>26,367</b>	<b>14,634</b>	<b>3,906</b>	<b>44,908</b>
Depreciation and amortization	(4,850)	(4,663)	(3,377)	(12,891)
<b>Operating result (EBIT)</b>	<b>21,517</b>	<b>9,971</b>	<b>529</b>	<b>32,017</b>
Financial result				(34)
Finance income				841
Finance costs				(875)
<b>Profit before income tax (EBT)</b>				<b>31,983</b>
Income tax expenses				(7,996)
<b>Consolidated profit</b>				<b>23,987</b>

<b>2014</b> IN THOUSAND CHF	<b>AIR FREIGHT</b>	<b>OCEAN FREIGHT</b>	<b>LOGISTICS</b>	<b>TOTAL GROUP</b>
External forwarding services	930,007	958,632	204,853	2,093,492
Customs, duties and taxes	(136,086)	(216,029)	(15,918)	(368,033)
<b>Net forwarding revenue</b>	<b>793,921</b>	<b>742,603</b>	<b>188,935</b>	<b>1,725,459</b>
Forwarding services from third parties	(635,651)	(618,828)	(70,151)	(1,324,629)
<b>Gross profit</b>	<b>158,270</b>	<b>123,775</b>	<b>118,784</b>	<b>400,830</b>
Personnel expenses	(90,457)	(81,587)	(68,105)	(240,149)
Other operating expenses	(34,427)	(28,381)	(49,074)	(111,882)
<b>EBITDA</b>	<b>33,386</b>	<b>13,808</b>	<b>1,605</b>	<b>48,799</b>
Depreciation and amortization	(5,340)	(4,939)	(4,173)	(14,452)
<b>Operating result (EBIT)</b>	<b>28,047</b>	<b>8,869</b>	<b>(2,569)</b>	<b>34,347</b>
Financial result				(777)
Finance income				512
Finance costs				(1,289)
<b>Profit before income tax (EBT)</b>				<b>33,570</b>
Income tax expenses				(8,392)
<b>Consolidated profit</b>				<b>25,178</b>



## 5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Interim Period, the Group recognized additions in the amount of CHF 5.9 million (2014: CHF 8.8 million) as machinery and equipment. Furthermore additions in the amount of CHF 5.8 million (2014: CHF 4.9 million) have been recognized as buildings and buildings under construction. The Group also acquired vehicles in the amount of CHF 0.4 million (2014: CHF 1.3 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 September 30, 2015 and 2014, respectively.

IN THOUSAND CHF	<b>PROPERTY, PLANT AND EQUIP- MENT 2015</b>	<b>INTANGI- BLE AS- SETS 2015</b>	<b>PROPERTY, PLANT AND EQUIP- MENT 2014</b>	<b>INTANGI- BLE AS- SETS 2014</b>
<b>Net book value on January 1</b>	<b>104,283</b>	<b>122,028</b>	<b>118,908</b>	<b>118,093</b>
Translation differences	(10,507)	(1,463)	1,729	773
Acquisitions	1,146	686	0	0
Additions	12,024	615	14,924	21,699
Disposals (net)	(5,175)	(140)	(2,292)	(17)
Depreciation and amortization	(21,614)	(17,500)	(24,012)	(19,079)
<b>Net book value on September 30</b>	<b>80,156</b>	<b>104,226</b>	<b>109,256</b>	<b>121,469</b>

Intangible assets as of September 30, 2015 include goodwill of CHF 43.8 million (September 30, 2014: CHF 45.0 million), brands and customer lists of 0.7 million (September 30, 2014 0.0 million) and software of CHF 59.7 million (September 30, 2014: CHF 76.4 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 nine months periods ended September 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 September 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 September 30, 2015. There were no impairment charges recorded on intangible assets during the nine months periods ended September 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 23,733,762 (September 30, 2014: 23,726,341).

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
<b>Total number of shares issued as of January 1, 2015</b>	<b>23,750,000</b>	<b>2,375</b>
Treasury shares outstanding as of January 1, 2015	(16,282)	(2,089)
<b>Total number of shares outstanding as of January 1, 2015 <sup>1</sup></b>	<b>23,733,718</b>	
<b>Movements in Treasury shares</b>		
Purchased	(42,425)	(5,455)
Free shares from share plan	2,982	386
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
<b>Subtotal movement of treasury shares during the period</b>	<b>(1,796)</b>	<b>(194)</b>
<b>Total number of shares outstanding as of September 30, 2015 <sup>1</sup></b>	<b>23,731,922</b>	
Total number of treasury shares outstanding as of September 30, 2015	(18,078)	(2,282)

<sup>1</sup> 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
<b>Balance on January 1</b>	<b>38,462</b>	<b>10,805</b>	<b>34,289</b>	<b>83,556</b>
Translation differences	(2,580)	(1,046)	(1,949)	(5,574)
Addition	12,789	1,917	8,858	23,564
Reversal of unused amounts	(8,810)	(1,611)	(8,859)	(19,280)
<b>Charged in income statement</b>	<b>3,979</b>	<b>306</b>	<b>(1)</b>	<b>4,285</b>
Utilization	(12,459)	(5,091)	(9,457)	(27,007)
<b>Balance on September 30</b>	<b>27,403</b>	<b>4,974</b>	<b>22,882</b>	<b>55,259</b>
thereof				
non-current	20,728	0	13,721	34,449
current	6,675	4,974	9,161	20,810

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 of September 30, 2015 include a portion of certain claims brought forward against the Group by customers and forwarding agents (CHF 24.9 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 September 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
<b>Balance on January 1</b>	<b>113,174</b>
<b>Balance on September 30</b>	<b>95,245</b>
thereof	
non-current	33,018
current	62,227

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 USA, Switzerland, Austria, Germany, United Arab Emirates and Mexico. 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)

<b>SEPTEMBER 30, 2015</b> (IN THOUSAND CHF)	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>	<b>TOTAL</b>
Available-for-sale financial assets	0	1,254	545	1,799
Financial assets at fair value through profit or loss held for trading	406	0	0	406
Derivative financial assets	0	1,743	0	1,743
Available-for-sale financial assets at cost				0
<b>Total</b>				<b>3,948</b>
Derivative financial liabilities	0	6,213	0	6,213
<b>Total</b>				<b>6,213</b>

  

<b>DECEMBER 31, 2014</b> (IN THOUSAND CHF)	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>	<b>TOTAL</b>
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
<b>Total</b>				<b>5,215</b>
Derivative financial liabilities	0	7,988	0	7,988
<b>Total</b>				<b>7,988</b>

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 (acquisition value of TCHF 523) since June 2015 with a fair value of CHF 545 thousand at September 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. The gain (TCHF 22) was recognized in 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 September 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, October 19, 2015

