



PRESS INFO

Financial Statements 2011

Kuehne + Nagel maintains growth momentum in a challenging market environment

- **Strong volume growth in all business units**
- **Net earnings in local currencies up 12.2 per cent compared to the previous year**
- **Dividend increase to CHF 3.85**

Schindellegi / CH, March 5, 2012 – In 2011, the globally operating Kuehne + Nagel Group maintained its growth momentum in a challenging market environment and achieved remarkable results. Net earnings were slightly above the previous year and reached with CHF 606 million a new record high (currency adjusted: increase of 12.2 per cent). Due to the strong Swiss Franc, turnover decreased by 3.3 per cent to CHF 19,596 million (currency adjusted: increase of 9.3 per cent). The operational result (EBITDA) at CHF 978 million was 2.6 per cent below the previous year’s level (currency adjusted: increase of 9.6 per cent).

For the 2011 business year, the Board of Directors will propose a dividend increase to CHF 3.85 per share.

Kuehne + Nagel Group	2011	2010
<i>CHF million</i>		
Turnover	19,596	20,261
Gross profit	5,898	5,958
Operational result (EBITDA)	978	1,004
EBIT	750	765
Net earnings	606	605
Kuehne + Nagel International AG		
Dividend per share in CHF	3.85*	2.75

* Proposal to the Annual General Meeting.

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Karl Gernandt, Chairman of Kuehne + Nagel International AG:

“Considering the market and currency turbulences, the diverging economic developments and the devastating natural disasters, which influenced the business environment in 2011, we achieved very satisfactory annual results. The substantial volume increases and the future-oriented extension of our service portfolio in regions with large market potential mark an important milestone within our strategic growth programme and strengthened our global competitive position. Apart from investments in complementary acquisitions and selected growth areas, we maintained a high level of internal efficiency, as measured by the ratio between gross profit and EBIT. This underlines Kuehne + Nagel’s capabilities.

The implementation of our global strategy in combination with a clear focus on profitability will again contribute to a positive development of the Group in 2012.”

Logistics industry

While transport and logistics volumes developed very positively in the first half of 2011, growth steadily slowed during the second half. Cautious consumer and investment behaviour in the U.S.A. and in large parts of Europe, the interruption of supply chains following the disasters in Japan and the significant rise in commodity prices affected the logistics business. The only exceptions were individual regional and industry-specific markets, which showed a constant growth in volume throughout the year. These benefited regional and industry-focused logistics providers like Kuehne + Nagel.

Development of the business units

Seafreight

In 2011, Kuehne + Nagel handled more than 3 million TEU for the first time. With a volume increase of 11 per cent, the company grew twice as fast as the international container market. Kuehne + Nagel achieved double-digit growth rates, particularly in the Asian and non-European trades. In the transpacific lanes, Kuehne + Nagel expanded its volume by more than 15 per cent despite market contraction. The impressive growth

of transport volume is largely a result of the Group's sophisticated product portfolio, innovative and integrated IT-solutions and increased activities in the LCL (Less-than-Container-Load) segment. In addition, the successful expansion of the reefer container business, supported by the acquisition of the majority share of the leading operator in New Zealand, is to be mentioned. With volume growth and high productivity Kuehne + Nagel was able to compensate for pressure on margins and investments in the further development of IT systems. Thus, the operational result remained stable at the previous year's level; the EBITDA to gross profit margin was at 34.9 per cent (36.0 per cent in 2010).

Airfreight

In airfreight, tonnage increase of 13 per cent exceeded expectations, particularly in view of the market's cargo volumes, which were 0.7 per cent below the previous year's figure. Kuehne + Nagel's outstanding performance was due to the targeted expansion – accelerated by acquisitions – in the perishables logistics segment, and the intensified sales of industry-specific airfreight solutions. As a result, volume increased in almost all trade relations. Particularly high growth rates were achieved in the export business from North America and on the routes from Europe to North America and Asia. The operational result increased by 7.7 per cent, EBITDA to gross profit margin improved from 31.2 per cent in the previous year to an impressive 31.7 per cent.

Road & Rail Logistics

The consistent expansion of activities in the segments groupage, full and part loads and industry-specific distribution led to a 18.8 per cent increase of net invoiced turnover in local currencies. Groupage activities were boosted by the acquisition of British RH Freight Group in 2011, resulting in an above-market volume growth of 10 per cent. The takeover of the German Drude Logistik, Bad Hersfeld, was of high strategic importance. Its highly capable hub operation will ensure productivity improvements in the European groupage network. Investments, made as forecasted, in the further density of the European overland network and in the development

of overland activities in growth regions affected the operational result of this business unit, which was 2.3 per cent lower than in the previous year. EBITDA margin was at 1.4 per cent (2010: 1.5 per cent).

Contract Logistics

In contract logistics, 2011 was characterised by strongly divergent regional developments. While Germany and the Netherlands achieved excellent results, the business in some Southern and Western European countries was negatively affected by the softening consumer demand. This applies particularly to France, where the difficult development of results called for extensive restructuring measures. These will continue to have some impact in the current fiscal year. Good progress was made in the expansion of contract logistics activities in Asia and South America. In North America, Kuehne + Nagel achieved a significantly improved result through restructuring measures, the closure of unprofitable sites and newly gained business. On a currency-neutral basis, net turnover rose by 7.8 per cent. The operational result was impacted by one-off costs in connection with the restructuring measures taken in North America and in France and decreased by 14.4 per cent compared to the previous year. EBITDA margin was at 3.9 per cent (2010: 4.4 per cent).

Turnover

In 2011, the Kuehne + Nagel Group achieved an invoiced turnover of CHF 19,596 million, compared to CHF 20,261 million in 2010. With CHF 2,552 million, currency effects impacted turnover significantly stronger than in previous years. Acquisitions positively contributed with CHF 459 million.

While North, Central and South America recorded an increase of 0.8 per cent, turnover declined in Europe by 4.5 per cent, in Asia-Pacific by 4.1 per cent and in Middle East, Central Asia and Africa by 2.6 per cent.

Gross profit

In the logistics industry gross profit is a better performance indicator than turnover. Despite negative currency effects of 12.8 per cent, gross profit only decreased by 1.0 per cent compared to the previous year.

Acquisitions positively influenced gross profit with CHF 111 million.

The Asia-Pacific region recorded a gross profit increase of 8.5 per cent, and Middle East, Central Asia and Africa of 3.5 per cent. In the Americas gross profit improved by 2.2 per cent whilst in Europe negative currency effects of 11.9 per cent resulted in a gross profit decrease of 2.9 per cent.

Operational result (EBITDA)

Earnings before interest, tax, depreciation and amortisation of goodwill and other intangible assets (EBITDA) was CHF 26 million (2.5 per cent) lower than in the previous year, also due to a negative currency impact of CHF 122 million. Acquisitions had a positive effect of CHF 14 million.

With CHF 564 million (57.6 per cent) the biggest contribution to the operational result came from Europe, followed by the Asia-Pacific region with CHF 227 million (23,2 per cent), the Americas with CHF 149 million (15.2 per cent) and Middle East, Central Asia and Africa with CHF 38 million (4.0 per cent).

Dividend

In view of the solid development of business and the sustainable high cash flow of the Kuehne + Nagel Group, the Board of Directors will propose to the Annual General Meeting of May 8, 2012, to distribute a dividend increased by 40.0 per cent to CHF 3.85 per share (previous year: CHF 2.75) and therefore lift the payout ratio from 55 to 77 per cent.

Outlook 2012

Uncertainties still persist with regards to the economic development in 2012. Particularly in the first half of the year, global economy and trade are expected to perform less dynamically.

“The annual results 2011 confirm the success of the Kuehne + Nagel Group’s strategy,” said Reinhard Lange, CEO of Kuehne + Nagel International AG. “The investments made in the year 2011 are geared to achieve sustainable and profitable growth and a further successful development of earnings. We are well positioned around the globe and therefore confident to reach our targets in the current business year again: Profitable growth above-market average in all business units. We are facing up to the uncertain economic development by consistent cost management, process optimisation and increased productivity.

About Kuehne + Nagel

With over 63,000 employees at more than 1000 locations in over 100 countries, the Kuehne + Nagel Group is one of the world’s leading logistics companies. Its strong market position lies in the seafreight, airfreight, contract logistics and overland businesses, with a clear focus on providing IT-based lead logistics solutions.

Further information can be found at www.kuehne-nagel.com

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