



PRESS INFO

Kuehne + Nagel Group – Half-Year Results 2012

Back on track after a weak start into the business year

Schindellegi / CH, July 16, 2012 – In a difficult economic environment the Kuehne + Nagel Group achieved volume growth above market average. Turnover increased by 2.8 per cent to CHF 10,062 million. Gross profit improved by 2.6 per cent to CHF 3,032 million. The operational result (EBITDA) declined by 9.6 per cent to CHF 454 million. Cost control measures showed already a positive effect in the second quarter 2012 results. Net earnings excluding the one-off item for the antitrust fine in the first quarter were at CHF 279 million (11.1 per cent below the previous year’s period), including the one-off item the result was at CHF 214 million.

Kuehne + Nagel Group	First half-year	
	2012	2011
<i>CHF million</i>		
Turnover	10,062	9,786
Gross profit	3,032	2,954
Operational result (EBITDA)	454	502
EBITDA including one-off item	389	
EBT	353	398
EBT including one-off item	288	
Net earnings	279	314
Net earnings including one-off item	214	

Corporate Communications

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"In the first half of 2012, muted consumption in all parts of the world and increased market volatility influenced the global logistics business," said Reinhard Lange, CEO of Kuehne + Nagel International AG. "Softened demand affected in particular the trades from Asia to Europe and North America and slowed down volume development in seafreight and airfreight. Nevertheless, we achieved above market volume growth in both segments.

Our industry-specific logistics solutions positively contributed to this development.”

Seafreight

With volumes increased by 8 per cent, Kuehne + Nagel more than doubled global seafreight market growth of approximately 3.5 per cent. Especially in the export business from Asia to the Middle East, South America and Africa, Kuehne + Nagel grew its volumes, and – against the market trend – achieved also increases in the transpacific trade lanes. In the Asia-Europe trades, however, Kuehne + Nagel was also affected by the weak market demand, and volumes stagnated. Several rate increases by shipping lines in short intervals led to margin pressure. EBIT-to-gross profit margin improved to 30.4 per cent in the second quarter of 2012 (first quarter 2012: 28.3 per cent), but remained below the figure of the previous year’s period. The operational result declined by 10.9 per cent.

Airfreight

The general situation of the global airfreight business continued to decline in the second quarter of 2012. Compared with the previous year’s period the market volumes dropped by 4 per cent. Kuehne + Nagel continued to focus on the expansion of its activities in special segments – most notably perishables logistics – and to provide industry-specific airfreight solutions resulting in a tonnage increase of about 1 per cent compared to the previous year’s period. EBIT-to-gross profit margin improved to 27.0 per cent in the second quarter 2012 (first quarter 2012: 23.5 per cent), but remained below the previous year’s figure. The operational result declined by 10.9 per cent.

Road & Rail Logistics

The overland business performed well in the first half of the year. Despite difficult market conditions, activities in the fields of groupage, full and part loads were successfully expanded. Currency adjusted, net turnover increased by 9.8 per cent. Particularly in the large economies Germany, France and Great Britain, the business development was satisfactory. EBITDA margin was at 1.9 per cent (previous year: 1.8 per cent). The operational result improved by 7.4 per cent compared to the same period

of 2011. The implementation of a Euro hub in Bad Hersfeld / Hauneck, Germany, in June 2012 will be the basis for further efficiency improvements.

Contract Logistics

In contract logistics net invoiced turnover adjusted for currency effects increased by 6.9 per cent due to solid demand in North Europe, Asia and South America. In North America strict cost management resulted in profitability improvements, while margin pressure, start-up costs and the closure of unprofitable locations in France and other countries in Southern Europe negatively impacted the result of the business unit in the first half of 2012. The operational result is unsatisfactory and decreased by 15.3 per cent. EBITDA margin was at 3.3 per cent (previous year: 4.1 per cent). A clear focus has been set on profitability improvement and selected growth.

Outlook

Karl Gernandt, Chairman of Kuehne + Nagel International AG: "In the last months, the global economic momentum softened much more than predicted and has also impacted the logistics sector. In this challenging environment the focus has been set on achieving profitable growth through quality leadership. The Kuehne + Nagel Group demonstrated its strengths in the current market conditions, especially in the second quarter; in the meantime the implemented cost reduction program had a positive effect and the Group is getting back on track to achieve the profitability and productivity goals set for the full year 2012."

About Kuehne + Nagel

With approximately 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 integrated logistics solutions.

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

Further information

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