

30 July 2008

Half year results presentation

2008 Half Year Review



**A PASSION FOR
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Freight
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Supply Chain
Management

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Competencies

Executive summary for H1 2008

Group performance (CHFm)

Net forwarding rev.	Gross profit	EBITDA	Net earnings
4'347.4 (+7.8%)	855.7 (-3.9%)	131.6 (-24.6%)	76.7 (-29.2%)

Comment

H1 includes the Nigeria impact. Negative FX effects drew down GP by 5.8%. Normalized EBITDA in H1 was down 15.6%.

Business units

<i>Growth (YoY) in %</i>	Air	Ocean	SCM
Volumes	+6.1%	+9.4%	
Gross profit	-8.8%	+6.3%	-6.7%

Comment

Air GP affected by FX, Nigeria, oil prices, and margin pressure from some customers. Ocean GP was affected by neg. FX effects. SCM reflects reduced service portfolio in Nigeria and negative FX effects.

Regional performance

LATAM recorded high volumes in the first semester and profited from good SCM contracts and a new business win in the healthcare industry. In APAC a certain shift from air to ocean was registered; performance was largely driven by strong business in China. EMEA had to absorb most of the effects of the reduced service portfolio in Nigeria and suffered from fuel surcharge increases. NORAM was exposed to the USD depreciation and the weak US economy.

Verticals performance

Telecom continues to enjoy very healthy volumes. Although the O&G vertical is affected by the ongoing investigation, perspectives remain positive, supported by high oil prices. Good performance and new business wins in Healthcare.

YTD 2008 performance vs. guidance

Market trends (short-term)

- Weaker economies, high oil prices and inflation could hamper consumer spending, which impacts trade growth
- Air freight market slowed down in recent months, quick recovery unlikely given the high kerosene prices.
- Ocean freight market has slowed down vs. previous semester, especially on the Asia-Europe trade lane.
- Air freight rates may have a tendency to increase as capacity is being taken out of the market.
- Ocean freight rates continued to drop in Q2 and a further capacity overhang can be expected.

Guidance vs. actual

	Jan-Jun 2007	Jan-Jun 2008	Guidance 2008 (old)	Guidance 2008 (new)
Gross profit growth	+17.5%	+1.9% (excl. FX)	≥ 4% (excl. FX)	4% (excl. FX)
EBITDA / GP margin	19.6%	15.4%*	17.5 – 18.5%	16%
NWC intensity	4.0%	4.5%	4 – 5%	4 – 5%
Tax rate	23.1%	24.1%	26-27%	26-27%

*17.5% excluding non-recurring items

=> Guidance review on slide 15!

Recap of non-recurring items booked in H1 2007/08

- The following one-off bookings in **H1 2007** had a **CHF 3.1m negative impact on EBIT**:
 - Gains on sale of assets: 0.7m (0.5m in Q1, 0.2m in Q2)
 - Termination expenses: -3.8m (Q2)
- The following one-off bookings in **H1 2008** had a **CHF 18.3m negative impact on EBIT**:
 - Legal and consulting fees: -16.3m (-9.2m in Q1, -7.1m in Q2)
 - Termination expenses: -2.0m (-1.2m in Q1, -0.8m in Q2)

Consolidated income statement summary

in CHFm	Jan – Jun 2007	Jan – Jun 2008	Growth	Currency adj.
Net forwarding revenue	4'034.6	4'347.4	+7.8%	+17.5%
Gross profit	890.9	855.7	-3.9%	+1.9%
Personnel expenses	496.3	497.8	+0.3%	+6.3%
<i>in % of gross profit</i>	55.7%	58.2%	+250 bps	
Other operating expenses	220.8	226.3	+2.5%	+10.4%
<i>in % of gross profit</i>	24.8%	26.4%	+160 bps	
EBITDA	174.6	131.6	-24.6%	-21.5%
<i>in % of gross profit</i>	19.6%	15.4%	-420 bps	
EBIT	148.3	108.1	-27.1%	-24.6%
<i>in % of gross profit</i>	16.6%	12.6%	-400 bps	
Net earnings	108.4	76.7	-29.2%	-26.0%

Balance sheet & cash flow summary

in CHFm	12 months ended 31 Dec 2007	6 months ended 30 Jun 2008
Cash and cash equivalents ¹	352.4	272.0
Borrowings	(33.5)	(38.0)
Net cash (debt)	318.9	234.0
Total cash flow from op. activities (YTD)	212.3	130.3
Cash flow from financing activities (YTD) *	-82.3	-144.5
Net working capital ²	487.8	463.5
% of gross forwarding revenue	4.6%	4.5%
Total shareholder's equity	1'025.8	895.4
Total assets	2'277.8	2'113.8
Asset intensity ³	7.4%	7.2%
Net capital expenditures (YTD)	17.8	18.5

* Q1 2008 includes CHF 25.1m outflow for share buyback program (162k shares); Q2 2008 includes CHF 77.1m for payout of dividends and CHF 49.4m outflow for share buyback program (384k shares).

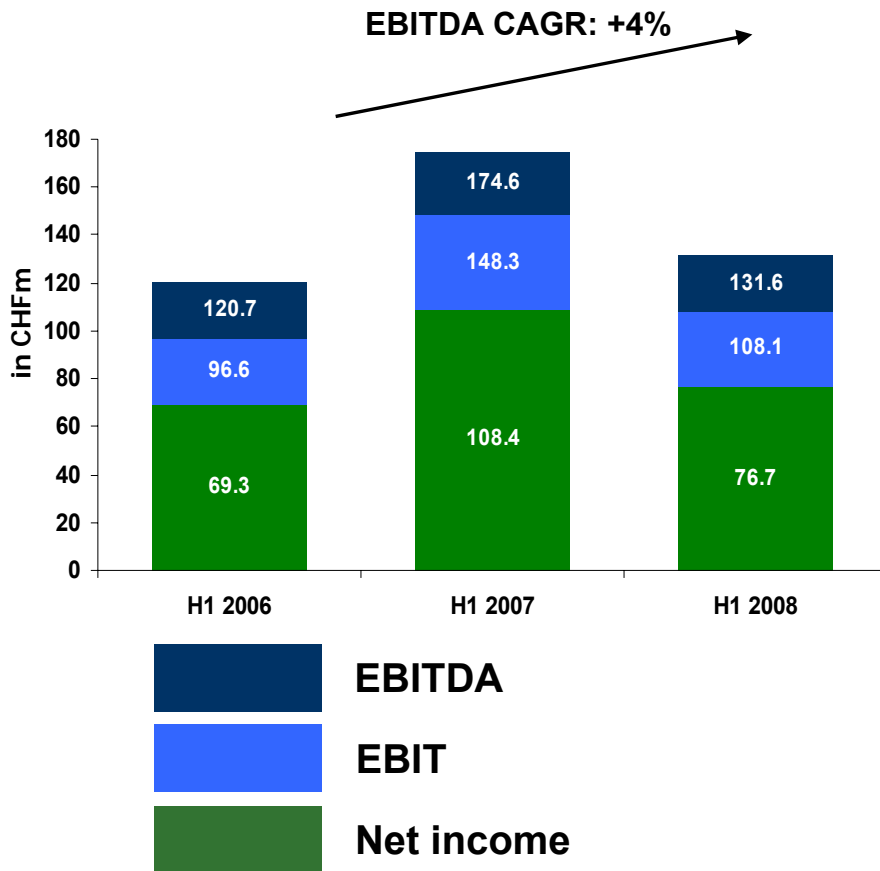
¹ Including financial assets held for trading

² Net working capital defined as current assets net of cash and liquid instruments minus current liabilities net of interest bearing debt

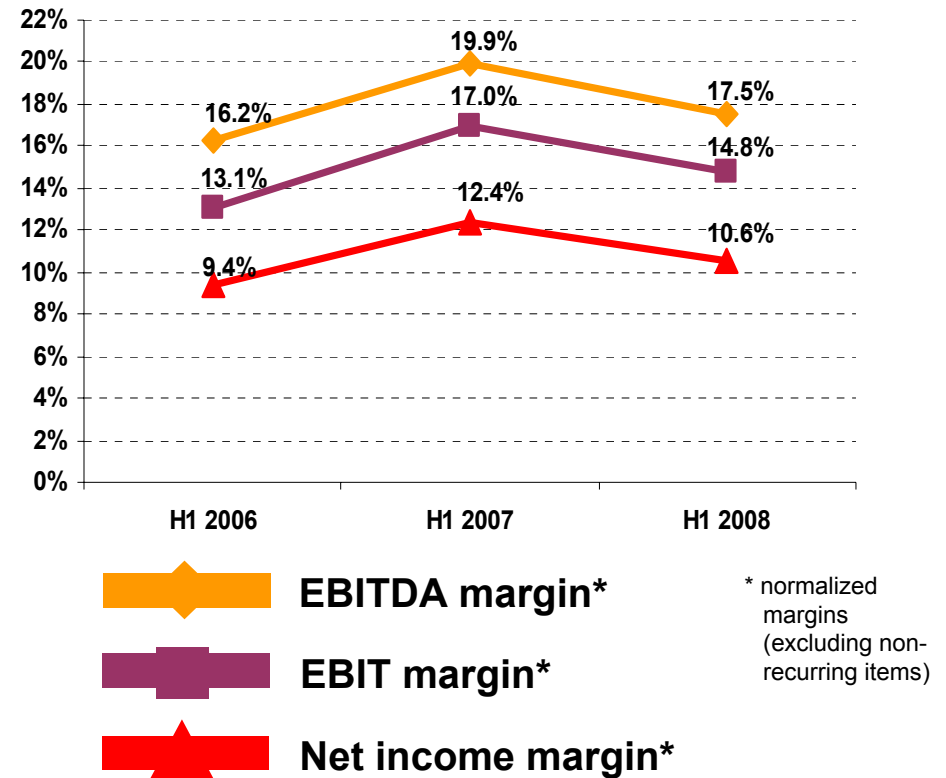
³ Calculated as tangible fixed assets / total assets

Group profitability

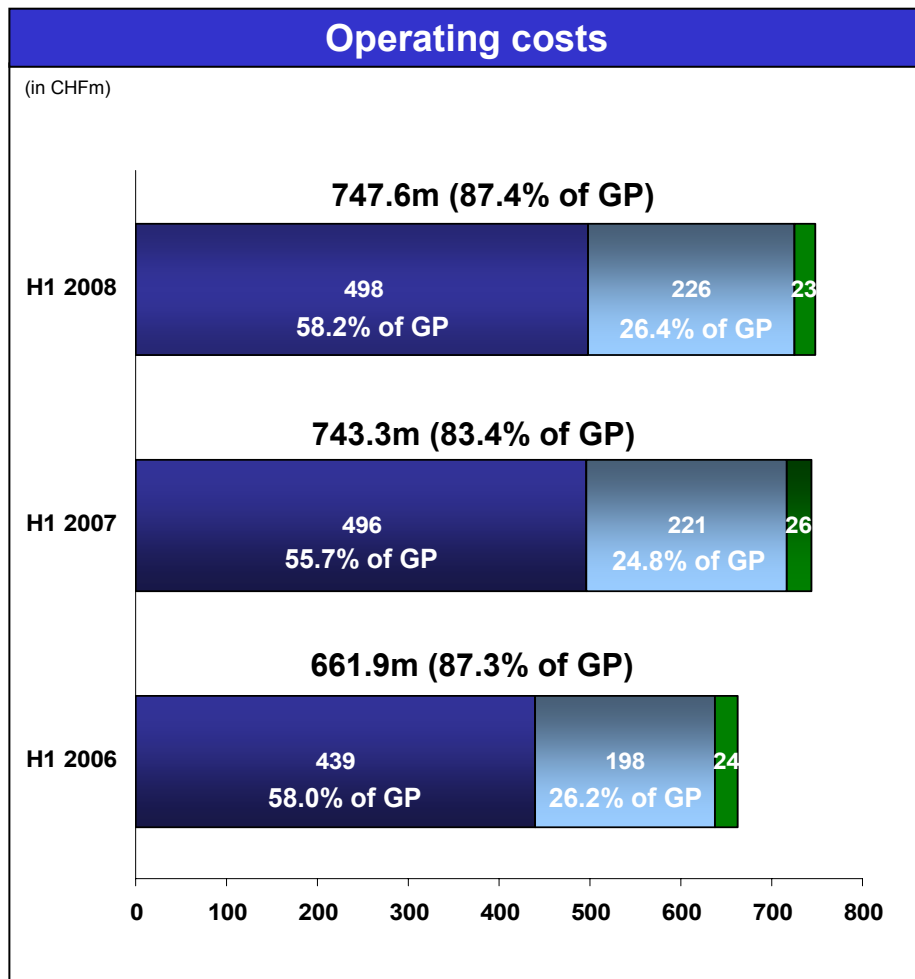
Profitability development



Margin development (normalized)



Operating cost development



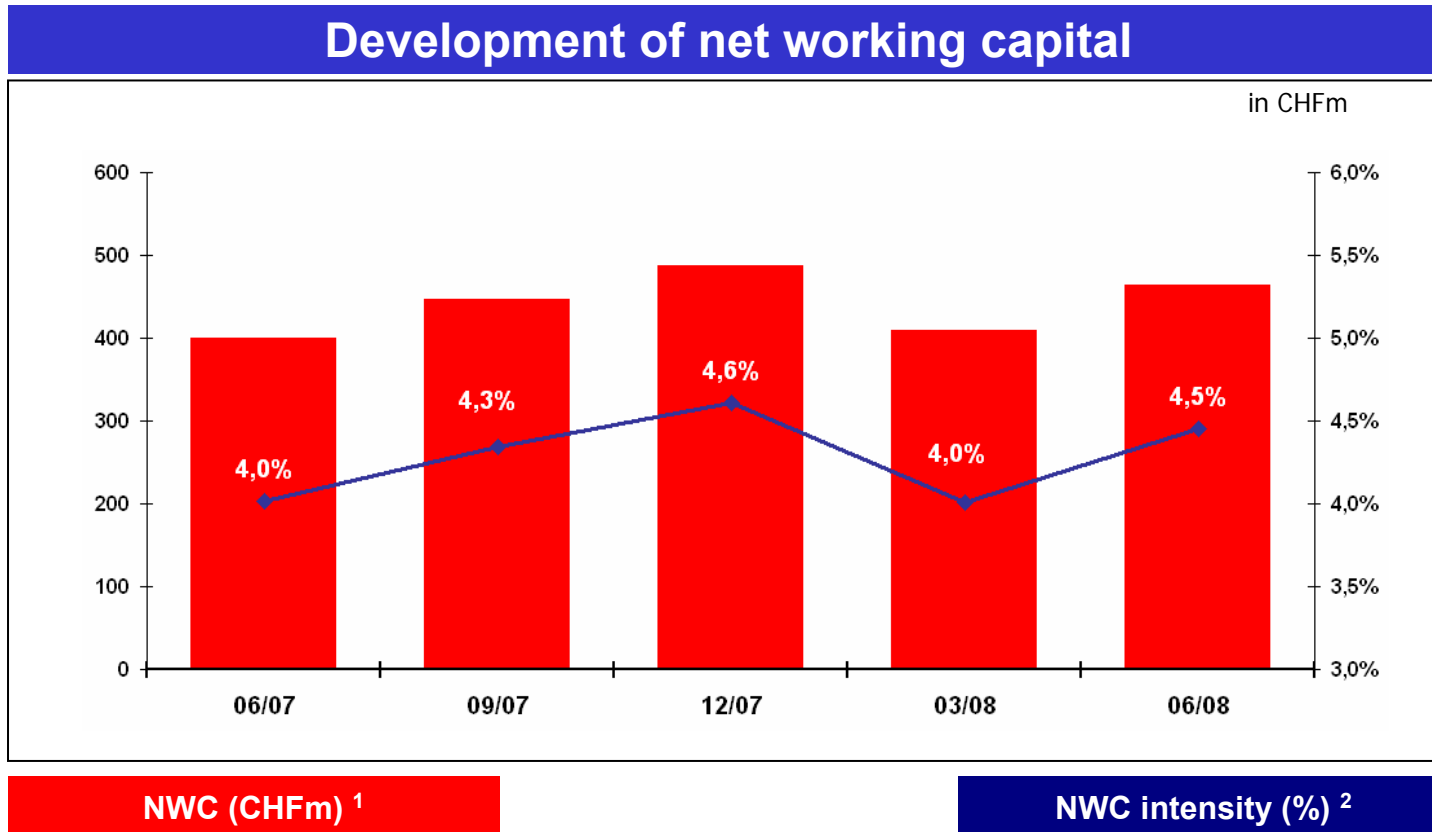
- Personnel expenses up 0.3% YoY in H108, while FTEs increased by 4.6%. FX eased costs by 6%. 0.4% of costs are related to termination settlements, 1.3% to wage inflation. Contains nearly full cost base for Nigeria-related operations.
- Other opex contain 16.3m of one-time legal and consultancy costs. On a normalized basis, the Other opex / GP ratio in H108 was 24.5%.
- Visible results from 'Slim' cost initiative:
 - 18m of savings vs. budget since February

Personnel

Other operating costs

D & A

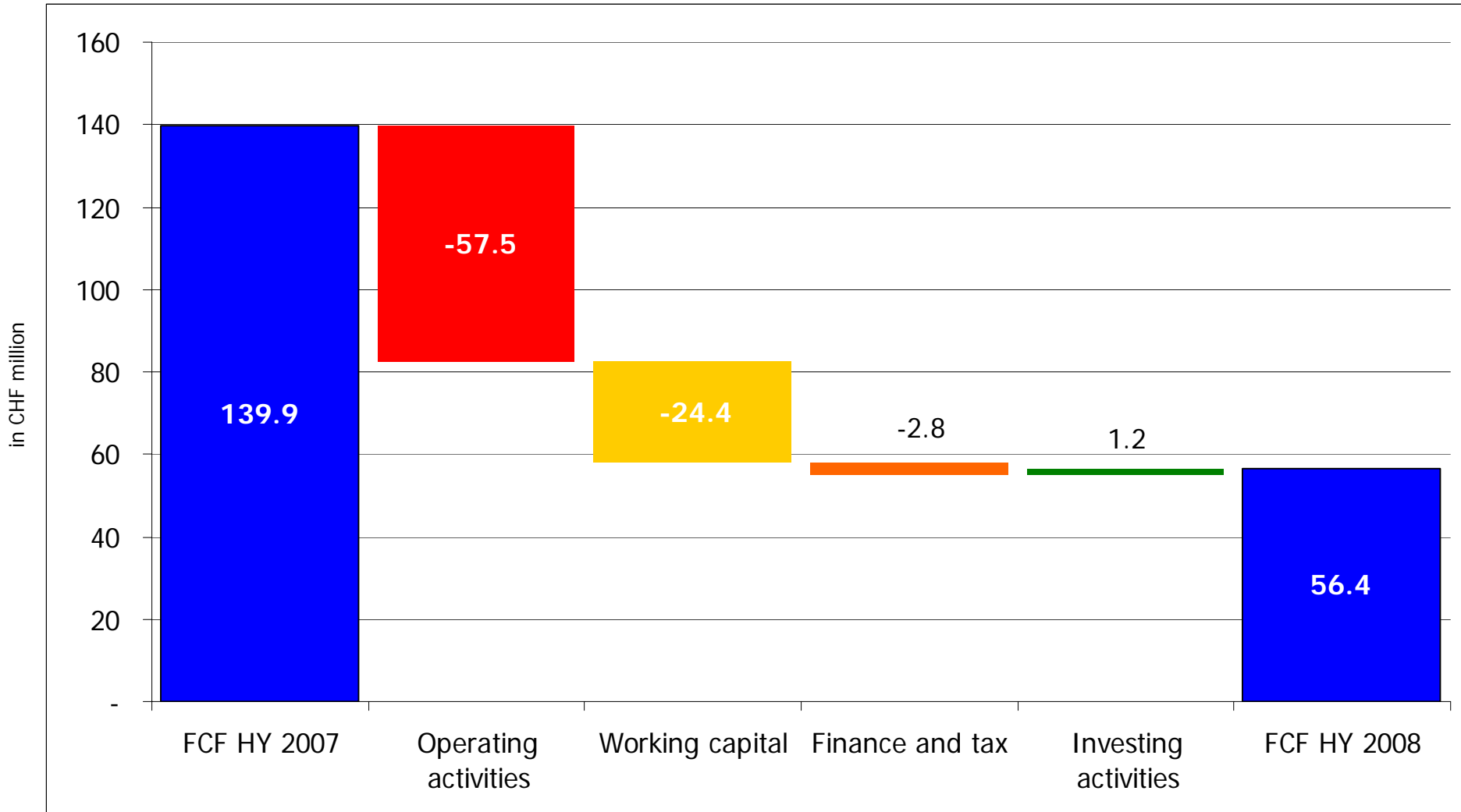
Working capital - overview



¹ Net working capital is defined as current assets net of cash and liquid instruments minus current liabilities net of interest bearing debt

² NWC intensity is defined as NWC divided by gross forwarding revenue

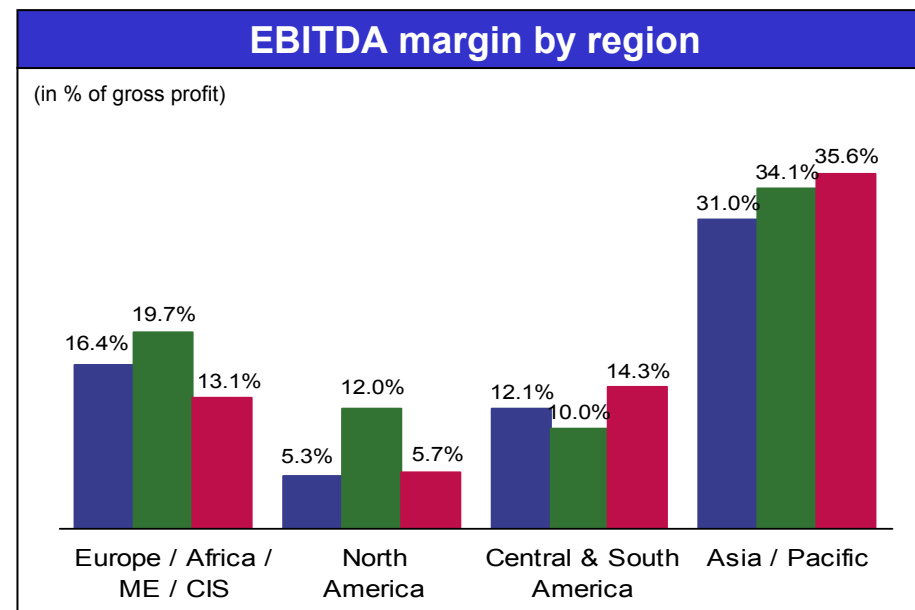
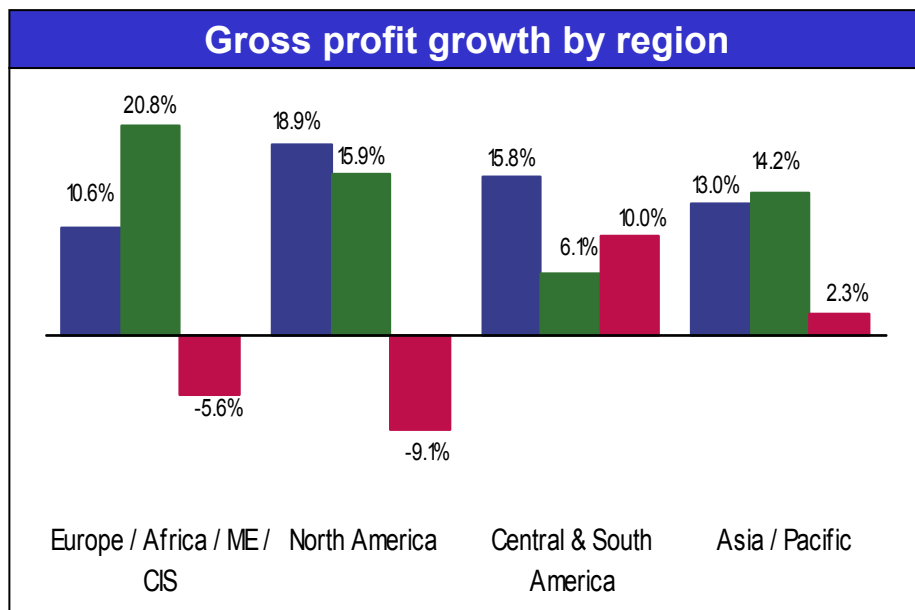
Free cash flow development



Regional business development

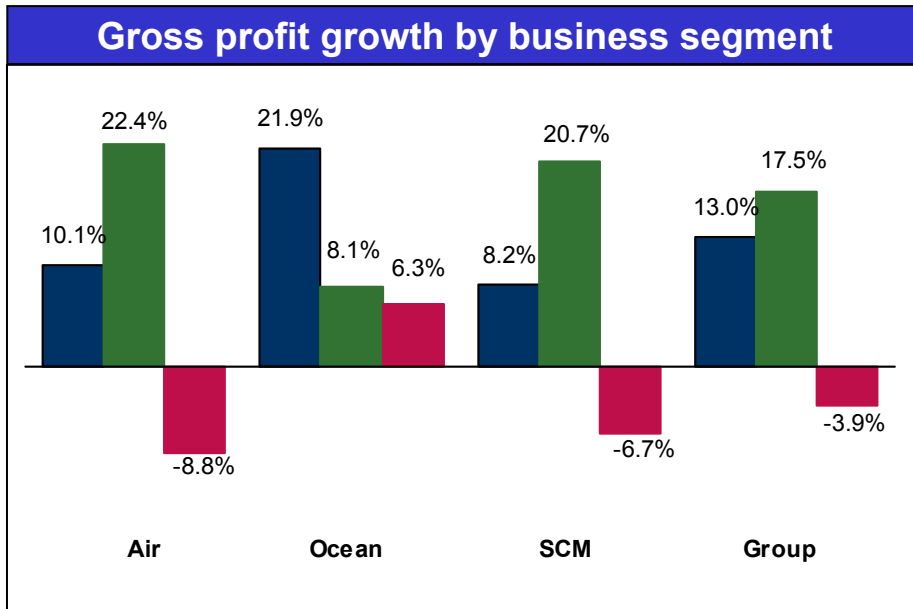
H1 2008 growth (year-over-year)	EMEA	NORAM	LATAM	APAC	Group
Net forw. revenue	+5.7%	+4.1%	+19.3%	+14.7%	+7.8%
Gross profit	-5.6%	-9.1%	+10.0%	+2.3%	-3.9%
EBITDA	-37.3%	-57.1%	+57.1%	+6.8%	-24.6%
	<ul style="list-style-type: none"> • Nigeria impact: <ul style="list-style-type: none"> ➢ -18.0m (gross profit) ➢ 10.4m (legal/con. fees) ➢ 0.7m (FTE savings) • Currency impact: <ul style="list-style-type: none"> ➢ -18.0m (gross profit) • Fuel surcharges • Margin pressure from large customers 	<ul style="list-style-type: none"> • Nigeria impact: <ul style="list-style-type: none"> ➢ -5.0m (gross profit) ➢ 5.9m (legal/cons. fees) ➢ 1.1m (FTE savings) • Currency impact: <ul style="list-style-type: none"> ➢ -17.0m (gross profit) • Weak economy • Margin pressure from large customers 	<ul style="list-style-type: none"> • High volumes • Currency impact: <ul style="list-style-type: none"> ➢ -6.0m (gross profit) • Strong SCM and Healthcare 	<ul style="list-style-type: none"> • Nigeria impact: <ul style="list-style-type: none"> ➢ -2.0m (gross profit) • Currency impact: <ul style="list-style-type: none"> ➢ -11.0m (gross profit) • Strong China business • Intra-Asian market of increasing importance 	<ul style="list-style-type: none"> • First impacts from economic slowdown • Time lag of passing through fuel surcharges • Sharp appreciation of the Swiss Franc against major currencies • Reduced service portfolio in Nigeria

Growth and profitability by region



- Currency effects cost the Group 5.8% of GP growth. The reduced service portfolio in Nigeria resulted in another 2.8% of missing GP growth.
- First progress from the cost initiative implemented back in February is visible and reflected in the operating margins.

Performance by business segment in H1 2008



H1 2006

H1 2007

H1 2008

- GP growth in air freight negatively affected by:
 - FX effects (c4% GP growth or CHF 16m)
 - (partial) discontinuation of Nigeria business (c3% GP growth)
 - slowdown in market
 - time lag effect of passing through fuel surcharge increases
 - margin pressure from large customers
- GP growth in sea freight affected by:
 - FX effects (c9% GP growth or CHF 22m)
 - falling freight rates (positive impact)
- GP growth in SCM negatively affected by:
 - FX effects (c6% GP growth or CHF 14m)
 - (partial) discontinuation of Nigeria business (c4% GP growth)
 - tough comparison with H107 where GP growth was 21%

30 July 2008

Half year results presentation

Updated summary of 'Nigeria impact' and Guidance 2008/09



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Underlying assumptions and guidance for 2008/09

	2008 (CHFm)		2009 (CHFm)	
	old	new	old	new
Global Q4 2007 GP impact stemming from the services suspended in Sep 2007, annualized	50	50	50	50
Estimated global GP impact from further reduction of service portfolio in Nigeria in Q3 2008	45	20	90	70
Total impact on GP	95	70	140	120
Estimated legal fees	20	30	0	20
Estimated reorganization costs (related to Nigerian business entity)	35	20	0	0
Total estimated one-time costs associated with Nigeria situation	55	50	0	20
Estimated reorganization savings	30	20	60	60
Targeted Group-wide cost savings (accruing from Feb - Dec 2008 and for full year 2009)	50	40	30	30
Total estimated cost savings	80	60	90	90
Total estimated EBITDA impact	70	60	50	50

The original EBITDA/GP margin targets for 2008 (17.5-18.5%) and 2009 ($\geq 21\%$) set in March are adjusted due to:

- Deteriorating macroeconomic conditions (expected slowdown of underlying business vs. GP from Nigeria in Q3)
- Later than anticipated reduction of cost base in Nigeria
- Higher than anticipated legal costs / challenging Group-wide cost savings target

Guidance for 2008 (new)	Guidance for 2009 (new)
• GP growth (assuming constant FX rates): 4%	
• EBITDA/GP margin: 16%	• EBITDA/GP margin: 17-18%

Details 'Nigeria impact'

(Panaipina Group)

	Q 1 2008						Q 2 2008						H 1 2008						
	Jan-Mar 2008 (reported)	YoY chg in %	Adjust- ment	Jan-Mar 2008 (adjusted)	YoY chg in %	Jan-Mar 2007 (reported)	Apr-Jun 2008 (reported)	YoY chg in %	Adjust- ment	Apr-Jun 2008 (adjusted)	YoY chg in %	Apr-Jun 2007 (reported)	Jan-Jun 2008 (reported)	YoY chg in %	Adjust- ment	Jan-Jun 2008 (adjusted)	YoY chg in %	Jan-Jun 2007 (reported)	
(in CHFk)																			
Contribution margin (gross profit)	423.6	-2.2%	12.0	435.6	0.6%	432.9	432.1	-5.6%	13.0	445.1	-2.8%	458.0	855.714	-3.9%	25.0	880.7	-1.1%	890.9	
Personnel expenses	-248.9	4.2%	-0.6	-249.5	4.4%	-238.9	-248.9	-3.3%	-1.2	-250.1	-2.8%	-257.3	-497.8	0.3%	-1.8	-499.6	0.7%	-496.3	
% of gross profit	58.8%			57.3%		55.2%	57.6%			56.2%		56.2%	58.2%			56.7%		55.7%	
Other operating expenses	-116.0	7.9%	9.2	-106.8	-0.7%	-107.5	-110.4	-2.6%	7.1	-103.3	-8.8%	-113.3	-226.3	2.5%	16.3	-210.0	-4.9%	-220.8	
% of gross profit	27.4%			24.5%		24.8%	25.5%			23.2%		24.7%	26.4%			23.8%		24.8%	
Gains on sales of non-current assets	-0.1			-0.1		0.5	0.0			0.0		0.2	0.0		0.0	0.0		0.7	
EBITDA	58.6	-32.6%	20.6	79.2	-8.9%	87.0	72.9	-16.8%	18.9	91.8	4.8%	87.6	131.6	-24.6%	39.5	171.1	-2.0%	174.6	
% of gross profit	13.8%			18.2%		20.1%	16.9%			20.6%		19.1%	15.4%			19.4%		19.6%	
Depreciation of PP&E	-9.0			-9.0		-9.5	-8.8			-8.8		-9.8	-17.9	0.0		-17.9		-19.3	
Amortization of intangible assets	-2.8			-2.8		-3.3	-2.8			-2.8		-3.7	-5.6	0.0		-5.6		-7.0	
Goodwill impairment	0.0			0.0		0.0	0.0			0.0		0.0	0.0	0.0		0.0		0.0	
Impairment of financial assets	0.0			0.0		0.0	0.0			0.0		0.0	0.0	0.0		0.0		0.0	
EBIT	46.8	-36.9%	20.6	67.4	-9.1%	74.2	61.2	-17.3%	18.9	80.1	8.2%	74.1	108.1		39.5	147.6		148.3	
% of gross profit	11.1%			15.5%		17.1%	14.2%			18.0%		16.2%	12.6%			16.8%		16.6%	

Details 'Nigeria impact'

(Regions)

	Q 1 2008						Q 2 2008						H 1 2008						
	Jan-Mar 2008 (reported)	YoY chg in %	Adjust- ment *	Jan-Mar 2008 (adjusted)	YoY chg in %	Jan-Mar 2007 (reported)	Apr-Jun 2008 (reported)	YoY chg in %	Adjust- ment *	Apr-Jun 2008 (adjusted)	YoY chg in %	Apr-Jun 2007 (reported)	Jan-Jun 2008 (reported)	YoY chg in %	Adjust- ment	Jan-Jun 2008 (adjusted)	YoY chg in %	Jan-Jun 2007 (reported)	
(in CHFk)																			
EMEA	245.0	-3.5%	8.4	253.4	-0.2%	254.0	243.0	-7.6%	9.6	252.6	-4.0%	263.0	488.0	-5.6%	18.0	506.0	-2.1%	517.0	
Contribution margin (gross profit)	29.0	-40.8%	14.0	43.0	-12.2%	49.0	35.0	-34.0%	13.7	48.7	-8.1%	53.0	64.0	-37.3%	27.7	91.7	-10.1%	102.0	
% of gross profit	11.8%			17.0%		19.3%	14.4%			19.3%		20.2%	13.1%			18.1%		19.7%	
EBIT	22.0	-46.3%	14.0	36.0	-12.2%	41.0	29.0	-34.1%	13.7	42.7	-3.0%	44.0	51.0	-40.0%	27.7	78.7	-7.4%	85.0	
% of gross profit	9.0%			14.2%		16.1%	11.9%			16.9%		16.7%	10.5%			15.6%		16.4%	
NORAM	78.0	-4.9%	2.5	80.5	-1.8%	82.0	81.0	-12.9%	2.5	83.5	-10.2%	93.0	159.0	-9.1%	5.0	164.0	-6.3%	175.0	
Contribution margin (gross profit)	4.0	-33.3%	5.5	9.5	58.3%	6.0	5.0	-66.7%	4.3	9.3	-38.0%	15.0	9.0	-57.1%	9.8	18.8	-10.5%	21.0	
% of gross profit	5.1%			11.8%		7.3%	6.2%			11.1%		16.1%	5.7%			11.5%		12.0%	
EBIT	2.0	-60.0%	5.5	7.5	50.0%	5.0	4.0	-66.7%	4.3	8.3	-30.8%	12.0	6.0	-64.7%	9.8	15.8	-7.1%	17.0	
% of gross profit	2.6%			9.3%		6.1%	4.9%			9.9%		12.9%	3.8%			9.6%		9.7%	
LATAM	36.0	2.9%	0.2	36.2	3.4%	35.0	41.0	17.1%	-0.2	40.8	16.6%	35.0	77.0	10.0%	0.0	77.0	10.0%	70.0	
Contribution margin (gross profit)	4.0	-33.3%	0.2	4.2	-30.0%	6.0	7.0	600.0%	-0.2	6.8	580.0%	1.0	11.0	57.1%	0.0	11.0	57.1%	7.0	
% of gross profit	11.1%			11.6%		17.1%	17.1%			16.7%		2.9%	14.3%			14.3%		10.0%	
EBIT	3.0	-40.0%	0.2	3.2	-36.0%	5.0	6.0	500.0%	-0.2	5.8	480.0%	1.0	9.0	50.0%	0.0	9.0	50.0%	6.0	
% of gross profit	8.3%			8.8%		14.3%	14.6%			14.2%		2.9%	11.7%			11.7%		8.6%	
APAC	65.0	4.8%	0.9	65.9	6.3%	62.0	67.0	0.0%	1.1	68.1	1.6%	67.0	132.0	2.3%	2.0	134.0	3.9%	129.0	
Contribution margin (gross profit)	22.0	-15.4%	0.9	22.9	-11.9%	26.0	25.0	38.9%	1.1	26.1	45.0%	18.0	47.0	6.8%	2.0	49.0	11.4%	44.0	
% of gross profit	33.8%			34.7%		41.9%	37.3%			38.3%		26.9%	35.6%			36.6%		34.1%	
EBIT	20.0	-13.0%	0.9	20.9	-9.1%	23.0	22.0	29.4%	1.1	23.1	35.9%	17.0	42.0	5.0%	2.0	44.0	10.0%	40.0	
% of gross profit	30.8%			31.7%		37.1%	32.8%			33.9%		25.4%	31.8%			32.8%		31.0%	

* For details on regional adjustments, please refer to slide 11 ("Regional business development") of the presentation that was released together with this sheet.

(Business segments)

Air	181.0	-8.6%	6.0	187.0	-5.6%	198.0	183.0	-9.0%	7.0	190.0	-5.5%	201.0	364.0	-8.8%	13.0	377.0	-5.5%	399.0
Contribution margin (gross profit)	133.0	9.0%	1.0	134.0	9.8%	122.0	136.0	3.8%	1.0	137.0	4.6%	131.0	269.0	6.3%	2.0	271.0	7.1%	253.0
Contribution margin (gross profit)	110.0	-2.7%	5.0	115.0	1.8%	113.0	113.0	-10.3%	5.0	118.0	-6.3%	126.0	223.0	-6.7%	10.0	233.0	-2.5%	239.0
Contribution margin (gross profit)																		