

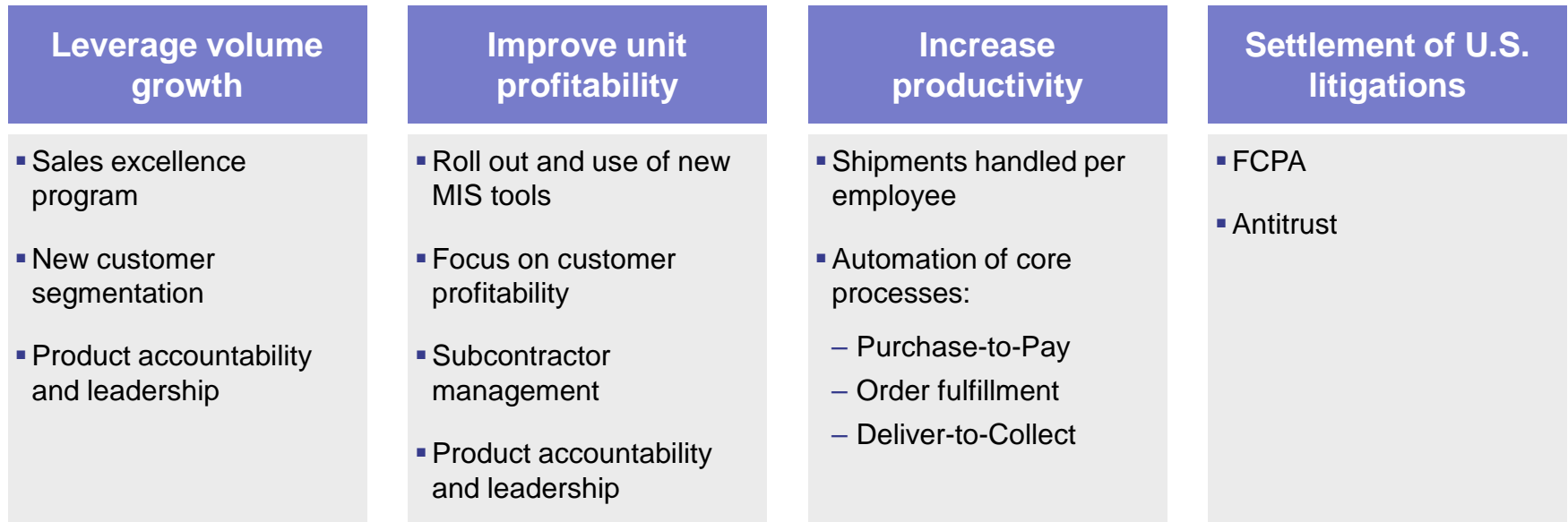
<b>A passion for solutions</b>	Panalpina Group		
	Bad Ragaz, 13 <sup>th</sup> January 2011		
<h1>Helvea Swiss equities conference 2011</h1>			
	<b>Supply Chain Management</b>		
	Air Freight	Ocean Freight	Logistics

## Review of 2010 – year of the turnaround

### External factors:

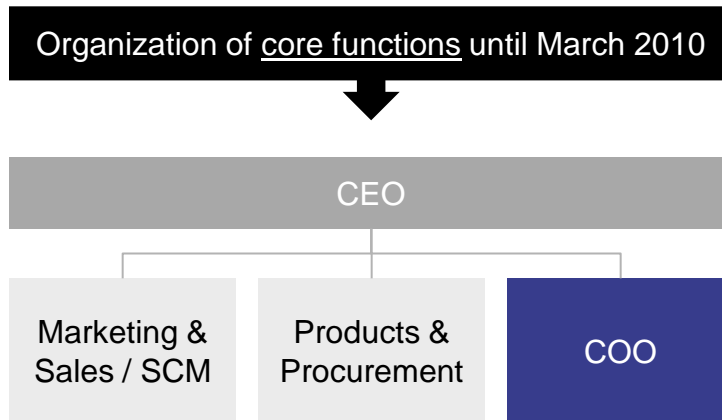


### Internal factors:

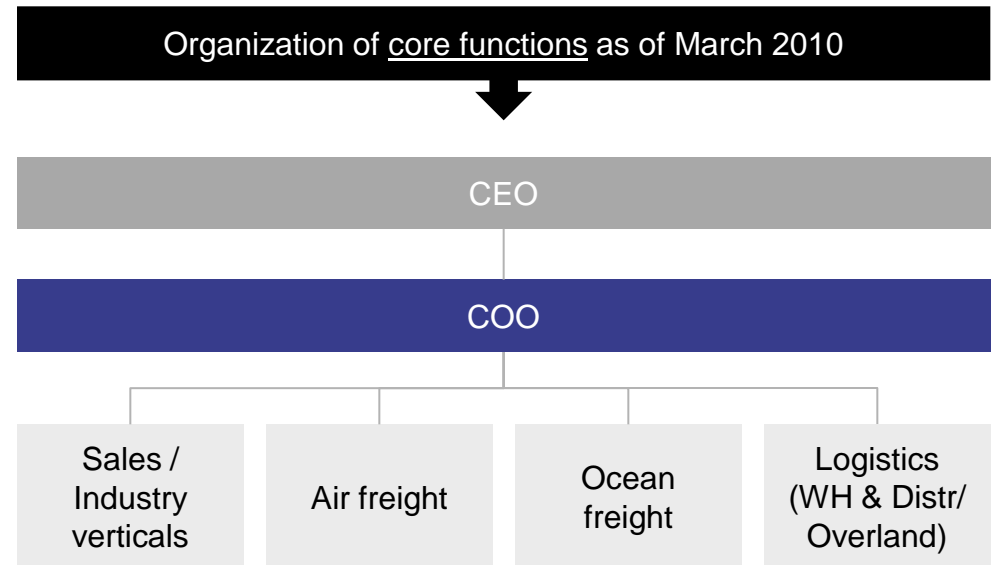


## Change of COO organization at the beginning of last year helped to enhance the reaction time to market

### O L D:



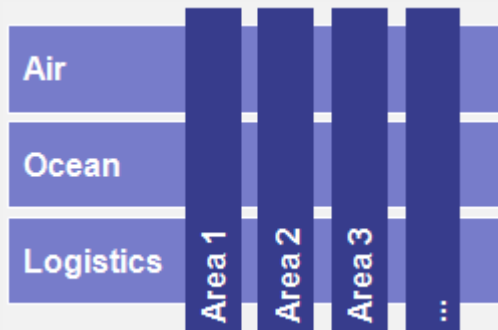
### N E W:



- New COO organization is sales-led and product-driven
- Responsibility for buying, selling and operations unified under 'one roof' in order to enhance reaction time to market
- New product heads (Air, Ocean, Logistics) will assume their responsibilities as of 1Q11

# Panalpina moved to a product-driven organization with an industry-specific focus and execution at local level

## Geographically integrated businesses



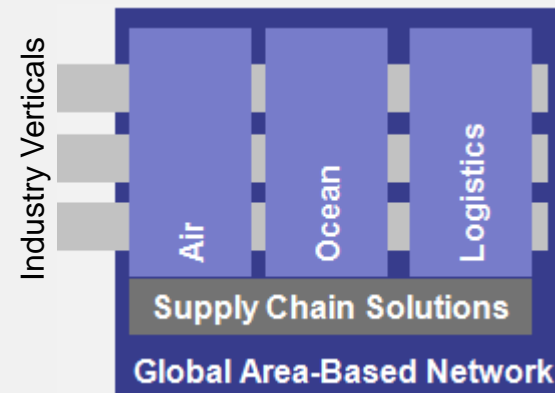
### Multi-local model

- Geographic management units
- Optimization within Areas

### Key goal:

Maximize Area EBIT and cost efficiency

## Industry vertical-led and product-driven, global organization



### Product-driven model

- Jointly implemented by Corporate and Areas
- Product focus to leverage network
- Industry Vertical alignment to drive differentiated supply chain solutions

### Key goal:

Maximize Group EBIT through network effectiveness and profitable growth

# A new MIS was rolled out globally, allowing real-time visibility down to customer, business unit and tradelane level

## User-friendly, easy-to-pull business relevant information per product and per tradelane ...

Tradelane	Period 1 (prior year)			Period 1 (current year)			Var Period 1 %			
	CHF '000	Cumulated GP	Actual Weight	GP / Ton ActWt	Cumulated GP	Actual Weight	GP / Ton ActWt	Cumulated GP	Actual Weight	GP / Ton ActWt
	CHF B	CHF B	CHF B	CHF B	CHF B	CHF B	CHF B	CHF B	CHF B	CHF B
Transatlantic WB - Air	38958	39401	989	57249	64310	890	46.95	63.222	(9.97)	
Transatlantic EB - Air	26069	26616	979	35108	34255	1025	34.67	28.700	4.64	
Far East WB - Air	58379	106553	548	67306	136126	494	15.29	27.755	(9.75)	
Far East EB - Air	50394	64754	778	53841	77679	693	6.84	19.961	(10.94)	
Transpacific WB - Air	11584	12449	931	14981	16565	904	29.32	33.059	(2.81)	

## ... per customer on a specific tradelane ...

Tradelane	Global Ultimate	YTD PY	YTD PY	YTD PY	YTD CY	YTD CY	YTD CY	Var YTD %	Var YTD %	Var YTD %
		Cumulated GP	Actual Weight	GP / Ton ActWt	Cumulated GP	Actual Weight	GP / Ton ActWt	Cumulated GP	Actual Weight	GP / Ton ActWt
Far East WB - Air	Customer A (Healthcare)	(99'412)	301'614	(329.60)	(573'885)	784'413	-731.61	<b>477.3%</b>	<b>160.1%</b>	<b>122.0%</b>
Far East WB - Air	Customer B (Hi-Tech)	(121'501)	112'630	(1'078.76)	(396'810)	633'531	-626.35	<b>226.6%</b>	<b>462.5%</b>	<b>-41.9%</b>
Far East WB - Air	Customer C (Industrial Manufacturing)	(249'722)	285'287	(875.34)	(231'339)	353'437	-654.54	<b>-7.4%</b>	<b>23.9%</b>	<b>-25.2%</b>
Far East WB - Air	Customer D (Hi-Tech)	(3'592)	9'535	(376.69)	(49'909)	112'806	-442.43	<b>1289.6%</b>	<b>1083.1%</b>	<b>17.5%</b>
Far East WB - Air	Customer E (Automotive)	(63'400)	64'671	(980.34)	(69'970)	109'231	-640.57	<b>10.4%</b>	<b>68.9%</b>	<b>-34.7%</b>
Far East WB - Air	Customer F (Automotive)	(7'369)	87'486	(84.24)	(95'665)	104'805	-912.79	<b>1198.1%</b>	<b>19.8%</b>	<b>983.6%</b>

## ... at any particular location within the global Panalpina network

House		07.2010	08.2010	09.2010	10.2010	YTD CY
AREA NORTHERN EUROPE	GP Air / Ton GW Var % PM %	(4.7)%	41.1%	(42.5)%	(13.4)%	14.3%
AREA NORTHWEST EUROP	GP Air / Ton GW Var % PM %	5.2%	1.1%	1.6%	(13.6)%	1.3%
AREA SUB-SAHARAN	GP Air / Ton GW Var % PM %	17.3%	(16.0)%	18.1%	1.7%	73.4%
AREA ARABIAN BELT	GP Air / Ton GW Var % PM %	(10.1)%	(1.6)%	37.8%	24.9%	13.5%
AREA BLACK AND CASPI	GP Air / Ton GW Var % PM %	(10.4)%	180.9%	(35.7)%	35.0%	51.9%

... and much more!

# We have expanded our sales focus to 10 industry verticals ...

## Automotive



Inbound Prod.  
Aftermarket  
Specialty Vehicle  
Transport

## Healthcare



Pharmaceuticals  
Life science  
Medical devices

## Chemicals



Bio & specialty chemicals  
Fine chemicals  
Basic chemicals

## Hi-Tech



PCs  
Electronic devices  
Semiconductors

## Telecom



Devices  
Networks  
Operators  
Accessories

## Consumer & Retail



Retail  
FMCG  
Personal Care  
Home goods

## Fashion



Mid Fashion  
High Fashion  
Accessory

## Industrial Manufacturing



Machinery  
Manufacturing  
Ind. Automation  
Construction  
Equipment

## Oil & Gas



Drilling operators  
Oilfield service  
Deepwater installation companies

## Industrial Projects



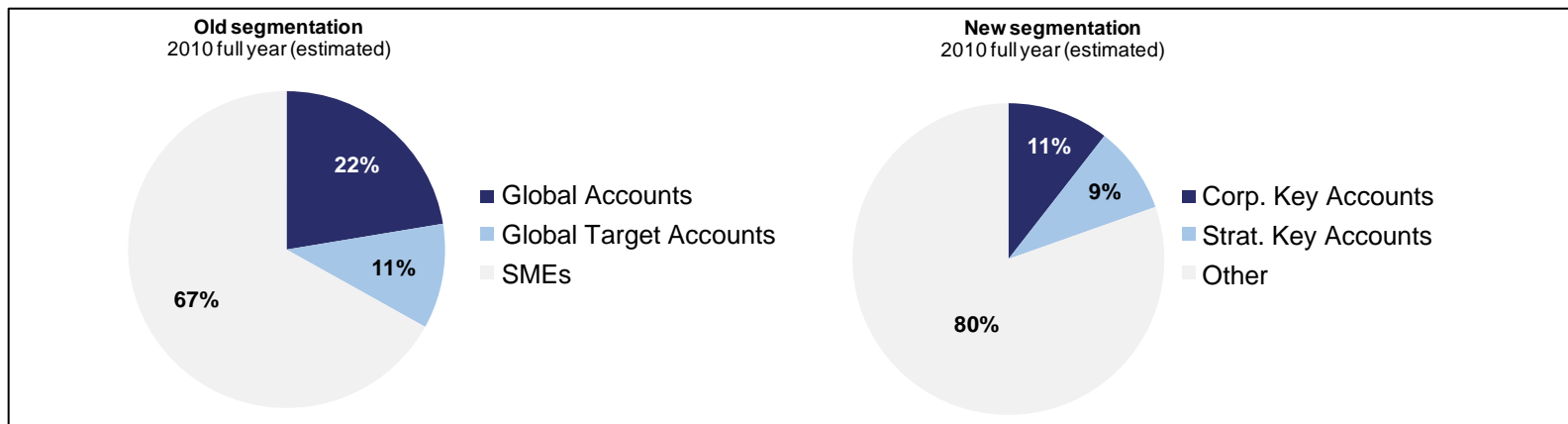
Project Transports  
Cross trade  
Heavy-Lift & Marine  
Engineering

... and have defined long-term targets for each

IV	Global rank	Target	Customer examples	Focus
Automotive	6	Top 5	BMW, Bosch, Delphi, VW	Growth with focus on logistics, SCM
Chemicals	~10	Top 5	Akzo Nobel, Syngenta	Key growth IV – become top player in the market
Cons. & Retail	6	Top 3	Metro, Nestlé, Sara Lee	Key growth IV - develop ocean & logistics solutions
Fashion	6	Top 3	Adidas, Chanel, Esprit	Key growth IV - leading provider for log. solutions
Healthcare	~10	Top 5	Baxter, Novartis, Pfizer	Key growth IV - become a top player in the market
Hi-Tech	2-3	Top 3	HP, IBM, Lenovo, Philips	Consolidation of accounts, GP margin improvement
Manufacturing	~10	Top 5	ABB, Siemens, Tyco	New IV - penetrate medium size machinery companies
Oil & Gas	1-2	#1	ExxonMobil, Eni, Schlumberger	Defend no 1 position as leading LSP
Telecom	2-3	Top 3	Alcatel-Lucent, Nokia, Huawei	Consolidation of accounts, GP margin improvement
Panprojects	1-2	#1	Alstom, Barrick Gold, Bombardier	Defend #1 position in industrial projects

## We have segmented our customers into 4 categories and target our sales approach accordingly

Customer segment	Definition	Selection criteria	Owner
Corporate Key Account	Importance for Group as a whole	<ul style="list-style-type: none"> <li>High volume accounts</li> <li>Reasonable GP margin</li> </ul>	Global Head of IV
Strategic Key Account	Strategic importance for IVs	<ul style="list-style-type: none"> <li>Crucial to reach IV spec. growth and profit targets</li> <li>Existing &amp; new accounts</li> </ul>	IV Area Mgr, Area Head M&S
Key Account	Importance for Areas	GP > 500.000	Area, Business Unit
Accounts	SMEs	GP < 500.000	Area, Business Unit



- New customer segmentation in order to expand and better customize the service portfolio
- Reduction of top 2 segments from 167 to 106 accounts to increase focus on productivity and customer profitability

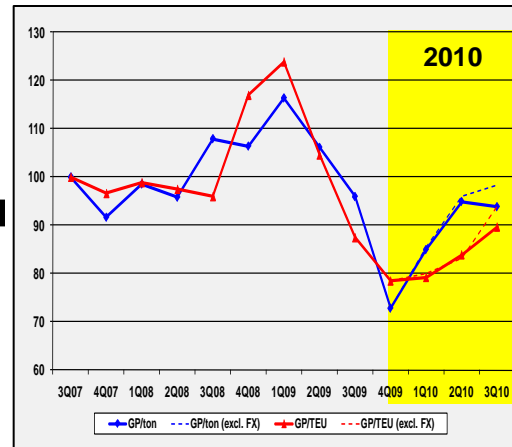


# The various initiatives taken in 2010 resulted in significant margin improvements

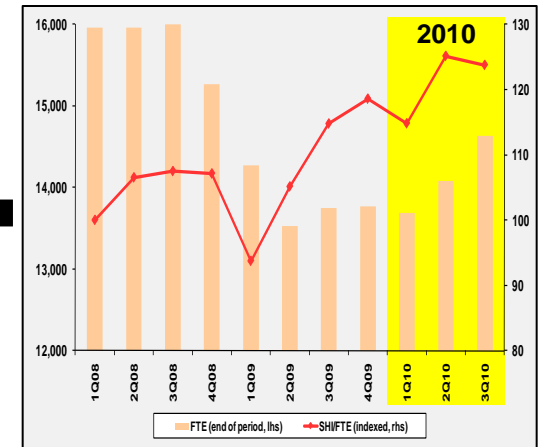
High volume growth above market, and ...

YTD 2010		
y/y growth (%)	Air freight	Ocean freight
<b>Panalpina</b>	27%	16%
<b>Market</b>	24-25%	12-13%

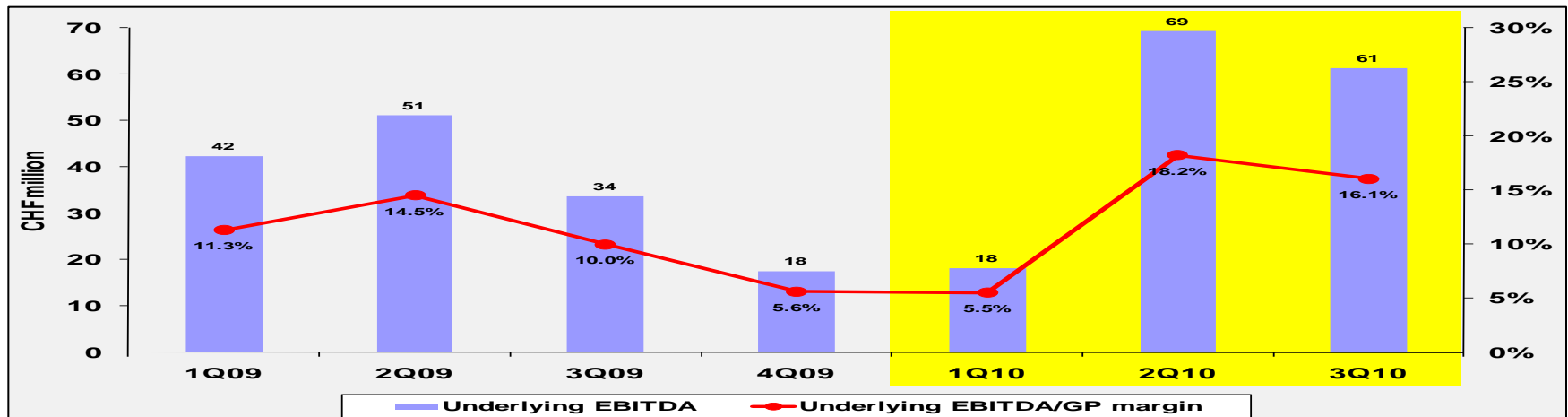
... an improvement in unit profitability despite rising COGS ...



... coupled with a further increase in productivity



**=**



# Our outlook and planning assumptions for 2011

## Air freight



### Market

- 3 – 4% growth
- Soft market particularly in Q1/Q2
- Tight capacity for most of year – corresponding impact on expected rate levels

### Panalpina

- Outperform market
- Increase of GP per ton vs. 2010

World trade  
growth 2011:  
~5%

## Ocean freight



### Market

- 6 – 7% growth
- Soft market particularly in Q1/Q2
- Potential oversupply – limited scope for rate increases

### Panalpina

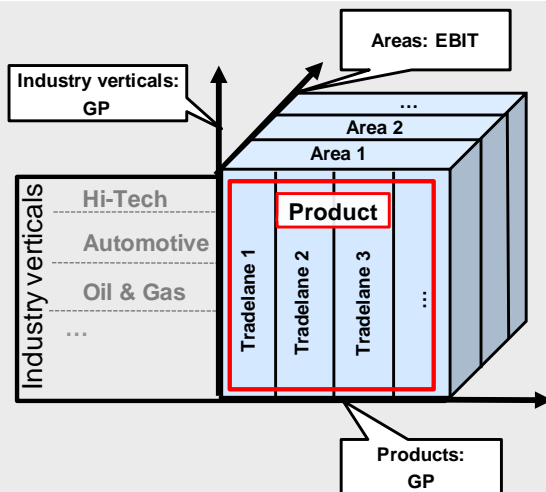
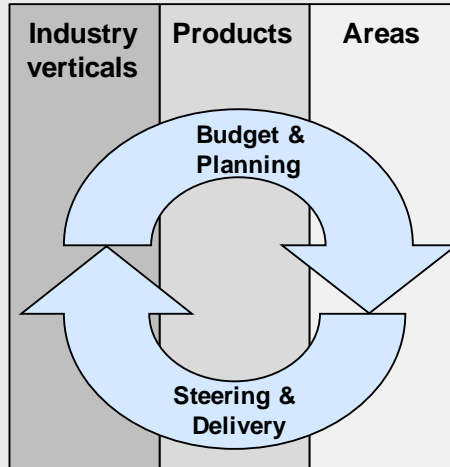
- Outperform market
- Increase of GP per TEU vs. 2010

## Logistics



- Profitable growth
- Overproportional increase in GP
- Stable GP margin

For 2011 a new budgeting process was implemented, aligning all functions at Corporate and Area level



- Process starts at top level
  - Volume planning on IV level
  - Broken down by product
  - Then by tradelane
- Gross profit planning derived from GP per cargo unit planning
- Planning of operating expenses based on planned volumes
- Procurement planning builds on sales planning
- Tradelane and product targets (volumes, GP) derived accordingly

## Characteristics of the 2011 budget

- Investments into major growth markets (China, India, Brazil)
- Overproportional growth of Warehousing & Distribution (within Logistics segment) – entails both higher costs (rent, maintenance) and capex
- Investments into Sales organization – Sales headcount to grow overproportionately
- Consistent group-wide implementation of the new COO organization with corresponding investments into industry vertical and procurement structure
- Further productivity increase targeted (i.e. headcount growth < shipment growth)

## The way forward in the mid-/long-term ...

Expansion of product offering	Change in customer mix	Market share gains in Air and Ocean	Fully aligned organization	Operational excellence	People development
<ul style="list-style-type: none"> <li>▪ Profitably enlarge footprint in contract logistics</li> <li>▪ Build warehouse and distribution operations (incl. own distribution warehouses in strategic locations)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Realize overproportional growth in prioritized industry verticals</li> <li>▪ Increased focus on SME A, B and C accounts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focus on 'high growth' countries</li> <li>▪ Enlarge footprint in Intraregional and Transpacific tradelanes</li> <li>▪ Drive own-controlled product franchise</li> <li>▪ Complement growth through selective acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implement fully aligned KPI system (IV's, products, trade lanes, Areas)</li> <li>▪ Fully implement new group organization</li> <li>▪ Capture benefits from new profit share system</li> </ul>	<ul style="list-style-type: none"> <li>▪ Finance shared service center concept implementation</li> <li>▪ Procurement excellence (air sourcing, Europ. road concept, subcontractor management)</li> <li>▪ Roll out SAP TM implementation according to project plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Succession planning</li> <li>▪ Talent management</li> <li>▪ Training</li> </ul>

# ... to achieve our vision to become the Global Supply Chain Management company

## Vision

Our business is Global Supply Chain Management.

We deliver compelling solutions that provide value to all customers – every time.

## Mission: How to get there

- From providing superior Air and Ocean Freight... to delivering world class logistics solutions
- From excelling with Global Accounts... to becoming preferred choice with all sizes of customers, small, medium and global
- From creating legends in our industry... to delivering constantly high quality, all the time
- From being a successful Freight Forwarder on six continents... to becoming the Global Supply Chain Management company

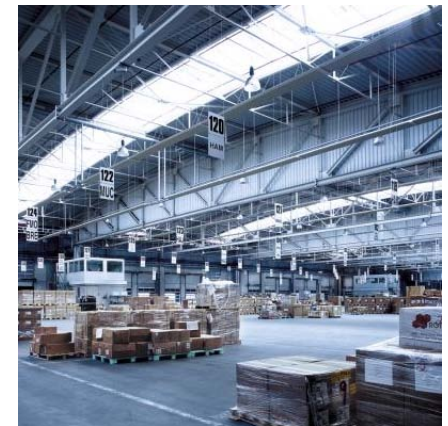
... by consistently following the strategy outlined at the beginning of last year

### Key strategic actions

- 1 Become the recognized SCM company
- 2 Targeted sales and sales management
- 3 Excel on subcontractor management
- 4 Ensure consistent delivery of superior quality and productivity
- 5 Deliver superior GP margins
- 6 Optimize customer and tradelane mix
- 7 Strengthen share of ocean freight
- 8 Realize overproportional growth in B(R)IC countries
- 9 Further diversify service portfolio

## SAVE THE DATE

- Panalpina investor day
- 30 June 2011
- Zurich
- More details to follow (no RSVP required at this stage)





## Panalpina – reasons to invest

**Global network with  
diversification  
across industries  
and trade lanes**

**Market leadership in  
freight forwarding &  
end-to-end supply  
chain solutions**

**High returns on  
capital due to asset-  
light business model**

**Industry leadership  
in terms of  
compliance**



**Excellent long-term  
industry growth  
prospects**

**Value delivery  
through globally  
standardized  
IT systems**

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