A passion for solutions

Panalpina Group

Basel, July 31, 2012

2012 Second Quarter Review

PANALPINA
on 6 continents

Supply Chain Solutions

Air Freight | Ocean Freight | Logistics

Highlights and key figures

Operating and financial review

Outlook

Q2 2012 – safeguarding profitability and gaining market share in weak environment

- Gross profit of the Group down 2% year-on-year due to low volumes in Air Freight and steep rate increases by Ocean Freight carriers
- Gaining back market share in Air Freight, volume growth (-3% yoy) affected by weak market environment
- Record Ocean Freight volumes (+7% yoy), continued market outperformance
- GP margin in Logistics significantly ahead of last year
- EBITDA/GP margin kept stable around 9% on a quarter-on-quarter basis due to cost containment
- Net working capital intensity at 1.2%, kept below prior year level

Key figures

CHF million

	Q2 2012	Q2 2011	Variance % CHF	Variance % Excl. FX	YTD 2012		YTD 2011	Variance % CHF	Variance % Excl. FX
Net forwarding revenue	**1'667.6**	**1'628.9**	2.4%	2.2%	**3'207.5**		**3'280.8**	-2.2%	-0.4%
Forwarding expenses	(1'304.3)	(1'258.0)			(2'480.1)		(2'536.6)		
Gross profit	**363.3**	**370.9**	-2.0%	-2.8%	**727.4**		**744.3**	-2.3%	-0.9%
in % of net forwarding revenue	*21.8%*	*22.8%*			*22.7%*		*22.7%*		
Total operating expenses	(329.7)	(317.1)	4.0%	3.3%	(718.6)	*	(634.9)	13.2%	14.8%
EBITDA	**33.6**	**53.7**	-37.5%	-38.9%	**8.8**		**109.4**	-92.0%	-92.2%
in % of gross profit	*9.2%*	*14.5%*			*1.2%*		*14.7%*		
Operating result (EBIT)	**22.9**	**44.3**	-48.5%	-50.0%	**(12.0)**		**90.7**	-113.3%	-113.8%
in % of gross profit	*6.3%*	*12.0%*			*-1.7%*		*12.2%*		
Financial result	0.4	(1.5)			0.8		(1.3)		
Earnings before taxes (EBT)	**23.2**	**42.8**			**(11.3)**		**89.4**		
Income tax expenses	(5.9)	(10.8)			(11.9)		(22.5)		
% of EBT	*25.6%*	*25.3%*			*-105.1%*	**	*25.2%*		
Consolidated profit	**17.3**	**32.0**			**(23.1)**		**66.9**		
in % of gross profit	*4.8%*	*8.6%*			*-3.2%*		*9.0%*		
Non-recurring items	-	-			(59.2)	*	-		
underlying EBITDA	**33.6**	**53.7**	-37.5%	-38.9%	**68.0**		**109.4**	-37.8%	-36.7%
in % of gross profit	*9.2%*	*14.5%*			*9.4%*		*14.7%*		
underlying EBIT	**22.9**	**44.3**	-48.5%	-50.0%	**47.2**		**90.7**	-48.0%	-46.9%
in % of gross profit	*6.3%*	*12.0%*			*6.5%*		*12.2%*		

- Gross profit down 2% due to weak Air Freight market and steep rate increases by Ocean Freight carriers
- Headcount freeze and other cost containment measures continued, leading to flat quarter-on-quarter opex
- Decline of EBITDA/GP margin due to low Air Freight volumes, investments during 2011 and rate increases

* Operating expenses in Q1 2012 include (non tax-deductible) extraordinary provisions of CHF 59.2 million (as communicated last quarter)

** The underlying tax rate (i.e. excluding extraordinary provisions) YTD 2012 was 24.7%.

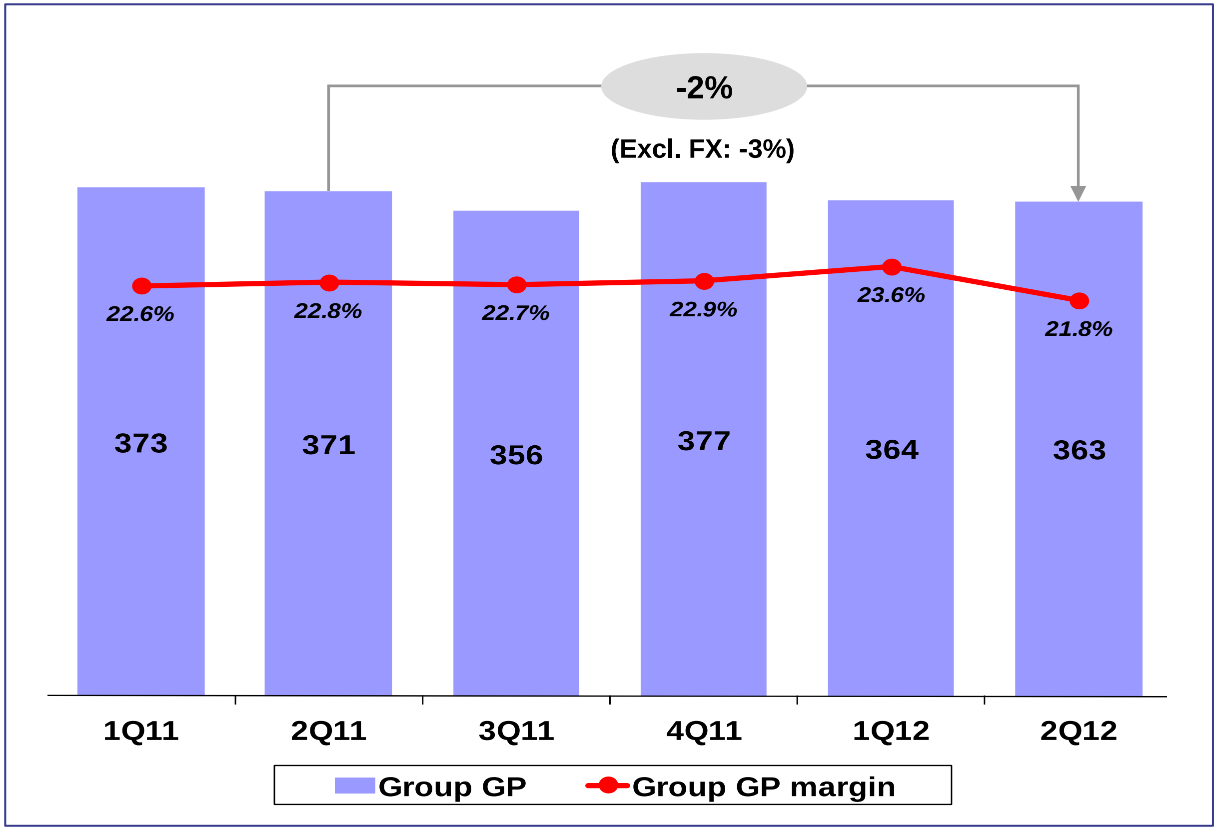
Highlights and key figures

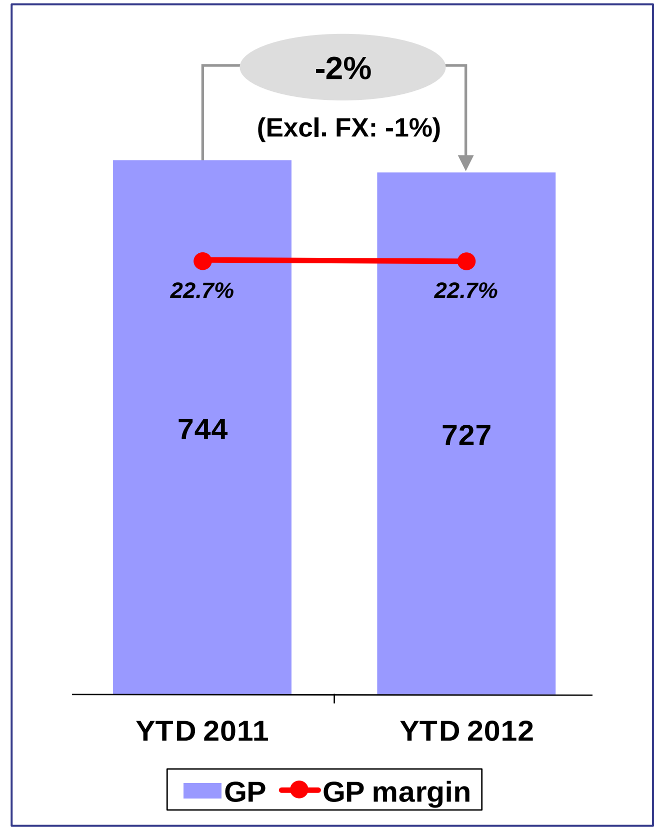
Operating and financial review

Outlook

Weak environment, rate increases impact GP growth and margin

Gross profit in CHF million

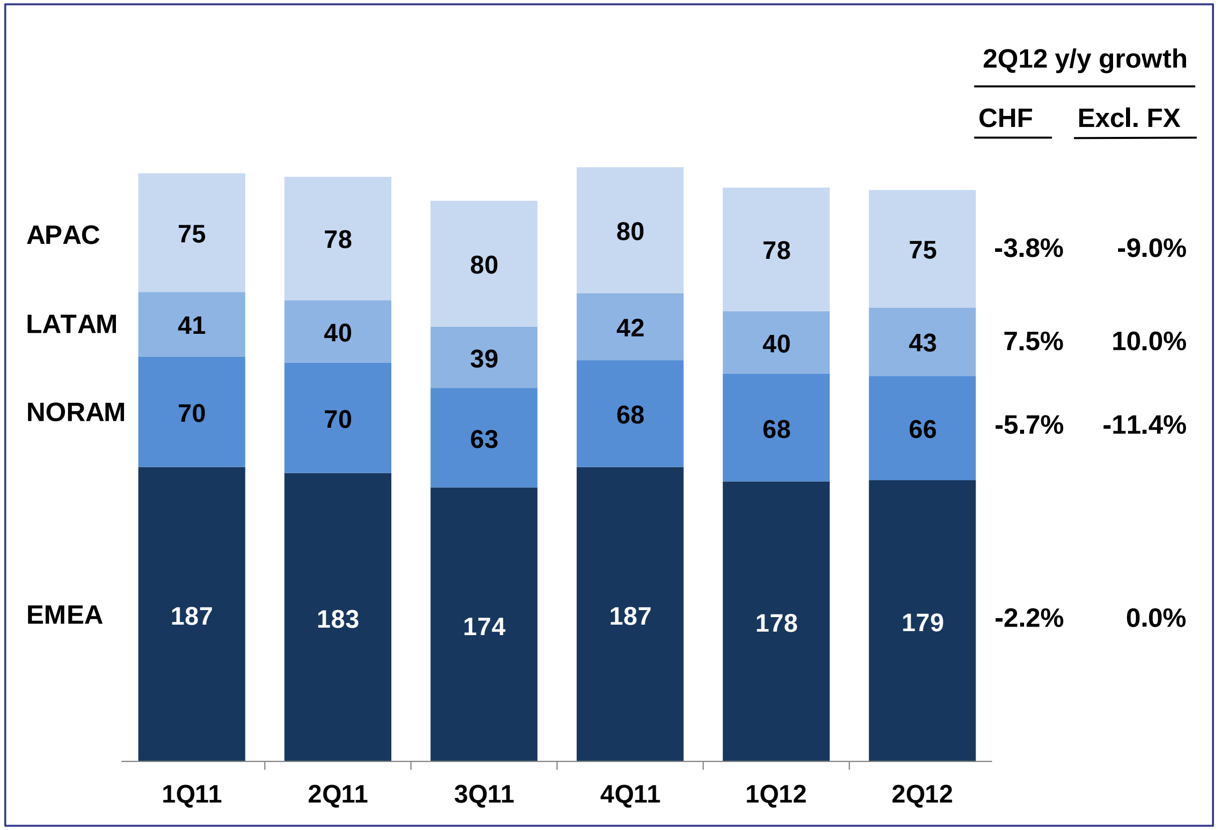


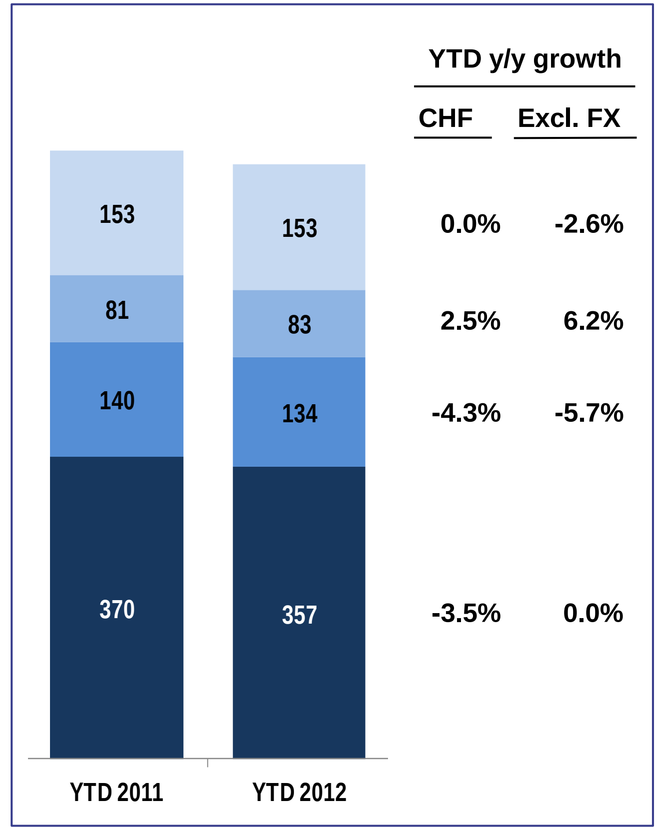


- Gross profit down 2% yoy, affected by weak Air Freight market and rising Ocean Freight rates
- GP growth in Ocean Freight and Logistics
- Decrease of GP margin to 21.8% from 22.8% a year ago mainly due to rate increases by Ocean carriers

GP hitting new record level in Latam

Gross profit in CHF million

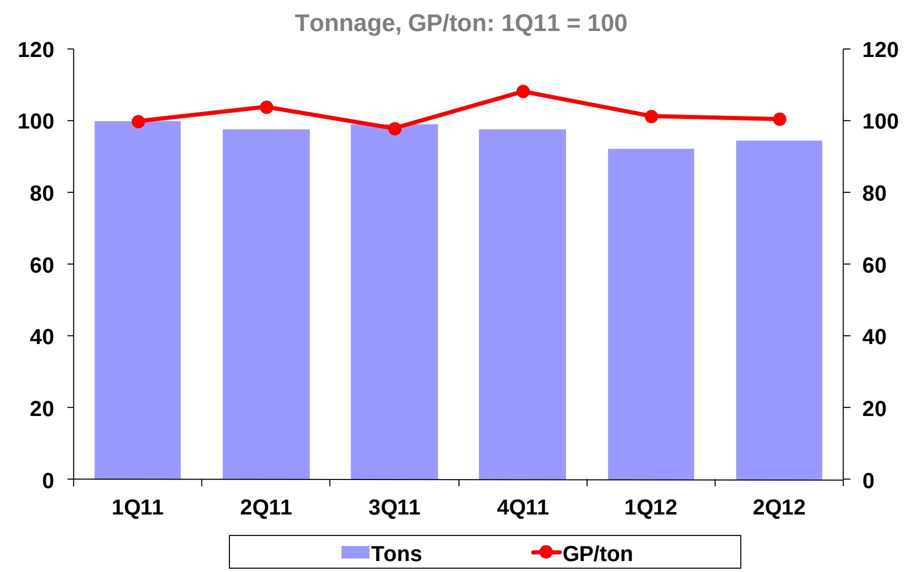




- Continued growth in LATAM leading to new Q2 and H1 record gross profit in this region
- Weakness in EMEA imports partly offset by strength in exports, ongoing consumer weakness in NORAM
- GP decrease in APAC due to declining exports to mature markets

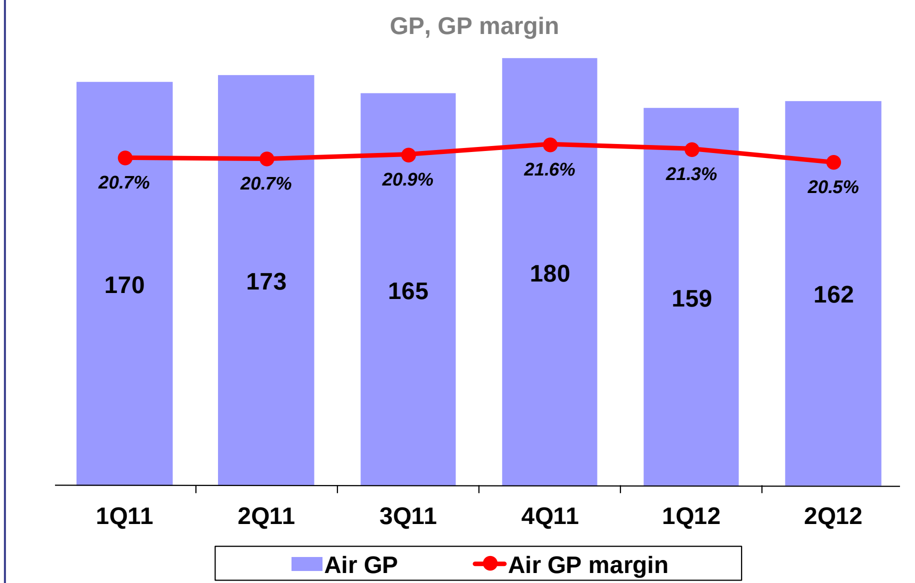
Air Freight – gaining market share again

Air Freight: tonnage vs. GP/ton development



	Air Freight: Volumes, GP/ton (Δ yoy in %)		
	1Q12	2Q12	1H12
Panalpina	-8%	-3%	-6%
Market	-3%	-4%	-3%
Gap to market	-5%	+1%	-3%
GP/ton	+1%	-3%	-1%

Air Freight: GP development

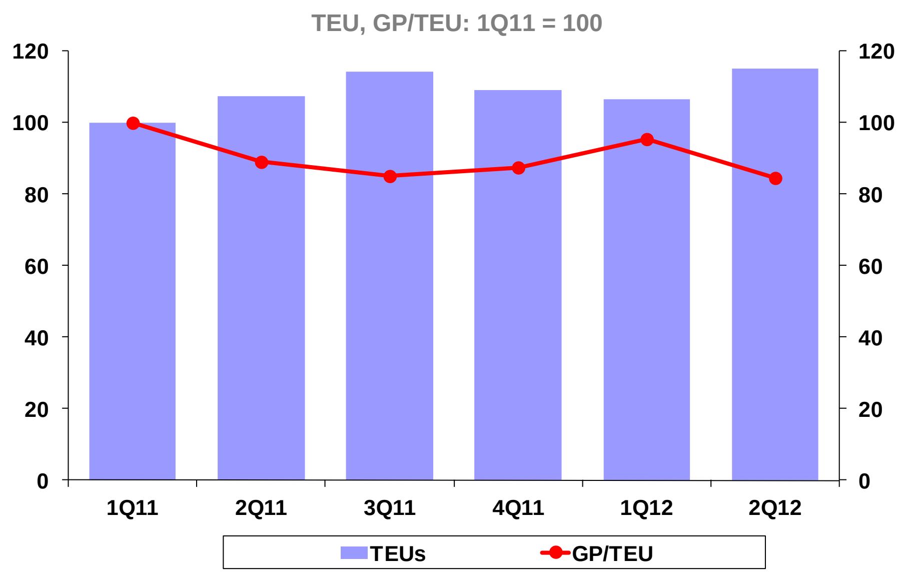


	Air Freight: Gross profit (Δ yoy in %)		
	1Q12	2Q12	1H12
GP (reported)	-6%	-6%	-6%
GP (excl. FX)	-4%	-7%	-5%

- Second quarter volume growth characterized by market share gains, affected by weak market environment
- Gross profit per ton held stable sequentially
- Contraction of GP mainly due to lower volumes

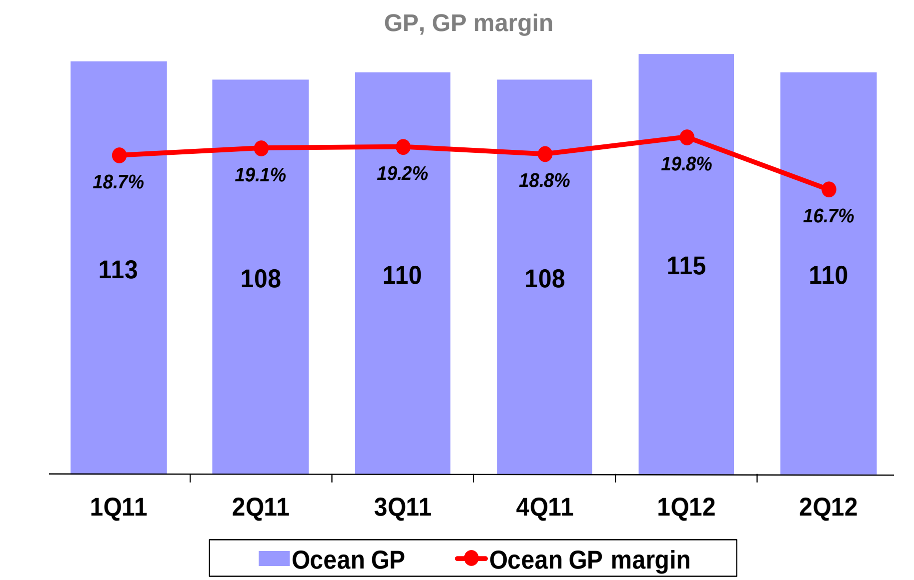
Ocean Freight – market share gains lead to new volume record

Ocean Freight: TEU vs. GP/TEU development



	Ocean Freight: Volumes, GP/TEU (Δ yoy in %)		
	1Q12	2Q12	1H12
Panalpina	+7%	+7%	+7%
Market	+3%	+3%	+3%
Gap to market	+4%	+4%	+4%
GP/TEU	-5%	-5%	-5%

Ocean Freight: GP development

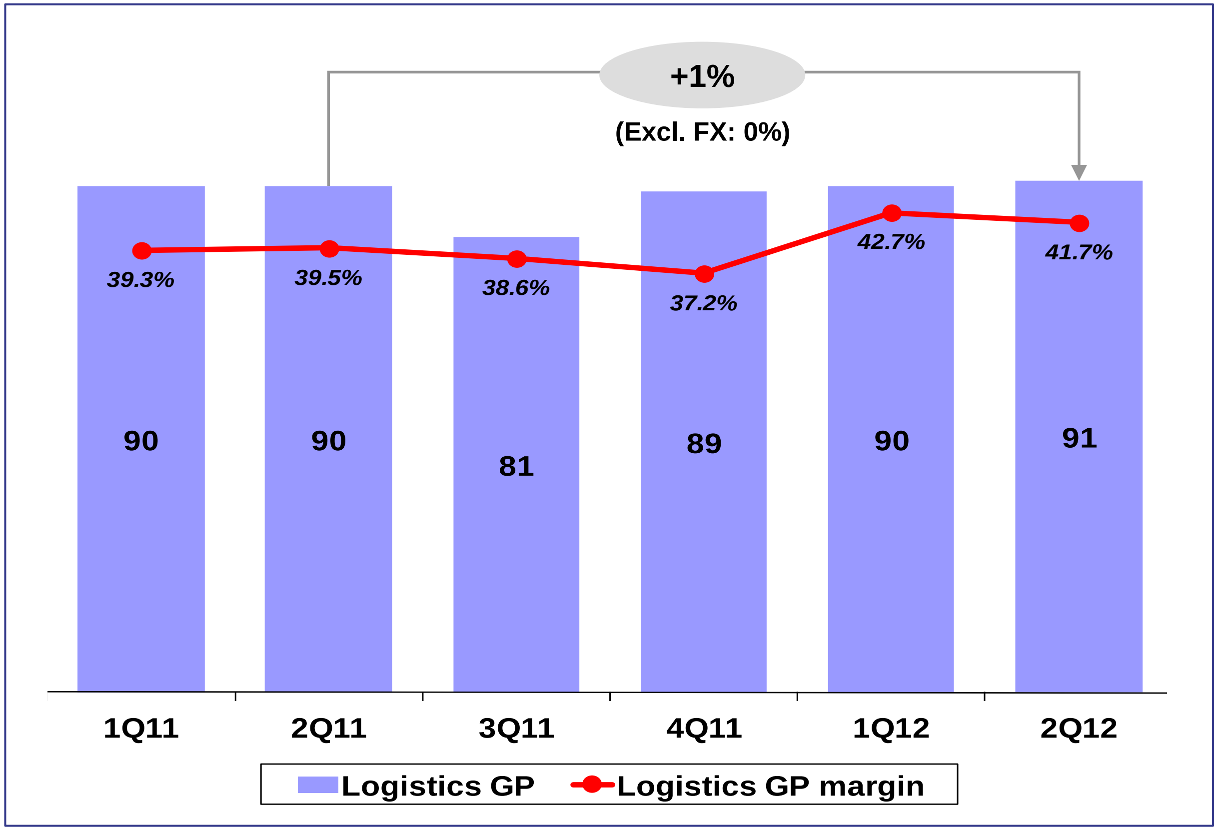


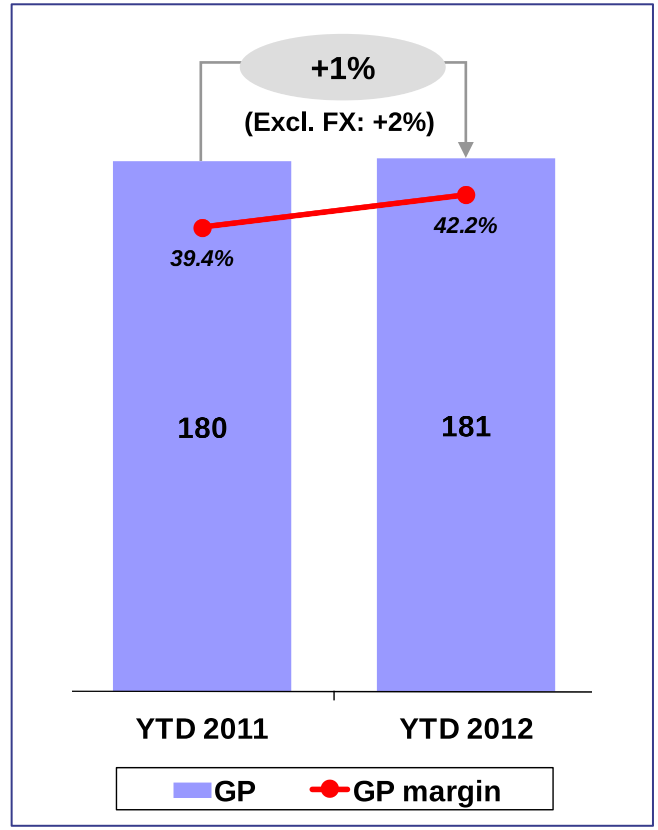
	Ocean Freight: Gross profit (Δ yoy in %)		
	1Q12	2Q12	1H12
GP (reported)	+2%	+2%	+2%
GP (excl. FX)	+5%	+1%	+3%

- Further market share gains in Ocean Freight, leading to new volume record in Q2 and H1
- Pressure on GP/TEU and GP margin due to steep rate increases by Ocean Freight carriers
- Lower unit profitability more than offset by higher volumes, leading to increase of GP

Logistics – GP margin significantly ahead of last year

Gross profit in CHF million

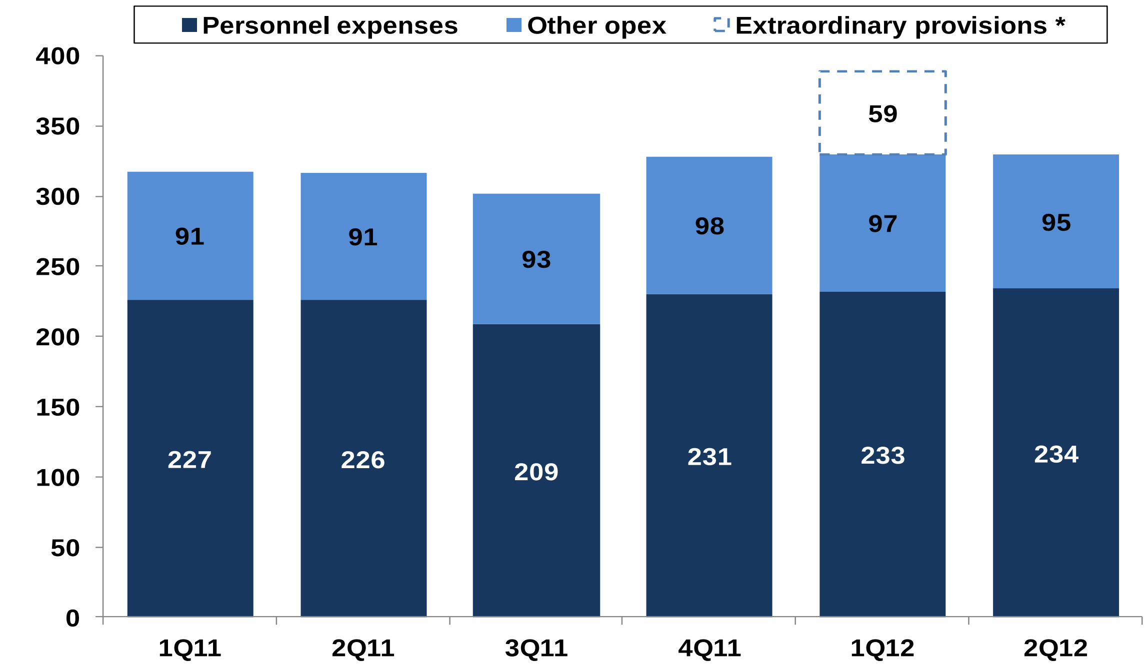




- Moderate gross profit growth reflecting slowing economic environment
- Further strengthening of organizational structures
- Profitability improvement initiatives in Warehousing & Distribution resulting in positive margin effect

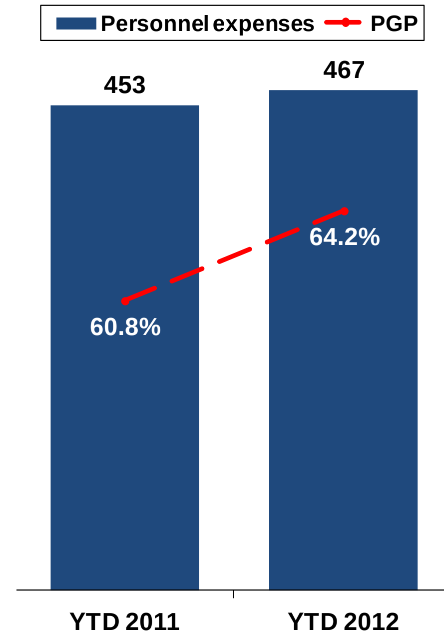
Cost base kept at Q4 2011 level

Operating expenses in CHF million



Ø FTE	14‘943	15‘147	15‘375	15‘676	15‘749	15‘796

Ø FTE = Full-time equivalents (quarterly average)



P/FTE	60‘182	59‘199

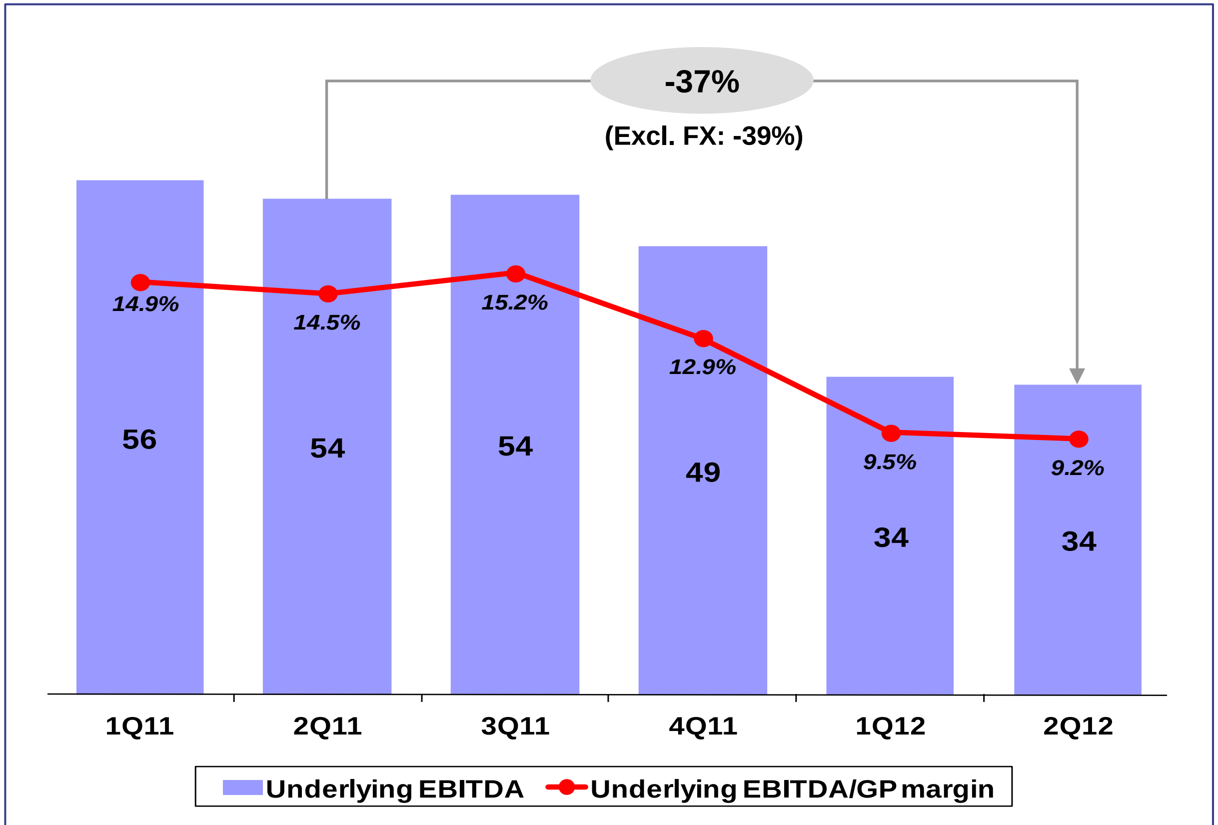
P/FTE = Annualized personnel exp. per Ø FTE
PGP = Personnel expenses / gross profit ratio

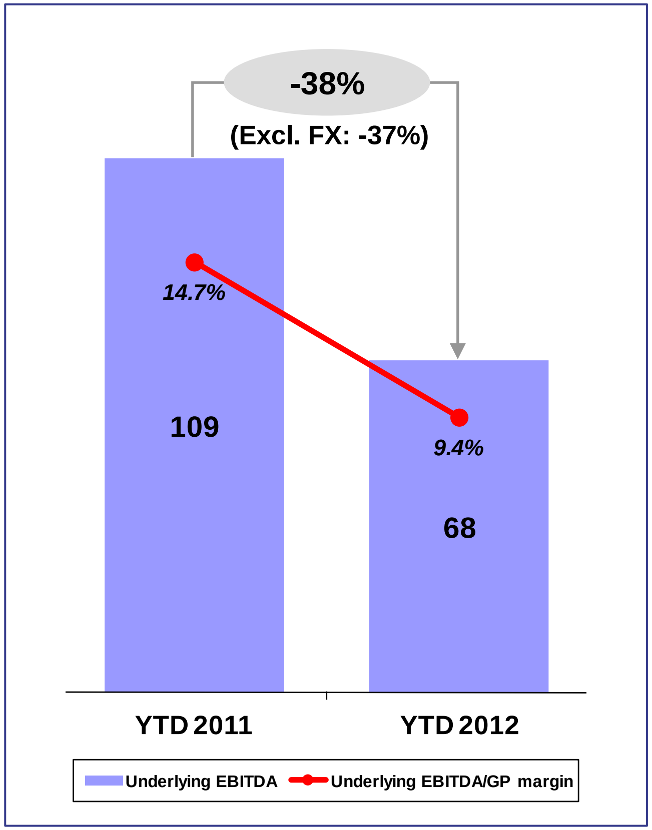
- Slight year-on-year increase of personnel expenses reflecting higher headcount
- Headcount freeze and other cost containment measures leading to flat quarter-on-quarter opex
- Investments in 2011, Ocean margin pressure and lower Air volumes resulting in y-o-y increase of PGP ratio

* Provisions for EU/Swiss antitrust fines as per press release of March 28, 2012

EBITDA kept stable sequentially due to cost containment

Underlying* EBITDA in CHF million

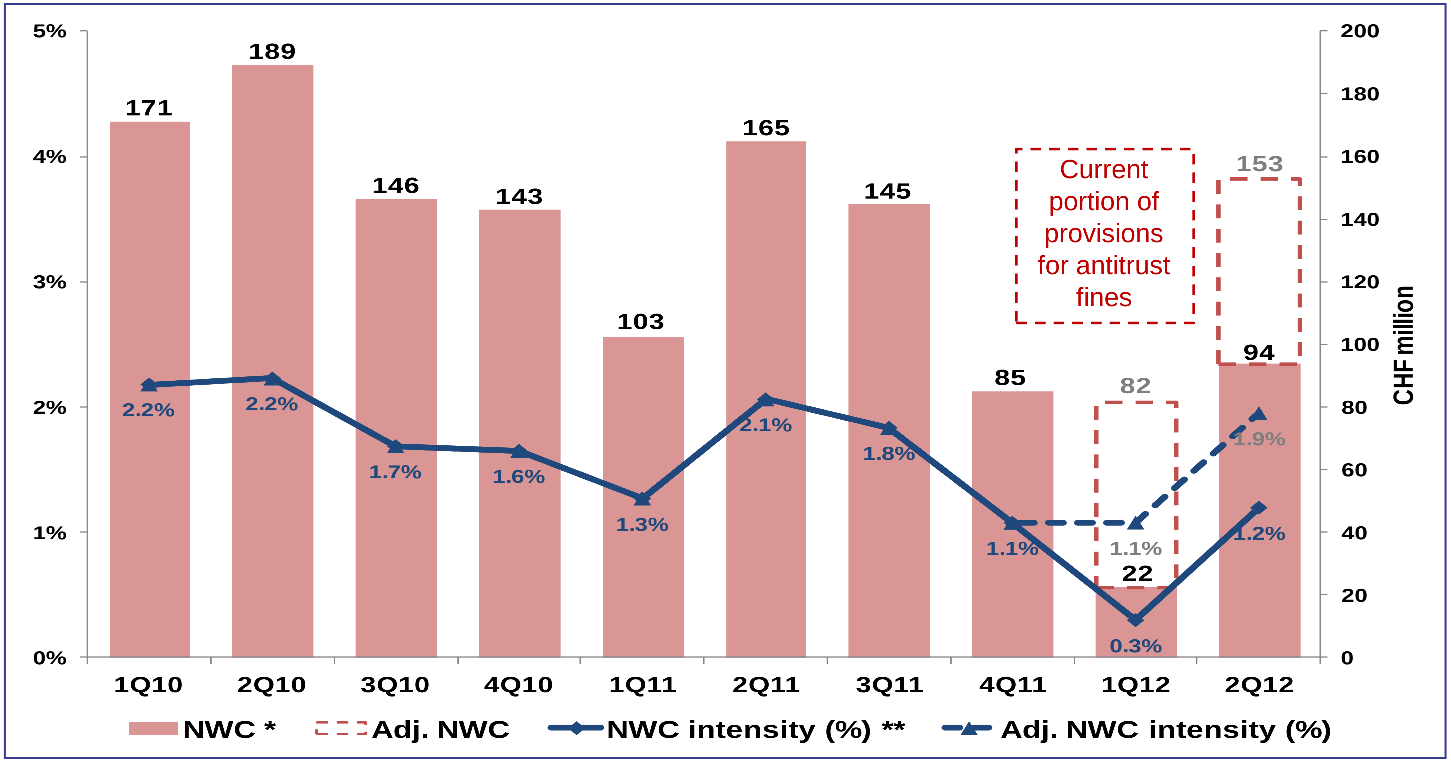




- EBITDA decline vs. prior year period due to lower GP and investments in personnel and Logistics during 2011
- Hiring freeze implemented at end of last year to continue
- Continued focus on cost containment measures

* EBITDA in Q1 2012 adjusted for extraordinary provisions of CHF 59.2 million

Net working capital intensity kept below prior year level



(# of days)	**Jun 30, 2012**	**Jun 30, 2011**
DSO (3-m-rolling)	46.4	40.9
DPO (3-m-rolling)	34.0	26.9
Δ (DSO – DPO)	12.4	14.0

- NWC intensity at 1.2% (adjusted for antitrust fine provisions: 1.9%)
- Gap between DSO and DPO further reduced compared to prior year

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

** NWC intensity defined as NWC divided by gross forwarding revenue

Highlights and key figures

Operating and financial review

Outlook

Contingency plans in place to address ongoing volatility

Planning assumptions for 2nd half 2012:

- Economic environment remains volatile
- Capacity growth outstripping growth in demand, particularly in Ocean Freight
- Uneven demand growth by core market and geography to continue
- Uptick in market growth in Air Freight, continued market growth in Ocean Freight
- Panalpina to outperform market
- Targeted productivity increases

Implications for strategy execution:

- Pre-defined scenarios with concrete simulations and corresponding action plans
- Continued investments in Logistics and IT
- Group-wide cost-containing measures implemented during latter part of 2011 to continue

- Low-visibility environment remains with expectations for moderate improvement in H2 2012
- Working with scenarios allowing to react quickly to deviations from budget

Outlook for 2012

World trade growth 2012: ~3%

Air Freight

Market

- -1% growth (>0% in second half)
- Further capacity reductions
- No significant rate increases expected in second half

Panalpina

- Volume growth > market growth to continue in second half
- Decrease of GP per ton 2012 vs. 2011

Logistics

- Increase of GP margin 2012 vs. 2011
- Continued investments in Value-Added Services

Ocean Freight

Market

- 3-4% growth
- Rate volatility to continue based on ongoing oversupply
- No significant rate increases expected in second half

Panalpina

- Volume growth > market growth to continue in second half
- Stable GP per TEU 2012 vs. 2011

Disclaimer

Investing in the shares of Panalpina World Transport Holding Ltd involves risks. Prospective investors are strongly requested to consult their investment advisors and tax advisors prior to investing in shares of Panalpina World Transport Holding Ltd.

This document contains forward-looking statements which involve risks and uncertainties. These statements may be identified by such words as “may”, “plans”, “expects”, “believes” and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. No obligation is assumed to update any forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

The information contained in this document has not been independently verified and no representation or warranty, express or implied, is made to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information in this presentation is subject to change without notice, it may be incomplete or condensed, and it may not contain all material information concerning the Panalpina Group. None of Panalpina World Transport Holding Ltd or their respective affiliates shall have any liability whatsoever for any loss whatsoever arising from any use of this document, or its content, or otherwise arising in connection with this document.

This document does not constitute, or form part of, an offer to sell or a solicitation of an offer to purchase any shares and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This information does neither constitute an offer to buy shares of Panalpina World Transport Holding Ltd nor a prospectus within the meaning of the applicable Swiss law.

A passion for solutions

Panalpina Group

Basel, July 31, 2012

Appendix

PANALPINA
on 6 continents

Supply Chain Solutions

Air Freight	Ocean Freight	Logistics

Balance sheet

Figures in CHF million

	30-Jun-12	31-Dec-11	Variance CHF	Variance %
Cash and cash equivalents, other current financial assets	557.9	593.6	-35.7	-6.0%
Trade receivables, unbilled forwarding services	1'136.8	1'061.8	75.0	7.1%
Other current assets	108.2	90.0	18.2	20.2%
Property, plant and equipment	116.7	113.2	3.5	3.1%
Intangible assets	148.0	141.7	6.2	4.4%
Other non-current assets	93.1	135.0	-42.0	-31.1%
Total assets	2'160.6	2'135.3	25.3	1.2%
Short-term borrowings	0.0	7.3	-7.3	-100.0%
Trade payables, accrued cost of services	821.9	772.6	49.3	6.4%
Other current liabilities	334.8	293.6	41.2	14.0%
Long-term borrowings	0.3	0.2	0.0	18.6%
Other long-term liabilities	151.0	146.7	4.4	3.0%
Total liabilities	1'308.1	1'220.4	87.6	7.2%
Share capital	50.0	50.0	0.0	0.0%
Reserves, treasury shares	793.5	855.8	-62.3	-7.3%
Non-controlling interests	9.1	9.1	0.0	-0.2%
Total equity	852.5	914.9	-62.3	-6.8%
Total liabilities and equity	2'160.6	2'135.3	25.3	1.2%
Net cash (debt)	557.6	586.1	-28.4	-4.9%
Asset intensity *	5.4%	5.3%		

* Calculated as tangible fixed assets / total assets

Cash flow

Figures in CHF million

	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Cash flow before changes in working capital	(16.9)	16.0	37.4	86.6
Changes in working capital	(26.6)	(31.9)	(39.7)	5.7
Cash from operations	**(43.5)**	**(15.9)**	**(2.3)**	**92.4**
Interest and income taxes paid	(2.9)	(11.4)	(16.0)	(24.6)
Net cash from operating activities	(46.4)	(27.3)	(18.3)	67.8
Net cash from investing activities*	8.5	(136.2)	52.3	(195.0)
Free cash flow (FCF)	**(37.9)**	**(163.5)**	**33.9**	**(127.1)**
FCF adj. for extraord. financial asset in-/outflows, acquisitions *	(63.5)	(33.6)	(43.6)	56.7
Net cash used in financing activities **	(49.1)	(0.9)	(50.8)	(2.3)
Effect of exchange rate changes	8.9	(13.7)	1.1	(14.8)
Cash and cash equivalents at beginning of period	636.0	562.8	573.6	528.9
Net increase (decrease) in cash and cash equivalents	**(78.1)**	**(178.1)**	**(15.7)**	**(144.3)**
Cash and cash equivalents at end of period	557.9	384.7	557.9	384.7

* YTD 2012 includes extraordinary net inflow of CHF 77 million (Q2: CHF 26 million) mainly related to loan and receivables repayments and sales of securities. YTD 2011 includes extraordinary net outflow of CHF 184 million (Q2: CHF 130 million) mainly related to money market investments and acquisitions.

** Q2 2012 includes payment of ordinary dividend of CHF 47 million.