
2016 First Quarter

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

for the three months ended March 31, 2016 and 2015

IN THOUSAND CHF	NOTES	JANUARY - MARCH	
		2016	2015
Net forwarding revenue	4	1,307,163	1,503,364
Forwarding services from third parties	4	(942,279)	(1,131,582)
Gross profit	4	364,884	371,782
Personnel expenses		(225,010)	(229,771)
Other operating expenses		(103,685)	(103,217)
EBITDA		36,189	38,794
Depreciation of property, plant and equipment	5	(6,235)	(7,594)
Amortization of intangible assets	5	(5,987)	(5,944)
Operating result (EBIT)		23,967	25,256
Finance income		349	1,816
Finance costs		(1,263)	(913)
Profit before income tax (EBT)		23,053	26,159
Income tax expenses		(5,764)	(6,574)
Profit		17,289	19,585
Profit attributable to:			
Owners of the parent		17,811	19,747
Non-controlling interests		(521)	(162)
Earnings per share (in CHF per share)			
Basic		0.75	0.84
Diluted		0.75	0.84

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three months ended March 31, 2016 and 2015

JANUARY - MARCH

IN THOUSAND CHF	2016	2015
Profit	17,289	19,585
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of the net defined benefit asset / liability	(7,586)	(3,172)
Income taxes on these components of other comprehensive income	1,627	704
	(5,959)	(2,468)
Items that are or may be reclassified subsequently to profit or loss:		
Exchange difference on translations of foreign operations	(2,725)	(84,659)
	(2,725)	(84,659)
Other comprehensive income, net of tax	(8,684)	(87,127)
Total comprehensive income	8,605	(67,542)
Total comprehensive income attributable to:		
Attributable to owners of the parent	9,347	(67,365)
Attributable to non-controlling interests	(742)	(177)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of March 31, 2016 and December 31, 2015

IN THOUSAND CHF	NOTES	MARCH 31, 2016	DECEMBER 31, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	5	75,984	78,466
Intangible assets	5	115,432	98,820
Investments		25,694	26,820
Deferred income tax assets		77,598	70,581
Total non-current assets		294,708	274,687
Current assets			
Other receivables and other current assets		127,390	103,750
Unbilled forwarding services		62,267	66,410
Trade receivables		785,576	887,938
Derivative financial instruments	8	5,833	2,219
Cash and cash equivalents		435,240	392,260
Assets classified as held for sale		895	524
Total current assets		1,417,201	1,453,101
Total assets		1,711,909	1,727,788
EQUITY AND LIABILITIES			
Equity			
Share capital	6	2,375	2,375
Treasury shares	6	(2,872)	(2,252)
Retained earnings and reserves		647,524	641,150
Total equity attributable to owners of the parent		647,027	641,273
Non-controlling interests		9,763	12,037
Total equity		656,790	653,310
Non-current liabilities			
Borrowings		30	30
Non-current provisions	7	40,905	37,904
Non-current other liabilities	7	40,527	31,389
Post-employment benefit liabilities		69,287	60,688
Deferred income tax liabilities		6,943	10,418
Total non-current liabilities		157,692	140,429
Current liabilities			
Trade payables		415,807	446,025
Other payables and accruals		104,702	150,380
Accrued cost of services		232,833	223,313
Borrowings		121	140
Derivative financial instruments	8	4,136	2,537
Current provisions	7	15,826	17,233
Current other liabilities	7	95,585	74,100
Current income tax liabilities		28,417	20,322
Total current liabilities		897,427	934,050
Total liabilities		1,055,119	1,074,479
Total equity and liabilities		1,711,909	1,727,788

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three months ended March 31, 2016 and 2015

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT					NON-CON-TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	TRANS-LATION RESERVE	RETAINED EARNINGS	TOTAL		
2016 IN THOUSAND CHF							
Balance on January 1, 2016	2,375	(2,252)	(278,288)	919,438	641,273	12,037	653,310
Profit				17,811	17,811	(521)	17,289
Other comprehensive income							
Exchange difference on translations of foreign operations			(2,505)		(2,505)	(220)	(2,725)
Remeasurement of the net defined benefit asset / liability, net of tax				(5,959)	(5,959)	0	(5,959)
Total other comprehensive income, net of tax	0	0	(2,505)	(5,959)	(8,464)	(220)	(8,684)
Total comprehensive income for the period	0	0	(2,505)	11,852	9,347	(741)	8,605
Expenses for share-based compensation plans				1,045	1,045		1,045
Changes in treasury shares, net		(620)		(84)	(704)		(704)
Acquisition of subsidiaries with non-controlling interests					0	3,986	3,986
Transaction with non-controlling interests ¹				(9,453)	(9,453)		(9,453)
Reclassification of non-controlling interests to parent shareholders ²				5,519	5,519	(5,519)	0
Balance on March 31, 2016	2,375	(2,872)	(280,793)	928,316	647,027	9,763	656,790

¹ This movement is related to a put option for an acquisition of a non-controlling interests in one of the group's subsidiaries

² This relates to the transfer of non-controlling interests to the parents' equity

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT					NON-CON-TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	TRANS-LATION RESERVE	RETAINED EARNINGS	TOTAL		
2015 IN THOUSAND CHF							
Balance on January 1, 2015	2,375	(2,089)	(186,647)	907,265	720,904	12,245	733,149
Profit				19,747	19,747	(162)	19,585
Other comprehensive income							
Exchange difference on translations of foreign operations			(84,644)		(84,644)	(15)	(84,659)
Remeasurement of the net defined benefit asset / liability, net of tax				(2,468)	(2,468)	0	(2,468)
Total other comprehensive income, net of tax	0	0	(84,644)	(2,468)	(87,112)	(15)	(87,127)
Total comprehensive income for the period	0	0	(84,644)	17,279	(67,365)	(177)	(67,542)
Expenses for share-based compensation plans				673	673		673
Changes in treasury shares, net		281			281		281
Balance on March 31, 2015	2,375	(1,808)	(271,291)	925,217	654,493	12,068	666,561

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three months ended March 31, 2016 and 2015

JANUARY - MARCH

IN THOUSAND CHF	NOTES	2016	2015
Profit		17,289	19,585
Income tax expenses		5,764	6,574
Depreciation of property, plant and equipment	5	6,235	7,594
Amortization of intangible assets	5	5,987	5,944
Interest income and dividend on available-for-sale financial assets		(358)	(332)
Exchange differences		508	(1,471)
Loss / (gain) on sales of property, plant and equipment	5	174	7
Share-based payment transactions		1,045	673
Other non-cash (income) and expenses		(1,609)	(1,996)
Subtotal cash flow from operations		35,035	36,578
Working capital adjustments:			
(Increase) / decrease receivables, other current assets and unbilled forwarding services		80,962	69,933
Increase / (decrease) payables and accruals incl. accrued cost of service		(73,517)	(57,938)
(Decrease) / increase non-current provisions and other liabilities		12,663	(8,033)
(Decrease) / increase current provisions and other liabilities		20,890	1,792
Cash generated from operations		76,033	42,332
Interest paid		(293)	(796)
Income taxes paid		(8,601)	(9,673)
Net cash from operating activities		67,138	31,863
Interests received		378	425
Dividends received		33	0
Proceeds from sale of property, plant and equipment and Intangible	5	4,133	87
Proceeds from sale of investments		161	43
Proceeds from sale of other financial assets		1,884	119
Repayments of loans and long-term receivables		732	2,319
Purchase of property, plant and equipment	5	(8,035)	(2,478)
Purchase of intangible assets	5	(134)	(179)
Acquisition of subsidiaries, net of cash	3	(21,278)	0
Purchase of investments and other financial assets		(172)	(2,415)
Increase of long-term loans and long-term receivables		(116)	(2,327)
Net cash used in investing activities		(22,414)	(4,406)
Free cash flow		44,724	27,457
Proceeds from short- and long-term borrowings		0	130
Repayment of short- and long-term borrowings		(18)	(40)
Purchase of treasury shares	6	(704)	0
Sale of treasury shares	6	0	265
Net cash used in financing activities		(722)	355
Net increase / (decrease) in cash and cash equivalents		44,002	27,812
Cash and cash equivalents at the beginning of the period		392,260	372,043
Effect of exchange rate changes on cash and cash equivalents		(1,022)	(53,202)
Cash and cash equivalents at the end of the period		435,240	346,653

SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Panalpina World Transport (Holding) Ltd. (referred to hereafter as the Company) and its subsidiaries (collectively the "Group" and individually "Group Companies") is one of the world's leading providers of supply chain solutions. The company combines its core products of Air Freight, Ocean Freight and Logistics to deliver globally integrated tailor-made end-to-end solutions. Drawing on in-depth industry knowledge and customized IT systems, Panalpina manages the needs of its customers' supply chains, no matter how demanding they might be.

Panalpina World Transport (Holding) Ltd. is a limited company incorporated and domiciled in Basel. The registered address is Viaduktstrasse 42, 4002 Basel, Switzerland. The Company shares are publicly traded and listed on the SIX Swiss Exchange in Zurich.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements are the unaudited condensed consolidated interim financial statements (hereafter "the Interim Financial Statements") of the Company for the three-months period ended March 31, 2016 (hereafter "the Interim Period"). These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2015 (hereafter "the Annual Financial Statements"), as they provide an update of previously reported information. They were authorized for issuance in accordance with a resolution by the Group's Audit Committee on April 20, 2016.

2.2 STATEMENT OF COMPLIANCE

The Interim Financial Statements have been prepared in accordance with the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group since the Annual Financial Statements.

2.3 MANAGEMENT JUDGMENTS AND ESTIMATES

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect application of accounting policies and the reported amounts of assets, liabilities, income and expenses. It requires management to exercise its judgments and assumptions in the process of applying the Group's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Deviations from estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas in which assumptions and estimates are significant to the Interim Financial Statements, were the same as those applied in the Annual Financial Statements.

Income tax expenses are recognized based on management's best estimation of the weighted average annual income tax rate expected for the full financial year.

The remeasurement loss on the net defined benefit obligation of CHF 7.6 million was recognised in other comprehensive income for the first three months of 2016. It is mainly attributable to changes in discount rates (loss of CHF 8.2 million) and to remeasurement gains on plan assets (gains of CHF 0.6 million).

2.4 SEASONALITY

Historically, the Group's results have been subject to seasonal trends. The first fiscal quarter has traditionally been the weakest and the third and fourth fiscal quarters have generally been the strongest in volumes. This seasonality is based on many factors, including holiday seasons, consumer demand, climate and economic conditions.

2.5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these Interim Financial Statements are the same as those applied in the Annual Financial Statements.

2.6 CHANGES IN PRESENTATION

In 2016 there was no change in presentation compared to the Annual Financial Statements.

2.7 CHANGES IN STANDARDS, INTERPRETATION AND AMENDMENTS

In 2016, the Group has adopted (if applicable) the following new standards, new interpretations and amendments to existing standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2016:

- Annual Improvements to IFRS 2012-2014 Cycle (effective date January 1, 2016)
- Amendments to IAS 1 – Disclosure Initiative (effective date January 1, 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception (effective date January 1, 2016)
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (effective date January 1, 2016)
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization (effective date January 1, 2016)
- Amendments to IAS 16 and IAS 41 – Bearer Plants (effective date January 1, 2016)
- Amendments to IAS 27 – Equity Method in Separate Financial Statements (effective date January 1, 2016)

2.8 FUTURE NEW AND REVISED STANDARDS

The following new or revised standards, amendments to existing standards and interpretations have been issued, but are not yet effective. They have not been applied early in these condensed consolidated interim financial statements.

New Standards or Interpretations:

- IFRS 15 – Revenue from Contracts with Customers (effective date January 1, 2018)
- IFRS 9 – Financial Instruments (effective date January 1, 2018)
- IFRS 16 – Leases (effective date January 1, 2019)

Revision and amendments of Standards and Interpretations:

- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses (effective date January 1, 2017)
- Amendments to IAS 7 – Disclosure Initiative (effective date January 1, 2017)

The Group is currently analyzing in detail the changes to the accounting policies and the impact on the Group's overall results and financial position. Based on a preliminary assessment, IFRS 16 will have a material impact on assets, liabilities, lease expenses, depreciation and interest expenses. Regarding the other standards, management is currently evaluating the detailed impact on the groups' financial statements.

2.9 FOREIGN CURRENCY

The following foreign currency exchange rates mostly impacted the current financial statements:

	Statement of Financial Position ¹		Income statement and cash flow statement ²		Variance %			
	MARCH 2016	DECEMBER 2015	MARCH 2016	MARCH 2015	STATEMENT OF FINANCIAL POSITION ¹	INCOME STATEMENT AND CASH FLOW STATEMENT ²		
BRL	0.266	0.255	BRL	0.255	0.334	BRL	4%	(24%)
CAD	0.740	0.715	CAD	0.723	0.769	CAD	4%	(6%)
CNY	0.149	0.152	CNY	0.152	0.152	CNY	(3%)	(0%)
EUR	1.091	1.082	EUR	1.095	1.073	EUR	1%	2%
USD	0.963	0.990	USD	0.994	0.951	USD	(3%)	5%

¹ Period end rate

² Period end average rate (i.e. year to date rate)

3 CHANGE IN SCOPE OF CONSOLIDATION

During the Interim Period under review, Panalpina completed the acquisition of the Airflo sub-group (75 percent of the issued share capital of both Airflo B.V., registered in the Netherlands and Airflo Limited, registered in Kenya), which is Kenya's second largest forwarder specialized in fresh-cut flowers export. The company employs a total of 167 staff in Nairobi and Aalsmeer and organizes up to 1,500 temperature-controlled shipments per week from Kenya, totalling more than 40,000 tons of flowers. In accordance with IFRS 3, the acquisition date was defined as January 12, 2016.

There was no other business combination and no subsidiaries that were disposed of.

4 CONDENSED OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Board that are used to make strategic decisions. The Executive Board considers the business from a geographic perspective, as the Group's operations are predominantly managed by the geographical location.

The Executive Board assesses performance of the operating segments based on a measure of adjusted operating result (Segment EBIT). This measurement basis excludes the effects on non-recurring expenditure from the operating segments. In 2015 and 2016, there were no such adjustments necessary.

Condensed operating segment information for the three months ended March 31, 2016

2016 IN THOUSAND CHF	ASIA PACIFIC	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	TOTAL SEGMENTS	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	302,972	722,171	100,334	460,050	1,585,526		1,585,526
Customs, duties and taxes	(18,341)	(184,878)	(18,486)	(56,659)	(278,363)		(278,363)
Intra-group forwarding services	318,746	252,618	37,917	160,248	769,529	(769,529)	0
Net forwarding revenue	603,377	789,910	119,765	563,639	2,076,691	(769,529)	1,307,163
Forwarding services	(515,483)	(650,585)	(89,120)	(456,619)	(1,711,807)	769,529	(942,279)
Gross profit	87,894	139,326	30,644	107,019	364,884	0	364,884
Personnel expenses	(42,794)	(92,896)	(18,794)	(70,526)	(225,010)		(225,010)
Other operating expenses	(24,175)	(36,448)	(10,221)	(32,840)	(103,685)		(103,685)
EBITDA	20,926	9,982	1,629	3,653	36,189	0	36,189
Depreciation and amortization	(3,250)	(4,413)	(1,504)	(3,055)	(12,222)		(12,222)
Operating result (EBIT)	17,676	5,569	125	598	23,967	0	23,967
Financial result							(914)
Finance income							349
Finance costs							(1,263)
Profit before income tax (EBT)							23,053
Income tax expenses							(5,764)
Profit							17,289

Condensed operating segment information for the three months ended March 31, 2015

2015 IN THOUSAND CHF	ASIA PACIFIC	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	TOTAL SEGMENTS	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	336,368	781,133	131,667	600,341	1,849,509		1,849,509
Customs, duties and taxes	(27,464)	(206,945)	(30,238)	(81,498)	(346,145)		(346,145)
Intra-group forwarding services	359,660	267,793	51,206	198,425	877,084	(877,084)	0
Net forwarding revenue	668,564	841,981	152,634	717,268	2,380,448	(877,084)	1,503,364
Forwarding services	(581,966)	(704,723)	(117,437)	(604,539)	(2,008,665)	877,084	(1,131,582)
Gross profit	86,598	137,257	35,197	112,729	371,782	0	371,782
Personnel expenses	(43,941)	(91,533)	(20,271)	(74,026)	(229,771)		(229,771)
Other operating expenses	(22,804)	(37,645)	(10,483)	(32,284)	(103,217)		(103,217)
EBITDA	19,853	8,079	4,443	6,419	38,794	0	38,794
Depreciation and amortization	(3,379)	(4,745)	(1,631)	(3,783)	(13,538)		(13,538)
Operating result (EBIT)	16,474	3,334	2,812	2,636	25,256	0	25,256
Financial result							903
Finance income							1,816
Finance costs							(913)
Profit before income tax (EBT)							26,159
Income tax expenses							(6,574)
Profit							19,585

The Group's business can be divided into three divisions: Air Freight, Ocean Freight, Logistics.

Information by product for the three months ended March 31, 2016 and 2015

2016 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	744,055	687,566	153,905	1,585,526
Customs, duties and taxes	(110,901)	(153,789)	(13,673)	(278,363)
Net forwarding revenue	633,153	533,777	140,232	1,307,163
Forwarding services from third parties	(484,577)	(415,695)	(42,007)	(942,279)
Gross profit	148,577	118,082	98,226	364,884
Personnel expenses	(88,464)	(79,099)	(57,447)	(225,010)
Other operating expenses	(37,132)	(30,540)	(36,013)	(103,685)
EBITDA	22,981	8,443	4,766	36,189
Depreciation and amortization	(5,171)	(4,131)	(2,920)	(12,222)
Operating result (EBIT)	17,809	4,312	1,846	23,967
Financial result				(914)
Finance income				349
Finance costs				(1,263)
Profit before income tax (EBT)				23,053
Income tax expenses				(5,764)
Profit				17,289
2015 IN THOUSAND CHF	AIR FREIGHT	OCEAN FREIGHT	LOGISTICS	TOTAL GROUP
External forwarding services	786,515	890,368	172,626	1,849,509
Customs, duties and taxes	(125,056)	(206,328)	(14,762)	(346,145)
Net forwarding revenue	661,459	684,041	157,864	1,503,364
Forwarding services from third parties	(513,476)	(564,951)	(53,155)	(1,131,582)
Gross profit	147,983	119,090	104,709	371,782
Personnel expenses	(86,153)	(78,852)	(64,766)	(229,771)
Other operating expenses	(37,297)	(31,102)	(34,819)	(103,217)
EBITDA	24,534	9,137	5,124	38,794
Depreciation and amortization	(4,959)	(4,665)	(3,915)	(13,538)
Operating result (EBIT)	19,575	4,472	1,209	25,256
Financial result				903
Finance income				1,816
Finance costs				(913)
Profit before income tax (EBT)				26,159
Income tax expenses				(6,574)
Profit				19,585

5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Interim Period, the Group recognized additions in the amount of CHF 3.5 million (2015: CHF 1.2 million) as machinery and equipment. Furthermore additions in the amount of CHF 3.9 million (2015: CHF 0.6 million) have been recognized as buildings and buildings under construction. The Group also acquired vehicles in the amount of CHF 0.6 million (2015: CHF 0.7 million).

The following table shows the movements in the net book values of property, plant and equipment and intangible assets for the periods ended March 31, 2016 and 2015, respectively.

IN THOUSAND CHF	PROPERTY, PLANT AND EQUIPMENT 2016	INTANGIBLE AS- SETS 2016	PROPERTY, PLANT AND EQUIPMENT 2015	INTANGIBLE AS- SETS 2015
Net book value on January 1	78,466	98,820	104,283	122,029
Translation differences	(885)	(389)	(9,253)	(1,318)
Acquisitions of subsidiaries	892	23,027	0	0
Additions	8,035	134	2,509	178
Disposals (net)	(4,289)	(174)	(0)	(107)
Depreciation and amortization	(6,235)	(5,987)	(7,594)	(5,944)
Net book value on March 31	75,984	115,432	89,945	114,838

Intangible assets as of March 31, 2016 include goodwill of CHF 53.7 million (2015: CHF 43.9 million), brands and customer lists of CHF 12.9 million (2015: 0.0 million) and software of CHF 48.8 million (2015: CHF 70.9 million). The acquired assets relate to the acquisition of Airflo sub-group as disclosed in note 3.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the country of operation. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash-flow projections based on financial budgets of a CGU approved by management covering a five-year period. Cash-flows beyond the five year period are extrapolated using estimated growth rates. There were no impairment charges recorded on goodwill during the three months periods ended March 31, 2016 and 2015, respectively. Management believes that the current key assumptions applied would not cause the carrying value of goodwill to exceed the recoverable amount. As per March 31, 2016, no impairment indicator was identified.

Intangible assets with a finite useful life are amortized over the period of their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with IAS 36 "Impairment of Assets". Intangible assets, stated at cost net of amortization and impairment charges, mainly include customer relations. There were no impairment charges recorded on intangible assets during the three months periods ended March 31, 2016 and 2015 respectively.

6 SHARE CAPITAL AND TREASURY SHARES

The share capital, the number of issued shares and the authorized capital have not changed during the Interim Period. The weighted average number of shares issued was 23,733,878 (March 31, 2015: 23,734,529).

The amount available for dividend distribution is based on the available distributable retained earnings of Panalpina World Transport (Holding) Ltd. determined in accordance with the legal provisions of the Swiss Code of Obligations. The Board of Directors has proposed dividends for the fiscal year 2015 of CHF 3.50 gross per share. This proposal is subject to approval at the Annual Meeting of Shareholders on May 10, 2016.

	OUTSTANDING NUMBER OF SHARES	VALUE
	Numbers	In TCHF
Total number of shares issued as of January 1, 2016	23,750,000	2,375
Treasury shares outstanding as of January 1, 2016	(17,840)	(2,252)
Total number of shares outstanding as of January 1, 2016 ¹	23,732,160	
Movements in Treasury shares		
Purchased	(7,500)	(704)
Free shares from share plan	666	84
Subtotal movement of treasury shares during the period	(6,834)	(620)
Total number of shares outstanding as of March 31, 2016 ¹	23,725,326	
Total number of treasury shares outstanding as of March 31, 2016	(24,674)	(2,872)

¹ i.e. shares entitled to voting rights and dividends

7 PROVISIONS AND OTHER LIABILITIES

7.1 NON-CURRENT AND CURRENT PROVISIONS

2016 (IN THOUSAND CHF)	CLAIMS	RESTRUC- TURING	OTHER PRO- VISIONS	TOTAL
Balance on January 1	30,130	4,634	20,370	55,134
Translation differences	(81)	6	(329)	(404)
Addition	3,161	451	3,069	6,681
Reversal of unused amounts	(50)	(85)	(293)	(428)
Charged in income statement	3,111	366	2,776	6,253
Utilization	(1,449)	(841)	(1,963)	(4,253)
Balance on March 31	31,711	4,165	20,855	56,731
thereof				
non-current	25,170	0	15,735	40,905
current	6,541	4,165	5,120	15,826

Provisions are recognized where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Management determined the provision based on past performance and its expectation of the funds needed for the future settlement of claims not yet reported. Restructuring provisions are recognized when the Group has a detailed formal plan that has either commenced implementation or been announced.

Claim provision as of March 31, 2016 include a portion of certain claims brought forward against the Group by customers and forwarding agents (CHF 27.0 million). The non-current part of the provisions as of March 31, 2016, is expected to be utilized within the next two to five years.

7.2 NON-CURRENT AND CURRENT OTHER LIABILITIES

The non-current part includes employee benefit obligations (CHF 31.0 million), such as "anniversary" benefits, termination payments and long-service benefits (mainly in USA, Switzerland, Austria and Germany). The timings of these cash outflows can be reasonably estimated based on past performance. Also included is a redemption liability relating to a put option for an acquisition of a non-controlling interest in one of the Group's subsidiaries (CHF 9.5 million). The current part contains vacation entitlement, personnel profit participation and respective social security costs and payroll taxes.

8 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives, policies and government structure are consistent with those disclosed in note 17 to the Annual Financial Statements.

Fair value hierarchy

The table below analyzes recurring fair value measurement for financial assets and financial liabilities. These fair value measurements are categorized into different levels in the fair value hierarchy based on the input and techniques used. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

MARCH 31, 2016 (IN THOUSAND CHF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets	0	0	546	546
Financial assets at fair value through profit or loss held for trading	355	0	0	355
Derivative financial assets	0	5,833	0	5,833
Total				6,734
Derivative financial liabilities	0	4,136	0	4,136
Total				4,136

DECEMBER 31, 2015 (IN THOUSAND CHF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets	0	0	541	541
Financial assets at fair value through profit or loss held for trading	400	0	0	400
Derivative financial assets	0	2,219	0	2,219
Total				3,161
Derivative financial liabilities	0	2,537	0	2,537
Total				2,537

There were no significant transfers between Level 1 and Level 2 and vice versa during the Interim Period.

The Group determines Level 2 fair values using the following valuation techniques:

- Available-for-sale investments using a valuation model based on the most recently published financial data.
- Derivative financial instruments are based on valuation models that use observable market data for interest rates and foreign exchange rates at the measurement date.

The Group holds a new investment (acquisition value of TCHF 523) since June 2015 with a fair value of CHF 546 thousand at March 31, 2016. This investment was classified as available-for-sale level 3 as it is not traded on an active market and there are no comparative observable arm's length transactions. The gain (TCHF 5) was recognized in consolidated income statement during the interim period.

Other financial instruments (such as e.g. short-term trade and other receivables, payables or accruals) are not disclosed as their carrying amounts are a reasonable approximation of fair values.

9 MAJOR LEGAL CLAIMS

The status of the proceedings disclosed under “pending legal claims” in the Annual Financial Statements (note 29.2) has remained unchanged.

10 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

There have been no material changes in contingent liabilities and other commitments since the last annual balance sheet date.

11 EVENTS AFTER THE BALANCE SHEET DATE

Since the balance sheet date no further events have become known of for which a disclosure is required.

Basel, April 21, 2016