
2017 First Quarter

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

for the three months ended March 31, 2017 and 2016

IN THOUSAND CHF	NOTES	JANUARY - MARCH	
		2017	2016
Net forwarding revenue	4	1,277,199	1,307,163
Forwarding services from third parties	4	(944,471)	(942,279)
Gross profit	4	332,728	364,884
Personnel expenses		(216,370)	(225,010)
Other operating expenses		(89,287)	(103,685)
Operating result before depreciation and amortization (EBITDA)		27,071	36,189
Depreciation of property, plant and equipment	5	(5,266)	(6,235)
Amortization of intangible assets	5	(5,448)	(5,987)
Operating result (EBIT)		16,357	23,967
Finance income		1,066	349
Finance costs		(911)	(1,263)
Profit before income tax (EBT)		16,512	23,053
Income tax expenses		(4,161)	(5,764)
Profit		12,351	17,289
Profit attributable to:			
Owners of the parent		12,887	17,811
Non-controlling interests		(536)	(521)
Earnings per share (in CHF per share)			
Basic		0.54	0.75
Diluted		0.54	0.75

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three months ended March 31, 2017 and 2016

JANUARY - MARCH

IN THOUSAND CHF	2017	2016
Profit	12,351	17,289
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of the net defined benefit asset / liability	7,613	(7,586)
Income taxes on these components of other comprehensive income	(1,775)	1,627
	5,838	(5,959)
Items that are or may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets - net change in fair value	(12)	0
Exchange difference on translations of foreign operations	2,422	(2,725)
	2,409	(2,725)
Other comprehensive income, net of tax	8,248	(8,684)
Total comprehensive income	20,598	8,605
Total comprehensive income attributable to:		
Owners of the parent	21,455	9,347
Non-controlling interests	(857)	(742)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of March 31, 2017 and December 31, 2016

IN THOUSAND CHF	NOTES	MARCH 31, 2017	DECEMBER 31, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	5	65,107	63,524
Intangible assets	5	92,641	97,947
Investments	8	23,819	24,403
Post-employment benefit assets		8,998	2,231
Deferred income tax assets		74,514	72,410
Total non-current assets		265,077	260,515
Current assets			
Other receivables and other current assets		130,757	101,370
Unbilled forwarding services		58,787	60,342
Trade receivables		810,490	848,398
Derivative financial instruments	8	2,791	1,164
Cash and cash equivalents		399,882	388,777
Total current assets		1,402,707	1,400,051
Total assets		1,667,785	1,660,565
EQUITY AND LIABILITIES			
Equity			
Share capital	6	2,375	2,375
Treasury shares	6	(2,715)	(3,987)
Retained earnings and reserves		631,211	609,638
Total equity attributable to owners of the parent		630,871	608,026
Non-controlling interests		8,083	8,940
Total equity		638,955	616,966
Non-current liabilities			
Borrowings		1,202	0
Non-current provisions	7	43,819	42,566
Non-current other liabilities	7	40,555	40,812
Post-employment benefit liabilities		56,511	56,313
Deferred income tax liabilities		7,046	5,242
Total non-current liabilities		149,133	144,934
Current liabilities			
Trade payables		410,638	408,452
Other payables and accruals		131,299	129,057
Accrued cost of services		209,321	243,983
Borrowings		548	2,339
Derivative financial instruments	8	1,385	4,227
Current provisions	7	22,845	23,395
Current other liabilities	7	86,293	68,860
Current income tax liabilities		17,369	18,354
Total current liabilities		879,697	898,666
Total liabilities		1,028,830	1,043,600
Total equity and liabilities		1,667,785	1,660,565

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three months ended March 31, 2017 and 2016

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT					NON-CON-TROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	TRANS-LATION RESERVE	RETAINED EARNINGS	TOTAL		
2017 IN THOUSAND CHF							
Balance on January 1, 2017	2,375	(3,987)	(286,735)	896,372	608,026	8,940	616,966
Profit				12,887	12,887	(536)	12,351
Other comprehensive income							
Exchange difference on translations of foreign operations			2,742		2,742	(321)	2,422
Remeasurement of the net defined benefit asset / liability, net of tax				5,838	5,838	0	5,838
Available-for-sale financial assets - net change in fair value				(12)	(12)		(12)
Total other comprehensive income, net of tax	0	0	2,742	5,826	8,568	(321)	8,248
Total comprehensive income for the period	0	0	2,742	18,713	21,455	(857)	20,598
Expenses for share-based compensation plans				1,390	1,390		1,390
Changes in treasury shares (note 6)		1,272		(1,272)	0		0
Balance on March 31, 2017	2,375	(2,715)	(283,993)	915,203	630,871	8,083	638,955

	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 (note 6)		(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 non-controlling interests in one of the group's subsidiaries

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three months ended March 31, 2017 and 2016

JANUARY - MARCH

IN THOUSAND CHF	NOTES	2017	2016
Profit		12,351	17,289
Income tax expenses		4,161	5,764
Depreciation of property, plant and equipment	5	5,266	6,235
Amortization of intangible assets	5	5,448	5,987
Interest income and dividend on available-for-sale financial assets		(352)	(358)
Exchange differences		(714)	508
Loss / (gain) on sales of property, plant and equipment		(142)	174
Share-based payment transactions		1,390	1,045
Other non-cash (income) and expenses		766	(1,609)
Subtotal cash flow from operations		28,175	35,035
Working capital adjustments:			
(Increase) / decrease receivables, other current assets and unbilled forwarding services		9,268	80,962
Increase / (decrease) payables and accruals incl. accrued cost of service		(32,672)	(73,517)
(Decrease) / increase non-current provisions and other liabilities		1,495	12,663
(Decrease) / increase current provisions and other liabilities		17,260	20,890
Cash generated from operations		23,526	76,033
Interest paid		(301)	(293)
Income taxes paid		(6,991)	(8,601)
Net cash from operating activities		16,233	67,138
Interests received		456	378
Dividends received		0	33
Proceeds from sale of property, plant and equipment and intangible assets		197	4,133
Proceeds from sale of investments		398	161
Proceeds from sale of other financial assets		0	1,884
Repayments of long-term loans and long-term receivables		2,735	732
Acquisition of subsidiaries, net of cash		0	(21,278)
Purchase of property, plant and equipment		(6,773)	(8,035)
Purchase of intangible assets		0	(134)
Purchase of investments and other financial assets		(2,455)	(172)
Investments in long-term loans and long-term receivables		(534)	(116)
Net cash used in investing activities		(5,976)	(22,414)
Free cash flow		10,257	44,724
Proceeds from short- and long-term borrowings		1,208	0
Repayment of short- and long-term borrowings		0	(18)
Purchase of treasury shares	6	0	(704)
Net cash used in financing activities		1,208	(722)
Net increase / (decrease) in cash and cash equivalents		11,465	44,002
Cash and cash equivalents at the beginning of the period		388,777	392,260
Effect of exchange rate changes on cash and cash equivalents		(358)	(1,022)
Cash and cash equivalents at the end of the period		399,882	435,240

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, 2017 (hereafter "the Interim Period"). These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2016 (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 19, 2017.

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 gain in first three months of 2017 on the net defined benefit obligation of CHF 7.6 million was recognised in other comprehensive income. It is mainly attributable to remeasurement gains on the plan assets (there was no change in the discount rates compared to year end 2016).

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 2017 there was no change in presentation compared to the Annual Financial Statements. Restructuring expenses, which have been disclosed as an additional line item in the consolidated income statement as from Q2 2016, will be disclosed as a separate component for the next quarter reporting. Since no such expenses meeting the definition explained in the Annual Financial Statement Note 2.3 occurred in the current or prior period under review, this line item is not shown separately in the consolidated income statement.

2.7 CHANGES IN STANDARDS, INTERPRETATION AND AMENDMENTS

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, 2017:

- Amendments to IAS 7 – Disclosure Initiative (effective date January 1, 2017)
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses (effective date January 1, 2017)
- Annual improvements to IFRSs 2014-2016 Cycle (amendments to IFRS 12 Disclosure of Interests in Other Entities) (effective date January 1, 2017).

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)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective date January 1, 2018)
- IFRS 16 – Leases (effective date January 1, 2019)

Revision and amendments of Standards and Interpretations:

- Annual improvements to IFRSs 2014-2016 Cycle (amendments to IFRS 1 and amendments IAS 28 (both effective date January 1, 2018)
- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions (effective date January 1, 2018)
- Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (effective date January 1, 2018)
- Amendments to IAS 40 (transfers of investment property) (effective date January 1, 2018).

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, only IFRS 16 will have a material impact on assets, liabilities, lease expenses, depreciation and interest expenses. IFRS 15 will mainly impact the group's disclosures in relation to contract balances and net forwarding revenue. Finally, the Group is still evaluating the impact of IFRS 9 on its 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 2017	DECEMBER 2016		MARCH 2017	MARCH 2016	STATEMENT OF FINANCIAL POSITION ¹	INCOME STATEMENT AND CASH FLOW STATEMENT ²
BRL	0.319	0.314	BRL	0.319	0.255	2%	25%
CAD	0.747	0.758	CAD	0.759	0.723	(1%)	5%
CNY	0.145	0.147	CNY	0.146	0.152	(2%)	(4%)
EUR	1.070	1.071	EUR	1.069	1.095	(0%)	(2%)
GBP	1.241	1.255	GBP	1.243	1.424	(1%)	(13%)
USD	0.996	1.024	USD	1.005	0.994	(3%)	1%

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, there was no material business combination or 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 extraordinary items from the operating segments.

Condensed operating segment information for the three months ended March 31, 2017 and 2016:

2017 IN THOUSAND CHF	ASIA PACIFIC	EUROPE	MIDDLE EAST, AFRICA, CIS	AMERICAS	TOTAL SEGMENTS	ELIMI- NATIONS	TOTAL GROUP
External forwarding services	304,557	702,476	87,571	449,868	1,544,471		1,544,471
Customs, duties and taxes	(18,923)	(180,832)	(14,638)	(52,879)	(267,272)		(267,272)
Intra-group forwarding services	354,250	258,440	22,691	124,566	759,947	(759,947)	0
Net forwarding revenue	639,884	780,083	95,624	521,555	2,037,146	(759,947)	1,277,199
Forwarding services	(557,557)	(656,449)	(72,825)	(417,587)	(1,704,418)	759,947	(944,471)
Gross profit	82,327	123,634	22,799	103,968	332,728		332,728
Personnel expenses	(44,773)	(87,828)	(15,673)	(68,096)	(216,370)		(216,370)
Other operating expenses	(18,007)	(34,440)	(7,154)	(29,687)	(89,287)		(89,287)
EBITDA	19,548	1,366	(27)	6,185	27,071		27,071
Depreciation and amortization	(3,085)	(3,960)	(976)	(2,693)	(10,714)		(10,714)
Operating result (EBIT)	16,463	(2,594)	(1,004)	3,492	16,357		16,357
Financial result							155
Finance income							1,066
Finance costs							(911)
Profit before income tax (EBT)							16,512
Income tax expenses							(4,161)
Profit							12,351

2016 IN THOUSAND CHF			MIDDLE			ELIMI-	TOTAL
	ASIA	EUROPE	EAST,	AMERICAS	TOTAL	NATIONS	GROUP
	PACIFIC		AFRICA,		SEGMENTS		
			CIS				
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

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, 2017 and 2016:

2017 IN THOUSAND CHF	AIR	OCEAN	LOGISTICS	TOTAL
	FREIGHT	FREIGHT		GROUP
External forwarding services	775,819	625,036	143,616	1,544,471
Customs, duties and taxes	(118,683)	(133,532)	(15,057)	(267,272)
Net forwarding revenue	657,135	491,504	128,559	1,277,199
Forwarding services from third parties	(512,475)	(385,984)	(46,012)	(944,471)
Gross profit	144,661	105,520	82,548	332,728
Personnel expenses	(90,521)	(77,937)	(47,911)	(216,370)
Other operating expenses	(32,371)	(27,122)	(29,794)	(89,287)
EBITDA	21,768	461	4,842	27,071
Depreciation and amortization	(4,632)	(3,614)	(2,468)	(10,714)
Operating result (EBIT)	17,136	(3,152)	2,373	16,357
Financial result				155
Finance income				1,066
Finance costs				(911)
Profit before income tax (EBT)				16,512
Income tax expenses				(4,161)
Profit				12,351

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

5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Interim Period, the Group recognized additions in the amount of CHF 3.2 million (2016: CHF 3.5 million) as machinery and equipment. Furthermore additions in the amount of CHF 3.8 million (2016: CHF 3.9 million) have been recognized as build-ings and buildings under construction. The Group also acquired vehicles in the amount of CHF 0.1 million (2016: CHF 0.6 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, 2017 and 2016, respectively:

IN THOUSAND CHF	PROPERTY, PLANT AND EQUIPMENT 2017	INTANGIBLE AS- SETS 2017	PROPERTY, PLANT AND EQUIPMENT 2016	INTANGIBLE AS- SETS 2016
Net book value on January 1	63,524	97,947	78,466	98,820
Translation differences	(102)	131	(885)	(389)
Acquisitions of subsidiaries	0	0	892	23,027
Additions	7,075	13	8,035	134
Disposals (net)	(123)	(3)	(4,289)	(174)
Depreciation and amortization	(5,266)	(5,448)	(6,235)	(5,987)
Net book value on March 31	65,107	92,641	75,984	115,432

Intangible assets as of March 31, 2017 include goodwill of CHF 53.2 million (2016: CHF 53.7 million), brands and customer lists of CHF 10.0 million (2016: 12.9 million) and software of CHF 29.5 million (2016: CHF 48.8 million).

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, 2017 and 2016, 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, 2017, 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, 2017 and 2016 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. As of March 31, 2017, the weighted average number of shares issued amounted to 23,727,618 (March 31, 2016: 23,733,878).

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 2016 of CHF 3.75 gross per share. This proposal is subject to approval at the Annual Meeting of Shareholders on May 3, 2017.

	OUTSTANDING NUMBER OF SHARES	VALUE
	Numbers	In TCHF
Total number of shares issued as of January 1, 2017	23,750,000	2,375
Treasury shares outstanding as of January 1, 2017	(33,367)	(3,987)
Total number of shares outstanding as of January 1, 2017 ¹	23,716,633	
Movements in Treasury shares		
Free shares from share plan	1,047	124
Bonus settled with own shares	10,251	1,149
Subtotal movement of treasury shares during the period	11,298	1,272
Total number of shares outstanding as of March 31, 2017 ¹	23,727,931	
Total number of treasury shares outstanding as of March 31, 2017	(22,069)	(2,715)

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

7 PROVISIONS AND OTHER LIABILITIES

7.1 NON-CURRENT AND CURRENT PROVISIONS

2017 (IN THOUSAND CHF)	CLAIMS	RESTRUC- TURING	OTHER PRO- VISIONS	TOTAL
Balance on January 1	(28,153)	(17,284)	(20,523)	(65,961)
Translation differences	(183)	551	728	1,095
Addition	(7,874)	(467)	(653)	(8,994)
Reversal of unused amounts	480	198	190	868
Charged in income statement	(7,394)	(269)	(463)	(8,126)
Charged to Property, Plant and Equipment	0	0	(301)	(301)
Utilization	1,997	2,362	2,270	6,629
Balance on March 31	(33,734)	(14,641)	(18,289)	(66,664)
thereof				
non-current	(23,491)	(6,189)	(14,140)	(43,819)
current	(10,243)	(8,452)	(4,150)	(22,845)

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.

The claim provisions as of March 31, 2017 include a portion of certain claims brought forward against the Group by customers and forwarding agents (CHF 27.4 million). The non-current part of the provisions as of March 31, 2017, is expected to be utilized within the next two to five years.

7.2 NON-CURRENT AND CURRENT OTHER LIABILITIES

The current part (CHF 86.3 million) contains vacation entitlement, personnel profit participation and respective social security costs and payroll taxes where applicable. The non-current part includes employee benefit obligations (CHF 30.6 million), such as for anniversary, termination 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 10.0 million).

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, 2017 (IN THOUSAND CHF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets ¹	0	0	523	523
Financial assets at fair value through profit or loss held for trading ¹	192	0	0	192
Derivative financial assets	0	2,791	0	2,791
Total				3,507
Derivative financial liabilities	0	(1,385)	0	(1,385)
Total				(1,385)

¹ reported as part of investments in the statement of financial position

DECEMBER 31, 2016 (IN THOUSAND CHF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available-for-sale financial assets ¹	0	0	535	535
Financial assets at fair value through profit or loss held for trading ¹	340	0	0	340
Derivative financial assets	0	1,164	0	1,164
Total				2,040
Derivative financial liabilities	0	(4,227)	0	(4,227)
Total				(4,227)

¹ reported as part of investments in the statement of financial position

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

The Group holds an investment (acquisition value of CHF 523 thousand) since June 2015 with a fair value of CHF 523 thousand as of March 31, 2017. 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.

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 19, 2017