



Kuehne + Nagel International AG

Analyst Conference Call – Half-Year 2015 Results

July 14, 2015 (CET 14.00)
Schindellegi, Switzerland



Forward-looking statements

This presentation contains forward-looking statements.

Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of Kuehne + Nagel International AG, may cause actual development and results to differ materially from the expectations contained in the presentation.

Reference is also made to our disclaimer on the last slide of this presentation.



Agenda

Overview Half-Year 2015

Financial review

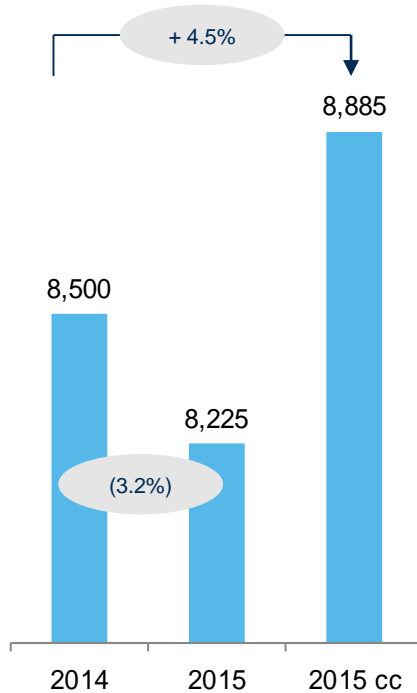
Appendices



Overview Half-Year 2015 Results - Kuehne + Nagel Group

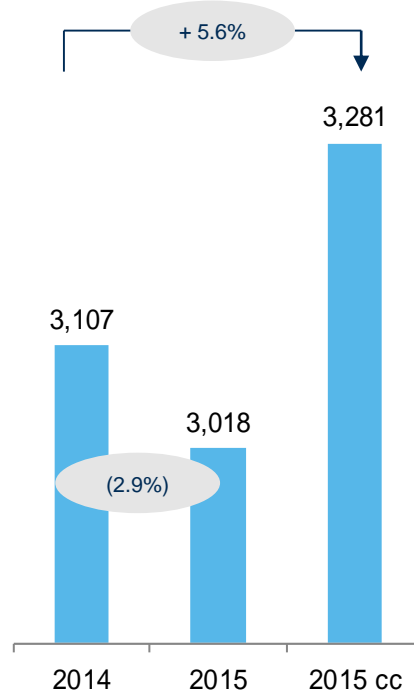
Net turnover

in CHF million



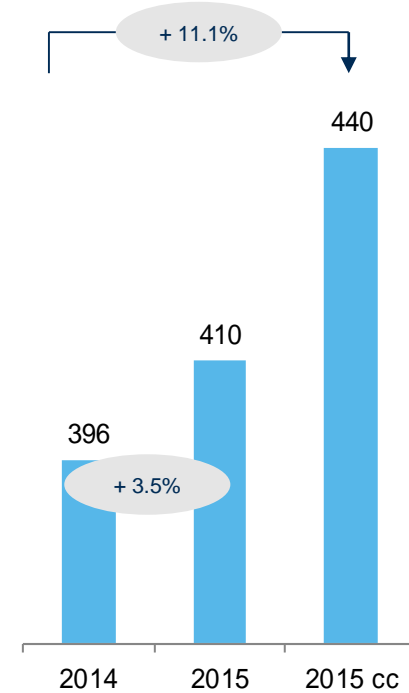
Gross profit

in CHF million



EBIT

in CHF million



- Net turnover growth of 4.5% in cc¹
- Gross profit increased by 5.6% in cc
- EBIT – Profitability improved by 11.1% in cc

¹ cc (constant currencies)



EBIT per business unit – Half-Year 2015

Business Unit (in CHF million)	HY1 2014	HY1 2015	Variance 2015/2014 in %	Variance 2015/2014	HY1 2015 cc¹
Seafreight	188	204	8.5%	16	222
Airfreight	122	136	11.5%	14	141
Overland	16	14	(12.5%)	(2)	14
Contract Logistics	70	56	(20.0%)	(14)	63
Kuehne + Nagel	396	410	3.5%	14	440
Average exchange rates:					
Euro	1.2212	1.0653			1.2212
US Dollar	0.8902	0.9480			0.8902
British Pound	1.4869	1.4542			1.4869

¹ cc (constant currencies)

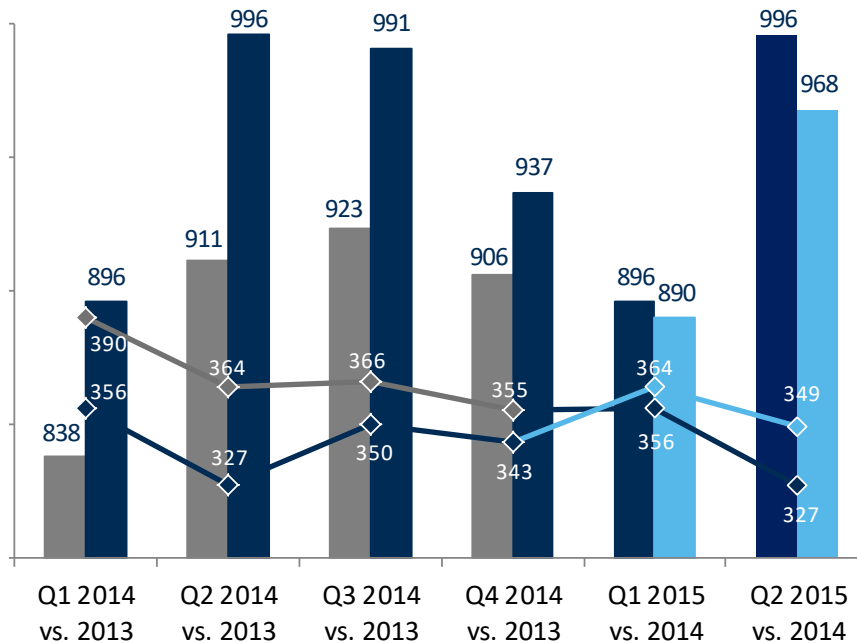


Development of volumes

Seafreight

[TEU] '000

- Volume decrease of 1.8% or 34,000 TEUs yoy
- Yield increase of 4.4% or CHF 15 GP/TEU yoy

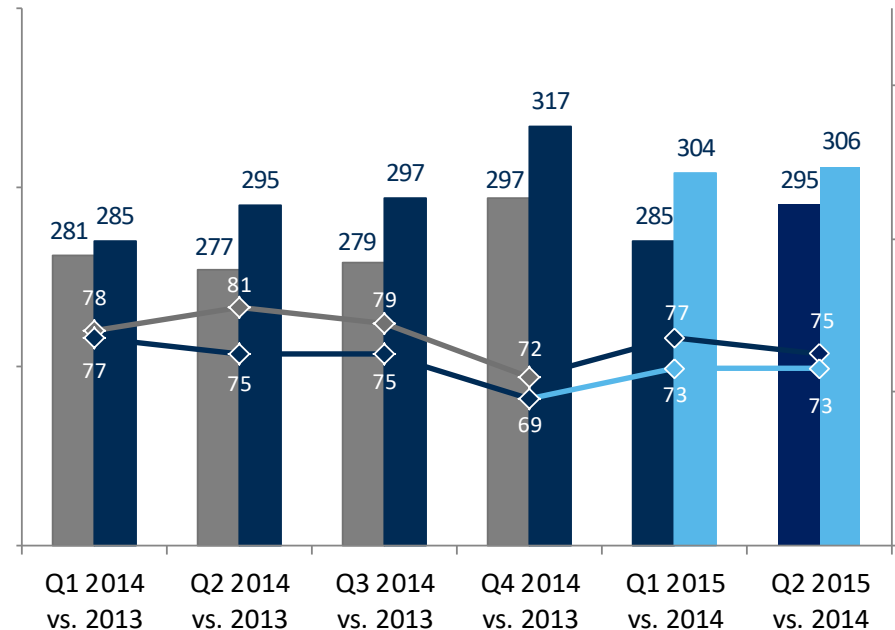


2015 ◆ GP/TEU in CHF
2014 ◆ GP/TEU in CHF
2013 ◆ GP/TEU in CHF

Airfreight

[TON] '000

- Volume increase of 5.2% or 30,000 tons yoy
- Yield decrease of 3.9% or CHF 3 GP/100kg yoy

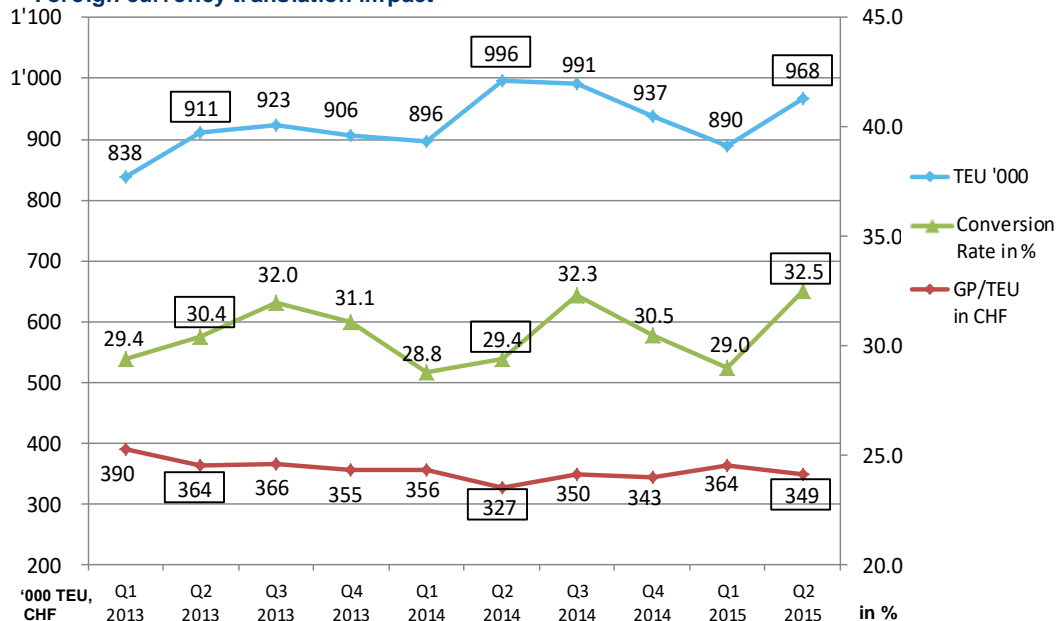


2015 ◆ GP/100kg in CHF
2014 ◆ GP/100kg in CHF
2013 ◆ GP/100kg in CHF

Seafreight - Performance of business unit

Income Statement in CHF million	HY1 2014	HY1 2015	Variance		
			2015/2014	Growth	Forex ¹
Turnover	4'462	4'444	(0.4%)	6.0%	(6.4%)
Gross profit	645	662	2.6%	9.4%	(6.8%)
EBITDA	200	217	8.5%	17.5%	(9.0%)
EBIT	188	204	8.5%	18.1%	(9.6%)
EBIT in % of GP	29.1%	30.8%			

¹ Foreign currency translation impact



Highlights Half-Year 2015

- Gross profit increase of 9.4% (in cc²)
- EBIT increase of 18.1% (in cc)
- Conversion rate at 30.8%
- GP/TEU of CHF 356, +4.4% yoy
- Volume decrease of 1.8%
- Volumes Asia-Europe
- Volumes Asia-North America

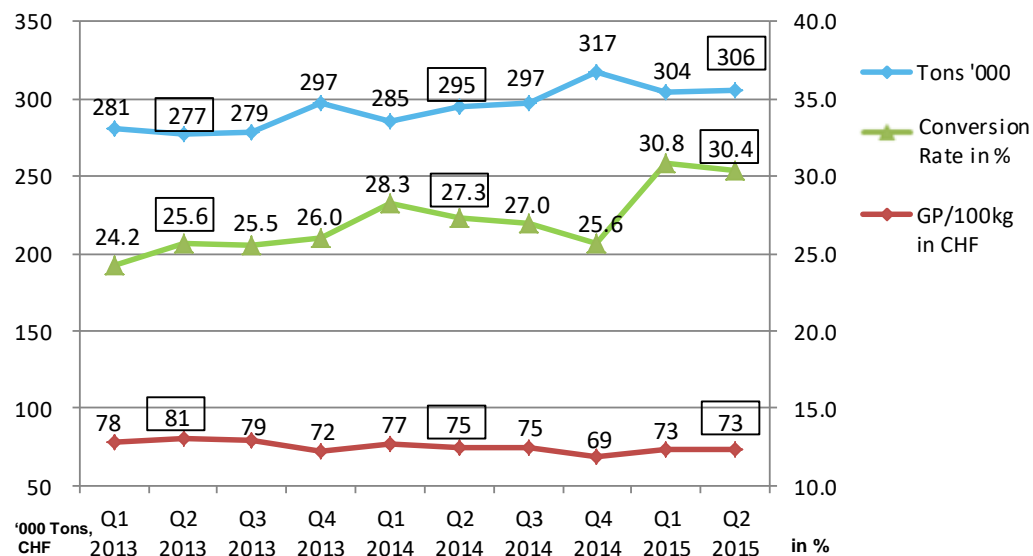


² cc (constant currencies)

Airfreight - Performance of business unit

Income Statement in CHF million	HY1 2014	HY1 2015	Variance		
			2015/2014	Growth	Forex ¹
Turnover	2'033	1'988	(2.2%)	4.6%	(6.8%)
Gross profit	439	445	1.4%	7.1%	(5.7%)
EBITDA	131	145	10.7%	16.0%	(5.3%)
EBIT	122	136	11.5%	15.6%	(4.1%)
EBIT in % of GP	27.8%	30.6%			

¹ Foreign currency translation impact



Highlights Half-Year 2015

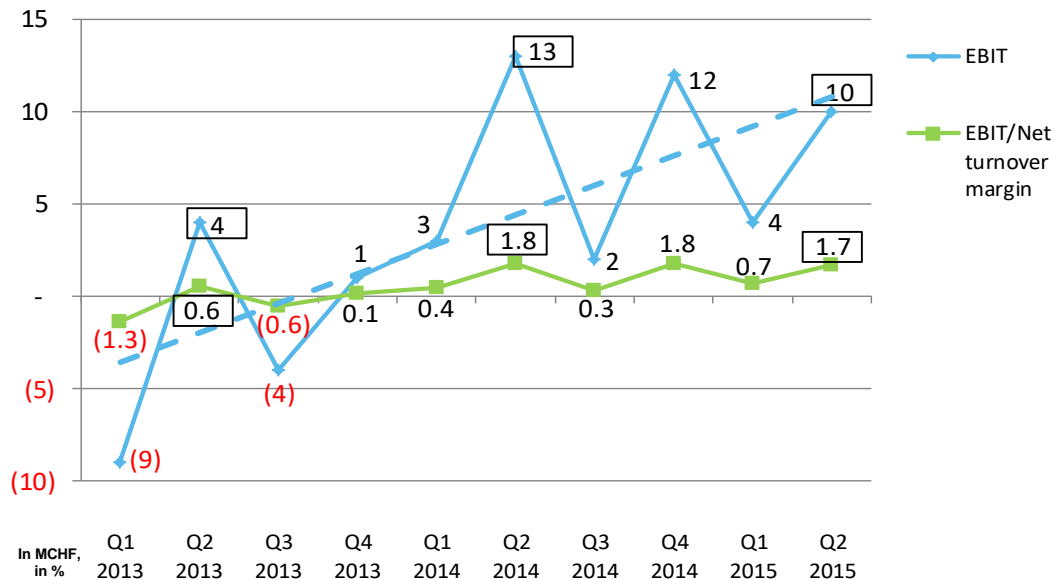
- Strong development of profitability ↑
- EBIT increased by 15.6% in cc² ↑
- Conversion rate of 30.6% ↑
- GP/100kg of CHF 73, (3.9)% yoy ↓
- Volume growth of 5.2% ↑

² cc (constant currencies)

Overland - Performance of business unit

Income Statement in CHF million	HY1 2014	HY1 2015	Variance		
			2015/2014	Growth	Forex ¹
Net turnover	1'417	1'182	(16.6%)	(5.9%)	(10.7%)
Gross profit	462	405	(12.3%)	(1.5%)	(10.8%)
EBITDA	35	31	(11.4%)	(5.7%)	(5.7%)
EBIT	16	14	(12.5%)	(12.5%)	-
EBITDA / Net turnover margin	2.5%	2.6%			
EBIT / Net turnover margin	1.1%	1.2%			
EBIT / GP margin	3.5%	3.5%			

¹ Foreign currency translation impact



Highlights Half-Year 2015

- Net turnover decreased by 5.9% (in cc²)...
- Gross profit decreased by 1.5% (in cc)...
- ...due to divestment of project business in 2014 and reduced rates based on lower diesel prices
- Significant improvement of profitability
- Acquisition of ReTrans, USA, subject to approval of antitrust authorities and closing conditions

² cc (constant currencies)



Overland – Acquisition of ReTrans

ReTrans is a fast growing, non-asset U.S. Overland provider and will complement Kuehne + Nagel's offering in North America

Highlights	Products	
<ul style="list-style-type: none"> ReTrans is a non-asset based provider of Overland solutions in North America USD >500m revenue Focus on SME customers >500k shipments per year Strong sales organisation in USA and Canada Carrier-neutral provider with a large US network Launched in 2002 and headquartered in Memphis, TN 		<ul style="list-style-type: none"> Non-asset solutions, provided on a transactional basis Emphasis on intermodal
		<ul style="list-style-type: none"> Overland transportation management control tower solutions (brokerage) Dedicated teams providing customer support
		<ul style="list-style-type: none"> Non-asset based LTL freight management Targets small to mid-size shippers Leverages substantial volumes and nationwide carrier base to lower overall transportation costs



Overland – Acquisition of ReTrans

Drivers of intermodal growth¹

- The U.S. intermodal market is growing 2-3x GDP (the fastest segment in the U.S. logistics industry)
- CAGR of 7%
- The cost advantage of intermodal over trucking is around 20% for long distances
- Comprehensive investments by railroad companies in infrastructure upgrades
- Increasing shortage of truck drivers
- Tightening driving time regulations
- Intermodal is more environmentally friendly than trucking

Rationale for Kuehne + Nagel to acquire ReTrans

- Achieving complementary growth through
 - Offering ReTrans products to Kuehne + Nagel customers
 - Offering Kuehne + Nagel products to ReTrans customers
- Gaining new access to the attractive U.S. intermodal industry
- Gaining access to innovative LTL business model
- Combining motivated teams and offering new career opportunities

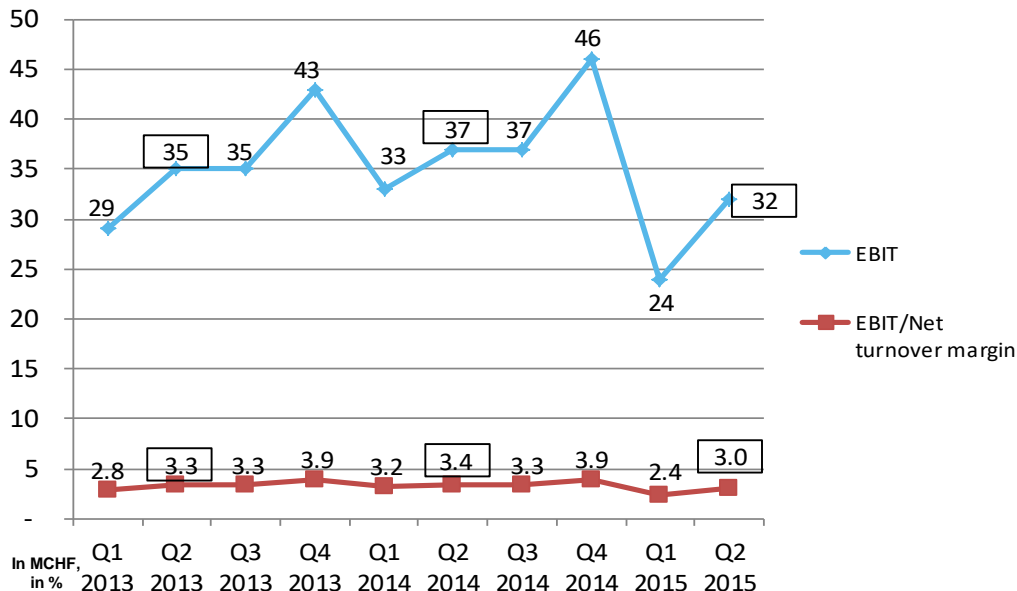
➡ **Generating shareholder value**

¹Source: American Association of Railroads, Stifel Research, Armstrong and Associates, SJ Consulting Group, Inc., FTR Associates

Contract Logistics - Performance of business unit

Income Statement in CHF million	HY1 2014	HY1 2015	Variance		
			2015/2014	Growth	Forex ¹
Net turnover	2'130	2'079	(2.4%)	6.5%	(8.9%)
Gross profit	1'561	1'506	(3.5%)	5.7%	(9.2%)
EBITDA	121	104	(14.0%)	(4.1%)	(9.9%)
EBIT	70	56	(20.0%)	(10.0%)	(10.0%)
EBITDA / Net turnover margin	5.7%	5.0%			
EBIT / Net turnover margin	3.3%	2.7%			

¹ Foreign currency translation impact



Highlights Half-Year 2015

- Increase of Net turnover by 6.5% (in cc²)
- Increase of Gross profit by 5.7% (in cc)...
...due to continuous business wins
- Decrease of EBITDA by 4.1% (in cc)...
- Decrease of EBIT by 10% (in cc)...
...due to volume reduction from large customers,
price pressure in Western Europe

² cc (constant currencies)



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Income statement

CHF million	2014 Q1	2014 Q2	YTD HY1 2014	2015 Q1	2015 Q2	YTD HY1 2015	Variance			Variance in %		
							2015/2014	Q1	Q2	2015/2014	Growth	Forex
Net turnover	4'127	4'373	8'500	4'096	4'129	8'225	(275)	(31)	(244)	(3.2%)	4.5%	(7.7%)
Gross profit	1'532	1'575	3'107	1'497	1'521	3'018	(89)	(35)	(54)	(2.9%)	5.6%	(8.5%)
Gross profit margin	37.1%	36.0%	36.6%	36.5%	36.8%	36.7%						
EBITDA	235	252	487	233	264	497	10	(2)	12	2.1%	10.1%	(8.0%)
EBITDA margin	5.7%	5.8%	5.7%	5.7%	6.4%	6.0%						
EBIT	190	206	396	190	220	410	14	-	14	3.5%	11.1%	(7.6%)
EBIT margin	4.6%	4.7%	4.7%	4.6%	5.3%	5.0%						
EBT	192	209	401	196	222	418	17	4	13	4.2%	11.7%	(7.5%)
EBT margin	4.7%	4.8%	4.7%	4.8%	5.4%	5.1%						
Earnings for the period	150	163	313	153	173	326	13	3	10	4.2%	11.5%	(7.3%)

- Gross profit growth in cc¹ + 5.6%
- EBITDA growth in cc + 10.1%
- Earnings for the period growth in cc + 11.5%, showing high operating leverage
- Negative foreign currency translation impact of 7.3% on the earnings for the period

Income Statement (average rates)	HY1 2014	HY1 2015	Variance %	Impact on earnings for the period in %
Euro	1.2212	1.0653	(12.8%)	} (7.3%)
US Dollar	0.8902	0.9480	6.5%	
British Pound	1.4869	1.4542	(2.2%)	

¹ cc (constant currencies)



Financial overview

CHF million	HY1 2014	HY1 2015
Net turnover	8'500	8'225
Gross profit	3'107	3'018
EBITDA	487	497
EBIT	396	410
EBIT margin to net turnover	4.7%	5.0%
Net earnings for the period	309	325
EPS (basic) in CHF	2.57	2.71
Total assets	5'998	5'502
Equity	2'140	1'702
Equity % of total assets	35.7%	30.9%
Cash and cash equivalents, net	609	437
Operational cash flow	499	505
Capex	80	98

Financial targets 2015

Profitability

- Group EBIT margin to net turnover of 5%

CAPEX

- 2015: CHF 210 million (2014: CHF 196 million)

Working Capital

- Target to maintain working capital intensity at 3.5 to 4.0%

Cash

- Safeguarding a high cash position

Tax

- Effective tax rate of approx. 22%



Financial review - Balance sheet

CHF million	31 December 2014	30 June 2015		31 December 2014	30 June 2015
Assets			Liabilities and equity		
Property, plant and equipment	1'175	1'058	Equity attributable to the equity holders of the parent company	2'448	1'697
Goodwill	695	622	Non-controlling interests	5	5
Other intangibles	49	28	Total equity	2'453	1'702
Others	256	233	Non-current liabilities	671	598
Non-current assets	2'175	1'941	Trade payables	1'485	1'296
Trade receivables	2'600	2'449	Accrued trade expenses / deferred income	1'032	973
Cash and cash equivalents	1'170	441	Bank and other interest-bearing liabilities	13	10
Others	658	671	Others	949	923
Current assets	4'428	3'561	Current liabilities	3'479	3'202
Total assets	6'603	5'502	Total liabilities and equity	6'603	5'502



Financial review - Cash flow HY1 2015

CHF million	2014	2015	Variance
Operational cash flow	499	505	6
Changes in working capital	(205)	(140)	65
Income taxes paid	(126)	(88)	38
Cash flow from operating activities	168	277	109
Cash flow from investing activities	(65)	(88)	(23)
Cash flow from financing activities	(735)	(881)	(146)
Exchange difference on cash and cash equivalents	(1)	(34)	(33)
Increase/(decrease) in cash and cash equivalents	(633)	(726)	(93)
Cash and cash equivalents at the beginning of the period, net	1'242	1'163	(79)
Cash and cash equivalents at the end of the period, net	609	437	(172)

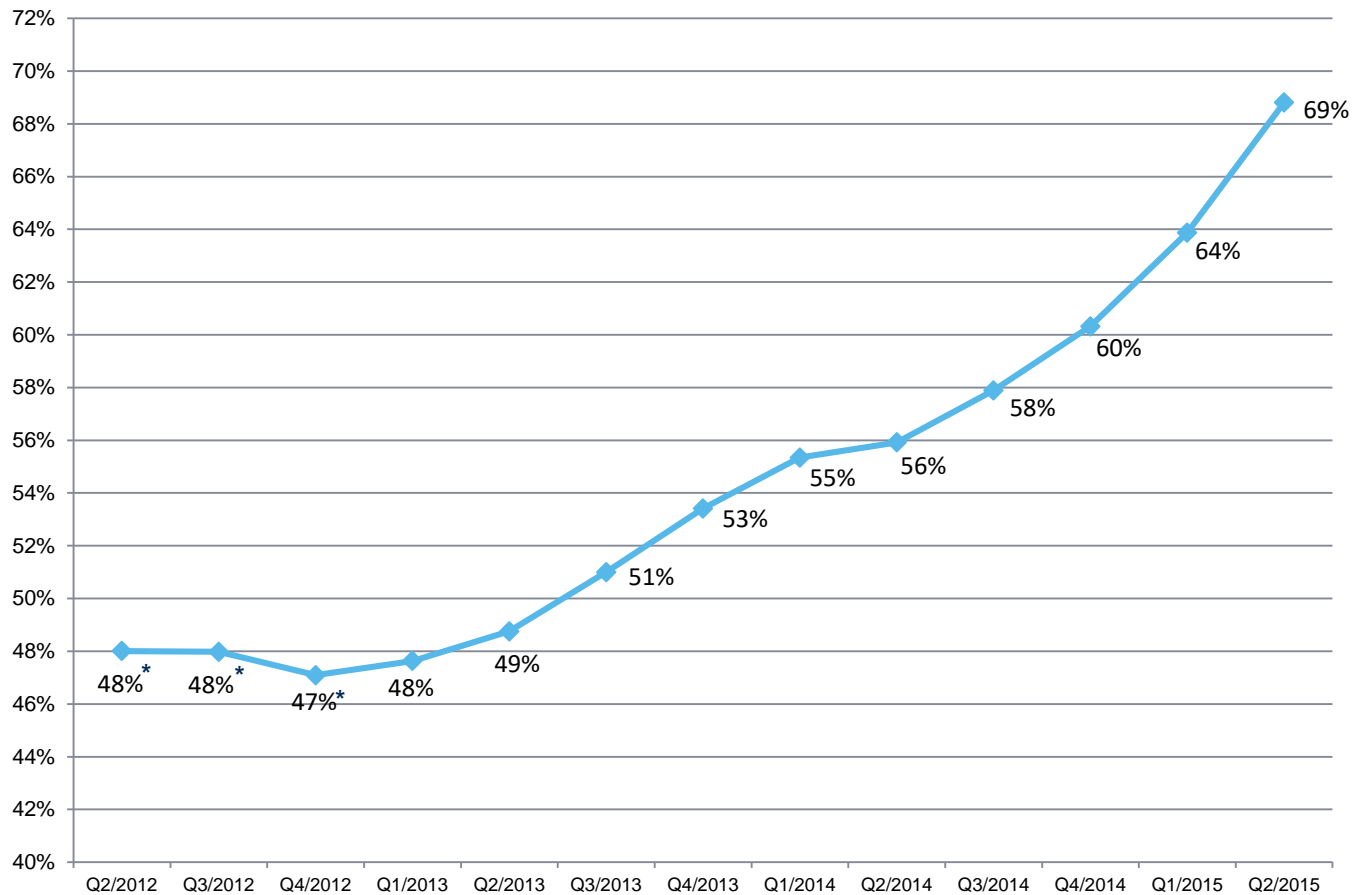


Financial review - Working capital development

CHF million	June 2014	December 2014	June 2015	Better/(worse) June 15 vs. December 14
Trade receivables & Work in progress	2'986	2'993	2'792	201
Trade payables & Accrued trade expenses	(2'149)	(2'351)	(2'089)	(262)
Net working capital	837	642	703	(61)
KPI's:				
Working capital intensity	4.0%	3.0%	3.5%	(0.5%)
DSO	45.4	44.4	45.5	(1.1)
DPO	51.6	54.9	54.2	(0.7)
Δ	6.2	10.5	8.7	(1.8)



Return on capital employed



* Rolling EBIT excluding EU Antitrust fine 2012

Last four quarters EBIT (rolling EBIT) divided by the average of the last four quarters capital employed (rolling capital employed)



Appendices



Upcoming events

October 13, 2015	Nine-months 2015 results
March 2, 2016	Full year 2015 results
April 19, 2016	Three-months 2016 results
May 3, 2016	Annual General Meeting 2015
July 19, 2016	Half-year 2016 results
October 18, 2016	Nine-months 2016 results



Quarter over quarter 2015/2014

CHF million		2015			2014			2015 / 2014 Change in %			2015 / 2014 Change in mCHF		
		Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL
1. Seafreight													
A) Income Statement													
Turnover		2'244	2'200	4'444	2'154	2'308	4'462	+4.2	(4.7)	(0.4)	90	(108)	(18)
Net Turnover		1'639	1'622	3'261	1'572	1'675	3'247	+4.3	(3.2)	+0.4	67	(53)	14
Gross Profit		324	338	662	319	326	645	+1.6	+3.7	+2.6	5	12	17
Opex		(222)	(223)	(445)	(221)	(224)	(445)	(0.5)	+0.4	0.0	(1)	1	0
EBITDA		102	115	217	98	102	200	+4.1	+12.7	+8.5	4	13	17
Depreciation and Amortisation		(8)	(5)	(13)	(6)	(6)	(12)	(33.3)	+16.7	(8.3)	(2)	1	(1)
EBIT		94	110	204	92	96	188	+2.2	+14.6	+8.5	2	14	16
B) KPI													
EBIT / GP conversion ratio		29.0%	32.5%	30.8%	28.8%	29.4%	29.1%						
Volume (TEU's '000)		890	968	1'858	896	996	1'892	(0.7)	(2.8)	(1.8)	(6)	(28)	(34)
GROSS PROFIT	} CHF per TEU	364	349	356	356	327	341	+2.2	+6.7	+4.4	8	22	15
EXPENSES		(258)	(236)	(247)	(253)	(231)	(242)	(2.0)	(2.2)	(2.1)	(5)	(5)	(5)
EBIT		106	113	109	103	96	99	+2.9	+17.7	+10.1	3	17	10
2. Airfreight													
A) Income Statement													
Turnover		999	989	1'988	1'002	1'031	2'033	(0.3)	(4.1)	(2.2)	(3)	(42)	(45)
Net turnover		855	848	1'703	837	869	1'706	+2.2	(2.4)	(0.2)	18	(21)	(3)
Gross Profit		221	224	445	219	220	439	+0.9	+1.8	+1.4	2	4	6
Opex		(149)	(151)	(300)	(151)	(157)	(308)	+1.3	+3.8	+2.6	2	6	8
EBITDA		72	73	145	68	63	131	+5.9	+15.9	+10.7	4	10	14
Depreciation and Amortisation		(4)	(5)	(9)	(6)	(3)	(9)	(33.3)	(66.7)	+0.0	2	(2)	0
EBIT		68	68	136	62	60	122	+9.7	+13.3	+11.5	6	8	14
B) KPI													
EBIT / GP conversion ratio		30.8%	30.4%	30.6%	28.3%	27.3%	27.8%						
Volume (TON's '000)		304	306	610	285	295	580	+6.7	+3.7	+5.2	19	11	30
GROSS PROFIT	} CHF per 100kg	73	73	73	77	75	76	(5.2)	(2.7)	(3.9)	(4)	(2)	(3)
EXPENSES		(50)	(51)	(51)	(55)	(54)	(55)	+9.1	+5.6	+7.3	5	3	4
EBIT		23	22	22	22	21	21	+4.5	+4.8	+4.8	1	1	1



Quarter over quarter 2015/2014

	2015			2014			2015 / 2014 Change in %			2015 / 2014 Change in mCHF		
	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL
<i>CHF million</i>												
3. Overland												
A) Income Statement												
Turnover	644	652	1'296	754	784	1'538	(14.6)	(16.8)	(15.7)	(110)	(132)	(242)
Net Turnover	587	595	1'182	692	725	1'417	(15.2)	(17.9)	(16.6)	(105)	(130)	(235)
Gross Profit	200	205	405	225	237	462	(11.1)	(13.5)	(12.3)	(25)	(32)	(57)
Opex	(188)	(186)	(374)	(213)	(214)	(427)	+11.7	+13.1	+12.4	25	28	53
EBITDA	12	19	31	12	23	35	+0.0	(17.4)	(11.4)	0	(4)	(4)
Depreciation and Amortisation	(8)	(9)	(17)	(9)	(10)	(19)	+11.1	+10.0	+10.5	1	1	2
EBIT	4	10	14	3	13	16	+33.3	(23.1)	(12.5)	1	(3)	(2)
B) KPI												
EBITDA / Net turnover	2.0%	3.2%	2.6%	1.7%	3.2%	2.5%						
EBIT / Net turnover	0.7%	1.7%	1.2%	0.4%	1.8%	1.1%						
4. Contract Logistics												
A) Income Statement												
Turnover	1'101	1'157	2'258	1'119	1'205	2'324	(1.6)	(4.0)	(2.8)	(18)	(48)	(66)
Net turnover	1'015	1'064	2'079	1'026	1'104	2'130	(1.1)	(3.6)	(2.4)	(11)	(40)	(51)
Gross Profit	752	754	1'506	769	792	1'561	(2.2)	(4.8)	(3.5)	(17)	(38)	(55)
Opex	(705)	(697)	(1'402)	(712)	(728)	(1'440)	+1.0	+4.3	+2.6	7	31	38
EBITDA	47	57	104	57	64	121	(17.5)	(10.9)	(14.0)	(10)	(7)	(17)
Depreciation and Amortisation	(23)	(25)	(48)	(24)	(27)	(51)	+4.2	+7.4	+5.9	1	2	3
EBIT	24	32	56	33	37	70	(27.3)	(13.5)	(20.0)	(9)	(5)	(14)
B) KPI												
EBITDA / Net turnover	4.6%	5.4%	5.0%	5.6%	5.8%	5.7%						
EBIT / Net turnover	2.4%	3.0%	2.7%	3.2%	3.4%	3.3%						



Quarter over quarter 2015/2014

CHF million

	2015			2014			2015 / 2014 Change in %			2015 / 2014 Change in mCHF		
	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL
5. Kuehne + Nagel Group												
A) Income Statement												
Turnover	4'988	4'998	9'986	5'029	5'328	10'357	(0.8)	(6.2)	(3.6)	(41)	(330)	(371)
Customs duties and taxes	(892)	(869)	(1'761)	(902)	(955)	(1'857)	+1.1	+9.0	+5.2	10	86	96
Net Turnover	4'096	4'129	8'225	4'127	4'373	8'500	(0.8)	(5.6)	(3.2)	(31)	(244)	(275)
Net expenses for services from third parties	(2'599)	(2'608)	(5'207)	(2'595)	(2'798)	(5'393)	(0.2)	+6.8	+3.4	(4)	190	186
Gross Profit	1'497	1'521	3'018	1'532	1'575	3'107	(2.3)	(3.4)	(2.9)	(35)	(54)	(89)
Opex	(1'264)	(1'257)	(2'521)	(1'297)	(1'323)	(2'620)	+2.5	+5.0	+3.8	33	66	99
EBITDA	233	264	497	235	252	487	(0.9)	+4.8	+2.1	(2)	12	10
Depreciation and Amortisation	(43)	(44)	(87)	(45)	(46)	(91)	+4.4	+4.3	+4.4	2	2	4
EBIT	190	220	410	190	206	396	+0.0	+6.8	+3.5	0	14	14
Result from finance and associates	6	2	8	2	3	5	+200.0	(33.3)	+60.0	4	(1)	3
EBT	196	222	418	192	209	401	+2.1	+6.2	+4.2	4	13	17
Income tax	(43)	(49)	(92)	(42)	(46)	(88)	(2.4)	(6.5)	(4.5)	(1)	(3)	(4)
Earnings for the period	153	173	326	150	163	313	+2.0	+6.1	+4.2	3	10	13
Non-controlling interests	(1)	0	(1)	(3)	(1)	(4)	+66.7	+100.0	+75.0	2	1	3
Net Earnings	152	173	325	147	162	309	+3.4	+6.8	+5.2	5	11	16
B) KPI												
GP / Net turnover	36.5%	36.8%	36.7%	37.1%	36.0%	36.6%						
EBITDA / Net turnover	5.7%	6.4%	6.0%	5.7%	5.8%	5.7%						
EBIT / Net turnover	4.6%	5.3%	5.0%	4.6%	4.7%	4.7%						
Earnings for the period / Net turnover	3.7%	4.2%	4.0%	3.6%	3.7%	3.7%						



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