ANNUAL REPORT 2009





KUEHNE+NAGEL

KUEHNE + NAGEL GROUP KEY DATA

CHF million	2005 [1]	2006 [1]	2007 [1]	2008	2009
Invoiced turnover	14,049	18,194	20,975	21,599	17,406
Gross profit	2,769	5,253	6,014	6,253	5,863
% of turnover	19.7	28.9	28.7	29.0	33.7
EBITDA	575	857	1,019	1,020	885
% of gross profit	20.8	16.3	16.9	16.3	15.1
EBIT	443	602	693	736	594
% of gross profit	16.0	11.5	11.5	11.8	10.1
EBT	459	603	708	764	610
% of gross profit	16.6	11.5	11.8	12.2	10.4
Earnings for the year (Kuehne + Nagel share)	324	459	536	585	467
% of gross profit	11.7	8.7	8.9	9.4	8.0
Depreciation, amortisation and impairment of intangible assets and goodwill	132	255	326	284	291
% of gross profit	4.8	4.9	5.4	4.5	5.0
Operational cash flow	575	857	1,043	1,015	893
% of gross profit	20.8	16.3	17.3	16.2	15.2
Capital expenditures for fixed assets	190	246	231	245	264
% of operational cash flow	33.0	28.7	22.1	24.1	29.6
Total assets	4,232	5,720	6,438	5,555	5,933
Non-current assets	1,004	2,290	2,119	1,864	2,456
Equity	1,577	1,964	2,367	2,073	2,290
% of total assets	37.3	34.3	36.8	37.3	38.6
Employees at year-end	25,607	46,290	51,075	53,823	54,680
Personnel expenses	1,500	2,959	3,396	3,518	3,341
% of gross profit	54.2	56.3	56.5	56.3	57.0
Gross profit in CHF 1,000 per employee	108	113	118	116	107
Manpower expenses in CHF 1,000 per employee	59	64	66	65	61
Basic earnings per share (nominal CHF 1) in CHF					
Consolidated earnings for the year (Kuehne + Nagel share) [2]	2.95	3.91	4.54	4.96	3.95
Distribution in the following year	1.10	1.50	1.90	2.30 [3]	2.30
in % of the consolidated earnings for the year	37.0	39.0	41.8	46.4	58.2
Development of share price					
Zurich (high/low in CHF)	74/46	99/69	131/91	113/57	104/53
Average trading volume per day	118,095	161,664	195,916	331,536	295,884

1 Restated for comparison purposes.
2 Excluding treasury shares.
3 Excluding extraordinary dividend.

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KLAUS-MICHAEL KUEHNE, Chairman

KARL GERNANDT, Executive Vice Chairman

REPORT OF THE BOARD OF DIRECTORS

The Kuehne + Nagel Group demonstrates strength

Ladies and Gentlemen

The year 2009 was marked by one of the most severe financial and economic crises since the 1930s. The dramatic slump in world trade volume was due primarily to the unsettled state of the markets, the heavy drop in consumer demand and the restricted availability of credit. The logistics industry as a whole therefore suffered an unparalleled fall in revenue and volume in both national and international freight traffic.

In these difficult economic conditions, the Kuehne + Nagel Group demonstrated its strength. It achieved a highly satisfactory result thanks to its strategy of timely and consistent implementation of stringent cost management with a simultaneous focus on market share expansion. Turnover declined by 19.4 per cent compared with the preceding year. Including an extraordinary provision of CHF 35 million related to competition investigations, net earnings decreased by 20.2 per cent (by 14.2 per cent excluding the provision) to CHF 467 million.

Board of Directors

On January 1, 2009, Karl Gernandt, elected to the Board of Directors of Kuehne + Nagel International AG at the Extraordinary General Meeting in December 2008, assumed the function of Executive Vice Chairman of the Board of Directors. With effect from the same date, Klaus-Michael Kuehne stepped down from his position as Executive Chairman but remains Chairman of the Board of Directors.

At the Annual General Meeting of May 13, 2009 Hans-Joerg Hager was elected to the Board of Directors. He was active for many years as a member of the management board of the globally operating Schenker AG and is a well-regarded logistics and freight forwarding expert. Dr. Joachim Hausser, Klaus-Michael Kuehne, Dr. Georg Obermeier and Dr. Thomas Staehelin were re-elected for a further term. Dr. Willy Kissling, who had been a member since 2003 and whose term of office expired with the 2009 General Meeting, retired from the Board of Directors. In line with the Best Practice Standards of Corporate Governance, the period of office of board members on re-election was shortened from three to one year.

Board committees

The three regular committees of the Board of Directors – the Audit, the Investment, and the Nomination and Compensation Committees – generally meet quarterly with the respective chairmen reporting their findings at subsequent meetings of the Board of Directors. In view of the growing signs of a severe economic downturn, in December 2008, an Economic Council of three members of the Board of Directors was established for a limited period of one year. In 2009 the committee met at monthly intervals together with the chairman and members of the Management Board. This body allowed for prompt evaluation of economic changes and their resultant risks as well as providing support for the crisis management initiated by the Management Board.

Risk assessment

Together with the Management Board, the Audit Committee makes a regular assessment of the Group's business risks. This assessment also applies to the investigations by international competition authorities, in which Kuehne + Nagel is involved among others. The Group is fully collaborating with the relevant authorities. On the basis of the negotiations with the United States Department of Justice (DoJ), Kuehne + Nagel expects that it will be possible to reach a settlement. Kuehne + Nagel has accordingly set aside a provision amounting to CHF 35 million to cover all possible costs connected with the case. The European Commission's verdict on the proceedings is still awaited.

Management Board

As previously announced, on January 1, 2009, the position of CEO was transferred from Klaus Herms to Reinhard Lange. From then until his retirement for reasons of age on June 30, 2009, Klaus Herms was responsible for special tasks. Peter Ulber was appointed to the Management Board; and since January 1, 2009 he has been responsible for Sea & Air Logistics as successor to Reinhard Lange. Lothar A. Harings has been a member of the Management Board since April 1, 2009, with global responsibility for human resources. He succeeded Klaus-Dieter Pietsch, who retired in June 2009 after many years as head of personnel. The Board of Directors thanks Messrs. Herms and Pietsch for their outstanding contributions to the development of the Company and its staff.

On January 1, 2010, road and rail logistics was placed under Dirk Reich, in addition to the contract logistics business unit already in his charge. This was designed to further strengthen Kuehne + Nagel's European market position in overland transportation and to allow for optimal leveraging of operational synergies. Xavier Urbain, the management board member previously responsible for road and rail logistics, who had played an important part in the development of this business unit, terminated his operational duties with Kuehne + Nagel International AG on December 31, 2009. He continues to support the Group's growth strategy under a consultancy contract.

Shareholder structure

At the end of 2009 the shareholder structure of Kuehne + Nagel International AG was as follows:

– Kuehne Holding AG	54.1 per cent
– Free float	44.6 per cent
– Treasury shares	1.3 per cent
	100.0 per cent

Economic environment

2009 was a year of diminishing output for almost all the world's economies. According to the figures published to date, gross domestic product shrank by roughly 0.8 per cent after having grown by 3 per cent in 2008. Global trade volume fell by a hefty 12 per cent in 2009 after growing by 3 per cent in the preceding year. Lack of confidence in the financial markets led to a drop in demand in almost all sectors of the economy, in addition a tight credit market made it difficult for companies to obtain advance financing for their production. In the final months of the year, the economic contraction began to ease; this was mainly a result of measures to stabilise the economy in almost all regions of the world. It remains to be seen whether this political impulse can give a sustained boost to the growth of world trade. The behaviour of private consumers will be a crucial factor to avoid a new economic downturn.

Logistics industry

In the first half of 2009, the world economic crisis led to a more-than-proportional decline in transport volumes and inventory turnover. This development, together with the reductions in transport and logistics capacity that it induced, resulted in dramatic shifts in the price structure of the industry. Furthermore, the downward economic trend and the credit crunch led to a growing number of insolvencies. The logistics industry also was affected by short-time working and staff cuts.

The partners of logistics providers – shipping operators, airlines and road hauliers – felt the impact of the world economic crisis more severely than was expected. Particularly in the first half of 2009 the fall in prices was dramatic; no sign of a stabilisation in the rate structure became apparent until the beginning of the third quarter.

The high level of consolidation by corporate takeovers and mergers, which is characteristic of the logistics industry, also was substantially reduced as a result of the economic situation and the limited availability of financing credit.

Business performance

The Kuehne + Nagel Group was not immune to the downward trend of demand in the global sea- and airfreight business in the first half of the year. However, market share was gained as a result of increased sales activities and a range of products that creates customer value. Targeted efforts to increase productivity together with an optimisation of purchasing possibilities initially contributed to an increase in margins. On the other hand, although the volume of international traffic improved in the third and fourth quarters the Group's own profit margins came under pressure due to increases in carriers' rates that accompanied this development.

Despite difficult conditions Kuehne + Nagel consistently pressed ahead with the development of European road and rail logistics. Cost structures were rigorously adapted in response to the substantial falls in volume, particularly in the important German and French markets. The integration of the French groupage forwarder Alloin proceeded according to plan and led to improved capacity utilisation in the European network, as well as to satisfactory results in France.

The development of contract logistics business was favourably influenced by strict cost control and the conclusion of a number of new contracts. The lead logistics segment proved to be an important growth factor in the difficult 2009 economic environment through its ability to develop value-generating solutions for customers.

Development of results

In all business units timely efforts were made to adapt cost structures to reduced business volumes, and margins were largely maintained due to the high levels of process efficiency and product diversification. This did much to substantially moderate the fall in the gross profit, a key figure for the performance of a logistics company. Including an extraordinary provision, net earnings were 20.2 per cent lower than in the previous year.

Dividend

Seen against the difficult global economic background, the Kuehne + Nagel Group again has achieved a very respectable result. The Board of Directors therefore proposes to the Annual General Meeting of May 18, 2010 to distribute the same dividend as in the previous year of CHF 2.30 per share, thus maintaining continuity while slightly increasing the payout ratio (58.2 per cent).

Summary and outlook

Kuehne + Nagel's good performance in the crisis year 2009 was a result of the timely, consistent adaptation of its strategy. Through targeted investments in sales it was able to gain market shares and thus to substantially improve its global competitive position. The Group took advantage of the crisis to further increase the efficiency of its organisational and operational processes in line with its profitability objectives. Its sound balance sheet and excellent liquidity situation increased Kuehne + Nagel's attractiveness for customers and further favoured the generation of new business.

Despite initial signs of an end to the worldwide recession, the latest forecasts indicate that there is still no certainty of a lasting, progressively self-sustaining global economic recovery. Considerable potentials for a setback are still presented by the difficult situation in the financial markets, an inadequate utilisation of production capacity, and a deterioration of the labour markets.

For these reasons Kuehne + Nagel will adhere to its strategy of expanding its market shares while maintaining strict cost management. In the medium-term the Company expects world trade to develop in a positive manner and sees qualitative growth potential in both sea- and airfreight. In contract logistics the emphasis will be placed on sophisticated industry-specific solutions and innovative product development. In road and rail logistics Kuehne + Nagel will concentrate on investments aimed at expanding its market position in Europe and optimising processes and services.

Overall, the Kuehne + Nagel Group is emerging from the crisis in a stronger position and is well equipped for an economic upswing. The Board of Directors thanks all members of the Management and all employees for their committed and valuable contributions to the Group's development and the remarkable results achieved in 2009. Thanks also are extended to all customers and business partners for their confidence in Kuehne + Nagel and good business relations the Group enjoyed with them.

Klaus-Michael Kuehne
Chairman of the Board of Directors

Karl Gernandt
Executive Vice Chairman of the Board of Directors

REPORT OF THE MANAGEMENT BOARD

Market position substantially strengthened

The Kuehne + Nagel Group's ability to rapidly adapt to altered market conditions, its understanding of customer requirements and operational excellence enabled it to substantially strengthen its global market position in the 2009 crisis year.

As a globally operating logistics provider, the Kuehne + Nagel Group faced major challenges from the macroeconomic environment. On the other hand, the Group's worldwide network enabled it consistently to take advantage of business opportunities as they arose. The necessary measures to reduce costs took effect throughout the Group, and, like investments in sales, were aimed at achieving long-term sustainability.

Business performance

Despite a generally contracting market, Kuehne + Nagel expanded its business share in both sea- and airfreight. This was due to its sophisticated product offering, intensified and more efficient sales activities and, above all, the balanced composition of Kuehne + Nagel's customers comprised of a healthy mix of large, medium-sized and small firms. For a number of years Kuehne + Nagel has concentrated on the development of highly specialised services for various industry segments. These include Kuehne + Nagel's reefer container and hotel logistics services, for which there is growing demand, and the expanding oil and gas business. The latter was substantially strengthened by the acquisition and integration of the Norwegian company J. Martens. This company is well established in the key oil and gas markets and also contributes to Kuehne + Nagel's industry-specific know-how in marine logistics.

In European overland transport, the company concentrated on increasing the density of its network and attaining higher operational efficiency. Good progress was achieved by continued efforts to standardise processes and systems. The integration of the network of the Alloin Group, acquired on January 1, 2009, enabled the existing European structures to be optimised and the market position in France to be strengthened.

Extensive new business was successfully realised in contract logistics, largely as a result of the standardised warehouse and transport management system. The traffic volumes of newly recruited customers compensated for the recession-induced falls in existing business. Stringent cost adjustments compensated for inadequate warehouse capacity utilisation, particularly in North America.

Regional developments

The recession substantially affected all major economies of the European Union. In Eastern Europe it marked the end of a long period of strong, steady growth. Nevertheless, various Kuehne + Nagel national companies were able to improve their results in 2009 or maintain them at the previous year's level. National companies in Germany, the United Kingdom, the Netherlands and Poland successfully fought off the crisis with their integrated service offering and strong customer orientation.

In international forwarding, during the first half of 2009, Kuehne + Nagel felt the effects of the setback to growth that hit Asia, particularly China. In the second half, international trade and export business showed a marked recovery. Not least as a result of its capacity management, Kuehne + Nagel benefitted from the boom in demand in the fourth quarter. New business also was generated in contract logistics.

In North America the international forwarding business seemed almost recession-proof for the first few months of the year, but the impact of the economic crisis was felt in the second half. In contract logistics, the economic situation led to low capacity utilisation and idle space in the first half of 2009. In the third and fourth quarters, however, demand showed a substantial recovery.

Business in South America developed well with the exception of Brazil, where volumes in the automotive segment fell dramatically. In this connection the diversified product range and the global network proved to be valuable assets.

In the Middle East, a region that was not caught by the consequences of the financial crisis until the second half of the year, the development of business and the results were better than expected. Market share was gained in all areas of activity. Kuehne + Nagel achieved very good results in a number of countries including Turkey and the United Arab Emirates.

Business in Africa also developed highly satisfactorily. The oil and gas activities enjoyed a good level of demand, and the preparations for the 2010 World Cup soccer tournament generated new business as well.

Outlook for 2010

Kuehne + Nagel's business model of integrated logistics proved its worth in the 2009 crisis year, and the consistent, Group-wide implementation of the dual strategy achieved the intended effect.

In the current business year the company will concentrate its efforts on attaining above-market-average profitable growth in all business units. To achieve this objective and to further increase the attractiveness of

As of January 1, 2010

MARTIN KOLBE, Information Technology

PETER ULBER, Sea & Air Logistics

LOTHAR HARINGS, Human Resources

Kuehne + Nagel as a logistics partner for companies in trade and industry, the product range will be expanded, new areas of value-creation developed, service quality increased and customer orientation intensified. Optimisation of process efficiency and disciplined management of costs will remain critically important.

Reinhard Lange
Chairman of the Management Board

KARL GERNANDT, Executive Vice Chairman

REINHARD LANGE, Chief Executive Officer

GERARD VAN KESTEREN, Chief Financial Officer

DIRK REICH, Road & Rail and Contract Logistics

STATUS REPORT

Turnover

In 2009 Kuehne + Nagel's turnover amounted to CHF 17,406 million representing a decrease of 19.4 per cent or CHF 4,193 million compared to the previous year. The impact of the worldwide economic crisis on the organic business resulted in a reduction of CHF 3,645 million; an increase of CHF 650 million was recorded from acquisitions. Exchange rate fluctuation resulted in a negative impact of CHF 1,198 million.

At regional level, the Americas (25.0 per cent), Asia-Pacific (22.6 per cent) and Europe (18.5 per cent) reported the largest reductions in turnover. Middle East, Central Asia and Africa experienced the smallest impact in turnover with a reduction of 6.1 per cent only.

Exchange rate fluctuations between 2008 and 2009, based on average yearly exchange rates, led to a significant lower valuation of the British pound of 16.2 per cent, a moderate lower valuation of the U.S. dollar as well as depending currencies (e.g. a number of countries in Asia, South America and the Middle East) of 0.4 per cent and of the euro of 4.9 per cent against the Swiss franc. When comparing the turnover in the income statement, a negative currency impact of approximately 5.5 per cent must be taken into consideration in 2009.

Income

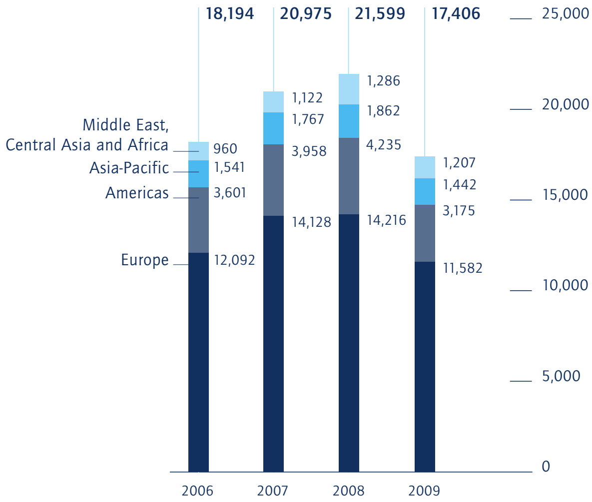
Gross profit

Gross profit, a better indicator of performance than turnover in the logistics and forwarding industry, reached CHF 5,863 million in 2009, which is a 6.2 per cent decrease compared to the previous year. The organic business has been negatively impacted by CHF 306 million, whereas acquisitions contributed positively CHF 382 million. A negative exchange rate development has impacted the gross profit by CHF 466 million.

In the Americas, gross profit decreased by 14.6 per cent (organic business decrease: 11.8 per cent), in Asia-Pacific by 11.5 per cent (organic business decrease: 9.6 per cent) and in Europe by 4.2 per cent (organic business decrease: 3.4 per cent). In the Middle East, Central Asia and Africa gross profit decreased by 3.8 per cent, whereas an organic growth of 3.8 per cent and negative currency impact of 7.6 percent was recorded.

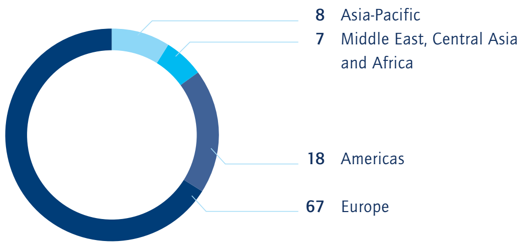
Regional turnover

CHF million



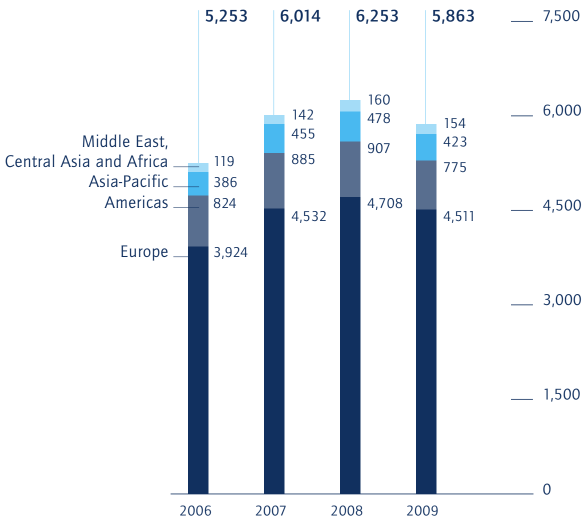
Regional turnover

Per cent



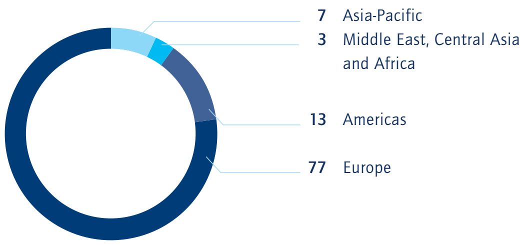
Regional gross profit

CHF million



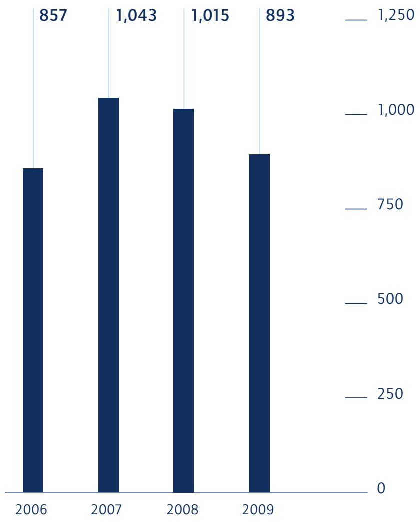
Regional gross profit

Per cent



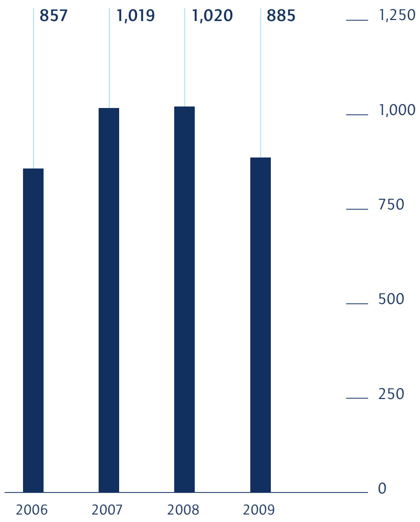
Operational cash flow

CHF million



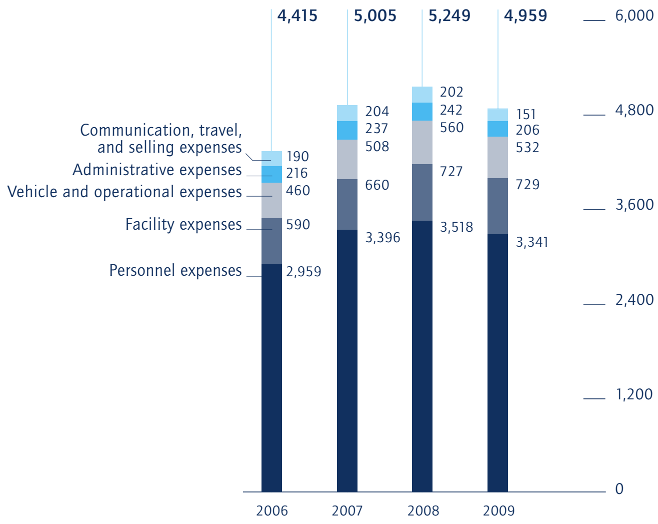
EBITDA

CHF million



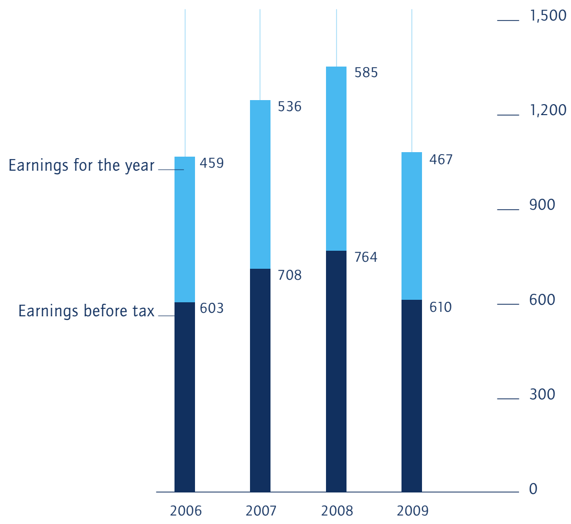
Operational expenses

CHF million



Earnings before tax / earnings for the year

CHF million



Operational cash flow

The operational cash flow, the sum of the net income for the year plus/minus non-cash-related transactions, decreased by CHF 122 million to CHF 893 million (for further information, please refer to the cash flow statement on page 78).

EBITDA

Earnings before interest, tax, depreciation, amortisation and impairment of property, plant and equipment, goodwill and other intangible assets decreased by CHF 135 million or 13.2 per cent compared to the previous year (including a provision of CHF 35 million in respect of competition investigations); the organic business decreased by CHF 122 million and the negative exchange rate development accounted for CHF 53 million; acquisitions increased the EBITDA by CHF 40 million. Europe generated the largest EBITDA contribution of CHF 579 million (65.4 per cent) followed by Asia-Pacific with CHF 140 million (15.8 per cent), the Americas with 128 million (14.5 per cent) and the Middle East, Central Asia and Africa with CHF 38 million (4.3 per cent).

Despite significantly reduced volumes in the first two quarters of 2009 due to the worldwide economic crisis, the EBITDA margin could be increased to 5.1 per cent compared with 4.7 per cent in 2008. The decrease of the manpower cost by CHF 177 million or 5.0 per cent, despite an increase in staff by 857, is attributable to stringent cost management and productivity improvements. Cost reduction programmes that have been initiated at the end of 2008 to compensate reduced freight volumes have been maintained during 2009 and have resulted in an improved level of productivity and a significantly reduced cost base.

EBIT/earnings for the year

The decrease of earnings before interest and tax (EBIT) by CHF 142 million was mainly due to organic business decrease (CHF 92 million) and also impacted by a negative exchange rate development (CHF 33 million) and acquisitions (CHF 17 million).

EBIT in Europe decreased by CHF 56 million (14.2 per cent), in Asia-Pacific by CHF 40 million (23.8 per cent) and in the Middle East, Central Asia and Africa by CHF 2 million (6.3 per cent). A larger EBIT reduction was recorded in the Americas by CHF 44 million (31.2 per cent). Despite the overall reductions due to the economic downturn, the EBIT margin (in per cent of invoiced turnover) was maintained at 3.4 per cent compared to the previous year.

The earnings for the year decreased by CHF 118 million to CHF 467 million (including a provision of CHF 35 million in respect of competition investigations) compared to the previous year, whereas the margin was maintained at 2.7 per cent (in per cent of the invoiced turnover).

Financial position

Total assets and liabilities of the Group increased by CHF 378 million to CHF 5,933 million compared to 2008. The changes are mainly an increase in property, plant and equipment, goodwill and other intangible assets due to the acquisition of the Alloin Group of companies; details can be found in notes 26 and 27 to the Consolidated Income Statement. Cash and cash equivalents decreased by CHF 47 million mainly due to acquisitions; for further information, refer to the cash flow statement on page 78.

Trade receivables amounting to CHF 2,004 million represent the most significant asset of the Kuehne + Nagel Group. The days outstanding of 37.6 days in 2008 increased to 40.6 days in 2009.

The equity of the Group has increased by CHF 217 million to CHF 2,290; this represents an equity ratio of 38.6 per cent (2008: 37.3 per cent). Developments of other key figures on capital structure are shown in the following table:

Kuehne + Nagel Group key figures on capital structure

		2006*	2007*	2008	2009
1	Equity ratio (in per cent)	34.3	36.8	37.3	38.6
2	Return on equity (in per cent)	25.9	24.6	24.8	21.2
3	Debt ratio (in per cent)	65.7	63.2	62.7	61.4
4	Short-term ratio of indebtedness (in per cent)	55.6	54.1	55.1	50.7
5	Intensity of long-term indebtedness (in per cent)	10.0	9.1	7.6	10.7
6	Fixed assets coverage ratio (in per cent)	110.8	139.4	133.9	119.1
7	Working capital (in CHF million)	247	835	632	469
8	Receivables terms (in days)	41.4	41.9	37.6	40.6
9	Vendor terms (in days)	51.2	51.4	44.0	53.9
10	Intensity of capital expenditure (in per cent)	40.0	32.9	33.6	41.4

* Previous years have been restated for comparison purposes.

1 Total equity in relation to total assets at the end of the year.
2 Net earnings for the year in relation to share + reserves + retained earnings as of January 1 of the current year less dividend paid during the current year as of date of distribution + capital increase (incl. share premium) as of date of payment.
3 Total liabilities – equity in relation to total assets.
4 Short-term liabilities in relation to total assets.
5 Long-term liabilities in relation to total assets.
6 Total equity (including minority interests) + long-term liabilities in relation to non-current assets.
7 Total current assets less current liabilities.
8 Turnover in relation to the receivables outstanding at the end of the current year.
9 Expenses for services from third parties in relation to trade liabilities/accrued trade expenses at the end of the current year.
10 Non-current assets in relation to total assets.

Investments, depreciation and amortisation

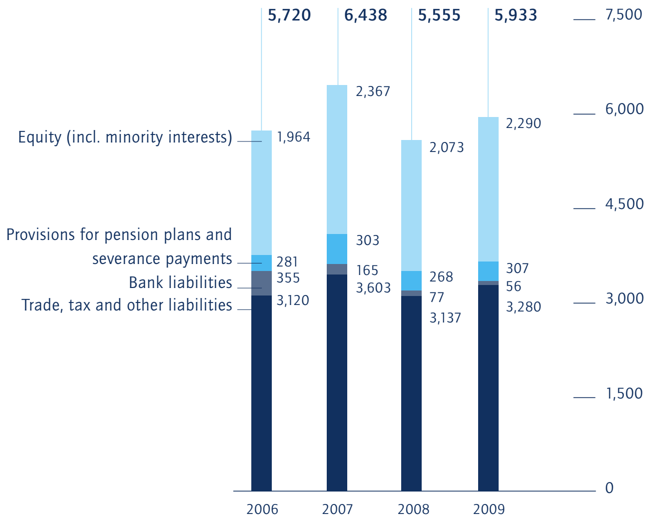
In 2009 the Kuehne + Nagel Group invested a total of CHF 264 million for capital expenditures. All capital expenditures in 2009 were financed by the operational cash flow of CHF 893 million generated during 2009.

Assets

CHF million

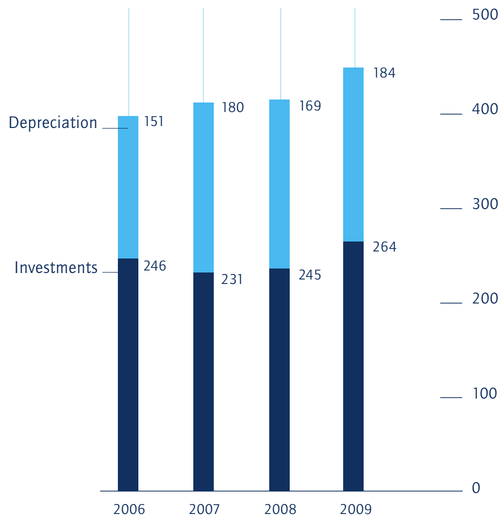
Liabilities

CHF million



Investments in fixed assets / depreciation

CHF million



Investments in properties and buildings amounted to CHF 161 million, and CHF 103 million were spent for other fixed assets, operating and office equipment.

In the course of 2009 the following major investments were made in properties and buildings:

Region / Location	CHF million	
Europe		
Ferrier, France	7	Extension of a logistics and distribution centre
Mulhouse, France	8	New logistics and distribution centre
St. Lo, France	6	New logistics and distribution centre
St. Omer, France	7	New logistics and distribution centre
Various locations, France	13	New logistics and distribution centres
Various locations, France	19	Work in progress of new logistics and distribution centres
Hamburg, Germany	55	New logistics and distribution centre
Embrach, Switzerland	3	Renovation of existing logistics and distribution centre
Schindellegi, Switzerland	8	Extension of corporate head office
	126	
Americas		
Mississauga, Canada	34	New logistics and distribution centre
Middle East, Central Asia and Africa		
Dubai, UAE	1	Completion of a logistics and distribution centre
Total	**161**	

The allocation by category is as follows:

CHF million	
Operating equipment	35
Vehicles	25
Leasehold improvements	19
IT hardware	17
Office furniture and equipment	7
Total	**103**

The allocation by region is as follows:

CHF million	
Europe	80
Americas	16
Asia-Pacific	3
Middle East, Central Asia and Africa	4
Total	**103**

Depreciation, amortisation and impairment losses on other intangibles in 2009 amounted to CHF 291 million and are allocated in the profit and loss statement as indicated in notes 26 and 27 of the Consolidated Income Statement.

Development of capital expenditure and depreciation of fixed assets over a period of four years

CHF million	2006	2007	2008	2009
Fixed assets				
Properties and buildings	111	58	93	161
Operating and office equipment	135	173	152	103
Intangible assets				
Goodwill in consolidated companies	462	113	–	139
Other intangibles through acquisitions	336	77	26	151
IT software	19	27	34	22
	1,063	**448**	**305**	**576**
Fixed assets				
Buildings	28	29	21	24
Operating and office equipment	124	151	148	160
Intangible assets				
Impairment of goodwill	6	31	6	–
Amortisation / impairment of other intangible assets	97	115	109	107
	255	**326**	**284**	**291**

Planned investments in 2010

In 2010 the Kuehne + Nagel Group plans to invest about CHF 160 million for capital expenditures compared to a spending of CHF 264 million in 2009. These investments might be deferred to following years if the current economic situation continues with a long-term impact on business development.

Planned investment per category

CHF million	
Properties and buildings	50
Operating equipment	45
Vehicles	10
Leasehold improvements	15
IT hardware	30
Office furniture and equipment	10
Total	**160**

Expected allocation per business segment

CHF million	
Seafreight	20
Airfreight	10
Road & Rail Logistics	15
Contract Logistics	65
Real Estate	50
Total	**160**

In 2010 the depreciation on fixed assets is estimated at CHF 190 million and the amortisation of intangible assets at CHF 100 million (excluding potential acquisitions of companies).

Expected investments per region

CHF million	
Europe	125
Americas	15
Asia-Pacific	15
Middle East, Central Asia and Africa	5
Total	**160**

Planned acquisitions

In order to reach the strategic goal of a turnover of CHF 5 billion in the Road & Rail Logistics business segment, further acquisitions in Italy, Spain and Eastern European countries can be expected within the next 2 years.

Shareholder return

In 2009 the Kuehne + Nagel share outperformed both the SMI and the SPI.

Share price and market capitalisation (at December 31)

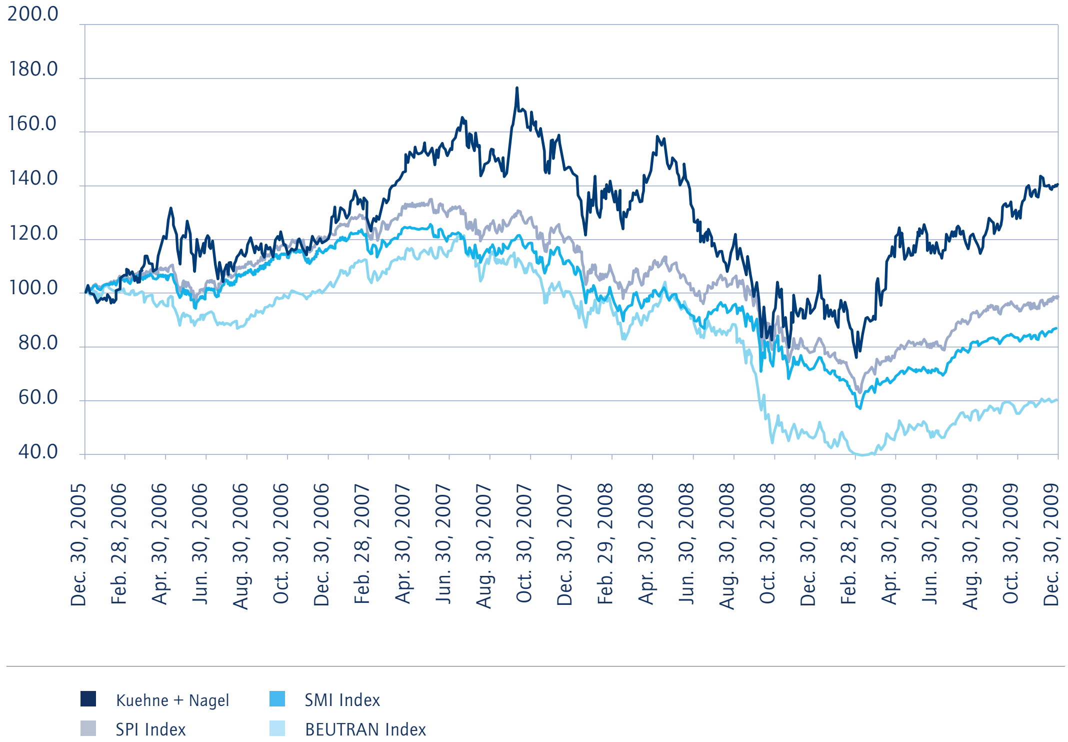
	2009	2008	per cent change
Share price (CHF)	100.5	67.55	48.8
Market capitalisation (in CHF millions)	12,060	8,106	48.8

Total shareholder return development

	2009	2008
Increase/(decrease) year over year (CHF)	32.95	-40.95
Dividend per share including extraordinary dividend (CHF)	2.30	4.40
Total return (CHF)	35.25	-36.55

Kuehne + Nagel share price compared with SMI, SPI, and Bloomberg Europe Transportation Index 2006

January 2006 – December 2009



Dividend

The Board of Directors is proposing an equal amount of dividend per share for 2009 as for 2008 amounting to CHF 2.30 per share for approval at the Annual General Meeting. If the dividend proposal is approved by the shareholders, dividend payments will amount to CHF 272 million (2008: CHF 272 million), resulting in a payout ratio of 58.2 per cent (2008: 46.4 per cent). Based on the share price at year-end 2009 the dividend yield on the Kuehne + Nagel share is 2.3 per cent (2008: 3.4 per cent).

REPORTS OF THE BUSINESS UNITS

Seafreight: Leading position sustained

In 2009 the seafreight business was caught in the down-current of the world recession. For the first time in global containerisation history volumes declined worldwide. Kuehne + Nagel, nevertheless, succeeded in gaining market share and substantially improving its productivity.

Despite the economic environment Kuehne + Nagel strengthened its leading seafreight market position. Increased sales activities and leveraging of its value-creating product portfolio drove market share gains in many trade lanes. In the 2009 crisis year, compared with the sector as a whole, the 4.6 per cent decline in Kuehne + Nagel's seafreight volumes was remarkably moderate. The fast and consistent alignment of operational costs to reduced transportation volumes together with substantial productivity increases result in a higher profit margin than in 2008.

Kuehne + Nagel's route management performed well in this time of extreme volatility, demonstrating its ability to promptly meet customers' demands worldwide. Through its multi-carrier programmes, Kuehne + Nagel guarantees customers access to all existing shipping alliances.

Container market

The continuing heavy decline in demand and production due to the world economic crisis significantly impacted maritime trade with volumes slumping markedly on almost all shipping routes. The trade lanes most affected were Asia to Europe and the United States and between Europe and North America. In the first six months of the year, container volume fell by more than 18 per cent. A slight recovery took place in the second half of the year, beginning in trade from Europe to Asia, particularly to China. After a time lag, and partly as a result of government stimulus programmes, other markets and trade lanes also showed an increase in consumption and consequently in demand for transport. Overall, total volume declined by approximately 12 per cent compared with 2008.

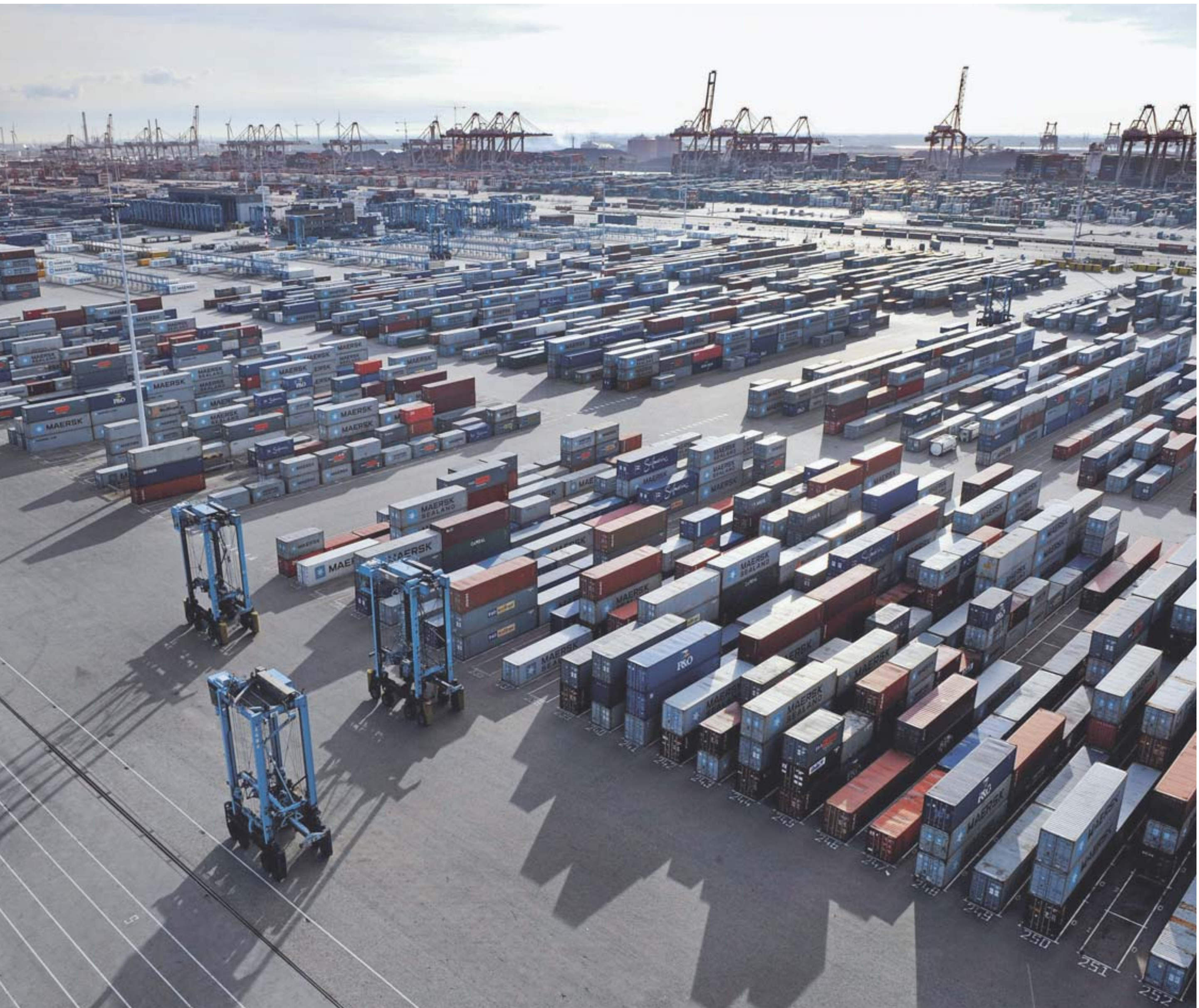
Development of rates

Shipping companies had excess capacity as a result of the large slump in volumes in virtually all trade lanes. In the first half of the year this led to a drastic slump in freight rates whose adverse effects were felt by the whole shipping industry.

The recovery in container volumes was accompanied by a stabilisation of the rate level towards the end of the year. There was, for instance, a dramatic rise in transport prices from China to Europe. In the meantime, worldwide freight rates have strongly rebounded, partly due to the sometimes drastic capacity cutbacks by a number of shipping companies. Due to the laying-up of ships and reduced transport speeds some routes are now suffering from capacity bottlenecks.

Consolidated container business (Less than Container Load)
Kuehne + Nagel concentrated on the creation of new gateways in Asia, the Middle East and Europe for its consolidated container business, an important segment of the seafreight business. The network, offering more than 2,000 connections, was woven more densely by additional new routes, resulting in a shortening of transit times and a simplified cost structure.

With a decrease of roughly 12 per cent in the global seafreight volume, Kuehne + Nagel performed substantially better than the market average and transported 2.5 million TEU in the year under review.



In the current year too, Kuehne + Nagel's objective in seafreight remains to achieve profitable growth that substantially exceeds market performance.

Niche products

To meet customers' manifold needs, Kuehne + Nagel has specialised in various niche products for some years which now have a high degree of market acceptance.

While overall volumes for the forestry products (paper, cellulose and timber) contracted by more than 20 per cent, Kuehne + Nagel achieved a growth of 30 per cent and came a large step closer to its aim of attaining a leading position in this market segment.

With nearly 80,000 TEU handled, the company is already the market leader in reefer container traffic. Kuehne + Nagel pressed ahead vigorously with special developments such as the "multitemperature container", which allows for the transport of products with various temperature requirements.

Double-digit growth was achieved in beverage logistics, a segment in which Kuehne + Nagel has been engaged for seven years. Wine transport substantially contributed to this result.

Emergency and relief logistics

Given its know-how, Kuehne + Nagel considers it an obligation to support aid organisations in crisis regions. For many years the Group has cooperated with well-known international organisations on the basis of long-term contracts. Private companies also benefit from Kuehne + Nagel's logistics expertise. In 2009, particularly challenging tasks included transport operations on behalf of various UN organisations for Afghanistan, Sudan and the Congo.

Oil & gas and project services

The acquisition and smooth integration of the Norwegian forwarder J. Martens enabled Kuehne + Nagel to substantially strengthen its activities in the global oil and gas logistics market. The company has specialised facilities in Norway, the United Kingdom, Singapore and the Netherlands. The level of orders in the project business continued, leading to improved results.

River shipping

The European river shipping was severely affected by substantially reduced volumes, particularly in raw materials and steel, as well as suffering from cost pressure due to excess capacity and fierce competition. Nevertheless, Kuehne + Nagel maintained its market share and even increased it in some areas, achieving a highly satisfactory result. The 2010 objective is to expand the offering and collaborate with partners and customers to develop new river shipping-based transport concepts in line with the needs of the market.

Investments

Despite a period of restrictive cost management, Kuehne + Nagel invested in the development of IT-based customer solutions. This included, for example, the addition of new functions to the application enabling customers to use the Internet to book transport orders.

Outlook for 2010

Kuehne + Nagel expects seafreight market conditions to remain difficult during the current year. Nevertheless, the company's strategy is to achieve profitable growth that substantially exceeds that of the market through continued expansion of its sophisticated, customer-oriented product offerings.

Performance Seafreight

CHF million	2009	Margin per cent	2008	Margin per cent	Variance 2009/2008 per cent
Turnover	7,572	100.0	10,032	100.0	–24.5
Gross Profit	1,202	15.9	1,377	13.7	–12.7
EBITDA	376*	5.0	458	4.6	–17.9
Number of operational staff	7,421		7,830		–5.2
TEU '000	2,546		2,670		–4.6

* Includes a provision for competition investigations and associated legal expenses of CHF 10 million (see notes 22, 39 and 44 of the Consolidated Financial Statements for details).

Airfreight: On course despite strong headwinds

From the fourth quarter of 2008 the global airfreight market experienced an unprecedented fall in demand. The situation did not begin to stabilise until July 2009. Kuehne + Nagel improved its global market position through increased efforts to market its industry-specific solutions, high cost efficiency and innovative products.

Market development

The gloomy 2009 global airfreight market forecasts proved correct for the first six months of the year with tonnage falling by 20 to 25 per cent. China, the engine that had driven airfreight transportation growth in prior years, experienced a setback of more than 40 per cent. The airfreight market started to improve in the third quarter; for the whole year a 12 per cent decrease in global freight business was reported.

Development of rates

The desolate market situation in the first half of 2009 led to a collapse in freight rates, which declined as much as 40 per cent. As a result, airlines posted operating losses despite having grounded a part of their freighter fleets to compensate for the fall in demand. At mid-year more than 2,000 aircraft had been taken out of service.

In the second half of the year, rising tonnage resulted in a stabilisation of the rate structure. Freight prices from Asia, particularly China to North America and Europe, for instance, shot up in the fourth quarter after the carriers' capacity cutbacks had caused substantial bottlenecks on these trade routes.

Course maintained

In airfreight, too, Kuehne + Nagel increased its sales activities and assigned high priority to the expansion of its highly specialised services for niche segments. As a result, the fall in tonnage at 9.2 per cent, was less than the market as a whole. By continuously gaining market share, Kuehne + Nagel rose to the third place in the global ranking of airfreight forwarders. Significant increases in productivity and a further standardisation of processes kept EBIDTA margin at previous year's level.

Time-defined airfreight products

Kuehne + Nagel's time-defined airfreight products – KN Express, KN Expert and KN Extend – are an important element in the range of specialised services. They are available around the world, offer high visibility and are well accepted in the market. During the current business year, strategies aim to double the number of orders for all three products.

Despite what IATA described as the “biggest demand drop in history”, Kuehne + Nagel moved up to the third place among the world's largest airfreight forwarders with 758,000 tonnes transported.

The following specialised airfreight solutions meet the needs of specific industries:

Aerospace Logistics

The Aerospace Logistics field of activity, which offers airlines tailor-made solutions for spare parts logistics and maintenance, had made good progress due to cost pressure and the growing trend towards outsourcing in the industry.

Marine Logistics

Ship owners and ship management agencies increasingly rely on Kuehne + Nagel for specialised spare parts logistics operations. The 2009 acquisition of J. Martens, a company specialised in the oil and gas industry, as well as ship-spares expertise, significantly expanded Kuehne + Nagel’s marine logistics capabilities.

Under an exclusive logistics contract, Kuehne + Nagel is providing integrated warehousing, supply and installation services for one of the world's largest new hotel construction projects.

Hotel Logistics

Kuehne + Nagel Hotel Logistics specialises in the supply of consumables to the top-range hospitality industry worldwide. It also provides turn-key solutions for new construction and renovation projects for well-known hotel chains and casino operators on all five continents. Contracts were concluded for various projects despite the postponement of a number of investments due to the economic crisis. In Singapore Kuehne + Nagel was chosen to optimise the logistics for one of the largest hotel and casino complexes now under construction.

Perishables Logistics

The perishable goods network continued its development during the 2009 crisis year. In addition to fresh flowers, Kuehne + Nagel is focusing on global transport of fruit, vegetables, seafood and dairy products.

Outlook for 2010

The airfreight market will remain challenging n 2010. Although IATA predicts 6 per cent growth, the pressure on prices will continue. Kuehne + Nagel again aims to achieve profitable growth well above the market level by further increasing operational efficiencies and providing customers with a sophisticated service of outstanding quality.

Performance Airfreight

CHF million	2009	Margin per cent	2008	Margin per cent	Variance 2009/2008 per cent
Turnover	2,857	100.0	3,859	100.0	–26.0
Gross profit	635	22.2	726	18.8	–12.5
EBITDA	159 *	5.6	221	5.7	–28.1
Number of operational staff	3,613		3,823		–5.5
Tons '000	758		835		–9.2

* Includes a provision for competition investigations and associated legal expenses of CHF 25 million (see notes 22, 39 and 44 of the Consolidated Financial Statements for details).

Road & Rail Logistics: Expansion of overland transportation despite difficult conditions

The integration of the activities of the French Alloin Group proceeded according to plan, partly compensating for the recession-induced fall in European road transport volumes and enabling market share gains.

European road transport

Kuehne + Nagel is among the ten largest overland forwarders in Europe with a road logistics workforce of some 7,000 in 45 countries. The company handles full truckload (FTL), less-than-truckload (LTL) and groupage traffic, partly in combination with other transport modes, primarily rail. Supplementary services, including customs clearance and exhibition/event logistics, can be provided as well.

The recently opened logistics centre in Hamburg-Obergeorgswerder is one of the world's largest and most modern facilities of its kind and sets new standards in the use of sustainable and environment-friendly technologies.

The European road transport market contracted by roughly 20 per cent in 2009. Kuehne + Nagel's market share gains in the FTL and LTL areas, along with solid business performances in Germany and France, partly compensated for the significant falls in European groupage traffic volumes. Productivity increases contributed to an EBITDA margin improvement.

Kuehne + Nagel stepped up sales activities and made determined efforts to reduce its operating and administrative costs to counter the effects of the fall in demand in the German groupage market. This successfully compensated for the adverse effects of the downturn.

The French Alloin Group, whose acquisition in 2009 represents an important step toward strengthening the European overland network, was also hit by the harsh economic environment. Nevertheless, the integration, which will be completed by the end of 2010, proceeded according to plan and made a positive contribution to the development of the business unit's 2009 results and improved network utilisation.

Exhibition & Event Logistics

KN Expo Service specialises in transport and handling of trade-fair goods, and event and concert logistics. In accordance with their scheduled intervals, a number of leading global exhibitions did not take place in 2009; furthermore, in response to the world economic crisis, exhibitors reduced the scale of their trade-fair participations, a development whose effects became increasingly apparent in the second half of the year. Despite these negative influences on transport volumes, Kuehne + Nagel successfully maintained its position in the market and was able to gain new customers, optimise costs and achieve a satisfactory overall result.

Rail transport

In rail transport, the economic recession in 2009 resulted in reduced volumes, primarily in the steel, coal and automobile industries. Kuehne + Nagel made appropriate adaptations to its cost structure, but maintained its network in 15 countries. In 2010 it is planned to intensify sales efforts and develop rail transport operations in close cooperation with other activities.

The significant falls in the volume of European groupage traffic were partly compensated by market share gains in FCL and LCL traffic and solid results in Germany and France.

Outlook for 2010

Effective January 1, 2010 the management of both the Road & Rail and Contract Logistics business units was put under the responsibility of Dirk Reich. The purpose of this measure is to accelerate the development of the network by fully exploiting the synergies between the two areas.

In addition to the expansion of European groupage operations, in the current year there are plans to develop industry-specific solutions, increase FTL and LTL activities and enter Asian growth markets.

Performance Road & Rail Logistics

CHF million	2009	Margin per cent	2008	Margin per cent	Variance 2009/2008 per cent
Turnover	2,511	100.0	2,853	100.0	-12.0
Gross profit	818	32.6	590	20.7	38.6
EBITDA	52	2.1	23	0.8	126.1
Number of operational staff	6,849		4,099		67.1

Contract Logistics: Through the recession with strict cost management

Stable contract logistics results were maintained through the development of industry-specific solutions and strict cost management in spite of demand fluctuations, regional variations in warehouse capacity utilisation and pressure on prices.

Global network

Kuehne + Nagel is the contract logistics provider with the world's largest area coverage, operating some 500 locations in 65 countries. In 2009 the company again pursued a policy of continuity and selective expansion in regions, which included South America and Asia, and has not withdrawn from any market as a result of the crisis.

Fluctuating demand

Falling demand from a number of large customers, which began in the fourth quarter of 2008 and accelerated in the first half of 2009, resulted in excess capacity and a growing proportion of idle space, which reached its peak in the summer. A cutback in warehouse capacity in North America together with a revival of business, primarily in the United States and the United Kingdom in the third and fourth quarters substantially reduced idle space by the end of the year with a correspondingly beneficial effect on earnings.

Leaner processes due to the Kuehne + Nagel Production System KNPS

The new Kuehne + Nagel Production System was implemented in 75 locations in 2009 and has been developed into a continuous improvement programme. Many of the cost adjustments and increases in productivity achieved during 2009 resulted from the use of this system. The adoption of lean, flexible processes opened the way for maintaining operational margins at the previous year's level, despite reduced capacity utilisation and pressure on prices. The globally standardised KNPS is particularly attractive for multinational customers with a number of locations in different countries.

Global warehouse and transport management system

Kuehne + Nagel's customers benefit from its globally standardised warehouse and transport management system. The central application simplifies the integration of data flows and ensures high reliability. The system is now in operation with 650 customers at 160 locations in more than 50 countries. It is linked with the air- and seafreight programmes as well as with the KN Login information portal and the Kuehne + Nagel Production System. This creates transparency throughout the supply chain and leads to greater efficiency.

Successful Lead Logistics Solutions

Kuehne + Nagel's Lead Logistics Solutions integrate all processes involved in the management of global supply chains – either in cooperation with independent partners or by combining Kuehne + Nagel's whole range of competences and services. In particular, Lead Logistics activities were expanded in the high-tech and medical technology areas; large important customers were added in the consumer-goods industry.

Major progress in the automotive sector

During the last few years, Kuehne + Nagel has also developed into one of the leading automotive logistics providers. The "Supply the Motion" offering, which is tailored to the needs of the industry and includes production and spare parts logistics, helped Kuehne + Nagel gain new contracts in Germany, Africa and Asia. The confidence shown by a leading truck manufacturer in renewing its three-year contract for a third time is a testimony to Kuehne + Nagel's expertise in spare parts logistics.

Production logistics for the aerospace industry

During 2009, Kuehne + Nagel took over the management and operation of production logistics services at all Airbus locations in Germany, the United Kingdom, France and Spain. The standardisation of the processes brought considerable reductions in costs and is helping transport operations between the various national Airbus companies to evolve into an integrated logistics solution.

Kuehne + Nagel's globally standardised warehouse and transport management system simplifies the integration of data flows and ensures a high level of reliability. The central application creates high transparency and increases efficiency throughout the supply chain.

Kuehne + Nagel is one of the leading logistics providers for the aerospace industry. In the year under review, it took over the management and operation of production logistics at all Airbus locations in Germany, the United Kingdom, France and Spain.

At the end of 2009, Kuehne + Nagel also gained a foothold in this innovative market segment in the United States through the conclusion of a contract with an American aerospace subcontractor.

Outlook for 2010

The forecasts for the global contract logistics market are encouraging. Overall growth of 5 per cent is expected for 2010, and a number of dynamic markets in Asia and South America are likely to stand out with rates above this level. A rise in demand will increase the utilisation of warehouse capacity, so that the Kuehne + Nagel management focus can again be placed on achieving profitable growth.

Performance Contract Logistics

CHF million	2009	Margin per cent	2008	Margin per cent	Variance 2009/2008 per cent
Turnover	4,345	100.0	4,732	100.0	–8.2
Gross profit	3,167	72.9	3,514	74.3	–9.9
EBITDA	201	4.6	216	4.6	–6.9
Number of operational staff	27,958		28,755		–2.8

Real Estate: Inauguration of new facilities and adaptation to a difficult market environment

In the year under review, Kuehne + Nagel optimised its real estate portfolio by adding new logistics properties in Germany, France, Canada and the United Arab Emirates.

In 2009 the logistics facilities that had been under construction since 2008 were completed in strict compliance with the time schedule and cost budgets, and promptly taken in operation. The extension to the Group headquarters in Schindellegi was commissioned in October as planned.

Facilities put into service in 2009

	Usable area (sqm)
Germany: Hamburg-Obergeorgswerder	53,000
France: Ferrières	11,800
Canada: Mississauga	39,000
United Arab Emirates: Dubai	19,550

Corporate real estate management

Worldwide, the Real Estate business unit provided active support in the leasing of new facilities and the sale of individual logistics properties. In the course of its operations it had to contend with the continuing uncertainty of the market situation.

In the Vienna and Lodz areas, a number of sites were subjected to a detailed assessment and classified as suitable for future project developments.

Global real estate portfolio

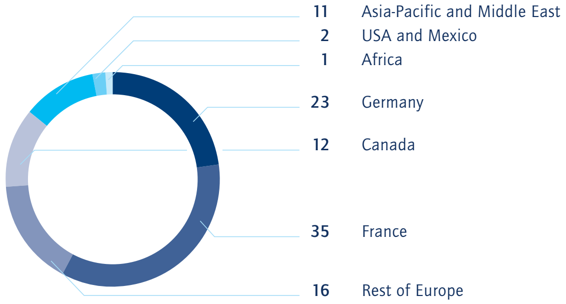
At the end of 2009, after the integration of the French Alloin Group, Kuehne + Nagel's global real estate portfolio comprised 123 logistics facilities and office buildings in 21 countries.

Area breakdown

	Usable area (sqm)
Logistics facilities	1,313,370
Office space	141,930
Land	3,818,150

Portfolio structure according to countries and regions

Per cent



Market development

The year 2009 was marked by the financial and economic crisis, which created uncertainty among most investors and real estate developers and led to major value adjustments on properties in a number of markets. As a result, substantially higher criteria came to be applied to new leasehold projects; in addition to a long lease duration, greater importance was again attached to quality of location and the solvency of the lessees. Similar conditions prevail in the market for selling logistics facilities; empty buildings are virtually unsaleable, and only relatively long-term sale and leaseback arrangements have a chance to attract investors.

In the current business year there are signs of a recovery in some markets, albeit at a low level. In the foreseeable future, however, it is unlikely to see a revival of the sellers' markets for logistics real estate products and the associated price boom which lasted until mid-2008.

Strategic success factors

Despite the altered situation in the global market for logistics real estate, the strategic success factors for Kuehne + Nagel are fundamentally the same. An effective real estate strategy should look ahead so as to anticipate cyclical variations and also permit counter-cyclical, value-creating action which takes advantage of opportunities as they arise:

– In addition to maintaining a high-value portfolio of company-owned real estate in strategic locations, in recessive markets – provided sustained demand exists – greater emphasis should be placed on an owned-property solution and a further expansion of the ownership of high-grade real estate.
– In difficult economic periods the conclusion of long-term leases on favourable terms is another attractive option by which it is possible to benefit for as long as possible from low-priced offers during the subsequent economic upswing, which may be accompanied by an inflationary phase.

Outlook for 2010

The most important objectives in the real estate sector are still the timely identification and securing of the required capacities for Kuehne + Nagel's business activities, always paying careful attention to the development of the global markets and their individual characteristics.

Performance Real Estate

CHF million	2009	2008	Variance 2009/2008 per cent
Gross profit	91	95	–4.2
EBITDA	80	82	–2.4

Insurance Broker: Stable development

The globally operating Nacora Group delivered satisfactory results in 2009. Factors for success were customer-orientation, service quality and specialised cargo insurance expertise.

Insurance market

As a result of the economic downturn, the change of trend towards a harder market as expected by the insurance industry failed to materialise in 2009. One exception was the credit insurance market, which experienced a strong rise in premium levels. The sharp drop in national and international transportation volumes inevitably led to a general fall in global cargo insurance premiums.

Development of business

Contrary to market trends, by leveraging its international reach and long-term customer retention, the Nacora Group achieved a stable performance in annual transport insurance policies as well as property and third-party liability insurance. Increased sales activities in Europe and North America helped drive market shares gains.

Specialisation in cargo insurance

The Nacora Group specialises in cargo insurance. The product range is particularly targeted to the needs of small- and medium-sized companies in trade, industry and transport. Through its global network, flexible offerings and high-quality service, Nacora provides this customer segment with access to specialised information and know-how. The insurance broker also plans to increase its investments in the development and sale of customer-specific insurance solutions for carrier’s liability and cargo insurance.

Quality of service and customer focus

Customer focus and high standard of service are critical success factors for the Nacora Group, and are assured by its highly skilled staff. On the basis of continuous quality audits, the central offices in Eastern Europe and the Nordic countries have been reorganised. This year Nacora intends to strengthen its operations in Brazil, China, Dubai and Singapore.

Outlook for 2010

For the current year, the Nacora Group again has set profitable growth as its target. The achievement of this aim will be supported by increased sales activities and process standardisation. In addition, the focus on its core cargo insurance business will guarantee a successful development of business.

Performance Insurance Broker

CHF million	2009	Margin per cent	2008	Margin per cent	Variance 2009/2008 per cent
Turnover	116	100.0	118	100.0	–1.7
Gross profit	36	31.0	41	34.7	–12.2
EBITDA	17	14.7	20	16.9	–15.0
Number of operational staff	169		171		–1.2

SUSTAINABILITY

Human Resources

Principles of human resources policy

To meet the ever more demanding requests of the market and its customers, Kuehne + Nagel needs a highly flexible workforce that is strongly results-oriented and acts in a responsible manner.

The Group's human resources policy therefore assigns a prominent position to the sustained and systematic further development and training of its staff. In the year under review, Kuehne + Nagel maintained its commitment to this policy even in a difficult economic environment.

Talent management

Kuehne + Nagel has a tradition of filling vacant managerial and key positions with members of the existing workforce. Numerous personnel transfers were again made in 2009, in which the high flexibility of Kuehne + Nagel's staff proved a valuable advantage.

As a result of Kuehne + Nagel's international standing as a highly attractive employer, it was also possible to recruit talented personnel from outside the Group.

Human resources development

In the year under review, nearly one hundred management trainings and numerous other seminars for the development of managerial staff took place. Special emphasis was placed upon the targeted training of sales managers. As a reflection of the many different challenges that face a globally operating logistics provider, the training topics range from project management courses that lead to a professional qualification to the teaching of change management concepts or the preparation of future managerial staff for their demanding duties.

Also of great importance is the selection of the right employees in line with the Group's strategy and their deployment in a manner suited to their special strengths. In adherence to existing policy, this system of potential evaluation by assessment centres was continued in the year under review.

High potentials

Attention again focused upon the quantitative and qualitative development of the managerial staff pipeline. The architecture of the talent development system, and in particular the International High Potential (HIPO) Programme, underwent a process of reappraisal and optimisation. In addition to a further development of the individual modules and an updating of their content (including the adoption of best practice elements from the various regions), a closer connection with performance assessment and job placement processes was successfully established.

A further important element is the involvement of the HIPOs in the strategy development process of the Group. Promising ideas from young and talented members of the staff are submitted to the management on an equal footing with those of the regional management. They are then discussed by the management and, if considered suitable, implemented in the form of projects. In this way Kuehne + Nagel obtains a direct "return on investment" from this important employee group.

Kuehne + Nagel assigns a prominent position to the sustained and systematic further development and training of its staff. The cost-effective use of computer-based training increased substantially in 2009.

Training and qualification

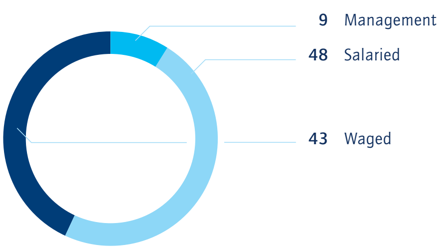
In the difficult economic climate of the year under review, the use of innovative learning instruments enabled savings to be achieved without the need for major cutbacks in staff training and development.

Training and further education

A total of 8,300 training courses took place in 2009, which corresponds an increase of 18 per cent over the previous year. While reducing global and regional training programmes in order to save costs, Kuehne + Nagel increased its training activities at national and local level. The emphasis was placed on training courses aimed at increasing productivity.

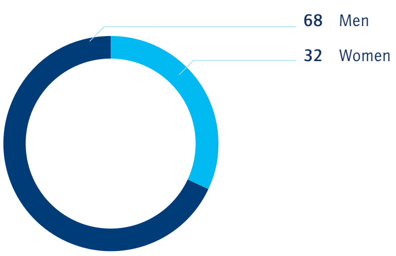
Personnel structure

Per cent



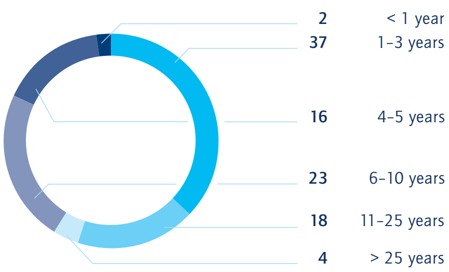
Personnel structure

Per cent



Duration of employment

Per cent



Computer-based training

The highly cost-effective use of computer-based training (CBT) showed a substantial growth in 2009. The CBT course library was expanded from 200 to 500 titles, with most courses covering product, process and IT training topics. This comprehensive course library is also used for the efficient induction training of new staff members. Once they have been developed and have proved their practical value, CBT courses can be taken by an unlimited number of employees at virtually no extra cost. The first steps towards web-based customer training were also taken in 2009 – a trend that will continue in 2010.

Video conferences save travel costs

Compared with the preceding year, in 2009 Kuehne + Nagel doubled the number of training courses conducted on a virtual basis by means of the Centra platform. This brought a saving in travel costs throughout the Group. This software solution allows the interconnection of global teams on a virtual basis and the conduct of live presentations and short training sessions to which customers or external partners can also be linked.

Train the trainer

Kuehne + Nagel continued its tested policy of appointing internally trained staff to provide a large proportion of the instruction courses. The positive feedback from both the regional training staff and the participants in the courses again proved the value of this measure for the further structural development of the Group.

Competition law training

An important focal point in 2009 was the global campaign of instruction on competition law. The specially developed CBT course is illustrated with readily remembered video sequences and animations, and is available in 30 languages. All staff members having outside contact were required to work through the course and undergo an electronic test as evidence of successfully completing it. The competition law training course has once more demonstrated that by computer-based instruction, important information can be efficiently dispersed throughout the organisation at low cost.

Staff data base

The global staff data base (PDM) was expanded in 2009 and connected to national payroll systems. It is becoming increasingly important for the control of productivity and automated management of access authorisations to IT systems.

Number of employees

Due to acquisitions the total number of employees increased from 53,823 in 2008 to 54,680 in 2009.

Kuehne Foundation: A personal commitment to the common good

In 2009 the Kuehne Foundation again set important new accents in training and further education, research and teaching in the field of logistics and transport. The opening of a centre for allergy research in Davos, Switzerland, was a highlight in the field of support for medical projects, while the Harbour Front Literature Festival in Hamburg stood out as an important event in the area of cultural support projects. Klaus-Michael Kuehne, the sole donor of this public-interest foundation, regards his commitment to sustainable initiatives as an important part of his social responsibility as an entrepreneur.

Sponsorship in the field of logistics

In 2009 the Kuehne Foundation supported the following institutions for logistics and university departments:

- Kühne School of Logistics and Management, Hamburg (from January 1, 2010 Kühne Logistics University)
- Professorship and Kuehne Centre for Logistics Management at WHU – Otto Beisheim School of Management, Vallendar, Germany
- Professorship and Centre for International Logistics Networks at the Technical University of Berlin
- Professorship for Logistics Management at the Federal Institute of Technology (ETH), Zurich
- Professorship for Logistics Management at Tongji University, Shanghai
- German Foreign Trade and Transport Academy (DAV), Bremen

Kühne School of Logistics and Management / Kühne Logistics University

The Kühne School, which has offered various master's degree courses since 2007, was dissolved in its existing form with effect from December 31, 2009 in agreement with the Free and Hanseatic City of Hamburg and the Technical University of Hamburg-Harburg. In 2010 it will be incorporated into the Kühne Logistics University (KLU), an independent private university which will be 100 per cent owned by the Kuehne Foundation. The new institution will offer various master's courses for holders of bachelor degrees together with academic further education programmes for experienced managers and high potentials. The fundamental objective of research and teaching is to meet the future operational challenges of international logistics markets and to provide them with highly qualified personnel all over the globe.

Kuehne Centre for Logistics Management, WHU Vallendar
At WHU, research in the field of logistics has been financed with funds from the Kuehne Foundation for the past nine years. The results are presented at international scientific conferences, published in journals of international repute, and subsequently put into practice. The research projects are initiated in response to logistics questions raised by companies in the fields of logistics, services, trade and industry. The traditional further training event "Campus for Supply Chain Management" was again a great success in the year under review, and was attended by more than 250 managers and students. A new incumbent was appointed to the professorship for logistics management at the beginning of 2009; for 2010 the Kuehne Foundation agreed to support the establishment of a second professorship.

The research and dissertation topics in 2009 included the following:

- Supply chain risk management
- Fleet renewal with electric vehicles (EVs) – a real option approach
- Market entry strategies for logistics companies in Middle and South America
- Six dimensions of a comprehensive supplier management

Centre for International Logistics Networks, Technical University of Berlin
The principal research fields of the competence centre, which was established in 2005, include the analysis of networks in international logistics, safety in global logistics networks and global supply chain footprint design. On March 1, 2009 an additional professorship for logistics networks was established. This cooperates closely with Tongji University, Shanghai, which is also supported by the Kuehne Foundation.

In November 2009 the TU Berlin held the 9th Logistics Conference of the Kuehne Foundation, which took place under the motto "Logistics and Social Responsibility". More than 250 participants showed a keen interest in the event and its contents. The scientific examination of the topic "humanitarian logistics" has received special support from the Kuehne Foundation for many years. It is also planned to collaborate closely with universities in Africa to enable these institutions to offer training and further education in the field of humanitarian logistics in the future.

Professorship at the Federal Institute of Technology (ETH) Zurich
The professorship can look back on its first year of activity, during which it has focused its attention on research into strategic aspects of supply chain management, logistics, transport management, procurement and industrial marketing management. Its teaching activities cover all fields of supply chain management. Together with the Forum SCM, the seventh MBA-SCM (Master of Business Administration in Supply Chain Management) course was started, for the first time under the lead auspices of the chair of logistics management.

Professorship for International Logistics Networks at the Tongji University, Shanghai
The chair of logistics at the Chinese-German University College (CDHK) can also look back on its first full year of activity, and is now the point of contact in China for all university institutes sponsored by the Kuehne Foundation. A number of exchange students at master's and PhD level have spent periods of study abroad in Shanghai, and the chair is also playing a full part in the logistics training and further education training of the Tongji University.

German Foreign Trade and Transport Academy (DAV), Bremen
In 2009 the Kuehne Foundation again supported DAV, which is now under the guidance of the German Logistics Association (BVL). There is a good level of demand for the further education programme leading to the qualification of State-Certified Business Administrator; in future it is planned to offer a bachelor degree course. DAV is Germany's oldest further training institution for logistics, and has been supported by the donor for the past 50 years.

In addition to logistics projects, by its deed of foundation the Kuehne Foundation is also committed to the support of medical, cultural, social and humanitarian projects.

Medical projects

Christine Kuehne Center for Allergy Research and Education (CK-CARE)
Allergies are one of the greatest health challenges in all parts of the world. Their incidence has increased dramatically over the last few decades, but the reasons for this trend are still unclear.

In 2009 a milestone in allergy research was set by the opening of CK-CARE in Davos, which was founded by the Kuehne Foundation on the initiative of the donor's wife Christine. Over a five-year period the Kuehne Foundation will donate a total of 20 million Swiss francs in support of allergy research at the headquarters in Davos and centres in Zurich and Munich. A number of senior, experienced university teachers have been recruited to this project. The field of research covers the following five areas:

- Environment, allergens and exposure
- Immuno-epidemiology of allergic diseases in childhood
- Innovative diagnostics and therapy
- Mechanisms of severe allergies
- Therapy and rehabilitation

Education is a further important activity of CK-CARE, with the aim of making the latest knowledge and research findings available to the public and to doctors treating allergic conditions and their patients.

CK-CARE has its origins in the centre for allergy research at the Children's Hospital of the Zurich University, which has received support from the Kuehne Foundation for more than five years.

Promotion of child health
The third year of the joint project with the Cleven-Becker Foundation and the Institute for Sports and Sports Science at the University of Basel has been a successful one. After an initial phase in which exercise and nutritional behaviour were studied, measures to curb childhood obesity have now been implemented at a number of schools. The project was supported by various workshops, publications and activities.

Social and humanitarian projects

Von Bodelschwingh Institutions
The von Bodelschwingh Bethel Institutions near Bielefeld have received support from the Kuehne Foundation for many years. Bethel gives assistance to handicapped, elderly, young and homeless people, as well as providing psychiatric care. The von Bodelschwingh Institutions are European leaders in the treatment and research of epilepsy. In 2009 the Kuehne Foundation supported the construction of a children's hospice.

Orphanage in Cambodia
In Cambodia the Kuehne Foundation is contributing funds for a project initiated by young and committed students to care for orphans in Phnom-Penh. The funds are earmarked for the construction of a drinking-water plant and a photovoltaic installation in a school for orphans.

Cultural projects

Harbour Front Literature Festival, Hamburg
For both logistics and literature, creativity and variety are essential factors. It is this common feature that motivated the Klaus-Michael Kuehne Foundation, Hamburg, together with the Hamburg State Government, to create the Harbour Front Literature Festival. From September 9 to 19, some 90 German and international authors presented themselves to an interested audience in various locations against the striking background of the Port of Hamburg.

Lucerne Festival Orchestra in Beijing
In September the Lucerne Festival Orchestra, conducted by Claudio Abbado, visited Beijing, where it performed Gustav Mahler's First and Fourth Symphonies in the National Center for Performing Arts and received an enthusiastic response from the Chinese public. The Kuehne Foundation made a substantial contribution to the China tour of this orchestra whose players include musicians from a number of countries.

Outback Opera
Thanks to support given by the Kuehne Foundation and cooperation with the Culture Committee of the local council of Schindellegi-Feusisberg, Switzerland, a very special cultural event took place in May: The Australian Co-Opera, which since 1990 has traveled all over the Australian continent as a mobile opera, for the first time performed Mozart's Magic Flute in the mountain scenery of the canton of Schwyz.

The sole donor of the Kuehne Foundation, Schindellegi, and the Klaus-Michael Kuehne Foundation, Hamburg, is Prof. Dr. h.c. Klaus-Michael Kuehne.

Quality, Safety, Health, Environment (QSHE)

QSHE as a cornerstone of sustainability

In the Kuehne + Nagel Group the integrated management of the fields of quality, safety, health and environment supports all three pillars of sustainability: economic, ecological and social.

Quality standards as a basis

In addition to global certification according to the recognised quality standard ISO 9001, Kuehne + Nagel meets a large number of industry-specific quality standards such as:

- GXP certification based on Good Distribution Practice Standard (GDP) for pharmaceutical shipments and the status as Certified Envirotainer Provider (CEP) for temperature-controlled airfreight consignments in the pharmaceutical and health care sector,
- the GXP Food Safety Certificate for compliance with the requirements of the International Food Standard (IFS) including the seven HACCP principles (Hazard Analysis and Critical Control Point),
- the SQAS attestation (Safety and Quality Assessment System) of the European Chemical Industry Council (CEFIC) and
- the EN 9100/EN 9120 certificates of the aerospace industry.

With the aim of further improving the operational support for all Kuehne + Nagel business fields, a database-supported audit tool with more than 500 check points was developed in the year under review. By allowing worldwide analyses and statistical surveys covering multiple business fields and locations to be carried out on a standardised basis, this permits greater transparency, improved activity monitoring and faster access to decision-relevant data.

Safety and health management

As in other QSHE fields, numerous health and safety audits were again carried out in 2009. More than 160 Kuehne + Nagel locations have now been certified by Bureau Veritas Certification according to the internationally recognised Standard OHSAS 18001. Further certifications are planned for the coming years.

Particularly in view of the growing risks relating to pandemics and natural disasters, precautionary measures to ensure business continuity were further developed. These encompassed a wide field which extended from internal and external communication to emergency plans, risk management and preventive measures as well as the local planning of avoidance scenarios by the responsible management in order to ensure the continuity of logistics activities and uninterrupted operation.

Growing importance of security management

In order to meet the need for even greater operational security, in 2009 Kuehne + Nagel again invested substantial resources in video surveillance, terminal security and security training. The selection and quality criteria for sea, air and land transport subcontractors were also made more stringent.

AEO certifications

One example of measures to strengthen security are the activities in the customs field. After already having received C-TPAT (Customs-Trade Partnership Against Terrorism) certification from the US customs authorities in 2003, Kuehne + Nagel has further improved its security standards outside the USA and attained AEO (Authorized Economic Operator) status in seven European countries. Further certifications are in the course of preparation.

Environmental management

With a view to sustainable development, Kuehne + Nagel has long been committed to the conservation and protection of the environment. Here, the company pursues a strategy of improving its environmental activities while at the same time increasing its economic efficiency and competitiveness. Externally, in this connection Kuehne + Nagel increasingly plays the role of a sought-after discussion and consultation partner. Internally, as a part of its environmental strategy, in the year under review the Group implemented a number of initiatives aimed at improving eco-efficiency and in particular the measurement of environmentally relevant operational data, accompanied by activities at the level of business segments, regions and local subsidiaries.

Measurement and reduction of the internal carbon footprint

The basis of the various sustainability initiatives is the Group-wide introduction of the Global Facility Carbon Calculator (GFCC), a tool developed by Kuehne + Nagel itself. This is a detailed reporting system for the exact local recording of energy, fuel and water consumption and waste volumes which provides a reliable basis for the prioritisation and performance monitoring of economy programmes. The reductions so far achieved in various local pilot projects have demonstrated the potential for savings in the organisation as a whole. By the end of the year, the GFCC had been implemented at 375 contract logistics locations in the regions of North America, Central, Northwest and Southwest Europe and Africa. Its full introduction in all Kuehne + Nagel warehouse locations all over the world will be completed in the first half of 2010, thus creating a comparable and comprehensible database for environmental activities. In the year under review the GFCC, together with best practice programmes, awareness campaigns and investments in modern systems engineering, showed good opportunities for Kuehne + Nagel to reduce its CO_2 emissions and achieve substantial savings on maintenance costs.

Measurement of the external carbon footprint

In November 2009, the first project phase of the Global Transport Carbon Calculator (GTCC) developed by Kuehne + Nagel was successfully completed. This is a tool which enables the carbon footprint of the transport of freight by air and sea to be calculated directly from the operational IT systems according to standardised reporting criteria, in which connection Kuehne + Nagel benefits from having the highest degree of standardisation in the industry. As a next step it is planned to extend the scheme to land transport – for which the calculations are a good deal more complicated – and to widen the range of reporting functions, thus enabling Kuehne + Nagel to further develop its environmental capabilities.

Environmental activities – hand in hand with the customers

The year under review saw a substantial increase in the number of customers who asked Kuehne + Nagel for detailed information on the CO_2 emissions generated by their shipments and the possibilities of compensating or even reducing them. In the development of appropriate solutions, Kuehne + Nagel's global environmental team proceeds on a step-by-step basis, successively examining individual sectors of industry. In 2009 one of the fields on which it focused its attention was the pharmaceutical industry, for which one of the most comprehensive sustainability initiatives in this sector is being developed in cooperation with the Zaragoza

Logistics Center of the University of Zaragoza and the Center for Transportation & Logistics of the Massachusetts Institute of Technology (MIT). In other projects, the environmental experts of Kuehne + Nagel assisted customers from the automotive and textile industries in the development and operation of sustainable warehouses. In the United Kingdom, on the basis of data determined by the GFCC tool, the annual electricity consumption of a leading retailer was reduced by 21 per cent, and its gas consumption by 14 per cent. Finally, in 2009 Kuehne + Nagel helped to recycle roughly five million packaging units per week, corresponding to an annual total of 250,000 tonnes of cardboard and 20,000 tonnes of plastics.

Hamburg-Obergeorgswerder: an example of a sustainable logistics terminal

In December 2009, Kuehne + Nagel opened a state-of-the-art logistics terminal with a storage and handling area of 44,000 sqm in Obergeorgswerder. The photovoltaic installation on the roof – one of the largest in the Hamburg region with an area of 4,000 sqm – generates approximately 115,000 kilowatt hours of electricity with an annual saving of 72 tonnes of CO_2. The modern pellet heating system avoids 480 tonnes of CO_2 emissions, and the solar water heater a further 8 tonnes. Other environmentally relevant features of the building are the utilisation of rain water with a 10 cbm reservoir, 21,000 sqm of green roof planting to improve the climate in the hall, innovative shading and ventilation systems, and energy-saving lighting systems.

Outlook for 2010

The QSHE management system of Kuehne + Nagel will continue to pursue the aim of social, ecological and economic sustainability, placing special emphasis on the development of environmental controlling and the application of audit standards.

Information Technology

Priority to customer benefit

Based on the successful cooperation between its corporate IT and regional and local departments, in 2009 Kuehne + Nagel again realised a wide range of sophisticated customer-specific solutions. These were based on the use of technically mature modules in combination with industry-related or customer-specific components. This approach enables Kuehne + Nagel to offer flexible, stable and at the same time cost-effective solutions to meet individual needs of customers.

The Shipment Visibility module, an important component of the technically renewed IT platform KN Login, has been available all over the world since the end of 2008 and is meeting with an excellent market acceptance. In the year under review, the number of customers using this flexible system increased by roughly 40 per cent. The range of freely combinable KN-Login application modules was expanded in 2009. The booking module, with which customers all over the world can place transport orders with Kuehne + Nagel round the clock, has gained new functions which facilitate the execution of frequently recurring booking operations. Another new module optimises the acceptance, tracking and processing of customer inquiries and incident reports.

An important development in the field of overland transport was the implementation of concepts which give customers a uniform view of their consignment's progress even through a number of different transport systems. This is a major step towards the market-oriented further expansion and standardisation of the Kuehne + Nagel overland transport network. In the field of warehouse management, the share of the freight volume handled by means of the relevant standard platform was increased by a further 20 per cent.

Modernisation of the core applications

In 2009 the first locations were equipped with the newly created finance and accounting application, whose realisation is based upon a completely new development approach. This approach is also used in the modernisation of the core application for air and sea transport, which is proceeding according to plan. In the infrastructure field, savings were achieved by a firm adherence to the adopted consolidation strategy and an optimisation of network provider policy.

In central IT areas Kuehne + Nagel traditionally follows a policy of developing its own systems, with the objective not only of saving costs but also of ensuring its independence from the market. The customer care application, which was introduced in 2008, is one example of this strategy. After one year of operation the result shows a marked reduction in operating costs. This application not only fulfils specific requirements, but can also be readily integrated into other systems and processes.

The information technology concept of Kuehne + Nagel was clearly validated by the highly positive response of its customers. In various tenders for extensive new business with large, globally operating customers from various sectors, Kuehne + Nagel's IT processes, structures and services were attested to have a capacity and breadth of coverage above the industry average. In this connection substantial progress was also made in the field of IT security.

Outlook for 2010

Innovative IT solutions highly determine customer value and service quality. In 2010 Kuehne + Nagel will persevere in its efforts to implement its tried and tested IT strategy.

The main focus will be placed on the renewal of the central air- and seafreight application. A further important objective is to develop a new application to support a fundamental optimisation of order processing. IT competences in the field of automation, monitoring and optimisation of business processes will be augmented and supported by an efficient technological infrastructure.

GLOBAL NETWORK

Afghanistan
Albania
Algeria
Angola
Argentina
Australia
Austria
Azerbaijan
Bahrain
Bangladesh
Belarus
Belgium

Bermuda
Bolivia
Bosnia and Herzegovina
Brazil
Bulgaria
Cambodia
Canada
Chile
China
Colombia
Costa Rica

Croatia
Cuba
Cyprus
Czech Republic
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Estonia
Finland

France
Germany
Greece
Guatemala
Honduras
Hungary
India
Indonesia
Iran
Iraq
Ireland
Israel

Italy
Japan
Jordan
Kazakhstan
Kenya
Korea
Kuwait
Latvia
Lebanon
Lithuania
Luxembourg
Macau

Macedonia
Malaysia
Maldives
Malta
Mauritius
Mexico
Morocco
Mozambique
Namibia
Netherlands
New Zealand
Nicaragua
Nigeria
Norway
Pakistan
Panama
Peru
Philippines
Poland
Portugal
Romania
Russia
Qatar
Saudi Arabia
Serbia
Singapore
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Taiwan
Tajikistan
Tanzania
Thailand
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Uganda
Ukraine
United Arab Emirates
United Kingdom
Uruguay
USA
Uzbekistan
Venezuela
Vietnam
Zambia
Zimbabwe

CORPORATE GOVERNANCE

Kuehne + Nagel is committed to good corporate governance

Good corporate governance is an important and integral part of the management culture of the Kuehne + Nagel Group (the Group). The principles of corporate governance, as defined in the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange, are laid down in the Articles of Association, the Organisational Rules and the Committee Regulations of the holding company of the Group, Kuehne + Nagel International AG, Schindellegi, Switzerland. The Group pursues best practice recommendations and standards established in the Swiss Code of Best Practice for Corporate Governance.

Group structure and shareholders

Under Swiss company law the Group is organised as a limited company that has issued shares of common stock to investors. Kuehne + Nagel International AG is the ultimate holding company of the Group.

Operational group structure

The operational structure of the Group is divided into the following segments:

Reportable segment consisting of the business units:

- Seafreight
- Airfreight
- Road & Rail Logistics
- Contract Logistics
- Real Estate
- Insurance Brokers

Geographical information relating to the regions:

- Europe
- Americas
- Asia-Pacific
- Middle East, Central Asia and Africa

Business performance is reported according to this operational structure. For further information on the business units, please refer to the sections “Reports of the Business Units” and the “Consolidated Financial Statements” respectively.

Listed companies of the Group

Kuehne + Nagel International AG (KNI), the ultimate holding company, is the only listed company within the scope of the Group's consolidation. KNI has its registered office in Schindellegi, Switzerland, and its shares are listed on the SIX Swiss Exchange, Zurich. The Company's market capitalisation on the closing date (December 31, 2009) amounted to CHF 12,060 million (120 million registered shares at CHF 100.50 per share).

Of the total KNI share capital, on the closing date

– the free float consisted of	53,574,249 shares =	44.6 per cent and
– KNI-held treasury shares consisted of	1,525,751 shares =	1.3 per cent

KNI shares are traded under the symbol "KNIN", the security number is 2,523,886 and ISIN is CH0025238863.

Non-listed companies in the Group's consolidation

The main subsidiaries and associated companies of the Group are disclosed in the appendix "Significant subsidiaries and joint ventures" to the Consolidated Financial Statements (pages 134 to 139), including particulars as to the country, name of the company, location, share capital and the Group's stake in per cent.

Main shareholders

The main shareholder of the Group is Kuehne Holding AG, Schindellegi, Switzerland, which holds 54.1 per cent of the KNI share capital and is 100 per cent owned by Klaus-Michael Kuehne.

The Kuehne Foundation held 4.3 per cent of the KNI share capital as at the closing date.

Cross-shareholdings

On the closing date there were no cross-shareholdings in place.

Capital structure

Ordinary share capital on the closing date

The ordinary share capital of KNI amounts to CHF 120 million and is divided into 120 million registered shares of CHF 1 nominal value each.

Authorised and conditional share capital

The Annual General Meeting held on April 30, 2008 extended its authorisation of approved share capital up to a maximum of CHF 20 million by another two years until April 30, 2010.

At the Annual General Meeting held on May 2, 2006 the shareholders approved a 1:5 split of the registered shares and a commensurate increase in the number of Kuehne + Nagel shares. At the same time the nominal value per share relating to approved share capital and conditional share capital was also reduced from CHF 5 to CHF 1.

Change in capital over the past three years

During the years 2007 through 2009 no changes in capital occurred other than related to conditional and approved share capital as outlined above.

Shares and participating certificates

On the closing date 120 million registered shares of CHF 1 nominal value each were outstanding. At the same date no participating certificates were outstanding.

Profit-sharing certificates

There were no participating certificates outstanding as at the closing date.

Limitations on transferability and nominee registrations

Each share has one vote. All shares have equal voting rights and no preferential rights or similar entitlements exist. The Articles of Association do not provide for any limitations on the transfer of shares. Nominees are entered in the share register only upon their written agreement to declare the names, addresses and shareholdings of the respective persons on whose account they are holding shares.

Convertible bonds and warrants/options

No convertible bonds, warrants or options were outstanding as at the closing date other than related to the Group's Employee Share Purchase and Option Plan.

Board of Directors

At the Annual General Meeting of May 13, 2009, Hans-Joerg Hager, a German citizen, was elected and Klaus-Michael Kuehne, Dr. Joachim Hausser, Dr. Georg Obermeier and Dr. Thomas Staehelin were re-elected to the Board of Directors for a one-year term. Dr. Willy R. Kissling, whose mandate expired at the Annual General Meeting, retired from the Board.

On the closing date the Board of Directors comprised ten members. Their biographical particulars are as follows:

Klaus-Michael Kuehne, Chairman, German, age 72

Trained as a banker, export trader and freight forwarder.

Positions within the Kuehne + Nagel Group:

1958–1966	Entrance into the family business followed by various management positions
1966–1975	Chief Executive Officer of the Group
1975–1992	Delegate and member of the Board of Directors
1992–2009	Executive Chairman of the Board of Directors elected until the Annual General Meeting 2009
	Chairman of the Nomination and Compensation Committee
2009–today	Chairman of the Board of Directors elected until the Annual General Meeting 2010
	Chairman of the Nomination and Compensation Committee

Bernd Wrede, Vice Chairman, German, age 66

Graduated in business administration at the University of Wuerzburg. From 1982 to 2001 member of the Board of Hapag-Lloyd AG, Hamburg, and its Chairman as of 1993. Currently working as an independent management consultant.

Other significant activities: member of the Supervisory Board of HSH Nordbank AG, Hamburg, member of the German Advisory Board of Citigroup, Frankfurt, and member of the Board of Trustees of the ZEIT Foundation, Hamburg.

Positions within the Kuehne + Nagel Group:

1999–2002	Member of the Board of Directors
2002–today	Vice Chairman of the Board of Directors elected until the Annual General Meeting 2011
2003–2006/ 2008–2009	Member of the Audit Committee
2003–2009	Member of the Nomination and Compensation Committee
2008–2009	Member of the Investment Committee
	Chairman of the Economic Council

Karl Gernandt, Executive Vice Chairman, German, age 49

After completing his studies in business administration at the University of St. Gallen, Switzerland, Karl Gernandt worked for Deutsche Bank AG from 1988 to 1995. There he held positions including that of assistant to the Spokesman of the Board of Management and to the Chairman of the Supervisory Board as well as functions in international banking in Germany, Asia and the USA. From 1996 to 1999 he set his mark on the Financial Institution Group of A.T. Kearney GmbH. In 1999 Gernandt moved to Holcim (Deutschland) AG as Chairman of the Board of Management and was, at the same time, a member of the European Management Team of Holcim Ltd., Switzerland. In March 2007 he became CEO of Holcim Western Europe, based in Brussels. On October 1, 2008 Karl Gernandt was nominated as Executive Vice Chairman of the Board of Directors of Kuehne Holding AG, Schindellegi, and board member of the Kuehne Foundation. He is also Managing Director of the Klaus-Michael Kuehne Foundation in Hamburg.

Positions within the Kuehne + Nagel Group:

2008–today	Member of the Board of Directors elected until the Annual General Meeting 2011
2008–2009	Member of the Economic Council
2009–today	Executive Vice Chairman of the Board of Directors

Juergen Fitschen, German, age 61

Trained as a wholesale and export trader, then graduated in business administration at Hamburg University. Joined Deutsche Bank AG in 1987 and was promoted to the Group Executive Committee in 2002. He is Global Head of Regional Management and, since 2005, also serves as Chairman of the Management Committee Germany. In these functions Fitschen was appointed to the Deutsche Bank Management Board in 2009.

Other significant activities: Member of the Supervisory Board of Metro AG and Schott AG.

Positions within the Kuehne + Nagel Group:

2008–today	Member of the Board of Directors elected until the Annual General Meeting 2011
2008–2009	Member of the Economic Council

Hans-Joerg Hager, German, age 61

Hager holds a degree in transport business of the Wurttemberg Administration and Business Academy in Stuttgart and in 1998 he successfully completed the TOP International Management Programme at INSEAD, Fontainebleau. Since January 2009 Hager is President of the UCS (entrepreneurs' forwarding colloquium). Hager held various management positions at Schenker AG from 1996 to 2008. In 2000 he was appointed Chairman of Schenker Deutschland AG, a position which he held until 2008. From 2001 to 2004 and from 2006 to 2008 Hager was a member of the Management Board of the Schenker AG responsible for the Europe region and the overland transportation business.

Other significant activities: In 2008/2009 he held a teaching assignment at the Westphalian Wilhelms University of Munster with the topic of "Strategic management in the logistics industry"; since winter 2009 he holds a teaching assignment at the BW Cooperative State University Villingen-Schwenningen.

Positions within the Kuehne + Nagel Group:

2009–today	Member of the Board of Directors elected until the Annual General Meeting 2010

Dr. Joachim Hausser, German, age 65

Holds a PhD in economics of the Université de Genève. Former bank executive, he is currently working as an independent finance consultant.

Other significant activities: Chairman of the Supervisory Board of Ludwig Beck am Rathauseck Textilhaus Feldmeier AG, Munich, and member of the Advisory Board of GETRAG Getriebe- und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie, Ludwigsburg.

Positions within the Kuehne + Nagel Group:

1992–today	Member of the Board of Directors elected until the Annual General Meeting 2010
2006–2009	Chairman of the Investment Committee

Hans Lerch, Swiss, age 60

Trained in tourism with a long time career at Kuoni Travel Holding Ltd.: from 1972 to 1985 assignments in the Far East, then various responsibilities at the company's headquarters in Zurich and President and CEO from 1999 to 2005. Chairman and CEO of SR Technics in Zurich from 2005 to 2008.

Other significant activities: Chairman of the Board of Directors of the International School of Tourism Management, Zurich; Vice Chairman of the Board of Directors of Hotelplan Holding Ltd., Zurich; Vice Chairman of the Board of Directors of New Venturetech Ltd., Zurich, and Chairman of the Board of Trustees of the Movemed Foundation, Zurich.

Positions within the Kuehne + Nagel Group:

2005–today	Member of the Board of Directors elected until the Annual General Meeting 2011
2006–2009	Member of the Nomination and Compensation Committee

Dr. Georg Obermeier, German, age 68

Holds a PhD in business administration of the University of Munich. From 1989 to 1998 member of the Board of Directors of VIAG AG, Berlin/Munich, and as of 1995 its Chairman. From 1999 to 2001 Executive Chairman of RHI AG, Vienna. Currently working as Managing Partner of Obermeier Consult GmbH, a consultancy for strategic issues.
Other significant activities: Memberships on the Supervising Committees of the following companies: Energie-Control GmbH, Vienna, Regulierungsbehörde für Strom und Gas; Chairman of the Board of Directors of Arques Industries AG, Starnberg, Bilfinger Berger Industrial Services AG, Munich, and GIG Holding GmbH, Munich.
Positions within the Kuehne + Nagel Group:

1992–today	Member of the Board of Directors elected until the Annual General Meeting 2010
2006–2009	Member of the Audit Committee
2003–2009	Member of the Nomination and Compensation Committee

Dr. Wolfgang Peiner, German, age 66

Studied business administration at the Universities of Hamburg and Lawrence, Kansas, USA, and holds a Master in Accounting and Finance. He was member and Chairman of the Management Board of Gothaer Insurance Group from 1984 to 2001 and Head of the Ministry of Finance of the Free and Hanseatic City of Hamburg from 2001 to 2006.
Other significant activities: Chairman of the Board of Directors of Germanischer Lloyd AG; since 2009 Chairman of the Board of Directors of Norddeutscher Rundfunk NDR; Member of the Board of Directors of Maxingvest AG, of the Board of Trustees of the Kuehne Foundation and of the Board of Directors of Kuehne Holding AG.
Positions within the Kuehne + Nagel Group:

2000–2001	Member of the Board of Directors
2007–today	Member of the Board of Directors elected until the Annual General Meeting 2010

Dr. Thomas Staehelin, Swiss, age 62

Holds a PhD in law of the University of Basel; Lawyer.
Other significant activities: Chairman of the Board of Directors of Kuehne Holding AG; Vice Chairman of the Board of Directors and Chairman of the Audit Committee of Siegfried Holding AG, Zofingen; member of the Board and Chairman of the Audit Committee of Inficon Holding AG, Bad Ragaz; Chairman of the Board of Directors of Swissport International SA, Opfikon, and of Scobag Privatbank AG, Basel; member of the Board of Directors of Lantal Textiles, Langenthal; member of the Board and Committee President of Economiesuisse; President of the Basel Chamber of Commerce; Chairman of Vereinigung der Privaten Aktiengesellschaften; and member of the Swiss Foundation for Accounting and Reporting Recommendations (SWISS GAAP FER).
Positions within the Kuehne + Nagel Group:

1978–today	Member of the Board of Directors elected until the Annual General Meeting 2010
2003–2009	Chairman of the Audit Committee

With the exception of the Executive Vice Chairman of the Board of Directors, Karl Gernandt, all members of the Board of Directors are non-executive directors and none of them serves as a member of the Management Board.

Election and duration of tenure

The election for Board membership is carried out whenever the tenure expires. Instead of summary election of the whole Board of Directors, individual re-elections are held for each member. This allows shareholders to judge the contribution of each member of the Board of Directors separately.

Board members are elected for a period of one year. There are no limits regarding the number of terms of service or the age of the incumbents.

Internal organisation, Board committees and meetings in 2009

According to the Articles of Association and Swiss corporate law the main tasks of the Board of Directors comprise:

- strategic direction and management of the Company,
- accounting matters,
- financial control and planning,
- appointing and dismissing Management Board members and other senior executives,
- supervisory control of business operations and
- submission of proposals to the Annual General Meeting, in particular the KNI and Group Financial Statements.

Klaus-Michael Kuehne is the Chairman of the Board of Directors. As of January 1, 2009 the Board of Directors has assigned specified responsibilities to Karl Gernandt, the new Executive Vice Chairman. In particular, this applies to the areas of investment, finance and accounting as well as personnel. The entire Board of Directors, however, is responsible for decisions on such above-mentioned aspects that are of significant importance to the Group. The scope of responsibilities of the Board of Directors, the Chairman, the Vice Chairman and the Executive Vice Chairman are stipulated in the Organisational Rules.

The Board of Directors convenes at least four full-day meetings annually with the Management Board being at least represented by the CEO and the CFO. The Board of Directors has the discretion to invite other members of the Management Board to attend these meetings.

The Board of Directors takes decisions during the meetings or by written circular resolutions.

Audit Committee

The Audit Committee consists of three to five non-executive, predominantly independent members of the Board of Directors elected for a period of three years. Re-election as member of the Audit Committee is allowed. Members of the Management Board cannot be members of the Audit Committee.

The Audit Committee reviews and clears the quarterly financial statement prior to publication. As part of the regular contacts between the Audit Committee and both the internal and external auditors, the quality and functioning of the internal control mechanisms and the risk assessments are reviewed and evaluated continually on the basis of written reports issued by the internal audit department as well as of management letters from the external auditors based on their interim audits in order to set priorities for the year-end audit. Furthermore, regular contact with the external auditors throughout the year enables the Audit Committee to obtain knowledge of problem areas at an early stage. This allows to propose the timely introduction of any corrective measures to the Management Board.

Dr. Thomas Staehelin was the Chairman of the Audit Committee as at the closing date, assisted by its members Bernd Wrede and Dr. Georg Obermeier.

The Audit Committee holds at least four meetings annually. The Chairman, the Vice Chairman and the Executive Vice Chairman of the Board of Directors can take part in the meetings as advisors. Unless otherwise determined by the Audit Committee, the CEO, the CFO and the audit partner in charge take part in all meetings whilst the head of internal audit is invited as advisor whenever needed. In 2009 the audit partner in charge attended three meetings of the Audit Committee. The Committee's Chairman reports in detail to the other members of the Board of Directors about the topics discussed and the decisions taken and/or to be submitted to the entire Board of Directors for approval.

Nomination and Compensation Committee

The Nomination and Compensation Committee consists of three to five members of the Board of Directors elected for a period of three years. Re-election is allowed. The Chairman of the Board of Directors is permitted to be part of the Nomination and Compensation Committee as long as the majority consists of non-executive and independent members.

The Committee is responsible for nominating and securing the competent staffing of the Management Board. For this purpose the Committee, on the one hand, develops guidelines and criteria for the selection of candidates and, on the other hand, provides the initial gathering of information as well as review of potential new candidates according to the guidelines mentioned above. The Committee prepares the adoption of a final resolution, which is reserved to the Board of Directors.

In the field of compensation the Committee defines the principles of compensation for the members of both the Board of Directors and the Management Board. The Committee recommends the amounts of compensation for each member of the Board of Directors. Moreover, it evaluates the individual performance of each member of the Management Board and approves their compensation in amount and composition.

On the closing date Klaus-Michael Kuehne was the Chairman of the Nomination and Compensation Committee and Bernd Wrede, Hans Lerch and Dr. Georg Obermeier were members.

On invitation of the Chairman, the Nomination and Compensation Committee convenes as often as business requires, but at least three times a year. Members of the Management Board can take part in the Nomination and Compensation Committee meetings by invitation.

The Board of Directors is informed by the Chairman of the Nomination and Compensation Committee about all issues discussed, in particular, about all decisions taken within the competence of the Board of Directors.

Investment Committee

The Investment Committee consists of three to five members of the Board of Directors, elected for a period of three years. Re-election is allowed. The Chairman of the Board of Directors may be part of the Investment Committee as long as the majority consists of non-executive and independent members.

The Investment Committee advises the Board of Directors on investment planning of the Group and respective financing issues. Significant investments of the Group are reviewed by the Investment Committee as preparation to any decision made by the Board of Directors. In its advisory role the Investment Committee thereby considers the strategy of the Management Board and impact on the budget.

On the closing date Dr. Joachim Hausser was the Chairman of the Investment Committee assisted by its member Bernd Wrede.

On invitation of the Chairman, the Investment Committee convenes as often as required by business, but at least four times a year. The Chairman, the Vice Chairman and the Executive Vice Chairman of the Board of Directors can take part in the meetings as advisors. On invitation, members of the Management Board, usually the CEO, the CFO and respective managers of the business unit the investment is in connection with, may take part in Investment Committee meetings.

The Committee's Chairman regularly and in detail reports to the other members of the Board of Directors about the topics discussed and the decisions taken and/or to be submitted to the entire Board of Directors for approval.

Economic Council

The Economic Council is an ad hoc committee that has been formed to counteract the impact of the global economic crisis to the Group. The Economic Council has been established as a temporary committee for one year but can be extended by the Board of Directors. It consists of members of the Board of Directors and the Executive Vice Chairman of the Board of Directors.

The Economic Council advises the Board of Directors on business development and financial performance of the Group. In its advisory role the Economic Council thereby considers the strategy of the Management Board, the macro-economic environment and the impact on the Group's financial performance.

On the closing date Bernd Wrede was the Chairman of the Economic Council assisted by its members Karl Gernandt and Juergen Fitschen.

On invitation of the Chairman, the Economic Council convenes as often as required by business. On invitation, members of the Management Board, usually the CEO, the CFO and respective members of the Management Board responsible for the business unit, may take part in meetings of the Economic Council.

The Council's Chairman regularly and in detail reports to the other members of the Board of Directors about the topics discussed and the decisions taken and/or to be submitted to the Board of Directors for approval.

Rules of competence between the Board of Directors and the Management Board

The Board of Directors executes the non-transferable and inalienable duties of the ultimate management of the Group. As far as the non-transferable and inalienable duties of the Board of Directors are not concerned, the management responsibility of the Kuehne + Nagel Group is an obligation of the Executive Vice Chairman of the Board of Directors. He is entitled to transfer responsibilities and competences relating to the operational management to the Management Board. The Management Board is responsible for the development, execution and supervision of the day-to-day operations of the Group and the Group companies to the extent they are not allocated to the Annual General Meeting, the Audit Committee, the Board of Directors or the Executive Vice Chairman of the Board of Directors by law, by the Articles of Association or by the Organisational Rules. The Organisational Rules define which businesses are able to be approved by the Management Board and which businesses require the approval of the Executive Vice Chairman of the Board of Directors or the Board of Directors pursuant to approval requirements based on the extent and kind of the respective business.

Information and control system applicable to the Management Board

The Management Board informs the Board of Directors on a regular and timely basis about the course of business by means of a comprehensive financial Management Information System (MIS) report which provides monthly worldwide consolidated results by segment and country including comparative actual, budgeted and prior-year figures two weeks after a month's end at the latest.

The Executive Vice Chairman of the Board of Directors takes part in the Management Board meetings regularly, while the CEO and the CFO are generally invited to meetings of the Board of Directors as well as to the meetings of the Audit Committee, Investment Committee and Economic Council. Members of the Management Board can take part in Nomination and Compensation Committee meetings by invitation. Depending on the agenda, the Board of Directors has the discretion to invite other members of the Management Board to attend its meetings.

Board and committees: Membership, attendance, number and duration of meetings

	Board of Directors	Audit Committee	Nomination and Compensation Committee	Economic Council	Investment Committee
Number of meetings in 2009	4	5	3	10	3
Approximate duration of each meeting	9 hours	4 hours	1 hour	4 hours	3 hours
Klaus-Michael Kuehne	4		3		
Bernd Wrede	4	5	3	10	3
Karl Gernandt	4			10	
Juergen Fitschen	4			9	
Hans-Joerg Hager [1]	1				
Dr. Joachim Hausser	4				3
Dr. Willy Kissling [2]	3				
Hans Lerch	4		3		
Dr. Georg Obermeier	4	5	3		
Dr. Wolfgang Peiner	3				
Dr. Thomas Staehelin	4	5			

1 Elected to the Board of Directors on May 13, 2009.
2 Retired from the Board of Directors as of May 13, 2009.

Management Board

Reinhard Lange, who was appointed as the successor to CEO Klaus Herms by the Board of Directors of KNI in September 2007, has taken up his new function on January 1, 2009. Peter Ulber has been appointed to the KNI Management Board with effect from January 1, 2009. He is responsible for the Sea & Air Logistics and succeeds Reinhard Lange in this function.

Klaus Herms, whom special tasks have been assigned to as of January 1, 2009, left the Group on June 30, 2009.

Klaus-Dieter Pietsch, member of the Management Board and responsible for Global Human Resources, has retired from his position in the Management Board as of March 30, 2009; he was assigned special tasks from April 1, 2009 onwards and left the Group on June 30, 2009. Effective of April 1, 2009, Lothar Harings was appointed to the Management Board of KNI to take over the responsibility for Global Human Resources.

Xavier Urbain, member of the Management Board and responsible for the business unit Road & Rail Logistics, left the Group on December 31, 2009 and will be available in an advisory role in 2010.

At closing date, the biographical particulars of the members of the Management Board are as follows:

Reinhard Lange, German, age 60

Trained freight forwarder.
Positions within the Kuehne + Nagel Group:

1971–1985	Head of Seafreight Import, Bremen, Germany
1985–1990	Regional Director Seafreight Asia-Pacific, Hong Kong
1990–1995	Member of the German Management Board responsible for seafreight and industrial packing
1995–1999	President and Chief Executive Officer of Kuehne + Nagel Ltd., Toronto, Canada
1999–2008	Chief Operating Officer (COO) Sea & Air Logistics of the Group
2007–2008	Deputy CEO
2009–today	Chief Executive Officer of the Group, Chairman of the Management Board of KNI

Gerard van Kesteren, Dutch, age 60

Chartered accountant. Spent 17 years at Sara Lee Corporation in various management positions in finance, lastly as Director of Financial Planning and Analysis.
Positions within the Kuehne + Nagel Group:

1989–1999	Financial Controller Kuehne + Nagel Western Europe
1999–today	Chief Financial Officer (CFO) of the Group

Lothar Harings, German, age 49

Jurist (assessor iur.). Various national and international management positions with Siemens. Member of the Management Board of T-Mobile International. Responsible for Global Human Resources with T-Mobile and Deutsche Telekom.
Positions within the Kuehne + Nagel Group:

1.4.2009–today	Chief Human Resources Officer (CHRO)
As of 1.1.2010	Company Secretary

Martin Kolbe, German, age 48

Graduated computer scientist. Positions in IT management including IT Field Manager with Deutsche Post World Net, responsible for DHL Europe and DHL Germany as well as member of the Supervisory Board in several DPWN-associated companies.
Position within the Kuehne + Nagel Group:

2005–today	Chief Information Officer (CIO) of the Group

Dirk Reich, German, age 46

Graduated at the Koblenz School of Corporate Management in Germany followed by positions with Lufthansa AG and VIAG AG.

Positions within the Kuehne + Nagel Group:

1995–2001	Senior Vice President Corporate Development
2001–2009	Executive Vice President Contract Logistics of the Group
2008–2009	Company Secretary
As of 1.1.2010	Executive Vice President Road & Rail and Contract Logistics of the Group

Peter Ulber, German, age 49

Graduated in business administration and joined Kuehne + Nagel in 1983.

Positions within the Kuehne + Nagel Group:

1983–1998	Various management positions within the North America organisation
1998–2001	Regional Director of the South America region
2001–2006	National Manager of the UK organisation
2006–2008	Regional Manager of the North West Europe region including the country organisations of UK, Denmark, Finland, Ireland, Norway and Sweden
2009–today	Executive Vice President Sea & Air Logistics of the Group

Xavier Urbain, French, age 52

Holds a PhD in economics and a degree in higher accounting studies (DECS). From 1997 to 2003 CEO of Hays Logistics and member of the Management Board of the Hays Group. After the 2003 acquisition of Hays Logistics through Platinum Equity he continued as CEO (Hays Logistics rebranded as ACR). Following the takeover of ACR through Kuehne + Nagel he was appointed Regional Manger South West Europe. He left the Group at the end of 2009.

Positions within the Kuehne + Nagel Group:

2006–2007	Regional Manager, South West Europe
2007	Member of the Board of Directors
2008–2009	Executive Vice President Road & Rail Logistics of the Group

Compensation, shareholdings and loans

The compensation allowed to members of the Board of Directors and Management Board is regulated and reviewed by the Nomination and Compensation Committee periodically.

The Board of Directors regulates the compensation, allocation of shares and granting of loans to the Board of Directors, while the Board of Directors' Nomination and Compensation Committee regulates such matters for the Management Board.

For the year 2009 the members of the Board of Directors received a guaranteed compensation as well as a compensation for participation in the respective committees as follows:

Member of Board of Directors in CHF	Guaranteed Compensation	Additional Compensation Audit Committee	Additional Compensation Nomination and Compensation Committee	Additional Compensation Investment Committee
Chairman of the Board of Directors	900,000	–	10,000	–
Vice Chairman and members	1,387,500	45,000	30,000	23,750
Total	**2,287,500**	**45,000**	**40,000**	**23,750**

The members of the Management Board receive an income with a fixed and a profit-linked component and have the possibility to participate in the Employee Share Purchase and Option Plan.

Remuneration accrued for and paid to members of the Board of Directors and the Management Board
The total remuneration accrued for and paid to the members of the Board of Directors and the Management Board in the financial year 2009 amounted to CHF 17 million, of which CHF 15 million were paid to the sole executive member of the Board of Directors and the members of the Management Board, and CHF 2 million to the non-executive members of the Board of Directors.

Further details on the remuneration accrued for and paid to the members of the Board of Directors and the Management Board can be found in note 13 (remuneration report) to the 2009 Financial Statements of KNI.

Shareholders' participation

Restrictions and delegation of voting rights
Each share equals one voting right. Restrictions on voting rights do not exist.

For resolutions concerning the discharge of members of the Board of Directors, persons who currently take part in the company's management in any manner do not have a voting right. This restriction does not apply to members of the external auditing company.

Registered shares can only be represented at the Annual General Meeting either by shareholders or beneficiary owners whose personal particulars and size of shareholdings are listed in the KNI share register. As per Swiss law (OR 689d), such shareholders and/or beneficiary owners who are not in a position to attend the Annual General Meeting are entitled to nominate a representative by written proxy.

Statutory quorums
The legal rules on quorums and terms apply.

Calling of an Annual General Meeting

The calling of an Annual General Meeting is governed by the law. The agenda contains all necessary information needed to deliberate each item on the agenda. In particular, this includes information for the appointment of new members to the Board of Directors and, in the event of changes to an article of association, the announcement of the new wording.

Agenda of the Annual General Meeting

Shareholders owning shares with a total nominal value of at least CHF 1 million can request that items be added to the agenda up to 45 days prior to the date fixed for the Annual General Meeting by submitting details of their proposals in writing.

Registration of shareholders into the share register

Registered shares can only be represented at the Annual General Meetings by either shareholders or beneficiary owners whose personal particulars and size of shareholdings have been entered in the KNI share register. Such shareholders and/or beneficiary owners who are not in a position to attend the Annual General Meeting are entitled to nominate a representative by written proxy.

The share register remains closed for any movements during eight calendar days preceding and including the date of the Annual General Meeting.

Changes of control and defence measures

Duty to make an offer

There are no opting-out or opting-in rules provided for in the Articles of Association.

Clauses on changes of control

No member of either the Board of Directors or the Management Board or other senior management staff has clauses on change of control in their employment contracts.

Statutory auditors

Duration of the mandate and term of office of the lead auditor

KPMG, Zurich, initially adopted the mandate for the business year 2002 as per declaration of acceptance dated May 8, 2002. The re-election for the business year 2009 was confirmed with the declaration of acceptance dated February 27, 2008.

The audit partner in charge and responsible for the mandate, Roger Neininger, who started his assignment on July 1, 2002, retired from the position as of December 31, 2008. Marc Ziegler has succeeded him in this function as of January 1, 2009.

Audit fees

According to the Group's financial records, the fees charged for auditing services for the year 2009 amounted to CHF 4.2 million.

Additional fees

In addition to the fees mentioned above, the statutory auditors are asked on a very restrictive basis to provide certain consulting services beyond the mandate of the annual audit. In 2009 an amount of CHF 0.4 million was incurred related to consulting services.

Supervisory and controlling instruments towards the statutory auditors

The work performed by the external statutory auditors is supervised, controlled and duly monitored by the Board of Directors' Audit Committee. The statutory auditors report to the Audit Committee regularly and in 2009 they attended three Audit Committee meetings in the person of the audit partner in charge. In 2009 the audit partner in charge also attended one meeting of the Board of Directors. The main criteria for the selection of the external audit company are its worldwide network, its reputation and its competitive pricing.

Information policy

The Kuehne + Nagel Group strives for ensuring a comprehensive and consistent information policy. The ambition is to provide analysts, investors and other stakeholders with high levels of transparency that meet best practice standards accepted worldwide.

To this end Kuehne + Nagel uses print media and, in particular, its corporate website **www.kuehne-nagel.com**, where up-to-date information is available.

This information contains an overall presentation of the Group, detailed financial data as well as information on environmental and security matters, which are of increasing importance. Furthermore, Kuehne + Nagel provides up-to-date information on significant, business-related occurrences and organisational changes, and updates all general information on the Company continuously.

The Annual Report covering the past financial year is available for download in extracts or in its entirety in English and German. In addition, detailed contact information per field of activity is available to any persons interested.

Kuehne + Nagel publishes its quarterly financial data on its corporate website. Prior to the first quarterly results being released the financial calendar is published announcing the dates of the upcoming quarterly reports as well as of the Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS 2009 OF THE KUEHNE + NAGEL GROUP

Income Statement

CHF million	Note	2009	2008	Variance per cent
Invoiced turnover	41	**17,406**	**21,599**	**–19.4**
Customs duties and taxes		–3,070	–3,607	
Net invoiced turnover		**14,336**	**17,992**	**–20.3**
Net expenses for services from third parties		–8,473	–11,739	
Gross profit	41	**5,863**	**6,253**	**–6.2**
Personnel expenses	20	–3,341	–3,518	
Selling, general and administrative expenses	21	–1,618	–1,731	
Other operating income/expenses, net	22	–19	16	
EBITDA		**885**	**1,020**	**–13.2**
Depreciation of property, plant and equipment	26	–184	–169	
Amortisation of other intangibles	27	–98	–100	
Impairment of other intangibles	27	–9	–9	
Impairment of goodwill	27	–	–6	
EBIT		**594**	**736**	**–19.3**
Financial income	23	22	33	
Financial expenses	23	–12	–13	
Result from joint ventures and associates	41	6	8	
Earnings before tax (EBT)		**610**	**764**	**–20.2**
Income tax	24	–139	–176	
Earnings for the year		**471**	**588**	**–19.9**
Attributable to:				
Equity holders of the parent company		**467**	**585**	**–20.2**
Minority interests		4	3	
Earnings for the year		**471**	**588**	**–19.9**
Basic earnings per share in CHF	25	**3.95**	**4.96**	**–20.4**
Diluted earnings per share in CHF	25	**3.94**	**4.95**	**–20.4**

Statement of Comprehensive Income

CHF million	Note	2009	2008
Earnings for the year		471	**588**
Other comprehensive income			
Foreign exchange differences		8	–361
Actuarial gains/(losses) on defined benefit plans, net of tax	34/24	–22	–2
Other comprehensive income, net of tax		**–14**	**–363**
Total comprehensive income for the year		**457**	**225**
Attributable to:			
Equity holders of the parent company		453	222
Minority interests		4	3

Balance Sheet

CHF million	Note	Dec. 31, 2009	Dec. 31, 2008
Assets			
Property, plant and equipment	26	1,301	955
Goodwill	27	681	540
Other intangibles	27	273	202
Investments in joint ventures	28	11	10
Deferred tax assets	24	190	157
Non-current assets		**2,456**	**1,864**
Prepayments		92	88
Work in progress	29	224	269
Trade receivables	30	2,004	2,143
Other receivables	31	176	152
Cash and cash equivalents	32	981	1,039
Current assets		**3,477**	**3,691**
Total assets		**5,933**	**5,555**
Liabilities and equity			
Share capital		120	120
Reserves and retained earnings		1,693	1,359
Earnings for the year		467	585
Total equity attributable to the equity holders of the parent company		**2,280**	**2,064**
Minority interests		10	9
Total equity		**2,290**	**2,073**
Provisions for pension plans and severance payments	34	307	268
Deferred tax liabilities	24	220	111
Bank liabilities	36	1	12
Finance lease obligations	37	107	32
Non-current liabilities		**635**	**423**
Bank and other interest-bearing liabilities	36/37	55	65
Trade payables	38	1,123	1,129
Accrued trade expenses/deferred income	38	856	873
Current tax liabilities		102	152
Provisions	39	158	111
Other liabilities	40	714	729
Current liabilities		**3,008**	**3,059**
Total liabilities and equity		**5,933**	**5,555**

Schindellegi, February 25, 2010

KUEHNE + NAGEL INTERNATIONAL AG

Reinhard Lange — CEO

Gerard van Kesteren — CFO

Statement of Changes in Equity

CHF million	Share capital	Share premium	Treasury shares	Actuarial gains & losses	Cumulative translation adjustment	Retained earnings	Total equity attributable to the equity holders of parent company	Minority interests	Total equity
Balance as of January 1, 2008	120	686	-104	13	8	1,635	2,358	9	2,367
Earnings for the year	–	–	–	–	–	585	585	3	588
Other comprehensive income									
Foreign exchange differences	–	–	–	–	-361	–	-361	–	-361
Actuarial gains/(losses) on defined benefit plans, net of tax	–	–	–	-2	–	–	-2	–	-2
Total other comprehensive income, net of tax	**–**	**–**	**–**	**-2**	**-361**	**–**	**-363**	**–**	**-363**
Total comprehensive income for the year	**–**	**–**	**–**	**-2**	**-361**	**585**	**222**	**3**	**225**
Purchase of treasury shares	–	–	-23	–	–	–	-23		-23
Disposal of treasury shares	–	-3	15	–	–	–	12	–	12
Dividend paid	–	–	–	–	–	-519	-519	-2	-521
Expenses of employee share purchase and option plan	–	–	–	–	–	14	14	–	14
Changes in minority interests	–	–	–	–	–	–	–	-1	-1
Balance as of December 31, 2008	**120**	**683**	**-112**	**11**	**-353**	**1,715**	**2,064**	**9**	**2,073**
Balance as of January 1, 2009	120	683	-112	11	-353	1,715	2,064	9	2,073
Earnings for the year	–	–	–	–	–	467	467	4	471
Other comprehensive income									
Foreign exchange differences	–	–	–	–	8	–	8	–	8
Actuarial gains/(losses) on defined benefit plans, net of tax	–	–	–	-22	–	–	-22	–	-22
Total other comprehensive income, net of tax	**–**	**–**	**–**	**-22**	**8**	**–**	**-14**	**–**	**-14**
Total comprehensive income for the year	**–**	**–**	**–**	**-22**	**8**	**467**	**453**	**4**	**457**
Disposal of treasury shares	–	1	24	–	–	–	25	–	25
Dividend paid	–	–	–	–	–	-272	-272	-2	-274
Expenses of employee share purchase and option plan	–	–	–	–	–	10	10	–	10
Changes in minority interests	–	–	–	–	–	–	–	-1	-1
Balance as of December 31, 2009	**120**	**684**	**-88**	**-11**	**-345**	**1,920**	**2,280**	**10**	**2,290**

Cash Flow Statement

CHF million	Note	2009	2008
Cash flow from operating activities			
Earnings for the year		471	588
Reversal of non-cash items:			
Income tax	24	139	176
Financial income	23	–22	–33
Financial expenses	23	12	13
Result from joint ventures and associates	41	–6	–8
Depreciation of property, plant and equipment	26	184	169
Amortisation of other intangibles	27	98	100
Impairment of goodwill and of other intangibles	27	9	15
Expenses for employee share purchase and option plan	20	10	14
Gain on disposal of property, plant and equipment	22	–18	–7
Gain on disposal of assets held for sale	22	–	–10
Loss on disposal of property, plant and equipment	22	2	1
Net addition to provisions for pension plans and severance payments		14	–3
Total operational cash flow		**893**	**1,015**
(Increase)/decrease work in progress		50	10
(Increase)/decrease trade receivables and prepayments		289	34
Increase/(decrease) other liabilities		–79	135
Increase/(decrease) trade payables, accrued trade expenses/deferred income		–104	–121
Income taxes paid		–213	–207
Total cash flow from operating activities		**836**	**866**
Cash flow from investing activities			
Capital expenditure			
– Property, plant and equipment	26	–267	–265
– Other intangibles	27	–23	–38
Disposal of property, plant and equipment		40	52
Disposal of assets held for sale		–	310
Acquisition of subsidiaries, net of cash acquired	42	–292	–15
Interest received	23	18	32
Dividend received from joint ventures and associates		5	6
Total cash flow from investing activities		**–519**	**82**
Cash flow from financing activities			
Proceeds of interest-bearing liabilities		14	9
Repayment of interest-bearing liabilities		–124	–59
Interest paid	23	–12	–13
Purchase of treasury shares	33	–	–23
Disposal of treasury shares	33	25	12
Dividend paid to equity holders of parent company	33	–272	–519
Dividend paid to minority shareholders		–2	–2
Total cash flow from financing activities		**–371**	**–595**
Exchange difference on cash and cash equivalents		7	–147
Increase/(decrease) in cash and cash equivalents		**–47**	**206**
Cash and cash equivalents at the beginning of the year, net	32	**1,018**	**812**
Cash and cash equivalents at the end of the year, net	32	**971**	**1,018**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1 Organisation

Kuehne + Nagel International AG (the Company) is incorporated in Schindellegi (Feusisberg), Switzerland. The Company is one of the world's leading global logistics providers. Its strong market position lies in seafreight, airfreight, contract logistics and overland businesses.

The Consolidated Financial Statements of the Company for the year ending December 31, 2009 comprise the Company, its subsidiaries and its interests in joint ventures (the Group).

2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

3 Basis of preparation

The Consolidated Financial Statements are presented in Swiss francs (CHF) million. The Consolidated Financial Statements are based on the individual financial statements of the consolidated companies as of December 31, 2009. Those financial statements have been prepared in accordance with uniform accounting policies issued by the Group which comply with the requirements of the International Financial Reporting Standards (IFRS) and with Swiss law. The Consolidated Financial Statements are prepared on a historical cost basis except for certain financial instruments which are stated at fair value. Non-current assets and disposal groups held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual result may differ from these estimates. Judgments made by management in the application of IFRS that have a significant effect on the Consolidated Financial Statements and estimates with a significant risk of material adjustment in the next year are shown in note 50.

The accounting policies are the same as those applied in the Consolidated Financial Statements for the year ending December 31, 2008. The adoption of revised IAS 1 "Presentation of Financial Statements" had a minor impact on the presentation of the financial statements. The adoption of IFRS 8 "Operating Segments" has resulted in some additional disclosures, but did not have an impact on what segments are presented. The other revised or amended standards and the new interpretations that are effective for the 2009 reporting year were not applicable to the Group, or did not have significant impact on the Consolidated Financial Statements. The Group early adopted an amendment to IFRS 8 "Operating Segments" effective for annual periods beginning on or after January 1, 2010. Earlier adoption is permitted. The amendment states that segment information with respect to total assets is required to be disclosed only if such information is regularly reported to the chief operating decision maker, which is not the case for the Group. However, in the consolidated financial statements for the year ending December 31, 2009, the Group voluntarily provides some information about segment assets.

Adoption of new and revised standards and interpretations in 2009

The following new and revised standards and interpretations have been issued but are not yet effective and are not applied early in these Consolidated Financial Statements. Their impact on the Consolidated Financial Statements has not yet been systematically analysed. The expected effects as disclosed in the table below reflect a first assessment by Group management.

Standard/interpretation	Effective date	Planned application
IFRS 3 revised – Business Combinations [1]	July 1, 2009	reporting year 2010
IAS 27 amended – Consolidated and Separate Financial Statements [1]	July 1, 2009	reporting year 2010
Amendment to IAS 39 – Financial Instruments: Recognition and Measurement - Eligible Hedged Items [2]	July 1, 2009	reporting year 2010
IFRIC 17 – Distribution of Non-cash Assets to Owners [2]	July 1, 2009	reporting year 2010
Improvements to IFRS 2008 – Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations [2]	July 1, 2009	reporting year 2010
Improvements to IFRS (April 2009) [2]	July 1, 2009/ January 1, 2010	reporting year 2010
IFRS 1 revised – First-time Adoption of IFRS [2]	July 1, 2009	reporting year 2010
Amendment to IFRS 2 Group Cash-settled Share based Payment Transactions [2]	January 1, 2010	reporting year 2010
Amendment to IFRS 1 First-time Adoption of IFRS – Additional Exemptions [2]	January 1, 2010	reporting year 2010
Amendment to IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues [2]	February 1, 2010	reporting year 2011
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments [2]	July 1, 2010	reporting year 2011
IAS 24 Related Party Disclosures (revised 2009) [2]	January 1, 2011	reporting year 2011
Amendments to IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement [2]	January 1, 2011	reporting year 2011
IFRS 9 – Financial Instruments: Measurement and Classification [3]	January 1, 2013	reporting year 2013

1 The accounting for future business combinations and future transactions with non-controlling interests (formerly minority interest) will be impacted.
2 No or no significant impacts are expected on the Consolidated Financial Statements.
3 The impact on the Consolidated Financial Statements can not yet be determined with sufficient reliability.

4 Scope of consolidation

The Group's significant subsidiaries and joint ventures are listed on pages 134 to 139. The significant changes in the scope of consolidation in 2009 relate to the following companies (for further information on the financial impact of acquisitions refer to note 42):

	Capital share [1] acquired in per cent equals voting rights	Currency	Share capital in 1,000	Acquisition/ incorporation date
Acquisitions				
Alloin Group, France [2]	100	EUR	35,000	January 1, 2009
J. Martens Group, Norway [3]	100	NOK	3,431	March 9, 2009
Incorporation				
Kuehne + Nagel Real Estate Ltd., Canada	100	CAD	–	January 1, 2009
Kuehne + Nagel Ibrakom Tashkent Ltd., Uzbekistan	60	UZS	14,084	February 1, 2009
Kuehne + Nagel Logistics S.A., Colombia	100	COP	2,800,000	February 1, 2009
Agentes de Seguros S.A. de C.V., Mexico	100	MXN	50	May 1, 2009
Nacora S.A., Venezuela	100	VEF	60	June 1, 2009
Kuehne + Nagel Services Ltd., Canada	100	USD	–	December 1, 2009

1 For capital share as per December 31, 2009, please refer to the list of the Group's significant subsidiaries and joint ventures on pages 134 to 139. There were no significant divestments in the year 2009.
2 Alloin Group ranks among the leading groupage providers in France.
3 J. Martens Group, Norway, a leading service provider to the oil and gas industry.

Significant changes in the scope of consolidation for the year 2008 related to the following companies:

	Capital share [1] acquired in per cent equals voting rights	Currency	Share capital in 1,000	Acquisition/ incorporation date
Acquisitions				
Elite Airfreight Inc., USA [2]	100	USD	1	January 1, 2008
Coiltrans S.a.r.l, Luxembourg [3]	100	EUR	13	January 1, 2008
QTS Group, USA [4]	100	USD	2	November 28, 2008
Incorporation				
Kuehne + Nagel Ltd., Maldives	100	USD	1	February 1, 2008
Nacora East Europe GmbH, Austria	100	EUR	35	May 1, 2008
Kuehne + Nagel DWC L.L.C., UAE	100	AED	300	May 1, 2008
Nacora Insurance Services Ltd., New Zealand	100	NZD	10	November 1, 2008

1 For capital share as per December 31, 2008, please refer to the list of the Group's significant subsidiaries and joint ventures on pages 134 to 139. There were no significant divestments in the year 2008.
2 Elite has been an expert in the specialised oil and gas equipment transportation market since its foundation 22 years ago. Core strength of Elite is the transportation of hazardous materials, in particular for use within the drilling industry.
3 Coiltrans is a road logistic company in Luxembourg.
4 The Quality Transportation Services Group (QTS Group) serves the hospitality and gaming industries throughout North America. Its primary services are overland transportation, warehousing and furniture, fixtures and equipment installation.

5 Principles of consolidation

The subsidiaries are companies controlled, directly or indirectly, by Kuehne + Nagel International AG, where control is defined as the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. This control is normally evidenced if Kuehne + Nagel International AG owns, either directly or indirectly, more than 50 per cent of the voting rights or potential voting rights of a company. Subsidiaries are included in the Consolidated Financial Statements by the full consolidation method as from the date on which control is transferred to the Group until the date control ceases. The minority interests in equity as well as earnings for the period are reported separately in the Consolidated Financial Statements.

Associates and joint ventures

Investments in associates and joint ventures are accounted for by the equity method. Associates are companies over which the Group exercises significant influence but which it does not control. Significant influence is normally evidenced if the Group owns 20 per cent or more of the voting rights or potential voting rights of the company. Joint ventures are entities that are subject to contractually established joint control. The Group's share of income and expenses of associates and joint ventures is included in the income statement from the date significant influence or joint control commences until the date significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances, transactions, income and expenses are eliminated in preparing the Consolidated Financial Statements.

Foreign exchange translation

Year-end financial statements of consolidated companies are prepared in their respective functional currencies and translated into CHF (the Group's presentation currency) as of year-end. Assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at year-end exchange rates and all items included in the income statement are translated at average exchange rates for the year with approximate actual rates. Exchange differences originating from such translation methods have no impact on the income statement since they are recognised in other comprehensive income.

Transactions in foreign currencies within individual subsidiaries are translated into the functional currency at actual rates of the transaction day. Monetary assets and liabilities are translated at year-end rates. Non-monetary assets and liabilities that are stated at historical cost are translated at actual rates of the transaction day. Non-monetary assets and liabilities that are stated at fair value are translated at the rate at the date the values are determined. Exchange differences arising on the translation are included in the income statement.

The major foreign currency conversion rates applied are as follows:

Income statement and cash flow (average rates for the year)

	2009 CHF	Variance per cent	2008 CHF
EUR 1.–	1.5099	–4.9	1.5883
USD 1.–	1.0811	–0.4	1.0851
GBP 1.–	1.6774	–16.2	2.0024

Balance sheet (year-end rates)

	2009 CHF	Variance per cent	2008 CHF
EUR 1.–	1.4899	–0.9	1.5033
USD 1.–	1.0355	–3.4	1.0714
GBP 1.–	1.6544	5.6	1.5660

6 Financial assets and liabilities

The accounting policy applied to financial instruments depends on how they are classified. Financial assets and liabilities are classified into the following categories:

– The category **Financial assets or liabilities at fair value through profit or loss** only includes financial assets or liabilities held for trading. There are no financial assets or liabilities that, upon initial recognition, have been designated at fair value through profit or loss. As of December 31, 2009 and 2008 the Group did not have any financial assets or liabilities held for trading with the exception of a few derivative instruments.

– **Loans and receivables** are carried at amortised cost, calculated using the effective interest rate method, less allowances for impairment.

– **Financial assets/investments available for sale** include all financial assets/investments not assigned to one of the above mentioned categories. These include investments in affiliates that are not associates or joint ventures and investments in bonds and notes. Financial assets/investments available for sale are recognised at fair value, changes in value (after tax) are recognised directly in other comprehensive income until the assets are sold, at which time the amount reported in other comprehensive income is transferred to the income statement. As of December 31, 2009 and 2008 the Group did not have any financial assets/investments available for sale.

– **Financial liabilities** that are not at fair value through profit or loss are carried at amortised cost, calculated using the effective interest rate method.

The fair value of investments held for trading and investments available for sale is their quoted bid price at the balance sheet day.

Derivatives and hedge accounting

Derivative financial instruments (foreign exchange contracts) are used to hedge the foreign exchange exposures on outstanding balances in the Group's internal clearing system, centralised at head office. Given that the Group's hedging activities are limited to hedges of recognised foreign currency monetary items, the Group does not apply hedge accounting. Derivatives held to hedge foreign currency exposures are carried at fair value, and all changes in fair value are recognised immediately in the income statement. All derivatives with a positive fair value are shown as other receivables, while all derivatives with a negative fair value are shown as other liabilities. No material open derivative contracts were outstanding as of December 31, 2009 and 2008.

Impairment of financial assets

If there is any indication that a financial asset (loan, receivable or financial asset/investment available for sale) may be impaired, its recoverable amount is calculated. The recoverable amount of the Group's loans and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

Trade receivables are reported at their anticipated recoverable amounts. The allowance for bad debts is determined based on individual basis or on a portfolio basis, where there is objective evidence that impairment losses have been incurred. The allowance account is used to record impairment losses unless the Group is satisfied that no recovery of the amount owning is possible; at that point the amount considered irrecoverable is written off against the financial assets directly.

Where an asset's recoverable amount is less than its carrying amount, the asset is written down to its recoverable amount. All resultant impairment losses (after reversing previous revaluations recognised in other comprehensive income of available for sale equity securities) are recognised in the income statement.

An impairment loss in respect of a financial asset is reversed if there is a subsequent increase in a recoverable amount that can be related objectively to an event occurring after the impairment loss was recognised. Reversals of impairment losses are recognised in the income statement, with the exception of reversals of impairment losses on available for sale equity securities, for which any reversals are recognised in other comprehensive income.

7 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Refer to note 41 for additional information about the segments in the Group.

8 Property, plant and equipment

Property, plant and equipment are included in the Consolidated Financial Statements at cost less accumulated depreciation and accumulated impairment losses. The depreciation is calculated on a straight line basis considering the expected useful life of the individual assets. The estimated useful lives for the major categories are:

	Years
Buildings	40
Vehicles	4–5
Leasehold improvements	3
Office machines	4
IT hardware	3
Office furniture	5

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognised in the income statement as an expense as incurred.

9 Leases

Leases that transfer substantially all the risks and rewards of ownership of the leased asset to the Group are classified as finance leases. Other leases are classified as operating leases.

Assets leased under finance leases are included at the present value of the future minimum lease payments or their fair value if lower, less accumulated depreciation and accumulated impairment losses. Leased assets are depreciated over the shorter of the lease term and their useful life. The interest portion of the lease payments is expensed through the income statement based on the effective interest rate inherent in the lease.

Operating lease payments are treated as operating cost and charged to the income statement on a straight line basis over the lease period unless another basis is more appropriate to reflect the pattern of benefits to be derived from the leased asset.

Any gain or loss from sale and lease-back transactions resulting in operating leases is taken directly to the income statement if the transaction is established at fair value. If the transaction is established below fair value, any loss that is compensated by future lease payments at below market price is deferred and amortised over the length of the period the asset is expected to be used. Any other loss is recognised in the income statement immediately. If the transaction is established above fair value, the gain arising on the transaction is deferred and amortised over the period the asset is expected to be used. If the fair value at the time of the sale and lease-back transaction is less than the carrying amount of the asset, a loss equal to the difference between the carrying amount and the fair value is recognised immediately.

10 Intangibles

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired, and is allocated to cash generating units. Goodwill is stated at cost less accumulated impairment losses. Goodwill is tested annually for impairment. The Group tests its goodwill for impairment at year-end. However, if there is an indication that goodwill would be impaired at any other point in time, an impairment test is performed.

Negative goodwill arising on an acquisition is recognised directly in the income statement.

Other intangibles

Other identifiable intangibles (i.e. software, customer lists, customer contracts etc.) purchased from third parties or acquired in a business combination are separately recognised as intangibles, and are stated at cost less accumulated amortisation and accumulated impairment losses. Intangibles acquired in a business combination are recognised separately from goodwill if they are subject to contractual or legal rights or are separately transferable and their fair value can be reliably estimated. Software is amortised over its estimated useful life (three years maximum). Other intangibles are amortised on a straight line basis over their estimated useful life (up to ten years maximum). There are no intangibles with indefinite useful life recognised in the Group's balance sheet.

11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with a term of three months or less from the date of acquisition. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of the following items which form an integral part of the Group's cash management:

- cash at banks,
- cash in hand and
- short-term deposits less bank overdrafts repayable on demand.

12 Impairment

The carrying amounts of the Group's investments in associates and joint ventures, its intangibles and property, plant and equipment, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill is tested for impairment every year. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Calculation of a recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Reversals of impairment losses

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

13 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from the share premium.

14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event if it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

15 Pension plans, severance payments and share participation plans

Some consolidated companies maintain pension plans in favour of their personnel in addition to the social insurance schemes imposed legally. The pension plans partly exist as independent trusts and are operated either under a defined contribution or under a defined benefit plan.

Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The calculation is performed by an independent, qualified actuary using the projected unit credit method.

All actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised in the income statement as an expense when incurred.

Severance payments

The Group provides severance benefits to employees as legally required in certain countries, which are accounted for as defined benefit plans if material.

Share-based compensation

The Group has a share purchase and option plan that allows Group employees to acquire shares of Kuehne + Nagel. The employees can buy shares with a small reduction of the actual share price. In addition, for each share purchased under this plan, the company grants two options to the participants. Each option entitles the participant to purchase one share of Kuehne + Nagel International AG at a specified price. Only a service condition must be met to receive an option. For further details about the programmes, refer to note 35.

For the share purchase plan, the difference between the fair value of the shares at purchase date and the purchase price of the shares is recognised as a personnel expense with a corresponding increase in equity. The fair value of the shares granted is measured at the market price of the Company's shares, adjusted to take into account terms and conditions upon which the shares were granted.

The fair value of options granted is recognised as a personnel expense with a corresponding increase in equity. The fair value of the granted options is calculated using the lattice binominal model, taking into account the terms and conditions upon which the options were granted. The fair value of the options is measured at grant date and spread over the relevant vesting periods. The amount recognised as a personal expense is adjusted to reflect actual and expected levels of vesting.

16 Revenue recognition

The income statement presentation reflects the unique nature of the income generated by an entity operating in the logistics and forwarding business. Turnover from services rendered is recognised in the income statement when the related services are performed and invoiced. In case the order has not yet been completed and not invoiced, the costs incurred are deferred and included under work in progress.

The gross profit which represents the difference between the turnover and the services rendered by third parties provides a better indication of performance in the logistics industry than turnover.

17 Interest expenses and income

Interest income is recognised as it accrues using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method. The Group has not capitalised any borrowing costs for qualifying assets as part of that asset as it does not have any such qualifying assets.

18 Income tax

Income tax on earnings for the year comprises current and deferred tax. Both current and deferred tax is recognised in the income statement, except to the extent that the tax relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised based on the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The following temporary differences are not accounted for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset in respect of deductible temporary differences or unused tax losses is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

19 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than from continuing use. The asset (or disposal group) must be available for immediate sale in its present condition and the sale must be highly probable. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is updated in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in the income statement.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations, or is a company acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or, if earlier, when the operation meets the criteria to be classified as held for sale.

As of the year-end 2009 and 2008 the Group did not have any discontinued operations.

NOTES TO THE INCOME STATEMENT

20 Personnel expenses

CHF million	2009	2008
Salaries and wages	2,650	2,830
Social expenses and employee benefits	585	597
Expenses for employee share purchase and option plan	10	14
Pension plan expenses		
– defined benefit plans	22	21
– defined contribution plans	53	40
Other	21	16
Total	**3,341**	**3,518**

21 Selling, general and administrative expenses

CHF million	2009	2008
Administrative expenses	203	226
Communication expenses	85	97
Travel and promotion expenses	66	105
Vehicle expenses	328	340
Operating expenses	204	220
Facility expenses	729	727
Bad debt and collection expenses	3	16
Total	**1,618**	**1,731**

22 Other operating income/expenses, net

CHF million	2009	2008
Gain on disposal of property, plant and equipment	18	7
Gain on disposal of assets held for sale	–	10
Loss on disposal of property, plant and equipment	–2	–1
Provision for competition investigations and associated legal expenses*	–35	–
Total	**–19**	**16**

* See also notes 39 and 44.

23 Financial income and expenses

CHF million	2009	2008
Interest income on bank deposits	18	32
Exchange differences, net	4	1
Financial income	**22**	**33**
Interest expenses	–12	–13
Financial expenses	**–12**	**–13**
Net financial result	**10**	**20**

24 Income tax

CHF million	2009	2008
Current tax expense		
– in current year	137	225
– under/(over)-provided in prior years	3	–2
	140	**223**
Deferred tax expense from		
– changes in temporary differences	–2	–23
– impact of deferred tax assets not recognised previously	1	–24
	–1	**–47**
Income tax	**139**	**176**

Income tax of CHF –1 million (2008: CHF –2 million) relating to actuarial gains and losses arising from defined benefit plans is recognised in other comprehensive income.

Reconciliation of the effective tax rate

CHF million	2009	per cent	2008	per cent
Earnings before tax according to the income statement	610		764	
Income tax/expected tax rate	**125**	**20.5**	**191**	**25.0**
Tax effect on				
– tax exempt (income)/expenses	7	1.1	14	1.8
– tax losses (utilised)/expired	-4	-0.6	-9	-1.2
– change of deferred tax assets not recognised	1	0.2	-24	-3.1
– under/(over)-provided in prior years	3	0.5	-2	-0.3
– other	7	1.1	6	0.8
Income tax/effective tax rate	**139**	**22.8**	**176**	**23.0**

Deferred tax assets and liabilities

	Assets*		Liabilities*		Net*	
CHF million	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Property, plant and equipment	42	42	-122	-48	-80	-6
Goodwill and other intangibles	15	9	-74	-45	-59	-36
Trade receivables	17	17	-2	-5	15	12
Other receivables	6	5	-20	-9	-14	-4
Finance lease obligation	51	15	-1	–	50	15
Provisions for pension plans and severance payments	9	8	-1	–	8	8
Other liabilities	42	54	–	-4	42	50
Tax value of loss carry-forwards recognised	8	7	–	–	8	7
Tax assets/(liabilities)	**190**	**157**	**-220**	**-111**	**-30**	**46**
* of which acquired in business combinations (opening balance sheet)	57	4	-132	-2	-75	2

The recognised deferred tax assets relating to tax losses carried forward are expected to be used by the end of the next two years at the latest.

Unrecognised deferred tax assets

CHF million	Dec. 31, 2009	Dec. 31, 2008
On tax losses	47	37
Deductible temporary differences	59	68
Total	**106**	**105**

It is not probable that future taxable profits will be available against which the unrecognised deferred tax assets can be used. The unrecognised deferred tax assets relating to tax losses expire by the end of the following years:

Year	2009 CHF million	2008 CHF million
2013 and later	47	37
Total	**47**	**37**

25 Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations for the years ending December 31.

CHF million	2009	2008
Earnings for the year attributable to the equity holders of the parent company in CHF million	**467**	**585**
Weighted average number of ordinary shares outstanding during the year	118,252,271	117,897,171
Effect of dilutive shares:		
Share options	132,094	179,905
Adjusted weighted number of ordinary shares applicable to diluted earnings per share	118,384,365	118,077,075
Basic earnings per share in CHF	**3.95**	**4.96**
Diluted earnings per share in CHF	**3.94**	**4.95**

NOTES TO THE BALANCE SHEET

26 Property, plant and equipment

2009

CHF million	Properties, including buildings on third parties' land	Properties, buildings under finance leases	Other operating and office equipment under finance leases	Other operating and office equipment	Total
Cost					
Balance as of January 1, 2009	681	108	–	657	1,446
Additions through business combinations	22	177	73	13	285
Other additions	149	12	1	102	264
Disposals	–20	–	–6	–73	–99
Effect of movements in foreign exchange	6	–2	–1	6	9
Balance as of December 31, 2009	**838**	**295**	**67**	**705**	**1,905**
Accumulated depreciation and impairment losses					
Balance as of January 1, 2009	94	5	–	392	491
Depreciation charge for the year	18	6	22	138	184
Disposals	–6	–	–1	–68	–75
Effect of movements in foreign exchange	1	–	–2	5	4
Balance as of December 31, 2009	**107**	**11**	**19**	**467**	**604**
Carrying amount					
As of January 1, 2009	**587**	**103**	**–**	**265**	**955**
As of December 31, 2009	**731**	**284**	**48**	**238**	**1,301**

Fire insurance value as of December 31, 2009: CHF 2,007 million. No property, plant and equipment were pledged and no restriction on title exists as of December 31, 2009.

2008

CHF million	Properties, including buildings on third parties' land	Properties, buildings under finance leases	Other operating and office equipment under finance leases	Other operating and office equipment	Total
Cost					
Balance as of January 1, 2008	724	111	–	747	1,582
Additions through business combinations	–	–	–	1	1
Other additions	85	8	–	152	245
Disposals	–37	–	–	–82	–119
Adjustments/transfers	–14	1	–	13	–
Transfer from assets held for sale [1]	22	–	–	–	22
Effect of movements in foreign exchange	–99	–12	–	–174	–285
Balance as of December 31, 2008	**681**	**108**	**–**	**657**	**1,446**
Accumulated depreciation and impairment losses					
Balance as of January 1, 2008	100	3	–	458	561
Depreciation charge for the year	18	3	–	148	169
Disposals	–11	–	–	–71	–82
Adjustments/transfers	–1	–	–	1	–
Transfer from assets held for sale [1]	5	–	–	–	5
Effect of movements in foreign exchange	–17	–1	–	–144	–162
Balance as of December 31, 2008	**94**	**5**	**–**	**392**	**491**
Carrying amount					
As of January 1, 2008	**624**	**108**	**–**	**289**	**1,021**
As of December 31, 2008	**587**	**103**	**–**	**265**	**955**

1 As of December 2007, 22 warehouses in the Real Estate segment were classified as assets held for sale. During the year the sale of 19 warehouses was finalised and resulted in a net gain before tax of CHF 10 million. The sold warehouses were leased back under operating lease contracts. The remaining three warehouses could not be sold within short term and were therefore reclassified to property, plant and equipment as of December 2008. The impact on earnings of this reclassification was not material.

Fire insurance value as of December 31, 2008: CHF 1,838 million. No property, plant and equipment were pledged and no restriction on title exists as of December 31, 2008.

27 Goodwill and other intangibles

2009

CHF million	Goodwill	Other intangibles [1]
Cost		
Balance as of January 1, 2009	592	501
Addition through business combinations	139	151
Other additions	–	22
Disposals	–	–18
Effects of movements in foreign exchange	–5	4
Balance as of December 31, 2009	**726**	**660**
Accumulated amortisation and impairment losses		
Balance as of January 1, 2009	52	299
Amortisation charge for the year	–	98
Impairment loss [2]	–	9
Disposals	–	–18
Effect of movements in foreign exchange	–7	–1
Balance as of December 31, 2009	**45**	**387**
Carrying amount		
As of January 1, 2009	**540**	**202**
As of December 31, 2009	**681**	**273**

1 Other intangibles mainly comprise customer contracts/lists and logistics networks as well as software.

2 An impairment charge of CHF 9 million was recorded relating to other intangible assets pertaining to reportable segment Contract Logistics recognised upon the acquisition of G.L. Kayser Group, Germany (acquired in December 2007). Due to the loss of customer contracts the whole carrying amount of the acquired other intangible assets of CHF 9 million was written off.

2008

CHF million	Goodwill	Other intangibles [1]
Cost		
Balance as of January 1, 2008	704	536
Addition through business combinations	–	26
Other additions	–	34
Disposals	–	–7
Effects of movements in foreign exchange	–112	–88
Balance as of December 31, 2008	**592**	**501**
Accumulated amortisation and impairment losses		
Balance as of January 1, 2008	65	248
Amortisation charge for the year	–	100
Impairment loss [2]	6	9
Disposals	–	–7
Effect of movements in foreign exchange	–19	–51
Balance as of December 31, 2008	**52**	**299**
Carrying amount		
As of January 1, 2008	**639**	**288**
As of December 31, 2008	**540**	**202**

1 Other intangibles mainly comprise customer contracts/lists and logistic networks based on contractual agreements as well as software.

2 An impairment charge of CHF 15 million was recorded relating to goodwill and other intangible assets recognised upon the acquisition of ACR Greece (acquired in January 2006). The anticipated level of profitability for contract logistics services at the date of acquisition has not been achieved. Cash flows expected in future were also worse than originally anticipated. Based on the impairment test performed, the whole carrying amount of goodwill of CHF 6 million and the whole carrying amount of intangible assets of CHF 9 million were written off. The estimate of the recoverable amount was based on value in use.

Impairment testing of goodwill

The Group has performed impairment tests of goodwill at the end of the financial years 2009 and 2008. For the purpose of impairment testing, goodwill is allocated to cash-generating units which are expected to benefit from the synergies of the corresponding business combination. The allocation of goodwill to reportable segments and geographical regions is illustrated in note 41.

For the goodwill allocated to cash-generating units, the impairment tests are based on calculations of value in use. Cash flow projections are based on actual operating results and three-year business plans. Cash flows beyond the three-year period are extrapolated using estimated long-term growth rates. The growth rates do not exceed the long-term average growth rate for the logistics industry in which the cash-generating units operate. Future cash flows are discounted based on the weighted average cost of capital (WACC), taking into account risks that are specific to cash-generating units tested for impairment.

Key assumptions used for value-in-use calculations of goodwill:

Business acquired	USCO Group	ACR Group, Europe [1]	Alloin Group, France	Multiple units [2]	Total
Year of acquisition	2001	2006	2009	2004–2009	
Carrying amount of goodwill in CHF million	**91**	**346**	**107**	**137**	**681**
Cash-generating unit within segment	Contract Logistics	Contract Logistics	Road & Rail Logistics	All Segments	
Basis for recoverable amount	Value in use	Value in use	Value in use	Value in use	
Discount rate in per cent [3]	11.9	10.9–12.3	9.6	10.0–10.5	
Projection period	3 years	3 years	3 years	3 years	
Terminal growth rate in per cent	1.5	1.5	1.5	1.5	

1 ACR Group Europe Goodwill relates to Great Britain (CHF 111 million), France (CHF 84 million), the Netherlands (CHF 69 million) and various other countries (CHF 82 million).

2 Including cash generating units without significant goodwill of Cordes & Simon Group, Germany (CHF 47 million), G.L. Kayser Group, Germany (CHF 44 million) and J. Martens Group, Norway (CHF 34 million).

3 The discount rates applied are pre-tax rates.

Key assumptions have not changed from previous year. For 2009, all recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised for the year 2009. For 2008, with the exception of ACR Greece, all recoverable amounts significantly exceed its carrying amounts and, consequently, there was no need for the recognition of further impairment losses on goodwill for the year 2008.

Management considers that it is not likely for the assumptions used to change so significantly as to eliminate the excess. A sensitivity analysis for the three major acquisitions – USCO Group, ACR Group and Alloin Group – has been prepared with the following outcome:

Sensitivity analysis of goodwill USCO Group
Amount of excess (+)/necessary impairment (–) depending on:

	Discount rate			
CHF million	12.0 per cent	13.0 per cent	14.0 per cent	15.0 per cent
Growth rate				
0.0 per cent	45	32	22	13
0.5 per cent	50	36	25	15
1.0 per cent	55	41	29	19
1.5 per cent	61	46	33	22

Sensitivity analysis of goodwill ACR Group
Amount of excess (+)/necessary impairment (–) depending on:

	Discount rate			
CHF million	12.0 per cent	13.0 per cent	14.0 per cent	15.0 per cent
Growth rate				
0.0 per cent	1,345	1,212	1,097	998
0.5 per cent	1,400	1,256	1,134	1,030
1.0 per cent	1,459	1,305	1,175	1,064
1.5 per cent	1,523	1,358	1,219	1,100

Sensitivity analysis of goodwill Alloin Group
Amount of excess (+)/necessary impairment (–) depending on:

	Discount rate			
CHF million	12.0 per cent	13.0 per cent	14.0 per cent	15.0 per cent
Growth rate				
0.0 per cent	17	–5	–23	–39
0.5 per cent	25	2	–17	–34
1.0 per cent	35	10	–11	–28
1.5 per cent	45	19	–4	–23

28 Investments in joint ventures

As of December 31, 2009 the following investments in joint ventures are held (all with 50 per cent voting rights/Kuehne + Nagel share):

- KN-ITS S.A.L., Lebanon
- Cologic S.A., Luxembourg
- Kuehne + Nagel Drinkflow Logistics, Ltd., Great Britain
- Kuehne + Nagel Drinkflow Logistics (Holdings) Ltd., Great Britain
- Kuehne + Nagel Drinkflow Asset Control Ltd., Great Britain
- Sindos Railcontainer Services S.A., Greece

The table below provides summerised financial information on joint ventures (100 per cent) as of December 31:

CHF million	Dec. 31, 2009	Dec. 31, 2008
Non-current assets	86	242
Current assets	57	103
Non-current liabilities	96	187
Current liabilities	24	138
Net invoiced turnover	415	664
Earnings for the year	2	4

No investments in associates were held at December 31, 2009 and December 31, 2008.

29 Work in progress

This position decreased from CHF 269 million in 2008 to CHF 224 million in 2009 which represents a billing delay of 4.8 working days against the previous year's 4.7 days.

30 Trade receivables

CHF million	2009	2008
Trade receivables	2,076	2,214
Impairment allowance	–72	–71
Total trade receivables	**2,004**	**2,143**

The majority of all billing is done in the respective Group companies' own functional currencies and is mainly in EUR 49.2 per cent (2008: 47.3 per cent), USD 10.3 per cent (2008: 10.9 per cent) and GBP 9.0 per cent (2008: 10.0 per cent).

Trade receivables of CHF 34 million (2008: CHF 33 million) are pledged as security for own bank liabilities in South Africa.

The Group has a credit insurance programme in place covering trade receivables, focusing mainly on small and medium exposures. The credit insurance policy covers up to 80 per cent of the approved customer credit limit excluding any items more than 120 days past due. As a company policy, the Group excludes companies meeting certain criteria (so called blue chip companies) from its insurance program.

The Group establishes an impairment allowance that represents its estimate of incurred losses in respect of trade receivables. The two components of this impairment allowance of CHF 72 million (2008: CHF 71 million) are:

- specific loss component that relates to individually significant exposure and
- a collective loss component based on historical experience.

Trade receivables with credit insurance cover are not included in the impairment allowance. The individual impairment allowance relates to specifically identified customers representing extremely high risk of being declared bankrupt, Chapter 11 companies in the USA and customers operating with significant financial difficulties (such as negative equity). The impairment allowance for individually significant exposures is CHF 52 million (2008: CHF 44 million) at year-end 2009.

The collective impairment allowance based on overdue trade receivables is estimated considering past experience of payment statistics. The Group has established a collective impairment allowance of CHF 20 million (2008: CHF 27 million), which represents 2.1 per cent (2008: 2.9 per cent) of total outstanding trade receivables, excluding trade receivables with insurance cover (see above) and trade receivables included in the individual impairment allowance.

The majority of the amount not past due relates to customers that have a good track record with the Group and are subject to yearly credit risk assessments. Therefore, the Group does not believe that an additional impairment allowance for these trade receivables is necessary.

	2009			2008		
	Gross (excluding insured receivables and individual allowance)	Collective allowance	Collective allowance per cent of subtotal	Gross (excluding insured receivables and individual allowance)	Collective allowance	Collective allowance per cent of subtotal
Not past due	647	–	–	676	–	–
Past due 1–30 days	234	–	–	163	–	–
Past due 31–90 days	37	2	5	42	2	5
Past due 91–180 days	14	1	10	28	3	10
Past due 181–360 days	12	12	100	17	17	100
More than 1 year	5	5	100	5	5	100
Total	**949**	**20**	**2.1**	**931**	**27**	**2.9**

During the year the movement in the impairment allowance was as follows:

	2009			2008		
CHF million	Individual allowance	Collective allowance	Total allowance	Individual allowance	Collective allowance	Total allowance
Balance as of January 1	44	27	71	39	30	69
Additions through business combinations	–	7	7	–	–	–
Additional impairment losses recognised	27	4	31	12	9	21
Reversal of impairment losses and writeoffs	–19	–18	–37	–7	–12	–19
Balance as of December 31	**52**	**20**	**72**	**44**	**27**	**71**

Trade receivables outstanding as of the year-end averaged 40.6 days (2008: 37.6 days). 94.9 per cent (2008: 94.1 per cent) of the total trade receivables were outstanding between 1 and 90 days.

31 Other receivables

CHF million	Dec. 31, 2009	Dec. 31, 2008
Receivables from tax authorities	91	71
Deposits	36	33
Other	49	48
Total	**176**	**152**

The majority of the other receivables are held in the respective Group companies' own functional currencies which would be EUR 56.2 per cent (2008: 54.0 per cent) USD 12.2 per cent (2008: 7.1 per cent) and GBP 0.2 per cent (2008: 0.4 per cent).

32 Cash and cash equivalents

CHF million	Dec. 31, 2009	Dec. 31, 2008
Cash in hand	3	5
Cash at banks	512	571
Short-term deposits	466	463
Cash and cash equivalents	**981**	**1,039**
Bank overdraft	–10	–21
Cash and cash equivalents in the cash flow statement, net	**971**	**1,018**

The majority of the above mentioned amounts are held in commercial banks. The majority of cash and cash equivalents is managed centrally in order to limit the currency risk. A netting system and a Group cash pool are in place, which also further reduces the currency exposure. Most of the bank balances held by Group companies are in their respective functional currencies, which are mainly in CHF, EUR, USD and GBP.

33 Equity

Share capital and treasury shares

2009	Balance Dec. 31, 2009				Jan. 1, 2009
Main shareholders	Registered shares of nominal CHF 1 per share	CHF million	Capital share per cent	Voting share per cent	Registered shares of nominal CHF 1 per share
Kuehne Holding AG, Schindellegi	64,900,000	65	54.1	54.8	66,900,000
Public shareholders	53,574,249	54	44.6	45.2	51,167,761
Entitled to voting rights and dividend	**118,474,249**	**119**	**98.7**	**100.0**	**118,067,761**
Treasury shares	1,525,751	1	1.3		1,932,239
Total	**120,000,000**	**120**	**100.0**		**120,000,000**

In 2009 the Group sold 406,488 (2008: 306,091) treasury shares for CHF 25 million (2008: CHF 12 million) under the Employee Share Option and Purchase Plan. In 2008 the Group also acquired 244,066 treasury shares for CHF 23 million.

On December 31, 2009 the Company had 1,525,751 treasury shares (2008: 1,932,239), of which 1,525,751 (2008: 1,523,106) are blocked under the Employee Share Purchase and Option Plan; refer to note 35 for more information.

Dividends

The proposed dividend payment subject to approval by the Annual General Meeting is as follows:

Year	per share	CHF million	
2010	CHF 2.30	272	(2009: CHF 2.30 per share amounting to CHF 272 million)

2008	Balance Dec. 31, 2008				Jan. 1, 2008
Main shareholders	Registered shares of nominal CHF 1 per share	CHF million	Capital share per cent	Voting share per cent	Registered shares of nominal CHF 1 per share
Kuehne Holding AG, Schindellegi	66,900,000	67	55.8	56.7	66,900,000
Public shareholders	51,167,761	51	42.6	43.3	51,105,736
Entitled to voting rights and dividend	**118,067,761**	**118**	**98.4**	**100.0**	**118,005,736**
Treasury shares	1,932,239	2	1.6		1,994,264
Total	**120,000,000**	**120**	**100.0**		**120,000,000**

Approved and conditional share capital

At the Annual General Meeting held on April 30, 2008 it has been decided to create an approved share capital increase up to a maximum of CHF 20 million restricted for two years. This option expires in April 2010.

The Annual General Meeting held on May 2, 2005 approved the Board of Directors proposal to realise a conditional share capital increase of 12 million registered shares up to a maximum of CHF 12 million.

Extraordinary dividend

In December 2008 an extraordinary dividend of CHF 2.50 per share (amounting to CHF 295 million) was approved and distributed.

Capital management

The Group defines the capital that it manages as the Group's total equity, including minority interest. The Group's main objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide services to its customers and generate returns to its investors;
- to provide an adequate return to investors based on the level of risk undertaken;
- to have the necessary financial resources available to allow the Group to invest in areas that may deliver future benefits for customers and investors.

Capital is monitored on the basis of the equity ratio, and its development is shown in the table below:

CHF million	2009	2008	2007	2006	2005
Total equity	2,290	2,073	2,367	1,964	1,577
Total assets	5,933	5,555	6,438	5,720	4,232
Equity ratio in per cent	**38.6**	**37.3**	**36.8**	**34.3**	**37.3**

The Group is not subject to regulatory capital adequacy requirements as known in the financial services industry.

34 Provisions for pension plans and severance payments

The Group maintains defined benefit pension plans predominantly in Germany, the Netherlands, the USA and Switzerland as well as defined contribution plans in some other countries. Retirements benefits vary from plan to plan reflecting applicable local practices and legal requirements. Retirement benefits are based on years of credited service and the compensation as defined.

CHF million	Pension plans	Severance payments	Total
Balance as of January 1, 2008	**252**	**51**	**303**
Provisions made	21	6	27
Provisions used	–23	–7	–30
Actuarial (gains)/losses recognised in other comprehensive income, excluding tax	2	–	2
Reclassification	20	–20	–
Effect of movements in foreign exchange	–28	–6	–34
Balance as of December 31, 2008	**244**	**24**	**268**
Addition through business combinations	3	3	6
Provisions made	22	16	38
Provisions used	–20	–8	–28
Actuarial (gains)/losses recognised in other comprehensive income, excluding tax	24	–	24
Effect of movements in foreign exchange	–	–1	–1
Balance as of December 31, 2009	**273**	**34**	**307**

CHF million	2009 Funded plans	2009 Unfunded plans	2009 Total	2008 Funded plans	2008 Unfunded plans	2008 Total
Present value of obligations	122	240	362	104	227	331
Fair value of plan assets	–89	–	–89	–87	–	–87
Present value of net obligations	33	240	273	17	227	244
Recognised liability for defined benefit obligations	**33**	**240**	**273**	**17**	**227**	**244**
Pension plan assets						
Debt securities	40	–	40	39	–	39
Equity securities	18	–	18	23	–	23
Property	10	–	10	6	–	6
Others	21	–	21	19	–	19
Total	**89**	**–**	**89**	**87**	**–**	**87**

CHF million	2009 Funded plans	2009 Unfunded plans	2009 Total	2008 Funded plans	2008 Unfunded plans	2008 Total
Movements of fair value of plan assets						
Opening fair value of plan assets	87	–	87	94	–	94
Contributions paid-in to the plan	9	–	9	11	–	11
Actuarial gains/(losses) recognised in other comprehensive income	–5	–	–5	–14	–	–14
Benefits paid by the plan	–5	–	–5	–5	–	–5
Expected return on plan assets	4	–	4	5	–	5
Exchange differences	–1	–	–1	–4	–	–4
Closing fair value of plan assets	**89**	**–**	**89**	**87**	**–**	**87**
Expected payments to defined benefit plan in next year	9	–	9	10	–	10
Return on plan assets	–1	–	–1	–9	–	–9

The expected long-term rate of return on assets is based on the portfolio of assets as a whole rather than on the individual asset categories.

	2009			2008		
CHF million	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Movements of present value of defined benefit obligations						
Opening liability for defined benefit obligations	104	227	331	110	236	346
Liabilities assumed through business combinations	–	3	3	–	–	–
Employee contribution	3	–	3	4	–	4
Current service costs	4	4	8	4	4	8
Interest costs	6	12	18	5	12	17
Benefits paid by the plan	–5	–11	–16	–5	–12	–17
Actuarial (gains)/losses recognised in other comprehensive income	12	7	19	–6	–6	–12
Amendments of plan at the end of period	–	–	–	–3	18	15
Exchange differences	–2	–2	–4	–5	–25	–30
Closing liability for defined benefit obligations	**122**	**240**	**362**	**104**	**227**	**331**
Expense recognised in the income statement						
Current service costs	4	4	8	4	4	8
Interest costs	6	12	18	5	12	17
Expected return on plan assets	–4	–	–4	–5	–	–5
Past service cost	–	–	–	1	–	1
Expense recognised in personnel expenses (refer to note 20)	**6**	**16**	**22**	**5**	**16**	**21**
Actuarial gains/(losses) recognised in other comprehensive income excluding tax						
Cumulative amount as of January 1	2	14	16	11	9	20
Recognised during the year	–17	–7	–24	–8	6	–2
Exchange differences	1	–	1	–1	–1	–2
Cumulative amount as of December 31	**–14**	**7**	**–7**	**2**	**14**	**16**

Principal weighted actuarial assumptions at the balance sheet date:

	2009			2008		
Per cent	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Discount rate	4.2	5.3	4.9	5.3	5.5	5.4
Expected rate of return on plan assets	4.8	–	4.8	5.1	–	5.1
Future salary increases	1.9	2.1	2.0	1.9	2.0	2.0
Future pension increases	2.9	2.0	2.0	2.9	2.0	2.0

	2009			2008			2007			2006		
CHF million	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Historical information												
Present value of the defined benefit plan obligations	122	240	362	104	227	331	110	236	346	108	220	328
Fair value of plan assets	89	–	89	87	–	87	94	–	94	88	–	88
Surplus/(deficit) in the plan	–33	–240	–273	–17	–227	–244	–16	–236	–252	–20	–220	–240
Experience adjustment arising on plan obligations	–	–1	–1	1	2	3	4	–2	2	6	–1	5
Experience adjustment arising on plan assets	–1	–	–1	–12	–	–12	3	–	3	–1	–	–1

35 Employee Share Purchase and Option Plan

In 2001 Kuehne + Nagel International AG implemented an employee share purchase and option plan. This plan allows Group employees to acquire shares of Kuehne + Nagel International AG. The employees can buy shares with a small reduction of the actual share price. The price of the shares is 90.0 to 96.5 per cent of the share price corresponding to the average closing price of one share at the SIX Swiss Exchange during the months April to June. There are no vesting conditions. The shares are restricted for a period of three years before being released to the employees.

In addition, for each share purchased under this plan, the Company grants two options to the participants. Each option entitles the participant to purchase one share of Kuehne + Nagel International AG at a specified price. The exercise price is 100 per cent of the share price corresponding to the average closing price of one share at the SIX Swiss Exchange during the months April to June. The options vest three years after the grant date and can be exercised during the three-year period starting on the vesting date. The options cannot be settled in cash.

Shares granted

The fair value of the shares granted is measured at the market price of the Company's shares, adjusted to take into consideration the conditions upon which the shares will be granted, such as blocking periods. 153,901 numbers of shares were granted in 2009 (2008: 12,878).

CHF per share	2009	2008
Fair value of shares granted at measurement date	85.10	97.05

The difference between the fair value of the shares at purchase date and the purchase price of the shares is recognised as a personnel expense (2009: CHF 1 million, 2008: CHF 0 million) with a corresponding increase in equity.

Options

The terms and conditions of the granted options are as follows:

Grant date	Exercise period	Number issued	Exercise price CHF	Number outstanding as of Dec. 31, 2009	Number outstanding as of Dec. 31, 2008
June 30, 2001	July 1, 2004–June 30, 2007	439,000	18.52	–	–
June 30, 2002	July 1, 2005–June 30, 2008	388,250	22.20	–	–
June 30, 2003	July 1, 2006–June 30, 2009	462,900	18.90	–	32,000
June 30, 2004	July 1, 2007–June 30, 2010	413,260	35.00	25,281	61,390
June 30, 2005	July 1, 2008–June 30, 2011	451,230	51.80	162,570	311,420
June 30, 2006	July 1, 2009–June 30, 2012	538,154	87.14	479,538	503,254
June 30, 2007	July 1, 2010–June 30, 2013	605,990	110.71	579,720	590,980
June 30, 2008	July 1, 2011–June 30, 2014	25,756	107.27	23,728	24,062
June 30, 2009	July 1, 2012–June 30, 2015	307,802	82.12	303,740	–
Total		**3,632,342**		**1,574,577**	**1,523,106**

The vesting condition is employment during the three-year vesting period (service condition). The number and weighted average exercise prices of shares options are as follows:

	2009		2008	
	Weighted average exercise price (CHF)	Number of Options	Weighted average exercise price (CHF)	Number of Options
Options outstanding as of January 1	**85.83**	**1,523,106**	**77.73**	**1,855,054**
Options granted during the year	82.12	307,802	107.27	25,756
Options cancelled during the year	106.94	–3,744	83.73	–63,644
Options exercised during the year	48.61	–252,587	37.01	–294,060
Options outstanding as of December 31	**90.56**	**1,574,577**	**85.83**	**1,523,106**
Options exercisable as of December 31		667,389		404,810

The weighted average contractual life of the options outstanding on December 31, 2009 is 3.3 years (2008: 3.6 years). The options outstanding on December 31, 2009 have an exercise price in the range of CHF 35.00 to CHF 110.71 (2008: CHF 18.90 to CHF 110.71).

CHF	2009	2008
Fair value of options granted at measurement date	30.93	25.89
Share price	85.10	97.05
Exercise price	82.12	107.27
Expected volatility in per cent	39.36	30.27
Option life	6 years	6 years
Dividend yield in per cent	1.30	1.27
Risk-free interest rate in per cent	2.13	3.10

The expected volatility is based on the historic volatility (calculated on the basis of the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. The share options are granted under a service condition. Service conditions are not taken into account in the grant date fair value measurement of the services received.

CHF million	2009	2008
Employee expenses		
Expense arising from employee share purchase	1	–
Expense arising from employee option plan	9	14
Total expense for the Employee Share Purchase and Option Plan	**10**	**14**

36 Bank liabilities and other interest-bearing liabilities

CHF million	Dec. 31, 2009	Dec. 31, 2008
Less than 1 year	55	65
Between 1–5 years	1	12
Total	**56**	**77**

The current bank and other interest-bearing liabilities include the short-term portion of non-current loans of CHF 1 million (2008: CHF 33 million) and finance lease liabilities due for payment within one year of CHF 44 million (2008: CHF 11 million). Current bank and other interest-bearing liabilities less than one year in the amount of CHF 55 million also include bank overdrafts of CHF 10 million (2008: CHF 21 million), which is included in cash and cash equivalents for the purpose of the consolidated cash flow statement.

The majority of the loans and bank overdrafts is in the respective Group companies' own functional currencies, which is in USD 6.8 per cent (2008: 18.6 per cent) and EUR 89.7 per cent (2008: 69.3 per cent) and is on the terms of prevailing market conditions. The majority of bank overdraft facilities are repayable on notice or within one year of contractual term. The applicable interest rates are at prime interest rates of the respective country. Long-term bank liabilities are repayable within the next five years with applicable variable interest rates of around 2.0 per cent.

The non-current portion of finance lease liabilities amounts to CHF 107 million (2008: CHF 32 million) and is presented separately on the face of the balance sheet.

37 Finance lease obligations

	2009			2008		
CHF million	Payments	Interest	Principal	Payments	Interest	Principal
Less than 1 year	48	4	44	13	2	11
Between 1–5 years	86	7	79	35	3	32
After 5 years	29	1	28	–	–	–
Total	**163**	**12**	**151**	**48**	**5**	**43**

38 Trade payables/accrued trade expenses/deferred income

CHF million	Dec. 31, 2009	Dec. 31, 2008
Trade payables	1,123	1,129
Accrued trade expenses	721	764
Deferred income	135	109
Total	**1,979**	**2,002**

The majority of all trade payables is in the respective Group companies' own functional currencies, which is in USD 8.9 per cent (2008: 9.0 per cent), GBP 9.3 per cent (2008: 9.9 per cent) and EUR 55.2 per cent (2008: 55.3 per cent).

39 Provisions

The movements for provision were as follows:

CHF million	Claim provision[1]	Provision for deductible of transport liability insurance[2]	Other[3]	Total provision
Balance as of January 1, 2008	35	29	35	99
Provisions used	–11	–12	–9	–32
Provisions reversed	–8	–3	–5	–16
Provisions made	28	16	28	72
Effect of movements in foreign exchange	–6	–	–6	–12
Balance as of December 31, 2008	**38**	**30**	**43**	**111**
Balance as of January 1, 2009	38	30	43	111
Additions through business combination	10	–	9	19
Provisions used	–10	–10	–20	–40
Provisions reversed	–24	–3	–8	–35
Provisions made	62	12	29	103
Balance as of December 31, 2009	**76**	**29**	**53**	**158**

1 Some companies are involved in legal cases based on forwarding and logistics operations. Some legal cases have been settled in the reporting period and corresponding payments have been made. In addition, a provision was recognised in respect of competition investigations relating to potential government fines from the Department of Justice in the jurisdictions of the USA. The provision represents the best estimate of the amount to settle the competition authority claim and the associated legal expenses, but recognises that the final amount required to pay all claims and fines is subject to uncertainty. A detailed breakdown of the claim is not presented as it may seriously prejudice the position of the Group in the regulatory investigations and in its potential litigations (see also note 22 and 44).

2 An additional provision for deductible transport liability has been recognised for the current year's exposure.

3 Other provisions consist mainly of provisions for dilapidation costs amounting to CHF 20 million (2008: CHF 16 million) and of provisions for onerous contracts amounting to CHF 14 million (2008: CHF 10 million).

40 Other liabilities

CHF million	Dec. 31, 2009	Dec. 31, 2008
Personnel expenses (including social security)	406	393
Other tax liabilities	70	88
Other operating expenses	183	186
Other	55	62
Total	**714**	**729**

41 Segment reporting

a) Reportable segments

The Group delivers integrated logistics solutions across customers' supply chains using its global logistics network. The business is divided into six reportable segments namely Seafreight, Airfreight, Road & Rail Logistics, Contract Logistics, Real Estate and Insurance Brokers. These six reportable segments reflect the internal management and reporting structure to the Management Board (the chief operating decision maker, CODM) and are managed through specific organisational structures. The CODM reviews internal management reports on a monthly basis. Each segment is a distinguishable business unit and is engaged in providing and selling discrete products and services.

The discrete distinction between Seafreight, Airfreight and Road & Rail Logistics is the usage of the same transportation mode within a reportable segment. In addition to common business processes and management routines, the main transportation mode is the same within a reportable segment. For the reportable segment Contract Logistics the services performed are related to customer contracts for warehouse and distribution activities, whereby services performed are storage, handling and distribution. In the reportable segment Real Estate, activities mainly related to the internal rent of facilities are reported. Under Insurance Brokers, activities exclusively related to brokerage of insurance coverage, mainly marine liability, are reported.

Inter-segment pricing is determined on an arm's length basis. The accounting policies of the reportable segments are the same as applied in the Consolidated Financial Statements.

Information about the reportable segments is presented below. Segment performance is based on EBIT as reviewed by the CODM. The column "elimination" is eliminations of inter-segment turnover and expenses. All expenses are allocated to the segments down to an EBIT level.

The adoption of IFRS 8 "Operating Segments" did not have an impact on the Group's segment reporting. The Group's previous segment reporting was already consistent with its internal reporting structure.

b) Geographical information

The Group is operating on a worldwide basis in a number of geographical regions: Europe, Americas, Asia-Pacific, and Middle East, Central Asia and Africa. All products and services are provided in each of these geographical regions. The segment revenue is based on the geographical location of the customers, and segment assets are based on the geographical location of assets.

c) Major customers

There is no single customer that represents more than 10 per cent of the Group's total revenue.

a) Reportable segments

	Total Group		Seafreight		Airfreight		Road & Rail Logistics	
CHF million	2009	2008	2009*	2008	2009*	2008	2009	2008
Invoiced turnover (external customers)	**17,406**	**21,599**	**7,572**	**10,032**	**2,857**	**3,859**	**2,511**	**2,853**
Invoiced inter-segment turnover	–	–	1,418	1,939	1,490	2,273	936	740
Customs duties and taxes	–3,070	–3,607	–2,208	–2,694	–529	–620	–151	–160
Net invoiced turnover	**14,336**	**17,992**	**6,782**	**9,277**	**3,818**	**5,512**	**3,296**	**3,433**
Net expenses for services from third parties	–8,473	–11,739	–5,580	–7,900	–3,183	–4,786	–2,478	–2,843
Gross profit	**5,863**	**6,253**	**1,202**	**1,377**	**635**	**726**	**818**	**590**
Total expenses*	–4,978	–5,233	–826	–919	–476	–505	–766	–567
EBITDA	**885**	**1,020**	**376**	**458**	**159**	**221**	**52**	**23**
Depreciation of property, plant and equipment	–184	–169	–19	–20	–12	–11	–42	–14
Amortisation of other intangibles	–98	–100	–18	–24	–8	–12	–32	–19
Impairment of other intangibles	–9	–9	–	–	–	–	–	–
Impairment of goodwill	–	–6	–	–	–	–	–	–
EBIT (segment profit/(loss))	**594**	**736**	**339**	**414**	**139**	**198**	**–22**	**–10**
Financial income	22	33						
Financial expenses	–12	–13						
Result from joint ventures and associates	6	8	2	3	–	–	2	1
Earnings before tax (EBT)	**610**	**764**						
Income tax	–139	–176						
Earnings for the year	**471**	**588**						
Attributable to:								
Equity holders of the parent company	**467**	**585**						
Minority interests	4	3						
Earnings for the year	**471**	**588**						
Additional information not regularly reported to CODM								
Non-current assets	2,456	1,864	80	38	53	31	380	131
Segment assets	5,933	5,555	1,053	1,193	480	451	746	476
Segment liabilities	3,643	3,482	1,063	1,112	542	496	509	451
Allocation of goodwill	681	540	25	5	16	2	179	73
Allocation of other intangibles	273	202	26	7	17	1	109	34
Capital expenditure property, plant and equipment	264	245	6	11	7	5	28	9
Capital expenditure other intangibles	22	34	9	13	5	7	3	5
Property, plant and equipment, goodwill and intangibles through business combinations	575	27	47	8	32	–	496	4
Non-cash expenses	141	99	27	16	33	10	17	13

* Total expenses in 2009 include a provision for competition investigations and associated legal expenses of CHF 10 million in Seafreight and CHF 25 million in Airfreight (see notes 22, 39 and 44).

	Contract Logistics		Real Estate		Insurance Brokers		Total Reportable Segments		Eliminations		Unallocated corporate	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	4,345	**4,732**	**5**	**5**	**116**	**118**	**17,406**	**21,599**	**–**	**–**	**–**	**–**
	85	163	86	90	59	64	4,074	5,269	–4,074	–5,269	–	–
	–182	–133	–	–	–	–	–3,070	–3,607	–	–	–	–
	4,248	**4,762**	**91**	**95**	**175**	**182**	**18,410**	**23,261**	**–4,074**	**–5,269**	**–**	**–**
	–1,081	–1,248	–	–	–139	–141	–12,461	–16,918	3,988	5,179	–	–
	3,167	**3,514**	**91**	**95**	**36**	**41**	**5,949**	**6,343**	**–86**	**–90**	**–**	**–**
	–2,966	–3,298	–11	–13	–19	–21	–5,064	–5,323	86	90	–	–
	201	**216**	**80**	**82**	**17**	**20**	**885**	**1,020**	**–**	**–**	**–**	**–**
	–87	–103	–24	–21	–	–	–184	–169	–	–	–	–
	–40	–44	–	–1	–	–	–98	–100	–	–	–	–
	–9	–9	–	–	–	–	–9	–9	–	–	–	–
	–	–6	–	–	–	–	–	–6	–	–	–	–
	65	**54**	**56**	**60**	**17**	**20**	**594**	**736**	**–**	**–**	**–**	**–**
	2	4	–	–	–	–	6	8	–	–	–	–
	722	804	1,020	693	–	–	2,255	1,697	–	–	201	167
	1,426	1,521	1,034	696	12	12	4,751	4,349	–	–	1,182	1,206
	956	973	31	23	57	55	3,158	3,110	–	–	485	372
	461	460	–	–	–	–	681	540	–	–	–	–
	121	160	–	–	–	–	273	202	–	–	–	–
	51	107	172	113	–	–	264	245	–	–	–	–
	5	9	–	–	–	–	22	34	–	–	–	–
	–	15	–	–	–	–	575	27	–	–	–	–
	52	40	–	4	12	16	141	99	–	–	–	–

b) Geographical information

CHF million	Total 2009	Total 2008	Europe [1] 2009*	Europe [1] 2008	Americas [2] 2009*	Americas [2] 2008
Invoiced turnover (external customers)	**17,406**	**21,599**	**11,582**	**14,216**	**3,175**	**4,235**
Invoiced inter-region turnover	–	–	2,418	3,072	544	747
Customs duties and taxes	–3,070	–3,607	–1,804	–2,179	–610	–709
Net invoiced turnover	**14,336**	**17,992**	**12,196**	**15,109**	**3,109**	**4,273**
Net expenses for services from third parties	–8,473	–11,739	–7,685	–10,401	–2,334	–3,366
Gross profit	**5,863**	**6,253**	**4,511**	**4,708**	**775**	**907**
Total expenses*	–4,978	–5,233	–3,932	–4,082	–647	–733
EBITDA	**885**	**1,020**	**579**	**626**	**128**	**174**
Depreciation of property, plant and equipment	–184	–169	–148	–131	–22	–22
Amortisation of other intangibles	–98	–100	–83	–85	–9	–11
Impairment of other intangibles	–9	–9	–9	–9	–	–
Impairment of goodwill	–	–6	–	–6	–	–
EBIT	**594**	**736**	**339**	**395**	**97**	**141**
Financial income	22	33				
Financial expenses	–12	–13				
Result from joint ventures and associates	6	8	6	7	–	–
Earnings before tax (EBT)	**610**	**764**				
Income tax	–139	–176				
Earnings for the year	**471**	**588**				
Attributable to:						
Equity holders of the parent company	**467**	**585**				
Minority interests	4	3				
Earnings for the year	**471**	**588**				
Non-current assets	**2,456**	**1,864**	**1,958**	**1,415**	**211**	**194**
Additional information not regularly reported to CODM						
Segment assets	5,933	5,555	3,609	3,155	678	699
Segment liabilities	3,643	3,482	2,379	2,349	375	363
Allocation of goodwill	681	540	583	438	91	95
Allocation of other intangibles	273	202	262	179	11	20
Capital expenditure property, plant and equipment	264	245	204	198	49	23
Capital expenditure other intangibles	22	34	19	31	–	–
Property, plant and equipment, goodwill and intangibles through business combinations	575	27	575	2	–	25
Non-cash expenses	141	99	103	87	11	5

* Total expenses in 2009 include a provision for competition investigations and associated legal expenses of CHF 8 million in Europe, CHF 7 million in Americas and CHF 20 million in Asia-Pacific (see notes 22, 39 and 44).

Asia-Pacific[3]		Middle East, Central Asia and Africa[4]		Eliminations		Unallocated corporate	
2009*	2008	2009	2008	2009	2008	2009	2008
1,442	**1,862**	**1,207**	**1,286**	**–**	**–**	**–**	**–**
907	1,213	119	158	–3,988	–5,190	–	–
–194	–229	–462	–490	–	–	–	–
2,155	**2,846**	**864**	**954**	**–3,988**	**–5,190**	**–**	**–**
–1,732	–2,368	–710	–794	3,988	5,190	–	
423	**478**	**154**	**160**	**–**	**–**	**–**	**–**
–283	–296	–116	–122	–	–	–	–
140	**182**	**38**	**38**	**–**	**–**	**–**	**–**
–9	–11	–5	–5	–	–	–	
–3	–3	–3	–1	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
128	**168**	**30**	**32**	**–**	**–**	**–**	**–**
–	–	–	1	–	–	–	–
38	**39**	**48**	**49**	**–**	–	201	167
249	278	215	217	–	–	1,182	1,206
280	274	124	124	–	–	485	372
–	–	7	7	–	–	–	–
–	–	–	3	–	–	–	–
3	8	8	16	–	–	–	–
3	3	–	–	–	–	–	–
–	–	–	–	–	–	–	–
22	5	5	2	–	–	–	–

b) Geographical information
Country information

CHF million	2009 Non-current assets	2009 Invoiced turnover	2008 Non-current assets	2008 Invoiced turnover
Switzerland [1]	7	232	5	279
Germany [1]	578	3,637	577	4,810
USA [2]	157	1,710	188	2,254
China [3]	4	453	8	585
South Africa [4]	2	454	2	478

1 Part of Europe region.
2 Part of Americas region.
3 Part of Asia-Pacific region.
4 Part of Middle East, Central Asia and Africa region.

NOTES TO THE CASH FLOW STATEMENT

42 Acquisition of businesses/subsidiaries

2009

During the year a number of subsidiaries were acquired (see note 4) which effected the Group's assets and liabilities as follows:

CHF million	Alloin Carrying amounts	Alloin Fair value adjustments	Alloin Recognised values	J. Martens Carrying amounts	J. Martens Fair value adjustments	J. Martens Recognised values	Total
Property, plant and equipment	233	51	284	2	–1	1	285
Other intangibles	5	99	104	–	47	47	151
Other non-current assets	2	54	56	2	–	2	58
Trade receivables	84	–1	83	39	–3	36	119
Other current assets	20	–	20	2	–	2	22
Acquired cash and cash equivalents, net	–5	–	–5	14	–	14	9
Subtotal assets	**339**	**203**	**542**	**59**	**43**	**102**	**644**
Trade payables	–39	–	–39	–24	2	–22	–61
Other current liabilities	–	–	–	–4	–	–4	–4
Non-current liabilities	–266	–110	–376	–18	–13	–31	–407
Subtotal net identifiable assets and liabilities	**34**	**93**	**127**	**13**	**32**	**45**	**172**
Goodwill			108			31	139
Total consideration			**235**			**76**	**311**
Contingent consideration			**–**			**–10**	**–10**
Purchase price, paid in cash			**235**			**66**	**301**
Acquired cash and cash equivalents, net			5			–14	–9
Net cash outflow			**240**			**52**	**292**

Effective January 1, 2009, the Group acquired the French groupage provider Alloin at a price of CHF 235 million. The Alloin Group ranks among the leading groupage providers in France with an annual turnover of approximately EUR 300 million and 3,000 employees. The company operates 53 cross-docking terminals across the country and handles 20,000 shipments per day.

Effective March 9, 2009, the Group acquired the J. Martens Group, Norway, a leading service provider for the oil and gas industry, at a price of CHF 76 million, including a contingent consideration of CHF 10 million. Apart from providing transportation and logistics services for the past 125 years in Norway, J. Martens has set up operations in other key markets such as Singapore, Great Britain and the Netherlands. With its 260 employees, the company achieved a turnover of NOK 1.3 billion (approximately CHF 250 million) in 2008.

The acquisitions contributed CHF 25 million of loss to the consolidated earnings in 2009. If all acquisitions had occurred on January 1, 2009, Group invoiced turnover would have been CHF 17,449 million and consolidated earnings for the year would have been CHF 470 million.

In 2009 goodwill of CHF 139 million arose on these acquisitions because certain intangible assets did not meet the IFRS 3 criteria for recognition as intangible assets at the date of acquisition. These assets are mainly management expertise, workforce and geographic presence.

In 2009 other intangibles of CHF 151 million recognised on these acquisitions represent non-contractual customer lists having a useful life of seven years.

In the 2009 interim condensed consolidated financial statements, the initial accounting for the acquisition made in the first half of 2009 was only determined provisionally. No material adjustment to these values was deemed necessary after having finalised the purchase accounting in the second half of the year.

2008

During the year a number of subsidiaries were acquired (each individually not material, see note 4) which effected the Group's assets and liabilities as follows:

	Various acquisitions		
CHF million	Carrying amounts	Fair value adjustments	Recognised values
Property, plant and equipment	1	–	1
Other intangibles	–	26	26
Other non-current assets	–	4	4
Trade receivables	7	–1	6
Other current assets	1	–	1
Acquired cash and cash equivalents, net	1	–	1
Subtotal assets	**10**	**29**	**39**
Trade payables	–5	–	–5
Other current liabilities	–1	–	–1
Non-current liabilities	–1	–3	–4
Subtotal net identifiable assets and liabilities	**3**	**26**	**29**
Total consideration			**29**
Contingent consideration			**–13**
Purchase price, paid in cash			**16**
Acquired cash and cash equivalents, net			–1
Net cash outflow			**15**

Effective January 1, 2008, the Group acquired Elite Airfreight. Elite has been an expert in the specialised oil and gas equipment transportation market since its foundation 22 years ago. Core strength of Elite is the transportation of hazardous materials, in particular for use within the drilling industry.

The Group acquired Coiltrans S.a.r.l., a road logistics company in Luxembourg, as of January 1, 2008.

Effective November 28, 2008, the Group acquired the Quality Transportation Services Group (QTS Group). The QTS Group serves the hospitality and gaming industries throughout North America. Its primary services are overland transportation, warehousing and furniture, fixture and equipment installation.

No goodwill arose on these acquisitions because all intangible assets did meet the IFRS 3 criteria for recognition as other intangible assets at the date of acquisition.

All acquisitions contributed CHF 18 million of loss to the consolidated earnings in 2008. If all the acquisitions had occurred on January 1, 2008, the Group's invoiced turnover would have been CHF 21,607 million and consolidated earnings for the year would have been CHF 584 million.

Initial accounting of the acquisition made in November 2008 was only determined provisionally. No material adjustments were subsequently needed.

OTHER NOTES

43 Personnel

Number	Dec. 31, 2009	Dec. 31, 2008
Europe	39,858	38,299
Americas	6,964	7,186
Asia-Pacific	5,535	6,109
Middle East, Central Asia and Africa	2,323	2,229
Total personnel (unaudited)	**54,680**	**53,823**
Full-time equivalent	**60,538**	**59,012**

44 Contingent liabilities

As of year-end the following contingent liabilities existed:

CHF million	Dec. 31, 2009	Dec. 31, 2008
Guarantees in favour of clients and others	20	38
Contingency under unrecorded claims	3	3
Total	**23**	**41**

Some Kuehne + Nagel companies are defendants in various court cases. Based on respective legal advice, the management is of the opinion that the outcome of those proceedings will have no effect on the financial situation of the Kuehne + Nagel Group beyond the existing provision for pending claims (refer to note 39) of CHF 76 million (2008: CHF 38 million).

From October 2007 and thereafter various competition authorities have carried out an inspection at a number of international freight forwarding companies. The inspection encompassed amongst others Kuehne + Nagel in Switzerland, the USA, the UK, South Africa, New Zealand, Australia, Brazil and Canada. The investigations relate to alleged anti-competitive activities in the area of international freight forwarding. In the above context, class action law suits were filed in the USA against Kuehne + Nagel Inc. and Kuehne + Nagel International AG, Switzerland, and other competitors in the international freight forwarding industry.

The proceedings have been closed in Australia and Canada.

In the USA competition investigations from the Department of Justice have resulted in a position to estimate the amount to settle the competition authority claim; therefore a provision including legal expenses has been set up, recognising that the final amount required to pay all claims and fines is subject to uncertainty (see note 39).

In the other cases including the European Commission, investigations are ongoing and queries by the competition authorities have been received and answered by Kuehne + Nagel entities in order to cooperate in the pending investigations. No decisions have been received by the respective authorities so far and, therefore, it is currently not possible to reliably estimate a potential financial impact for these cases. Consequently, no provision or quantification of the contingent liability for these cases was made in the Consolidated Financial Statements 2009.

45 Other financial commitments

The Group leases a number of warehouse facilities under operating leases. The leases run for a fixed period, and none of the leases includes contingent rentals.

As of year-end the following financial commitments existed in respect of non-cancellable long-term operating leases and rental contracts:

As of December 31, 2009

CHF million	Properties and buildings	Operation and office equipment	Total
2010	385	78	463
2011–2014	913	98	1,011
Later	320	1	321
Total	**1,618**	**177**	**1,795**

As of December 31, 2008

CHF million	Properties and buildings	Operation and office equipment	Total
2009	369	73	442
2010–2013	962	108	1,070
Later	333	1	334
Total	**1,664**	**182**	**1,846**

46 Capital commitments

As of year-end the following capital commitments existed in respect of non-cancellable purchase contracts:

CHF million	Dec. 31, 2009	Dec. 31, 2008
Germany	–	55
France	15	7
Switzerland	–	7
Ukraine	–	3
Other	1	1
Total	**16**	**73**

47 Risk management, objectives and policies

Group risk management

Risk management is a fundamental element of the Group's business practice on all levels and encompasses different types of risks. At Group level, risk management is an integral part of business planning and controlling processes. Material risks are monitored and regularly discussed with the Management Board and the Audit Committee.

In accordance with Article 663b of the Swiss Code of Obligations, the Group carries out an annual risk assessment. In conformity with the Swiss Code of Best Practice for Corporate Governance, the risk management system of the Group covers both financial and operational risks. A risk is defined as the possibility of an adverse event which has a negative impact on the achievement of the Group's objectives.

Risk management as an integral part of the internal control system

Risk management is part of the internal control system (ICS). Measures for the prevention and minimisation of risks are taken proactively at various levels and are an integral part of management responsibility. Consequently, operational risks are dealt with where they arise in accordance with the areas of responsibility assigned.

Conduct of a risk assessment in 2009

The analysis and assessment of financial risks was carried out by the finance and accounting department. An independent risk assessment procedure was adopted for operational risks using the interview method.

In cooperation with regional management a number of risks were identified and listed in a risk catalogue in accordance with the results of structured interviews with the top management. Strategic risks and the adoption of countermeasures were dealt with at Management Board level. Within the framework of the corporate governance process, the Audit Committee of the Board of Directors was informed on the progress of the risk assessment.

Identified areas of risk:

- Financial risks such as development of interest rate, credit and financial markets and currency risks, which are subject to the constant monitoring and control of the finance and accounting department.
- Risks to operational network availability as a result of force majeure such as natural disasters and also changes of regulatory environment. Based on the worldwide presence of the Group: potential risks in the field of reliability and security of information technology. The risk to comply with increased demands upon personnel management, notably with regard to occupational health and safety risks. The countermeasures include emergency plans, comprehensive measures to ensure IT security or preventive programmes supported by the QSHE organisation.
- As a fast growing company with the declared aim of further expansion, the attention of the management focuses, in particular, upon risks associated with merger and acquisition activities. In such cases, too, the Group takes precautionary measures, particularly in the fields of due diligence and change and integration management.
- The growing density of regulation and the increasing complexity of international business relations increase the risks in the legal and compliance area. The Group's risk management primarily focuses on contract and liability risks, fraud risks and risks of legal compliance.
- As a globally operating logistics provider, the Group shares responsibility for the correct and complete declaration of the transported goods to tax and customs authorities, leading to the risk of inadequate representation and observance of export regulations.

Organisation of risk management

A continuous dialogue between the Management Board, risk management and the Audit Committee is maintained in order to assure the Group's effectiveness in this area. The risk catalogue is reviewed regularly and critical analysis ensures a continuous improvement development of the risk management system.

The risk management system is governed by the Risk Assessment Guideline defining the structure and the process of risk assessments. A risk and compliance panel led by the Executive Vice Chairman of Board of Directors and comprising members of Management Board has been established.

Summarised assessment of the risk situation

In the 2009 business year there were no risks identified that would have the potential to substantially negatively impact the Group and its further development. The present financial and economic crisis is still considered as the primary risk for Group's financial performance, but risks in the area of legal and compliance have become more prominent.

As a result, the Management Board and the Economic Council, which included three members of the Board of Directors, focused their attention on monitoring the business risk. The compliance team, reporting to the Board of Directors, was strengthened and training of staff intensified to monitor and mitigate the exposure created by an increased complexity of business, legal and compliance requirements.

Financial risk management

The Group is exposed to various financial risks arising from its underlying operations and finance activities. The Group is primarily exposed to market risk (i.e. interest rate and currency risk) and to credit and liquidity risk.

Financial risk management within the Group is governed by policies and guidelines approved by senior management. These policies and guidelines cover interest rate risk, currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by segregated functions within the Group. The objective of financial risk management is to contain, where deemed appropriate, exposures in the various types of financial risks mentioned above in order to limit any negative impact on the Group's results and financial position.

In accordance with its financial risk policies, the Group manages its market risk exposures by using financial instruments when deemed appropriate. It is the Group's policy and practice not to enter into derivative transactions for trading or speculative purposes, nor for any other purposes unrelated to the logistics business.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates risk, will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk arises from movements in interest rates which could effect the Group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loans and investments at variable interest rates expose the Group to cash flow interest rate risk. Loans and investment at fixed interest rates expose the Group to fair value interest rate risk.

Exposure

The Group's exposure to changes in interest rates is limited due to the short-term nature of investments of excess cash and most of the borrowings.

The Group's exposure to interest rate risk relates primarily to the Group's bank loans and finance lease liabilities and, to a limited extent, to the Group's investments of its excess cash. The Group does not use derivative financial instruments to hedge its interest rate risk in respect of investments of excess cash or loans.

Profile

At the reporting date the interest profile of the Group's interest-bearing financial assets and liabilities was as follows:

	Carrying amount	
CHF million	2009	2008
Fixed rate instruments		
Cash and cash equivalents	–	–
Current bank and other interest-bearing liabilities	–	–43
Non-current bank liabilities and finance lease obligations	–	–32
Total	**–**	**–75**
Variable rate instruments		
Cash and cash equivalents	978	1,034
Current bank and other interest-bearing liabilities	–55	–22
Non-current bank liabilities and finance lease obligations	–108	–12
Total	**815**	**1,000**

Cash flow sensitivity analysis – variable rate instruments

A change of 100 basis points in interest rates on December 31 would have increased or decreased profit or loss by CHF 8 million (2008: CHF 10 million) due to changed interest payments on variable rate interest-bearing liabilities and assets. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

The Group does not use derivatives (interest rate swaps) as hedging instruments under the cash flow hedge accounting model or has any securities classified as available for sale. Therefore, a change in interest rates at the reporting date would not affect other comprehensive income.

Fair value sensitivity analysis – fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and it does not designate derivatives (interest rate swaps) as hedging instruments under the fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss. A change would also not have an impact on other comprehensive income as the Group does not have any securities classified as available for sale.

Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure

The Group operates on a worldwide basis and, as a result, is exposed to movements in foreign currency exchange rates of mainly EUR, USD and GBP on sales, purchases and borrowings denominated in a currency other than the respective functional currencies of the Group entities. Monthly payments are conducted through a Group clearing system in EUR which facilitates monitoring and control of the Group-wide foreign exchange rate exposures.

Derivative financial instruments (foreign exchange contracts) are, to a limited extent, in use to hedge the foreign exchange exposure on outstanding balances in the Group's internal clearing system centralised at the head office. Given that the Group's hedging activities are limited to hedges of recognised foreign currency monetary items, hedge accounting under IAS 39 is not applied. As of the 2009 and 2008 year-end there were no material derivative instruments outstanding. Forecast transactions are not hedged. Likewise, investments in foreign subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

The Group's exposure to foreign currency risk as at year-end was as follows:

	2009			2008		
CHF million	EUR	USD	GBP	EUR	USD	GBP
Cash and cash equivalents	349	80	–	269	63	1
Trade receivables	23	197	1	26	182	1
Interest-bearing liabilities	–	–	–	–	–	–
Trade payables	–15	–54	–2	–17	–54	–2
Gross balance sheet exposure	**357**	**223**	**–1**	**278**	**191**	**–**

The majority of all trade-related billings and payments as well as payments of interest-bearing liabilities are done in the respective functional currencies of the Group entities.

Sensitivity analysis

A 10 per cent strengthening of the CHF against the following currencies on December 31 would have increased profit by the amounts shown below. A 10 per cent weakening of the CHF against the following currencies on December 31 would have had an equal but opposite effect on the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

2009

CHF million	1CHF/USD	1 CHF/EUR	1 GBP/USD	1 GBP/EUR	1 USD/EUR
Reasonably possible change +/– in per cent	10.0	10.0	10.0	10.0	10.0
Positive effect on P/L	22.3	35.7	13.5	21.6	34.5
Negative effect on P/L	–22.3	–35.7	–13.5	–21.6	–34.5

The impact on the profit or loss is mainly a result of foreign exchange gains or losses arising on translation of trade receivables, trade payables and cash and cash equivalents in foreign currencies. There would not be an impact on other comprehensive income as the Group does not have any securities classified as available for sale nor uses cash flow hedge accounting.

2008

CHF million	1 CHF/USD	1 CHF/EUR	1 GBP/USD	1 GBP/EUR	1 USD/EUR
Reasonably possible change +/– in per cent	10.0	10.0	10.0	10.0	10.0
Positive effect on P/L	19.1	27.8	12.2	17.8	26.0
Negative effect on P/L	–19.1	–27.8	–12.2	–17.8	–26.0

Foreign currency exchange rates applied

The major foreign currency exchange rates applied during the year are as explained in note 5 (principles of consolidation).

Credit risk

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations, causing a financial loss to the Group. Credit risk arises primarily from the Group's trade receivables.

Exposure

At the balance sheet date, the maximum exposure to credit risk, without taking into account any collateral held or other credit enhancements, was:

CHF million	2009	2008
Trade receivables	2,004	2,143
Other receivables	85	81
Cash and cash equivalents	978	1,034
Total	**3,067**	**3,258**

Trade receivables

Trade receivables are subject to a policy of active risk management which focuses on the assessment of country risk, credit availability, ongoing credit evaluation and account monitoring procedures. There are no significant concentrations of credit risk due to the Group's large number of customers and their wide geographical spread. For credit risk mainly on small and medium exposures, the Group has obtained credit insurance from first class insurance companies (for further details refer to note 30).

At the reporting date the maximum exposure to credit risk for trade receivables by geographical area was as follows:

CHF million	2009	2008
Europe	1,358	1,427
Americas	350	399
Asia-Pacific	163	187
Middle East, Central Asia & Africa	133	130
Total	**2,004**	**2,143**

It is considered that the credit insurance is sufficient to cover potential credit risk concentrations (for additional information refer to note 30).

Investments of excess cash

The Group considers its credit risk to be minimal in respect of investments made of excess cash as excess cash is invested in short-term deposits (with a maturity of less than three months) with first-class financial institutions with the close coordination and management of Centralised Corporate Treasury function. The Group does not invest in equity securities.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Group companies require sufficient availability of cash to meet their obligations. Individual companies are generally responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover cash deficits subject to guidance by the Group and, in certain cases, to approval at Group level. The Group maintains sufficient reserves of cash to meet its liquidity requirements at all times.

Contractual maturities of financial liabilities (undiscounted), including interest payments and excluding the impact of netting agreements are as follows:

2009

CHF million	Carrying amounts	Contractual cash flow	Up to 6 months	6–12 months	Over 1 year
Bank and other interest-bearing liabilities	55	59	57	2	–
Trade payables	1,123	1,123	1,123	–	–
Accrued trade expenses	721	721	721	–	–
Other liabilities	238	238	238	–	–
Bank liabilities (non-current)	1	1	–	–	1
Finance lease obligation (non-current)	107	115	–	–	115
Exposure	**2,245**	**2,257**	**2,139**	**2**	**116**

2008

CHF million	Carrying amounts	Contractual cash flow	Up to 6 months	6–12 months	Over 1 year
Bank and other interest-bearing liabilities	65	67	65	2	–
Trade payables	1,129	1,129	1,129	–	–
Accrued trade expenses	764	764	764	–	–
Other liabilities	248	248	248	–	–
Bank liabilities (non-current)	12	13	–	–	13
Finance lease obligation (non-current)	32	35	–	–	35
Exposure	**2,250**	**2,256**	**2,206**	**2**	**48**

It is not expected that the cash flow included in the above maturity analysis could occur significantly earlier or at amounts being significantly different.

48 Fair value of financial assets and liabilities

The fair values of financial assets and liabilities carried at amortised cost are approximately equal to the carrying amounts.

Cash and cash equivalents with a carrying amount of CHF 981 million (2008: CHF 1,039 million) as well as financial assets with a carrying amount of CHF 2,089 million (2008: CHF 2,224 million) classified as loans and receivables and carried at amortised cost, are all classified as current assets.

The Group has financial liabilities with a carrying amount of CHF 2,245 million (2008: CHF 2,250 million) carried at amortised cost. The majority of these financial liabilities are current liabilities. As of year-end 2009 there were no non-current fixed rate interest-bearing loans and other liabilities.

49 Related party transactions

The Group has a related party relationship with its subsidiaries and joint ventures as well as with its directors and executive officers.

The Group's operations involve operating activities between the parent company and its subsidiaries and between the subsidiaries due to the nature of business. Overheads are to a certain extent also charged to the subsidiaries based on their use of services provided. All these transactions are eliminated upon consolidation. There were no significant transactions between the Group and its joint ventures and other related parties.

Transactions with related parties are conducted at arm's length.

In 2009 the total remuneration paid to and accrued for the members of the Board of Directors and the Management Board of Kuehne + Nagel International AG, Schindellegi, Switzerland, amounted to:

- Management Board: CHF 14 million (2008: CHF 18 million)
- Board of Directors: CHF 3 million (2008: CHF 2 million)

As of December 31, 2009, no loans or any other commitments were outstanding towards members neither of the Board of Directors nor of the Management Board. Members of the Board of Directors and the Management Board control 55.0 per cent (2008: 57.1 per cent) of the voting shares of the Company.

Compensation has been paid to and accrued for key management personnel by category as follows:

	Management Board		Board of Directors [1]	
CHF million	2009	2008	2009	2008
Wages, salaries and other short-term employee benefits	12	17	3	2
Post-employment benefits	1	1	–	–
Equity compensation benefits	1	–	–	–
Total key management compensation	**14**	**18**	**3**	**2**

1 Includes payment of CHF 0.5 million (2008: CHF 0.3 million) for services provided by members of the Board of Directors.

Refer to pages 147 to 151; note 13 "Remuneration report" of the Financial Statements of Kuehne + Nagel International AG, for disclosure requirements according to Swiss law (OR 663 b/c). For other related parties refer to note 33 outlining the shareholder's structure, and to pages 134 to 139 listing the Group's significant subsidiaries and joint ventures.

50 Accounting estimates and judgements

The management has carefully considered the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Purchase accounting

Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life if they are subject to contractual or legal rights or are separately transferable and if their fair value can be reliably estimated. The Group has separately identified from goodwill recognised customer lists, customer contracts and extended geographical logistic networks based on contractual agreements in acquisitions made (see notes 27 and 42).

The fair value of these other intangible assets acquired is based on valuation techniques. The valuation models require input based on assumptions about the future. The management uses its best knowledge to estimate the fair value of other intangible assets acquired as of the acquisition date. The value of intangible assets is tested for impairment when there is an indication that they might be impaired (see below). The management must also make assumptions about the useful life of other intangible assets acquired which might be effected by factors such as increased competition.

Carrying amount of goodwill, other intangibles and property, plant and equipment

The Group tests its goodwill with a total carrying amount of CHF 681 million (2008: CHF 540 million) for impairment every year as disclosed in note 12. No impairment loss on goodwill was recognised in 2009 (2008: CHF 6 million). The Group also assesses annually whether there are any indicators that other intangible assets (as well as property, plant and equipment) are impaired. In such a case, the assets are tested for impairment. An impairment loss on other intangible assets of CHF 9 million was recognised in 2009 (2008: CHF 9 million). The carrying amount of other intangibles is CHF 273 million (2008: CHF 202 million), and of property, plant and equipment CHF 1,301 million (2008: CHF 955 million).

The impairment tests are normally based on value-in-use calculations. These calculations involve a variety of assumptions such as estimates of future cash inflows and outflows and choice of a discount rate. Actual cash flows might, for example, differ significantly from management's current best estimate. Changes in assessed presence or absence of competitors, technological obsolescence etc. might have an impact on future cash flows and result in recognition of impairment losses.

Accrued trade expenses and deferred income

Freight forwarding orders which are completed and for which the costs are not fully received are accrued for expected costs based on best estimate. For orders which are not complete on account of pending service or orders for which revenue is earned and relevant costs can not be estimated, the related revenue is deferred. The Group management's judgment is involved in the estimate of costs and deferral of revenue and their completeness.

Income tax

Judgment and estimates are required when determining deferred as well as current tax assets and liabilities. The management believes that its estimates, based on, for example, interpretation of tax laws, are reasonable. Changes in tax laws and rates, interpretations of tax laws, earnings before tax, taxable profit etc. might have an impact on the amounts recognised as tax assets and liabilities.

The Group has recognised a deferred net tax liability of CHF 30 million (2008: deferred net tax assets of CHF 46 million). The Group also has unrecognised deferred tax assets relating to unused tax losses and deductible temporary differences of CHF 106 million (2008: CHF 105 million). Based on estimates of the probability of releasing these tax benefits, available taxable temporary differences, periods of reversals of such differences etc., the management does not believe that the criteria to recognise deferred tax assets are met (see note 24).

Provisions

The Group has recognised provisions for an amount of CHF 158 million (2008: CHF 111 million) related to legal claims and other exposures in freight forwarding and logistics operations. The provisions represent the best estimate of the amounts, but the final settlement amount required is subject to uncertainty.

51 Post balance sheet events

There have been no material events between December 31, 2009, and the date of authorisation that would require adjustments of the Consolidated Financial Statements.

52 Resolution of the Board of Directors

The Consolidated Financial Statements of the Kuehne + Nagel Group were authorised for issue by the Board of Directors on February 25, 2010. A resolution to approve the Consolidated Financial Statements will be proposed at the Annual General Meeting of shareholders on May 18, 2010.

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE ANNUAL GENERAL MEETING OF KUEHNE + NAGEL INTERNATIONAL AG, SCHINDELLEGI, SWITZERLAND

As statutory auditor, we have audited the accompanying Consolidated Financial Statements of Kuehne + Nagel International AG, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes on the pages 74 to 131 for the year ended December 31, 2009.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements for the year ended December 31, 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the Consolidated Financial Statements submitted to you be approved.

KPMG AG

Marc Ziegler	**Guenter Haag**
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Zurich, February 25, 2010

SIGNIFICANT SUBSIDIARIES AND JOINT VENTURES*

Holding and Management Companies

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Switzerland	Kuehne + Nagel International AG	Schindellegi	CHF	120,000	100
	Kuehne + Nagel Management AG	Schindellegi	CHF	1,000	100
	Kuehne + Nagel Liegenschaften AG	Schindellegi	CHF	500	100
	Kuehne + Nagel Real Estate Holding AG	Schindellegi	CHF	100	100
	Nacora Holding AG	Schindellegi	CHF	500	100
	Nacora Agencies AG	Schindellegi	CHF	400	100

Operating Companies

South West Europe

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Belgium	Kuehne + Nagel NV	Antwerp	EUR	6,338	100
	Kuehne + Nagel Logistics NV	Geel	EUR	5,206	100
	Nacora Insurance Brokers NV	Antwerp	EUR	155	100
	Logistics Kontich BVBA	Kontich	EUR	50	100
	Logistics Ternat BVBA	Ternat	EUR	50	100
	Logistics Nivelles NV	Nivelles	EUR	1,521	100
France	Kuehne + Nagel France Immobilier SCI	Ferrières	EUR	4	100
	Kuehne + Nagel Parts SASU	Trappes	EUR	87	100
	Kuehne + Nagel DSIA France SAS	Nantes	EUR	360	100
	Kuehne + Nagel SAS	Ferrières	EUR	17,380	100
	Kuehne + Nagel Management SASU	Ferrières	EUR	570	100
	Nacora Courtage d'Assurances SAS	Crèteil	EUR	40	100
	Kuehne + Nagel Aerospace & Industry	Ferrières	EUR	37	100
	Logistique Distribution De Gascogne SASU	Ferrières	EUR	37	100
	Kuehne + Nagel Participations SARL	Ferrières	EUR	203,630	100
	Alloin Transport SAS	Villefranche	EUR	4,000	100
Italy	Kuehne + Nagel Srl	Milan	EUR	4,589	100
	European Brokers S.p.A.	Milan	EUR	73	70
Luxembourg	Kuehne + Nagel S.a.r.l.	Contern	EUR	5,750	100
	Kuehne + Nagel A.G.	Contern	EUR	31	100
	Kuehne + Nagel Investments S.a.r.l.	Contern	EUR	200	100
	*Cologic S.A.	Contern	EUR	32	50
Malta	Kuehne + Nagel Ltd.	Hamrun	EUR	14	100
Portugal	Kuehne + Nagel Lda.	Porto	EUR	165	100
Spain	Kuehne & Nagel S.A.	Madrid	EUR	60	100
	Nacora Correduria de Seguros S.A.	Barcelona	EUR	150	100
	Kuehne & Nagel Investments S.L.	Madrid	EUR	3	100
	Kuehne & Nagel Network S.L.	Madrid	EUR	60	100

North West Europe

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Denmark	Kuehne + Nagel A/S	Copenhagen	DKK	5,200	100
	Kuehne + Nagel Holding Denmark A/S	Copenhagen	DKK	750	100
Finland	OY Kuehne + Nagel Ltd.	Helsinki	EUR	200	100
Ireland	Kuehne + Nagel (Ireland) Ltd.	Dublin	EUR	500	100
Norway	Kuehne + Nagel AS	Oslo	NOK	3,100	100
Sweden	Kuehne + Nagel AB	Stockholm	SEK	500	100
	Kuehne + Nagel Investment AB	Stockholm	EUR	112	100
	Nacora International Insurance Brokers AB	Stockholm	SEK	100	100
United Kingdom	Kuehne + Nagel (UK) Ltd.	London	EUR	8,000	100
	Kuehne + Nagel Ltd.	London	GBP	8,867	100
	Nacora Insurance Brokers Ltd.	London	GBP	150	100
	Kuehne + Nagel Drinks Logistics Ltd.	London	GBP	–	100
	*Kuehne + Nagel Drinkflow Logistics Ltd.	London	GBP	877	50
	*Kuehne + Nagel Drinkflow Logistics (Holdings) Ltd.	London	GBP	6,123	50
	*Kuehne + Nagel Drinkflow Asset Control Ltd	London	GBP	–	50

Central Europe

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Germany	Kuehne + Nagel (AG & Co.) KG	Hamburg	EUR	15,000	100
	G.L. Kayser Spediteur seit 1787 GmbH & Co. KG	Mainz	EUR	1,600	100
	Kuehne + Nagel Airlift GmbH	Frankfurt	EUR	256	100
	Stute Verkehrs GmbH	Bremen	EUR	1,023	100
	CS Parts GmbH	Bremen	EUR	213	50
	Kuehne + Nagel Euroshipping GmbH	Regensburg	EUR	130	51
	Pact GmbH	Hamburg	EUR	50	100
	SPS Zweite Vermögensverwaltungs GmbH	Hamburg	EUR	23	90
	Cargopack Verpackungsgesellschaft für Industriegüter GmbH	Bremen	EUR	307	100
	Cordes & Simon GmbH & Co. KG	Hagen	EUR	409	100
	Kuehne + Nagel Beteiligungs-AG	Bremen	EUR	10,277	100
	Nacora Versicherungsmakler GmbH	Hamburg	EUR	79	100
	Gustav F. Hübener GmbH	Hamburg	EUR	31	100
	Kuehne + Nagel Logistics Germany GmbH	Langenau	EUR	25	100
The Netherlands	Kuehne + Nagel N.V.	Rotterdam	EUR	3,332	100
	Nacora Assurantiekantoor B.V.	Rotterdam	EUR	45	100
	Kuehne + Nagel Logistics B.V.	Rotterdam	EUR	63	100
	Kuehne + Nagel Investments B.V.	Rotterdam	EUR	50	100
Switzerland	Kuehne + Nagel AG	Embrach	CHF	3,000	100
	Nacora Insurance Brokers AG	Embrach	CHF	100	100

Eastern Europe

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Albania	Transalbania Ltd.	Tirana	ALL	18,512	51
Austria	Kuehne + Nagel Eastern Europe AG	Vienna	EUR	1,090	100
	Kuehne + Nagel Ges.m.b.H.	Vienna	EUR	1,820	100
	Nacora East Europe GmbH	Vienna	EUR	35	100
Bosnia and Herzegovina	Kuehne + Nagel d.o.o.	Sarajevo	BAM	98	100
Bulgaria	Kuehne + Nagel EOOD	Sofia	BGN	365	100
Croatia	Kuehne & Nagel d.o.o.	Zagreb	HRK	4,300	100
Cyprus	Nakufreight Ltd.	Nicosia	EUR	17	100
Czech Republic	Kuehne + Nagel spol. s.r.o.	Prague	CZK	21,000	100
Estonia	Kuehne + Nagel AS	Tallinn	EEK	816	100
Greece	Proodos S.A. Hellenic & International Transport Company	Athens	EUR	3,900	100
	Arion Real Estate and Commercial Company S.A	Athens	EUR	411	100
	Kuehne + Nagel AE	Athens	EUR	15,365	100
	Nacora Brokins International S.A.	Athens	EUR	36	60
	*Sindos Railcontainer Services S.A.	Thessaloniki	EUR	3,038	50
Hungary	Kuehne + Nagel Kft.	Budapest	HUF	134,600	100
Latvia	Kuehne + Nagel Latvia SIA	Riga	LVL	100	100
Lithuania	Kuehne + Nagel UAB	Vilnius	LTL	800	100
Macedonia	Kuehne + Nagel d.o.o.e.l.	Skopje	MKD	8,232	100
Poland	Kuehne + Nagel sp.z.o.o.	Poznan	PLN	112,517	100
Romania	Kuehne + Nagel SRL	Bucharest	RON	100	100
Russia	OOO Kuehne + Nagel	Moscow	RUR	921,377	100
	OOO Nakutrans	Moscow	RUR	278	100
	OOO Kuehne + Nagel Sakhalin	Sakhalin	RUR	500	100
Serbia	Kuehne + Nagel d.o.o	Belgrade	RSD	3,039	100
Slovakia	Kuehne + Nagel s.r.o.	Bratislava	EUR	470	100
Slovenia	Kuehne + Nagel d.o.o.	Ljubljana	EUR	10	100
Ukraine	Kuehne + Nagel Ltd.	Kiev	UAH	21,997	100

North America

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Bermuda	Kuehne + Nagel Ltd.	Hamilton	EUR	12	100
Canada	Kuehne + Nagel Canada Holding Inc.	Mississauga	CAD	2,910	100
	Kuehne + Nagel Ltd.	Mississauga	CAD	8,022	100
	Kuehne + Nagel Real Estate Ltd.	Mississauga	CAD	–	100
	Kuehne + Nagel Services Ltd.	Vancouver	USD	–	100
	Nacora Insurance Brokers Ltd.	Mississauga	CAD	–	100
Mexico	Kuehne & Nagel S.A de C.V.	Mexico D.F.	MXN	24,447	100
	Kuehne & Nagel Servicios Administrativos S.A de C.V	Mexico D.F.	MXN	50	100
	Almacenadora Kuehne & Nagel S.A de C.V.	Mexico D.F.	MXN	35,440	100
	Nacora Mexico Agente de Seguras S.A. de C.V.	Mexico D.F.	MXN	50	100
USA	Kuehne + Nagel Investment Inc.	Jersey City	USD	1,400	100
	KN Special Logistics Inc.	Dulles	USD	30	100
	Kuehne + Nagel Inc.	Jersey City	USD	1,861	100
	Kuehne + Nagel Real Estate USA, Inc.	Jersey City	USD	–	100
	Nacora Insurance Brokers, Inc.	Jersey City	USD	25	100
	Quality Transportation Services Logistics Inc.	Las Vegas	USD	3	100
	Quality Transportation Services Nevada Inc.	Las Vegas	USD	–	100

South and Central America

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Argentina	Kuehne + Nagel S.A.	Buenos Aires	ARS	3,208	100
	Nacora S.A.	Buenos Aires	ARS	20	100
Bolivia	Kuehne + Nagel Ltda.	Santa Cruz	BOB	260	100
Brazil	Kuehne + Nagel Serviços Logisticos Ltda.	Sao Paulo	BRL	8,728	100
	Nacora Corretagens de Seguros Ltda.	Sao Paulo	BRL	1,094	100
Chile	Kuehne + Nagel Ltda.	Santiago	CLP	575,000	100
Colombia	Kuehne + Nagel S.A	Bogota	COP	1,284,600	100
	KN Colombia Aduana Sia S.A.	Bogota	COP	595,000	100
	Kuehne + Nagel Logistics S.A.	Bogota	COP	2,800,000	100
Costa Rica	Kuehne + Nagel S.A.	San Jose	CRC	–	100
Cuba	Kuehne + Nagel Logistic Services S.A.	Havana	CUC	–	100
Ecuador	Kuehne + Nagel S.A.	Quito	USD	7	100
El Salvador	Kuehne + Nagel S.A. de C.V.	San Salvador	USD	69	100
Guatemala	Kuehne + Nagel S.A.	Guatemala	GTQ	4,245	100
Honduras	Kuehne + Nagel S.A.	San Pedro Sula	HNL	25	100
Nicaragua	Kuehne + Nagel S.A.	Managua	NIO	10	100
Panama	Kuehne + Nagel S.A.	Colon	USD	1	100
Peru	Kuehne + Nagel S.A.	Lima	PEN	481	100
	KN Peru Aduanas S.A.	Lima	PEN	173	100
Trinidad & Tabago	Kuehne + Nagel Ltd.	Port of Spain	TTD	31	100
Uruguay	Kuehne + Nagel S.A.	Montevideo	UYU	3,908	100
	Kuehne + Nagel Logistics S.A.	Montevideo	UYU	1,200	100
Venezuela	Kuehne + Nagel S.A.	Caracas	VEF	1,000	100
	KN Venezuela Aduanas C.a.	Caracas	VEF	2	100
	Nacora S.A.	Caracas	VEF	60	100

Asia-Pacific

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Afghanistan	Kuehne + Nagel Ltd.	Kabul	USD	6	100
Australia	Kuehne & Nagel Pty Ltd.	Melbourne	AUD	2,900	100
	Nacora Insurance Services Pty Ltd	Melbourne	AUD	–	100
Bangladesh	Kuehne + Nagel Ltd.	Dhaka	BDT	10,000	100
Cambodia	Kuehne + Nagel Ltd.	Phnom Penh	USD	5	100
China	Kuehne & Nagel Ltd.; China Repr.	Shanghai	HKD	–	100
	Kuehne & Nagel Ltd.	Shanghai	CNY	17,070	100
	Kuehne & Nagel Logistics Co Ltd.	Shanghai	CNY	4,395	100
	Kuehne & Nagel Information Center Ltd.	Guangzhou	CNY	1,008	100
	Kuehne & Nagel Ltd.	Hong Kong	HKD	1,560	100
	Nacora Insurance Brokers Ltd.	Hong Kong	HKD	350	70
India	Kuehne + Nagel Pvt. Ltd.	New Delhi	INR	40,000	100
Indonesia	PT. K + N –Sigma Trans	Jakarta	IDR	1,643,600	95
Japan	Kuehne + Nagel Ltd.	Tokyo	JPY	80,000	100
Korea	Kuehne + Nagel Ltd.	Seoul	KRW	500,000	100
Macau	Kuehne & Nagel Ltd.	Macau	HKD	971	100
	Nacora Insurance Brokers Ltd.	Macau	HKD	27	51
Maldives	Kuehne + Nagel Ltd.	Male	USD	1	100
Malaysia	Kuehne + Nagel Sdn. Bhd.	Kuala Lumpur	MYR	1,521	100
	Nacora (Malaysia) Sdn. Bhd.	Kuala Lumpur	MYR	100	100
New Zealand	Kuehne + Nagel Ltd.	Auckland	NZD	200	100
	Nacora Insurance Services Ltd.	Auckland	NZD	10	100
Pakistan	Kuehne + Nagel (Pvt) Ltd.	Karachi	PKR	9,800	100
Philippines	Kuehne + Nagel Inc.	Manila	PHP	5,000	100
	KN Subic Logistics Inc.	Manila	PHP	1,875	100
Singapore	Kuehne + Nagel Pte. Ltd.	Singapore	SGD	500	100
	Nacora Insurance Agency Pte. Ltd.	Singapore	SGD	100	100
Sri Lanka	Kuehne & Nagel (Pvt) Ltd.	Colombo	LKR	2,502	100
Taiwan	Kuehne + Nagel Ltd.	Taipei	TWD	20,000	100
	Nacora Insurance Brokers Ltd.	Taipei	TWD	4,200	70
Thailand	Kuehne + Nagel Ltd.	Bangkok	THB	20,000	100
	Consolidation Transport Ltd.	Bangkok	THB	100	100

Middle East and Central Asia

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Bahrain	Kuehne + Nagel W.L.L.	Manama	BHD	200	100
Egypt	Kuehne + Nagel Ltd.	Cairo	EGP	1,000	100
Israel	Amex Ltd.	Tel Aviv	ILS	2	75
Iran	Kala Navgan Shargh Co. Ltd.	Tehran	IRR	1,200	60
	Caspian Terminal Services (Qhesm) Ltd.	Bandar Abbas	IRR	114,000	57
Jordan	Orient Transport Company WLL	Amman	JOD	300	100
Kazakhstan	Kuehne + Nagel Ibrakom L.L.P.	Almaty	KZT	84,000	60
Kuwait	Kuehne + Nagel Co. W.L.L.	Kuwait	KWD	150	100
Lebanon	*KN-ITS S.A.L.	Beirut	LBP	113,000	50
Qatar	Kuehne + Nagel L.L.C.	Doha	QAR	1,864	100
Saudi Arabia	Kuehne + Nagel Ltd.	Jeddah	SAR	1,000	100
Turkey	Kuehne + Nagel Nakliyat Ltd. Sti.	Istanbul	TRY	5,195	100
UAE	Kuehne + Nagel L.L.C.	Dubai	AED	1,000	100
	Kuehne + Nagel L.L.C.	Abu Dhabi	AED	1,000	100
	KN Ibrakom FZCo., Jebel Ali Free Zone	Jebel Ali	USD	164	60
	Ibrakom Cargo L.L.C.	Jebel Ali	USD	49	60
	Lloyds Maritime & Trading Ltd.	Jebel Ali	USD	–	60
	Kuehne + Nagel DWC L.L.C	Dubai	AED	13,000	100
Uzbekistan	KN Ibrakom Tashkent Ltd.	Tashkent	UZS	8,450	60

Africa

Country	Name of the company	Location		Share capital (in 1,000)	KN share (in per cent)
Angola	Kuehne & Nagel (Angola) Transitarios Lda	Luanda	AON	7,824	100
Equatorial Guinea	Kuehne + Nagel (Equatorial Guinea) Ltd	Malabo	CFA	1,046	100
Kenya	Kuehne + Nagel Limited	Nairobi	KES	63,995	100
Mauritius	KN (Mauritius) Limited	Port Louis	MUR	4,000	100
Mozambique	Kuehne & Nagel Mozambique Lda.	Maputo	MZN	133	100
Namibia	Kuehne and Nagel (Pty) Ltd.	Windhoek	NAD	340	100
Nigeria	Kuehne & Nagel (Nigeria) Ltd.	Lagos	NGN	–	100
South Africa	Kuehne and Nagel (Pty) Limited	Johannesburg	ZAR	3,625	100
	KN Tsepisa Logistics (Pty) Limited	Johannesburg	ZAR	100	92
	Nacora Insurance Brokers (Pty) Limited	Johannesburg	ZAR	35	100
Tanzania	Kuehne + Nagel Ltd.	Dar es Salaam	TZS	525,000	100
Uganda	Kuehne + Nagel Ltd.	Kampala	UGX	827,600	100
Zambia	Kuehne & Nagel Zambia Limited	Lusaka	ZMK	85,000	100
Zimbabwe	Kuehne & Nagel (Zimbabwe) (Private) Limited	Harare	ZWD	–	100

FINANCIAL STATEMENTS 2009
OF KUEHNE + NAGEL INTERNATIONAL AG

Income Statement

CHF million	Note	2009	2008
Income			
Income from investments in Group companies	1	676	431
Income from marketable securities		8	5
Income from sale of treasury shares		1	–
Income from recovery of receivables from Group companies previously written-down		–	–
Interest income on loans receivable from Group companies		2	4
Other financial income		3	10
Exchange gains		2	–
Total income		**692**	**450**
Expenses			
Operating expenses		–5	–3
Interest expenses on liabilities towards Group companies		–6	–12
Exchange losses		–1	–26
Losses from sale of treasury shares		–	–3
Write-down of investments in Group companies	2/3	–22	–5
Total expenses		**–34**	**–49**
Earnings before tax		**658**	**401**
Tax		–8	–3
Earnings for the year		**650**	**398**

Balance Sheet

CHF million	Note	Dec. 31, 2009	Dec. 31, 2008
Assets			
Financial investments	3	1,161	1,121
Non-current assets		**1,161**	**1,121**
Receivables from Group companies	4	44	105
Other receivables		1	2
Treasury shares	6	88	112
Cash and cash equivalents	7	360	179
Current assets		**493**	**398**
Total assets		**1,654**	**1,519**

CHF million	Note	Dec. 31, 2009	Dec. 31, 2008
Liabilities and equity			
Share capital	8	120	120
Reserves	9	96	72
Addition through merger of subsidiaries	9	89	–
Reserve for treasury shares	10	88	112
Retained earnings	11	126	–
Earnings for the year		650	398
Equity		**1,169**	**702**
Provision for tax		7	1
Other provisions and accruals		5	3
Provisions		**12**	**4**
Other liabilities		–	45
Liabilities towards Group companies	5	473	768
Liabilities		**473**	**813**
Total liabilities and equity		**1,654**	**1,519**

Schindellegi, February 25, 2010

KUEHNE + NAGEL INTERNATIONAL AG

Reinhard Lange — CEO

Gerard van Kesteren — CFO

NOTES TO THE FINANCIAL STATEMENTS 2009

General remarks

Kuehne + Nagel International AG directly or indirectly controls all the companies which are fully consolidated in the Group Financial Statements. For financial and economic assessment purposes, the Group Financial Statements are of paramount importance.

As per January 1, 2009 Kuehne + Nagel Asia Pacific Holding AG and Kuehne + Nagel Treasury AG were merged into Kuehne + Nagel International AG.

Financial statement presentation and principles of valuation

Financial investments

The investments in subsidiaries, associates and joint ventures are recognised in the balance sheet at cost less valuation allowance.

Receivables

– *from Group companies*
  The balances outstanding are recorded at their nominal value less valuation allowance at year-end.

– *other*
  Other receivables are recorded at their nominal value less valuation allowance at year-end.

Treasury shares

Treasury shares are valued at average cost or lower market value. The "reserve for treasury shares" within equity is valued at average cost of treasury shares.

Provision for tax

Swiss taxes on income and capital are provided for at balance sheet date.

Liabilities

– *towards consolidated companies*
  Liabilities towards consolidated companies are recorded at their nominal value at year-end.

NOTES TO THE INCOME STATEMENT

1 Income from investments in consolidated companies

The income from investments in consolidated companies mainly relates to dividends received.

2 Write-down of investments in consolidated companies

The write-down of investments in consolidated companies is shown in note 3.

NOTES TO THE BALANCE SHEET

3 Development of financial investments

CHF million	Investments in consolidated companies	Investments in affiliated companies	Total
Cost			
Balance as of January 1, 2009	2,359	1	2,360
Merger Kuehne + Nagel Asia Pacific Holding AG	21	1	22
Additions	116	–	116
Disposals	–58	–	–58
Balance as of December 31, 2009	**2,438**	**2**	**2,440**
Cumulative depreciation			
Balance as of January 1, 2009	1,238	1	1,239
Merger Kuehne + Nagel Asia Pacific Holding AG	21	1	22
Additions	22	–	22
Disposals	–4	–	–4
Balance as of December 31, 2009	**1,277**	**2**	**1,279**
Carrying amount			
As of January 1, 2009	**1,121**	**–**	**1,121**
As of December 31, 2009	**1,161**	**–**	**1,161**

A schedule of the Group's main subsidiaries and Kuehne + Nagel's share in the respective equity is shown on pages134 to 139 of the Consolidated Financial Statements.

4 Receivables from Group companies

CHF million	Dec. 31, 2009	Dec. 31, 2008
Kuehne + Nagel Inc., New York	–	73
Kuehne + Nagel Ltd., Dubai	2	9
Kuehne + Nagel AG + Co., Hamburg	10	–
Kuehne + Nagel Real Estate Holding AG, Schindellegi	4	4
Kuehne + Nagel Liegenschaften AG, Schindellegi	27	19
Kuehne + Nagel S.a.r.l., Luxembourg	1	–
Total	**44**	**105**

5 Liabilities towards Group companies

CHF million	Dec. 31, 2009	Dec. 31, 2008
Kuehne + Nagel Ltd., Dublin	6	–
OY Kuehne + Nagel Ltd., Helsinki	9	–
Kuehne + Nagel S.a.r.l., Luxembourg	7	–
Kuehne + Nagel S.A.S., Paris	112	–
Kuehne + Nagel N.V., Rotterdam	20	–
Kuehne + Nagel NV/SA, Antwerpen	16	–
Kuehne + Nagel Sp.z.o.o., Poznan	1	–
Kuehne + Nagel Investment S.a.r.l., Luxembourg	5	–
Kuehne + Nagel Investment SA, Madrid	58	–
Kuehne + Nagel Treasury AG, Schindellegi	–	427
Kuehne + Nagel Inc., New York	21	–
Kuehne + Nagel Management AG, Schindellegi	63	92
Kuehne + Nagel Asia Pacific Holding AG, Schindellegi	–	65
Kuehne + Nagel Internationale Transporte AG, Schindellegi	–	62
Kuehne + Nagel AG, Zurich	25	–
Nacora Insurance Brokers AG, Zurich	1	–
Nacora Holding AG, Schindellegi	3	–
Nacora Agencies AG, Schindellegi	123	40
Transpac Ltd., Hong Kong	–	82
Kuehne & Nagel AP Ltd., Hong Kong	3	–
Total	**473**	**768**

6 Treasury shares

CHF million	Dec. 31, 2009	Dec. 31, 2008
Treasury shares [1]	88	112
Total	**88**	**112**

1 See note 10.

Treasury shares are valued at average cost or lower market value. The "reserve for treasury shares" within equity is valued at average cost of treasury shares.

7 Cash and cash equivalents

CHF million	Dec. 31, 2009	Dec. 31, 2008
The bank deposits are in following currencies:		
Swiss franc	2	1
Euro	325	176
US dollar	33	2
Total	**360**	**179**

8 Share capital

	Registered shares at nominal CHF 1 each number	CHF million
Balance as of December 31, 2009	120,000,000	120

At the Annual General Meeting on May 2, 2006, the shareholders approved a 1:5 split of the registered shares and a corresponding increase in the number of Kuehne + Nagel shares. At the same time, the nominal value per share relating to approved share capital and conditional share capital was also lowered from CHF 5 to CHF 1.

Approved and conditional share capital

The Annual General Meeting held on May 2, 2005 approved the Board of Directors proposal to realise a conditional share capital increase of 12 million registered shares up to a maximum of CHF 12 million and to add section 3.4 in the Articles of Association.

The Annual General Meeting held on April 30, 2008 agreed to the Board of Directors proposal to create an approved share capital increase up to a maximum of CHF 20 million restricted for two years. This option will expire on April 30, 2010.

So far these rights has not been executed. There is no resolution of the Board of Directors outstanding for a further issuance of either approved or conditional share capital.

9 Reserves

CHF million	Reserve	Legal reserve	Total reserves and retained earnings brought forward
Balance as of January 1, 2009	12	60	72
Addition through merger of subsidiaries	89	–	89
Addition from release of reserve for treasury shares [1]	24	–	24
Balance as of December 31, 2009	**125**	**60**	**185**

1 See note 10.

10 Reserve for treasury shares

	number of shares	CHF million
Balance as of January 1, 2009	1,932,239	112
Disposal of shares – employee share	–406,488	–24
Buyback of own shares	–	–
Balance as of December 31, 2009	**1,525,751**	**88**

In agreement with the provisions of Swiss commercial law regarding the valuation of treasury shares, the Company released a reserve equivalent to the average cost of treasury shares.

11 Retained earnings/earnings for the year

CHF million	
Balance as of January 1, 2009 (before income for the year)	–
Earnings for the year 2008	398
Retained earnings as of January 1, 2009	**398**
Distribution to the shareholders (representing CHF 2.30 per share)	–272
Earnings for the year 2009	650
Balance as of December 31, 2009	**776**

OTHER NOTES

12 Personnel

The company has no employees and therefore utilises the central services of Kuehne + Nagel Management AG, Schindellegi, for its administrative requirements. The respective costs are included in other operating expenses.

13 Remuneration report

Due to Swiss law (OR 663b/c), additional disclosure of information related to remuneration paid to and accrued for members of the Board of Directors and the Management Board is required.

Remuneration accrued for and paid to the Board of Directors

The following compensation has been accrued for and paid to the current members of the Board of Directors. Information related to the compensation policy are disclosed as part of the Corporate Governance section.

	2009					2008
TCHF	Compensation Board of Directors	Compensation Committees	Additional fees for services provided	Social insurance	Total	Total
K.-M. Kuehne (Chairman)	900	10	–	45	955	248
B. Wrede (Vice Chairman)	188	35	200	–	423	398
K. Gernandt (Executive Vice Chairman)	150	–	–	9	159	10
J. Hausser	150	10	–	9	169	170
W. Kissling [1]	56	4	–	4	64	170
J. Fitschen	150	–	–	9	159	106
H. J. Hager [2]	94	–	222	–	316	–
H. Lerch	150	10	–	9	169	170
G. Obermeier	150	25	–	–	175	175
W. Peiner	150	–	–	–	150	150
B. Salzmann	–	–	–	–	–	116
T. Staehelin	150	15	31	10	206	202
Total	**2,288**	**109**	**453**	**95**	**2,945**	**1,915**

1 Resigned from the Board of Directors on May 13, 2009.
2 Since May 13, 2009.

Remuneration accrued for and paid to the Management Board

TCHF	2009 Salary	Bonus	Social insurance	Pension	Options	Others [1]	Total
R. Lange, Chief Executive Officer	700	1,355	105	82	150	6	2,398
Remaining Management Board	5,590	4,851	530	402	546	78	11,997
Total	**6,290**	**6,206**	**635**	**484**	**696**	**84**	**14,395**

TCHF	2008 Salary	Bonus	Social insurance	Pension	Options	Others [1]	Total
K.-M. Kuehne, Executive Chairman of the Board of Directors	600	3,600	212	–	–	10	4,422
Remaining Management Board	5,021	7,114	588	528	218	94	13,563
Total	**5,621**	**10,714**	**800**	**528**	**218**	**104**	**17,985**

1 Other compensation comprises company cars for all members of the Management Board.

Termination allowances of TCHF 1,000 are paid in 2009 to Mr. Xavier Urbain, member of the Management Board, who left the Group on December 31, 2009.

Allocation of shares

In 2009 no shares were allocated to any members of either the Board of Directors or the Management Board and/or to parties closely associated with them other than disclosed under the Employee Share Purchase and Option Plan (see page 150).

Shareholdings by members of the Board of Directors

As of December 31, 2009, the following numbers of KNI shares were held by members of the Board of Directors. No shareholdings were reported from parties closely associated with the mentioned Board members.

	2009	2008
	Number of KNI shares	
K.-M. Kuehne (Chairman)	64,900,000	67,040,500
B. Wrede (Vice Chairman)	–	–
K. Gernandt (Executive Vice Chairman)	8,560	500
J. Fitschen	–	–
H.-J. Hager [2]	–	–
J. Hausser	–	1
W. Kissling [1]	–	1,000
H. Lerch	5,000	5,000
G. Obermeier	500	500
W. Peiner	–	–
T. Staehelin	10,000	10,000
Total	**64,924,060**	**67,057,501**

1 Resigned from the Board of Directors on May 13, 2009.
2 Since May 13, 2009.

Shareholdings by members of the Management Board

As of December 31, 2009 the following numbers of KNI shares were held by members of the Management Board. No shareholdings were reported from parties closely associated with the mentioned Board members:

	2009	2008
	Number of KNI shares	
K. Herms, (former Chief Executive Officer)	–	124,000
R. Lange, Chief Executive Officer	26,210	38,792
G. van Kesteren, Chief Financial Officer	125,182	125,094
L. Harings, Chief Human Resources Officer	2,000	–
M. Kolbe, Chief Information Officer	4,000	3,000
D. Reich, Executive Vice President Contract Logistics	30,032	30,847
P. Ulber, Executive Vice President Sea & Air Logistics	5,000	–
X. Urbain, Executive Vice President Road & Rail Logistics	3,750	–
K.-D. Pietsch, former Chief Human Resources Officer	–	40,625
Total	**196,174**	**362,358**

Options

In 2001 KNI introduced an Employee Share Purchase and Option Plan for members of the KNI Management Board, by which they have the option to purchase shares of KNI. As of the balance sheet date, all members of the Management Board had participated and the total amount of shares was purchased at the agreed price of 90 per cent (plans 1 to 3), 95 per cent (plan 4), 96.5 per cent (plan 5) and 95 per cent (plans 6, 7, 8 and 9) of the average share closing price quoted on the SIX Swiss Exchange between April and June of the respective year of purchase. The sale of the shares acquired under this plan is blocked for a period of three years after the date of purchase. Each share purchased is linked with two options carrying the right to purchase one KNI share for each option at the average price as outlined above. The option is blocked for three years from the date of subscription and thereafter it can be exercised within the period of another three years. The option lapses after expiry of that period.

The prices to exercise the above mentioned options are quoted in Note 35 to the Consolidated Financial Statements on pages 107 to 110.

Name	Date of allocation	Number of Options	Year of Expiry of locked period
K. Gernandt, Executive Vice Chairman of the Board of Directors	2009	17,120	2012
R. Lange, Chief Executive Officer	2007	10,000	2010
	2008	1,526	2011
	2009	14,836	2012
G. van Kesteren, Chief Financial Officer	2006	15,000	2009
	2007	15,000	2010
	2008	2,938	2011
	2009	14,176	2012
M. Kolbe, Chief Information Officer	2006	2,000	2009
	2007	4,000	2010
	2009	2,000	2012
D. Reich, Executive Vice President Contract Logistics	2006	15,000	2009
	2007	15,000	2010
	2008	1,694	2011
	2009	13,338	2012
L. Harings, Chief Human Resources Officer	2009	4,000	2012
P. Ulber, Executive Vice President Sea & Air Logistics	2007	5,000	2010
	2009	5,000	2012
X. Urbain, Executive Vice President Road & Rail Logistics	2009	7,500	2012
K. Herms, former Chief Executive Officer	2006	20,000	2009
	2007	20,000	2010
	2008	2,260	2011
	2009	4,062	2012
K.-D. Pietsch, former Chief Human Resources Officer	2006	10,000	2009
	2007	15,000	2010
Total options allocated		**236,450**	

Loans

In 2009 no loans were granted to members of the Board of Directors or the Management Board of KNI nor to associated parties, and no such loans were outstanding as of December 31, 2009.

14 Contingent liabilities

For further information regarding contingent liabilities refer to note 44 of the Consolidated Financial Statements.

15 Risk management

The detailed disclosures regarding risk management that are required by Swiss law are included in the Kuehne + Nagel Group Consolidated Financial Statements on pages 122 to 129.

16 Proposal of the Board of Directors to the Annual General Meeting of May 18, 2010 regarding appropriation of the available earnings 2009

	CHF million
Balance as of January 1, 2009 (before income for the year)	126
Net income 2009	650
Available earnings as of December 31, 2009	**776**
Distribution to the shareholders (representing CHF 2.30 per share) [1]	–272
Balance as of December 31, 2009 (after appropriation of available earnings)	**504**

1 The total dividend amount covers all outstanding registered shares (as per December 31, 2009: 118,474,249 shares). However, registered shares still held in treasury on the date of the dividend declaration are not eligible for dividend payments. Consequently, the reported total dividend amount may be correspondingly adjusted.

REPORT OF THE STATUTORY AUDITORS TO THE ANNUAL GENERAL MEETING OF KUEHNE + NAGEL INTERNATIONAL AG, SCHINDELLEGI

As statutory auditor, we have audited the accompanying Financial Statements of Kuehne + Nagel International AG, which comprise the income statement, balance sheet and notes on the pages 140 to 151 for the year ended December 31, 2009.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the Company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the Financial Statements for the year ended December 31, 2009 comply with Swiss law and the Company's articles of incorporation.

Report on other legal requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the Financial Statements submitted to you be approved.

KPMG AG

Marc Ziegler
Licensed Audit Expert
Auditor in Charge

Guenter Haag
Licensed Audit Expert

Zurich, February 25, 2010

CORPORATE TIMETABLE 2010

March 1, 2010	Press Conference 2009 Result
	Analyst Conference 2009 Result
April 19, 2010	Announcement of First Quarter 2010 Result
May 18, 2010	Annual General Meeting 2009
May 26, 2010	Dividend distribution for 2009
July 19, 2010	Announcement of Half-Year 2010 Result
October 18, 2010	Announcement of Nine-Months 2010 Result

Kuehne + Nagel International AG
Kuehne + Nagel House
P.O. Box 67
CH-8834 Schindellegi
Telephone +41 (0) 44 786 95 11
Fax +41 (0) 44 786 95 95
www.kuehne-nagel.com