

Corporate Communications

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Kuehne & Nagel International AG – 1st Quarter Result 2004

Continued dynamic growth

Schindellegi / CH, April 26, 2004 – With an increase in turnover by 18.4 per cent and gross profit up 18.2 per cent, Kuehne & Nagel, the globally operating logistics group, continued its dynamic growth in the first quarter of 2004. At CHF 83.0 million, the operational result (EBITA) illustrates a significant 38.1 per cent rise in profitability in comparison with the same period the previous year. Net earnings improved by 31.9 per cent to CHF 48.0 million.

Worldwide and across all business units results were enhanced and notable gains in market shares achieved.

In seafreight, the excellent business performance was mainly driven by the strong container traffic from and to Asia. Volumes handled by Kuehne & Nagel increased by 22.0 per cent against the previous year, while the global container market grew by 9 per cent. Despite continued margin pressures, Kuehne & Nagel improved its operational result by 10.8 per cent.

As a result of extended relationships with global key accounts as well as the expansion of charter activities, in airfreight a rise in turnover by 11.0 per cent was achieved. Effective cost management and gains in efficiency both contributed to the above average 55.7 per cent EBITA improvement.

The restructuring measures taken last year in contract logistics – the standardisation of operational processes and IT applications – have doubled earnings and significantly raised EBITA margins from 1.7 to 3.6 per cent. Kuehne & Nagel took advantage of the improving economic situation in North America and the upswing in the high-tech sector in Europe. New business too contributed to the growth in volumes and operational result.

A substantial increase in turnover and an improved operational result were obtained in rail and road logistics. This is due to a rise in demand for tailor-made international road transportation solutions.

“The first quarter results met our high expectations,” said Klaus Herms, CEO of Kuehne & Nagel International AG. “Based on the positive business development to date and the capabilities of the Kuehne & Nagel Group we are confident to continue the dynamic growth.”

About Kuehne & Nagel

With around 20,000 employees at 600 locations in 96 countries, the Kuehne & Nagel Group is one of the world's leading logistics companies. Its strong market position lies in the sea-, airfreight and contract logistics businesses, with a clear focus on providing IT-based supply chain management services. Further information can be found at www.kuehne-nagel.com.