

## Corporate Development

### Industry trends

The worldwide economic downturn in the year 2001 reduced the dynamics of the global logistics industry and increased the pressure on margins. At the same time however, the trend amongst customers towards outsourcing and a reduction of contracted logistics providers strengthened. The consolidation process in the still highly fragmented logistics industry also maintained its pace throughout the year. Leading companies like Kuehne & Nagel with an integrated global network and special industry competence were able to profit above average from this development and expand their business share in partly stagnating markets.

### Acquisitions and market positioning

Further to the aggressive postal companies, integrators and carriers are seen to have joined the consolidation process by vertically integrating through major acquisitions.

Kuehne & Nagel has strengthened its organic growth by targeted acquisitions aimed at perfecting its geographic logistics network and extending its range of services.

The major acquisition of USCO Logistics Inc. in North America promoted Kuehne & Nagel into the top ten companies involved in global contract logistics. Smaller acquisitions of freight forwarding companies in the Nordics and France enabled further expansion of worldwide market leadership in seafreight and consolidated the company's position amongst the top five globally active airfreight service providers.

The synergetic growth of the partly complementary customer portfolios in the business units International Forwarding and Contract Logistics will be forced in 2002. The focus on external growth strategy for Contract Logistics is in Europe and South America, for International Forwarding the Asia-Pacific region and Europe.

Kuehne & Nagel's headquarters  
in Schindellegi, Switzerland

