

# Board of Directors and Management Board

Kuehne & Nagel International AG, Schindellegi, Switzerland

## Board of Directors

- Klaus-Michael Kuehne, Schindellegi  
President and Delegate
- Dr. Georg Obermeier, Munich  
Vice-President
- Prof. Dr. Otto Gellert, Hamburg
- Dr. Joachim Hausser, Munich
- Koh Soo Keong, Singapore
- Dr. Wolfgang Peiner, Cologne
- Dr. Alfred Pfeiffer, Trostberg
- Bruno Salzmann, Pfäffikon
- Wong Kok Siew, Singapore
- Dr. Thomas Staehelin, Basle
- Bernd Wrede, Hamburg

## Management Board

- Klaus Herms, Schindellegi  
Chief Executive Officer
- Thomas Engel, Schindellegi
- Dr. Axel Hansen, Hamburg
- Heinz Janssen, Bremen
- Gerard van Kesteren, Schindellegi
- Reinhard Lange, Schindellegi
- Klaus-Dieter Pietsch, Schindellegi
- Dirk Reich, Schindellegi

Status December 31, 2001

## Report of the Board of Directors

### **Dear Madam, Dear Sir!**

Despite the year 2001 being marked by economic setbacks and tragic events, the Kuehne & Nagel Group achieved excellent results. Unchanged, the Group remained on course for growth and continued its upward development. Versus the previous year, net income rose impressively by 27.5 per cent to CHF 160.5 million.



Klaus-Michael Kuehne,  
President and Delegate of the Board of Directors,  
Kuehne & Nagel International AG

### **Shareholders**

No major changes occurred in the shareholder structure of the Kuehne & Nagel Group. Klaus-Michael Kuehne remains the majority shareholder with 55.75 per cent, SembCorp Logistics, Singapore, holds 20 per cent of the share capital and 20.53 per cent is spread amongst the general public. Of the 3.90 per cent held by Kuehne & Nagel International AG in the first half year, 0.18 per cent was disposed to Kuehne & Nagel senior staff within the scope of a stock option scheme. At the same time these employees were also offered the option of purchasing two shares for each one acquired after a period of three years.

Kuehne & Nagel International AG, Schindellegi, holds shares in 223 companies, of which 181 are consolidated in the Group's Financial Statements.

### **Board of Directors**

At the Annual Meeting held on May 15, 2001 the gentlemen Wong Kok Siew and Koh Soo Keong were elected to the Board of Directors, whilst Dr. Georg von Waldenfels, who represented the interest of the former shareholder VIAG AG, submitted his resignation from the Board of Directors. Dr. Wolfgang Peiner resigned his seat with effect from year-end 2001, after being offered the position of Senator for finance in the Free and Hanseatic City of Hamburg. No further changes took place in the Board of Directors of the holding company. In addition to his capacity as President of the Board of Directors, Klaus-Michael Kuehne is also its delegate, whilst Bruno Salzmann, as a member of the Board of Directors, partly acts in an advisory function.

### **Management Board**

At the beginning of the year Hans Peter Kostan left the Management Board of Kuehne & Nagel International AG, where he had headed the business unit Special Products. His duties were allocated to other business units until July 1, 2001. On that date Dirk Reich, who had previously been in charge of Corporate

Development, became a member of the Management Board and assumed responsibility for the business unit Contract Logistics. Heinz Janssen now heads the newly created business unit Special Logistics, which comprises automotive and industry logistics, as well as fairs and exhibitions, defence and airport logistics. Reinhard Lange, responsible for the business unit International Forwarding, additionally assumed responsibility for the new product Supply Chain Management. The business unit International Overland, including rail activities, is headed directly by the Chief Executive Klaus Herms. At the end of the financial year the Management Board consisted of eight members.

### **Results**

The high profit level achieved in 2000 was significantly exceeded in the year under review, to which in particular the business field seafreight, but also the sale of the non-core business of Uniport Multipurpose Terminals B.V., Rotterdam contributed. The regional spread of the business results again proved stable, even though a certain weakening is noticeable due to the political and economic developments in North America. Particularly profitable was the Asia-Pacific region, followed by the most of the European countries.

In view of this development, the Board of Directors of Kuehne & Nagel International AG will propose to the General Meeting, to be held on May 15, 2002, to authorise a dividend of 58 per cent (previous year 45 per cent) on the share capital of CHF 120 million.

### **Business development**

The result is relatively evenly spread over the four quarters of the year under review. Especially the first half was marked by high dynamic growth, which – as a consequence of the general economic downturn – was reduced in the second half above all in Germany, Canada and the USA. Again the product range offered by the Kuehne & Nagel Group proved attractive. The company consolidated its leading position amongst the top logistics companies in seafreight and also maintained its position in the global airfreight business in spite of a noticeable general slowdown. In contract logistics significant progress was made in the global warehousing and distribution business resulting from the acquisition of USCO Logistics Inc. in the USA at the end of July 2001. Kuehne & Nagel now controls three million square metres of warehousing space, principally in Europe and North America, whilst for the Asia-Pacific region corresponding services are offered by the partner SembCorp Logistics Ltd. In the field of European overland transportation especially the growth of the rail business, which is combined in the Ferroviasset Group, was highly satisfactory. Remarkable progress was achieved in implementing IT-based logistics solutions. The product Supply Chain Management, launched in 2000, was installed as a pilot service for key account customers and meets the growing interest from a number of potential users.

### **Summary**

The Board of Directors of Kuehne & Nagel International AG would like to express its appreciation to the management and the entire staff throughout the world, who contributed to a further strengthening of the Group through their remarkable dedication and successful business development. It also wishes to thank all customers and commercial partners for their cooperation and the confidence they have placed in the organisation.

On its way to a global logistics company, Kuehne & Nagel has taken a further important step by expanding its traditional business fields sea- and airfreight, as well as by the development of its contract logistics activities. With the newly acquired USCO Logistics Inc. and the partner SembCorp Logistics Ltd. in Singapore, Kuehne & Nagel is optimally presented in the Europe – North America – Asia-Pacific triad, in which most part of the world trade takes place. Now the efforts must concentrate on successfully positioning this alliance in the global contract logistics business. The solid foundations of the Kuehne & Nagel Group and its development to date, place it in an excellent position to achieve its growth and profit targets also in the future.

A handwritten signature in black ink, consisting of several overlapping loops and a final flourish on the right side.

Klaus-Michael Kuehne  
President and Delegate of the Board of Directors