



2017
Third Quarter

Condensed Consolidated interim financial statements

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Consolidated income statement

for the nine months ended September 30, 2017 and 2016

In thousand CHF	Notes	July-September		January-September	
		2017	2016	2017	2016
Net forwarding revenue	4	1,433,411	1,267,000	4,065,500	3,863,522
Forwarding services from third parties	4	(1,081,765)	(911,594)	(3,040,736)	(2,771,827)
Gross profit	4	351,646	355,406	1,024,764	1,091,695
Personnel expenses		(218,562)	(212,947)	(651,090)	(659,222)
Other operating expenses		(92,494)	(97,059)	(269,813)	(301,805)
Restructuring expenses	7	0	0	0	(26,100)
EBITDA		40,590	45,400	103,861	104,568
Depreciation of property, plant and equipment	5	(4,982)	(6,245)	(15,648)	(18,715)
Amortization of intangible assets	5	(5,515)	(6,298)	(16,158)	(18,320)
Operating result (EBIT)		30,093	32,857	72,055	67,533
Finance income		940	476	3,164	1,681
Finance costs		(1,344)	(845)	(3,316)	(2,254)
Profit before income tax (EBT)		29,689	32,488	71,903	66,960
Income tax expenses		(11,228)	(7,864)	(23,512)	(20,500)
Profit		18,461	24,624	48,391	46,460
Profit attributable to:					
Owners of the parent		18,715	25,144	49,329	47,823
Non-controlling interests		(253)	(521)	(939)	(1,364)
Earnings per share (in CHF)					
Basic		0.79	1.06	2.08	2.01
Diluted		0.79	1.06	2.08	2.01

Consolidated statement of comprehensive income

for the nine months ended September 30, 2017 and 2016

In thousand CHF	July-September		January-September	
	2017	2016	2017	2016
Profit	18,461	24,624	48,391	46,460
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurement of the net defined benefit asset / liability (note 2.6)	1,019	1,238	14,034	(18,698)
Income taxes on this component of other comprehensive income	(78)	(129)	(3,093)	5,094
	941	1,109	10,941	(13,604)
Items that are or may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets - net change in fair value	0	0	(12)	0
Exchange difference on translations of foreign operations	8,719	(661)	8,819	(3,903)
	8,719	(661)	8,807	(3,903)
Other comprehensive income, net of tax	9,659	448	19,748	(17,507)
Total comprehensive income	28,121	25,071	68,138	28,953
Total comprehensive income attributable to:				
Owners of the parent	29,397	25,579	70,579	30,570
Non-controlling interests	(1,276)	(509)	(2,441)	(1,618)

Consolidated statement of financial position

as of September 30, 2017 and December 31, 2016

In thousand CHF	Notes	September 30, 2017	December 31, 2016
Assets			
Non-current assets			
Property, plant and equipment	5	80,277	63,524
Intangible assets	5	91,680	97,947
Investments	8	26,027	24,403
Post-employment benefit assets		15,229	2,231
Deferred income tax assets		72,011	72,410
Total non-current assets		285,224	260,515
Current assets			
Other receivables and other current assets		115,482	101,370
Unbilled forwarding services		98,949	60,342
Trade receivables		890,337	848,398
Derivative financial instruments	8	1,230	1,164
Cash and cash equivalents		294,625	388,777
Total current assets		1,400,624	1,400,051
Total assets		1,685,848	1,660,565
Equity and liabilities			
Equity			
Share capital	6	2,375	2,375
Treasury shares	6	(1,789)	(3,987)
Retained earnings and reserves		590,201	609,638
Total equity attributable to owners of the parent		590,788	608,026
Non-controlling interests		5,496	8,940
Total equity		596,283	616,966
Non-current liabilities			
Borrowings		1,967	0
Non-current provisions	7	37,680	42,566
Non-current other liabilities	7	44,439	40,812
Post-employment benefit liabilities		61,033	56,313
Deferred income tax liabilities		9,544	5,242
Total non-current liabilities		154,663	144,934
Current liabilities			
Trade payables		433,083	408,452
Other payables and accruals		122,403	129,057
Accrued cost of services		274,365	243,983
Borrowings		2,078	2,339
Derivative financial instruments	8	4,224	4,227
Current provisions	7	19,497	23,395
Current other liabilities	7	66,297	68,860
Current income tax liabilities		12,955	18,354
Total current liabilities		934,901	898,666
Total liabilities		1,089,565	1,043,600
Total equity and liabilities		1,685,848	1,660,565

Consolidated statement of changes in equity

for the nine months ended September 30, 2017 and 2016

	Attributable to the owners of the parent					Non-controlling interests	Total equity
	Share capital	Treasury shares	Translation reserve	Retained earnings	Total		
2017 in thousand CHF							
Balance on January 1, 2017	2,375	(3,987)	(289,375)	899,013	608,026	8,940	616,966
Profit	0	0	0	49,329	49,329	(939)	48,391
Other comprehensive income							
Exchange difference on translations of foreign operations	0	0	10,321	0	10,321	(1,502)	8,819
Remeasurement of the net defined benefit asset / liability, net of tax	0	0	0	10,941	10,941	0	10,941
Available-for-sale financial assets – net change in fair value	0	0	0	(12)	(12)	0	(12)
Total other comprehensive income, net of tax	0	0	10,321	10,928	21,250	(1,502)	19,748
Total comprehensive income for the period	0	0	10,321	60,258	70,579	(2,441)	68,138
Dividends paid (note 6)	0	0	0	(89,057)	(89,057)	0	(89,057)
Credit to equity for share-based compensation plans	0	0	0	4,969	4,969	0	4,969
Changes in treasury shares, net (note 6)	0	2,199	0	(4,499)	(2,300)	0	(2,300)
Acquisition of subsidiaries with non-controlling interests	0	0	0	0	0	1,200	1,200
Transaction with non-controlling interests ¹	0	0	0	(3,633)	(3,633)		(3,633)
Reclassification of non-controlling interests to parent shareholders ²	0	0	0	2,204	2,204	(2,204)	0
Balance on September 30, 2017	2,375	(1,789)	(279,054)	869,255	590,788	5,496	596,283

¹ This movement is related to a put option for an acquisition of a non-controlling interests in one of the group's subsidiaries

² This movement is related to the transfer of non-controlling interests to the parents' equity

	Attributable to the owners of the parent					Non-controlling interests	Total equity
	Share capital	Treasury shares	Translation reserve	Retained earnings	Total		
2016 in thousand CHF							
Balance on January 1, 2016	2,375	(2,252)	(278,288)	919,438	641,273	12,037	653,310
Profit	0	0	0	47,823	47,823	(1,364)	46,460
Other comprehensive income							
Exchange difference on translations of foreign operations	0	0	(3,649)	0	(3,649)	(254)	(3,903)
Remeasurement of the net defined benefit asset / liability, net of tax	0	0	0	(13,604)	(13,604)	0	(13,604)
Total other comprehensive income, net of tax	0	0	(3,649)	(13,604)	(17,253)	(254)	(17,507)
Total comprehensive income for the period	0	0	(3,649)	34,219	30,570	(1,618)	28,953
Dividends paid	0	0	0	(83,097)	(83,097)	0	(83,097)
Credit to equity for share-based compensation plans	0	0	0	3,184	3,184	0	3,184
Changes in treasury shares, net (note 6)	0	1,034	0	(1,605)	(571)	0	(571)
Acquisition of subsidiaries with non-controlling interests	0	0	0	0	0	3,986	3,986
Transaction with non-controlling interests ¹	0	0	0	(9,453)	(9,453)	0	(9,453)
Reclassification of non-controlling interests to parent shareholders ²	0	0	0	5,519	5,519	(5,519)	0
Balance on September 30, 2016	2,375	(1,218)	(281,937)	868,206	587,426	8,886	596,312

¹ This movement is related to a put option for an acquisition of a non-controlling interests in one of the group's subsidiaries

² This movement is related to the transfer of non-controlling interests to the parents' equity

Consolidated statement of cash flows

for the nine months ended September 30, 2017 and 2016

In thousand CHF	Notes	January-September	
		2017	2016
Profit		48,391	46,460
Income tax expenses		23,512	20,500
Depreciation of property, plant and equipment	5	15,648	18,715
Amortization of intangible assets	5	16,158	18,320
Interest income and dividend on available-for-sale financial assets		(1,655)	(800)
Exchange differences		(1,665)	(899)
Loss / (gain) on sales of property, plant and equipment		(245)	(1,854)
Loss / (gain) on sales of financial assets		0	48
Expenses for share-based compensation plans		4,969	3,184
Other non-cash (income) and expenses		2,382	(821)
Subtotal cash flow from operations		107,495	102,853
Working capital adjustments:			
(Increase) / decrease receivables, other current assets and unbilled forwarding services		(79,505)	106,645
Increase / (decrease) payables and accruals incl. accrued cost of service		44,062	(83,456)
Increase / (decrease) non-current provisions and other liabilities		(4,716)	3,263
Increase / (decrease) current provisions and other liabilities		(7,486)	9,295
Cash generated from operations		59,850	138,600
Interest paid		(1,362)	(1,036)
Income taxes paid		(31,746)	(28,202)
Net cash from operating activities		26,742	109,361
Interests received		1,444	1,376
Dividends received		99	173
Proceeds from sale of property, plant and equipment and intangible assets	5	834	5,657
Proceeds from sale of investments		1,507	161
Proceeds from sale of other financial assets		0	382
Repayments of loans and long-term receivables		4,562	5,461
Acquisition of subsidiaries and other businesses, net of cash	3	(8,580)	(21,278)
Purchase of property, plant and equipment	5	(31,790)	(19,296)
Purchase of intangible assets	5	(648)	(1,151)
Purchase of investments and other financial assets		(4,921)	(2,508)
Investments in long-term loans and long-term receivables		(3,353)	(3,147)
Net cash used in investing activities		(40,848)	(34,171)
Free cash flow		(14,105)	75,191
Proceeds from short- and long-term borrowings		2,065	0
Repayment of short- and long-term borrowings		(82)	(37)
Dividends paid		(89,057)	(83,097)
Purchase of treasury shares	6	(3,775)	(4,113)
Sale of treasury shares		1,475	1,457
Net cash used in financing activities		(89,374)	(85,790)
Net increase / (decrease) in cash and cash equivalents		(103,479)	(10,600)
Cash and cash equivalents at the beginning of the period		388,777	392,260
Effect of exchange rate changes on cash and cash equivalents		9,328	(1,727)
Cash and cash equivalents at the end of the period		294,625	379,934

Selected explanatory notes to the condensed consolidated interim financial statements

1. General information

Panalpina World Transport (Holding) Ltd. (referred to hereafter as the Company) and its subsidiaries (collectively the "Group" and individually "Group Companies") is one of the world's leading providers of supply chain solutions. The company combines its core products of Air Freight, Ocean Freight and Logistics to deliver globally integrated tailor-made end-to-end solutions. Drawing on in-depth industry knowledge and customized IT systems, Panalpina manages the needs of its customers' supply chains, no matter how demanding they might be.

Panalpina World Transport (Holding) Ltd. is a limited company incorporated and domiciled in Basel. The registered address is Viaduktstrasse 42, 4002 Basel, Switzerland. The Company shares are publicly traded and listed on the SIX Swiss Exchange in Zurich.

2. Accounting policies

2.1 Basis of preparation

These financial statements are the unaudited condensed consolidated interim financial statements (hereafter "the Interim Financial Statements") of the Company for the nine months period ended September 30, 2017 (hereafter "the Interim Period"). These Interim Financial Statements should be read in conjunction with the IFRS Consolidated Financial Statements for the year ended December 31, 2016 (hereafter "the Annual Financial Statements"), as they provide an update of previously reported information. They were authorized for issuance in accordance with a resolution by the Group's Audit Committee on October 18, 2017.

2.2 Statement of compliance

The Interim Financial Statements have been prepared in accordance with the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group since the Annual Financial Statements.

2.3 Management judgments and estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect application of accounting policies and the reported amounts of assets, liabilities, income and expenses. It requires management to exercise its judgments and assumptions in the process of applying the Group's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Deviations from estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas in which assumptions and estimates are significant to the Interim Financial Statements, were the same as those applied in the Annual Financial Statements.

Income tax expenses are recognized based on management's best estimation of the weighted average annual income tax rate expected for the full financial year, applied to pre-tax income for the nine months period.

2.4 Seasonality

Historically, the Group's results have been subject to seasonal trends. The first fiscal quarter has traditionally been the weakest and the third and fourth fiscal quarters have generally been the strongest in volumes. This seasonality is based on many factors, including holiday seasons, consumer demand, climate and economic conditions

2.5 Significant accounting policies

The accounting policies applied in these Interim Financial Statements are the same as those applied in the Annual Financial Statements.

2.6 Pension obligations

The remeasurement gain in the first nine months of 2017 on the net defined benefit obligation (CHF 14.0 million) was recognised in other comprehensive income. It is mainly attributable to remeasurement gains on plan assets (CHF 13.1 million) and changes in discount rates (CHF 0.9 million).

2.7 Changes in presentation

In 2017 there was no change in presentation compared to the Annual Financial Statements except for the restructuring expenses, which have been disclosed as an additional line item in the consolidated income statement as from Q2 2016. Since no such expenses meeting the definition explained in the Annual Financial Statement Note 2.3 occurred in the current period under review, this line item is not shown separately in the consolidated income statement.

2.8 Changes in standards, interpretation and amendments

The Group has adopted (if applicable) the following new standards, new interpretations and amendments to existing standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2017:

- Amendments to IAS 7 – Disclosure Initiative (effective date January 1, 2017)
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses (effective date January 1, 2017)
- Annual improvements to IFRSs 2014-2016 Cycle (amendments to IFRS 12 Disclosure of Interests in Other Entities) (effective date January 1, 2017).

2.9 Future new and revised standards

The following new or revised standards, amendments to existing standards and interpretations which may be relevant to the group have been issued, but are not yet effective. They have not been applied early in these condensed consolidated interim financial statements.

New Standards or Interpretations:

- IFRS 15 – Revenue from Contracts with Customers (effective date January 1, 2018)
- Clarifications to IFRS 15 Revenue from Contracts with Customers (effective date January 1, 2018)
- IFRS 9 – Financial Instruments (effective date January 1, 2018)
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration (effective date January 1, 2018)
- IFRS 16 – Leases (effective date January 1, 2019)
- IFRIC 23 – Uncertainty over Income Tax Treatments (effective date January 1, 2019)

Revision and amendments of Standards and Interpretations:

- Annual improvements to IFRSs 2014-2016 Cycle – amendments to IFRS 1 and amendments IAS 28 (both effective date January 1, 2018)
- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions (effective date January 1, 2018)
- Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (effective date January 1, 2018)
- Amendments to IAS 40 – Transfers of investment property (effective date January 1, 2018).

The Group is currently analyzing in detail the changes to the accounting policies and the impact on the Group's overall results and financial position. Based on a preliminary assessment, only IFRS 16 will have a material impact on assets, liabilities, lease expenses, depreciation and interest expenses. IFRS 15 will mainly impact the group's disclosures in relation to contract balances and the timing of the revenue recognition in Ocean Freight import, which will however not be material for the Group. In respect to IFRS 9, the Group is still evaluating the impact on its financial statements in particular in regards to the calculation of the bad debt provisions (when implementing the expected credit loss methodology), however the Group does not foresee any material impact resulting from this change.

2.10 Foreign currency

The following foreign currency exchange rates mostly impacted the current financial statements:

	Statement of financial position ¹		Income statement and cash flow statement ²				Variance %	
	September 2017	December 2016	September 2017	September 2016		Statement of financial position ¹	Income statement and cash flow statement ²	
BRL	0.305	0.314	BRL	0.310	0.277	BRL	-3%	12%
CAD	0.779	0.758	CAD	0.752	0.741	CAD	3%	1%
CNY	0.146	0.147	CNY	0.145	0.149	CNY	-1%	-3%
EUR	1.144	1.071	EUR	1.093	1.093	EUR	7%	0%
GBP	1.303	1.255	GBP	1.254	1.366	GBP	4%	-8%
HKD	0.125	0.132	HKD	0.126	0.126	HKD	-5%	0%
USD	0.974	1.024	USD	0.984	0.979	USD	-5%	0%

¹ Period end rate

² Period end average rate (i.e. year to date rate)

3. Change in scope of consolidation

During the Interim Period under review, Panalpina acquired a majority stake (75 percent) in Carelog sub-group, a Danish freight forwarding and logistics company with a strong foothold in ocean freight and roots in the western part of Denmark. Carelog and Panalpina complement each other ideally in terms of geography, product strengths and customer mix. The merged company employs a total of 70 people (incl. the preexisting PA Denmark subsidiary) and organizes approximately 18,000 TEUs per year. In accordance with IFRS 3, the acquisition date was defined as May 2, 2017.

During the same period, there was no other material business combination or subsidiaries that were disposed of.

The Group's business can be divided into three divisions: Air Freight, Ocean Freight, Logistics.

Information by product for the first nine months ended September 30, 2017 and 2016:

2017 in thousand CHF	Air Freight	Ocean Freight	Logistics	Total group
External forwarding services	2,429,516	1,954,841	448,157	4,832,514
Customs, duties and taxes	(333,489)	(391,095)	(42,430)	(767,014)
Net forwarding revenue	2,096,027	1,563,746	405,727	4,065,500
Forwarding services from third parties	(1,640,003)	(1,240,379)	(160,353)	(3,040,736)
Gross profit	456,024	323,367	245,373	1,024,764
Personnel expenses	(274,957)	(235,219)	(140,913)	(651,090)
Other operating expenses	(97,764)	(82,652)	(89,397)	(269,813)
EBITDA	83,303	5,496	15,063	103,861
Depreciation and amortization	(13,872)	(11,017)	(6,917)	(31,806)
Operating result (EBIT)	69,430	(5,521)	8,146	72,055
Financial result				(152)
Finance income				3,164
Finance costs				(3,316)
Profit before income tax (EBT)				71,903
Income tax expenses				(23,512)
Profit				48,391

2016	Air Freight	Ocean Freight	Logistics	Total group
External forwarding services	2,259,521	1,955,311	482,796	4,697,628
Customs, duties and taxes	(356,306)	(433,889)	(43,911)	(834,106)
Net forwarding revenue	1,903,214	1,521,422	438,885	3,863,522
Forwarding services from third parties	(1,449,857)	(1,176,387)	(145,582)	(2,771,827)
Gross profit	453,358	345,035	293,302	1,091,695
Personnel expenses	(260,050)	(229,813)	(169,359)	(659,222)
Other operating expenses	(104,831)	(86,810)	(110,163)	(301,805)
EBITDA adjusted	88,477	28,411	13,780	130,668
Depreciation and amortization	(15,836)	(12,431)	(8,768)	(37,035)
Operating result (Segment EBIT) adjusted	72,641	15,980	5,012	93,633
Restructuring expenses	(12,650)	(9,650)	(3,800)	(26,100)
Operating result (EBIT)	59,991	6,330	1,212	67,533
Financial result				(573)
Finance income				1,681
Finance costs				(2,254)
Profit before income tax (EBT)				66,960
Income tax expenses				(20,500)
Profit				46,460

Information by product for the periods July-September 2017 and 2016:

2017 in thousand CHF	Air Freight	Ocean Freight	Logistics	Total group
External forwarding services	854,936	686,521	151,679	1,693,135
Customs, duties and taxes	(116,036)	(131,457)	(12,233)	(259,725)
Net forwarding revenue	738,900	555,064	139,446	1,433,411
Forwarding services from third parties	(577,508)	(446,295)	(57,961)	(1,081,765)
Gross profit	161,392	108,769	81,485	351,646
Personnel expenses	(92,803)	(78,836)	(46,922)	(218,562)
Other operating expenses	(33,674)	(29,046)	(29,775)	(92,494)
EBITDA	34,915	888	4,788	40,590
Depreciation and amortization	(4,584)	(3,837)	(2,076)	(10,496)
Operating result (EBIT)	30,331	(2,949)	2,712	30,093
Financial result				(404)
Finance income				940
Finance costs				(1,344)
Profit before income tax (EBT)				29,689
Income tax expenses				(11,228)
Profit				18,461
2016	Air Freight	Ocean Freight	Logistics	Total group
External forwarding services	763,720	643,371	153,125	1,560,216
Customs, duties and taxes	(129,581)	(147,874)	(15,762)	(293,216)
Net forwarding revenue	634,140	495,496	137,363	1,267,000
Forwarding services from third parties	(485,288)	(383,389)	(42,916)	(911,594)
Gross profit	148,852	112,108	94,447	355,406
Personnel expenses	(84,668)	(75,481)	(52,798)	(212,947)
Other operating expenses	(31,789)	(27,438)	(37,832)	(97,059)
EBITDA adjusted	32,395	9,189	3,818	45,400
Depreciation and amortization	(5,491)	(4,132)	(2,921)	(12,544)
Operating result (Segment EBIT) adjusted	26,903	5,057	896	32,857
Restructuring expenses	0	0	0	0
Operating result (EBIT)	26,903	5,057	896	32,857
Financial result				(369)
Finance income				476
Finance costs				(845)
Profit before income tax (EBT)				32,488
Income tax expenses				(7,864)
Profit				24,624

5. Property, plant and equipment and intangible assets

During the Interim Period, the Group recognized additions in the amount of CHF 9.1 million (2016: CHF 9.1 million) as machinery and equipment. Furthermore additions in the amount of CHF 22.3 million (2016: CHF 9.7 million) have been recognized as buildings and buildings under construction. The Group also acquired vehicles in the amount of CHF 0.7 million (2016: CHF 1.4 million).

The following table shows the movements in the net book values of property, plant and equipment and intangible assets for the periods ended September 30, 2017 and 2016, respectively:

In thousand CHF	Property, plant and equipment 2017	Intangible assets 2017	Property, plant and equipment 2016	Intangible assets 2016
Net book value on January 1	63,524	97,947	78,466	98,820
Translation differences	359	197	(1,192)	(958)
Acquisitions of subsidiaries and other businesses	514	9,050	892	23,027
Additions	32,112	648	20,161	1,230
Disposals (net)	(584)	(5)	(5,660)	0
Depreciation and amortization	(15,648)	(16,158)	(18,715)	(18,320)
Net book value on September 30	80,277	91,680	73,952	103,798

Intangible assets as of September 30, 2017 include goodwill of CHF 59.2 million (2016: CHF 53.2 million), brands and customer lists of CHF 11.4 million (2016: 11.5 million) and software of CHF 21.0 million (2016: CHF 39.1 million). The acquired assets in 2017 relate to the acquisitions of Carelog and Air Connection (2016: Airflo).

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the country of operation. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash-flow projections based on financial budgets of a CGU approved by management covering a five-year period. Cash-flows beyond the five year period are extrapolated using estimated growth rates.

There were no impairment charges recorded on goodwill during the nine months periods ended September 30, 2017 and 2016, respectively. Management believes that the current key assumptions applied would not cause the carrying value of goodwill to exceed the recoverable amount. Except for the restructuring of certain energy solution operations and sites, no further impairment indicators were identified as per September 30, 2017. The estimated recoverable amounts of the assets/CGUs affected exceeded its carrying amounts. Consequently no impairment charges had to be recognised.

Intangible assets with a finite useful life are amortized over the period of their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with IAS 36 "Impairment of Assets". Intangible assets, stated at cost net of amortization and impairment charges, mainly include customer relations. There were no impairment charges recorded on intangible assets during the nine months periods ended September 30, 2017 and 2016 respectively.

6. Share capital and treasury shares

The share capital, the number of issued shares and the authorized capital have not changed during the Interim Period. As of September 30, 2017, the weighted average number of shares issued amounted to 23,733,979 (September 30, 2016: 23,734,915).

The amount available for dividend distribution is based on the available distributable retained earnings of Panalpina World Transport (Holding) Ltd. determined in accordance with the legal provisions of the Swiss Code of Obligations. The Board of Directors has proposed dividends for the fiscal year 2016 of CHF 3.75 gross per share. This proposal has been approved at the Annual Meeting of Shareholders on May 3, 2017 and subsequently paid on May 9, 2017.

	Outstanding number of shares	Value in TCHF
	Numbers	
Total number of shares issued as of January 1, 2017	23,750,000	2,375
Treasury shares outstanding as of January 1, 2016	(33,367)	(3,987)
Total number of shares outstanding as of January 1, 2017¹	23,716,633	
Movements in Treasury shares		
Purchased	(29,600)	(3,775)
Sold under employee share plan	12,541	1,652
Free shares from share plan	5,781	727
Bonus settled with own shares	30,155	3,595
Subtotal movement of treasury shares during the period	18,877	2,199
Total number of shares outstanding as of September 30, 2017¹	23,735,510	
Total number of treasury shares outstanding as of September 30, 2017	(14,490)	(1,789)

¹ i.e. shares entitled to voting rights and dividends

7. Provisions and other liabilities

7.1 Non-current and current provisions

2017 in thousand CHF	Claims	Restruc- turing	Other provisions	Total
Balance on January 1	(28,153)	(17,284)	(20,523)	(65,961)
Translation differences	189	854	267	1,310
Addition	(15,288)	(2,575)	(2,653)	(20,516)
Reversal of unused amounts	4,250	1,203	910	6,364
Charged in income statement	(11,038)	(1,371)	(1,743)	(14,152)
Charges to Property, Plant and Equipment	0	0	(322)	(322)
Utilization	8,003	9,061	4,885	21,949
Balance on September 30	(30,999)	(8,740)	(17,437)	(57,177)
thereof				
non-current	(17,730)	(6,087)	(13,863)	(37,680)
current	(13,269)	(2,653)	(3,574)	(19,497)

Provisions are recognized where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Management determined the provision based on past performance and its expectation of the funds needed for the future settlement of claims not yet reported. Restructuring provisions are recognized when the Group has a detailed formal plan that has either commenced implementation or been announced.

A restructuring plan initiated during Q2 2016 impacted the prior year income statement in the amount of CHF 26.1 million. This plan is related to the right-sizing of certain energy solution operations and sites (mainly in the U.S. and in some African countries from the oil and gas sector) due to lower volumes. The remaining balance as of September 30, 2017 relates mainly to this restructuring plan.

The claim provisions as of September 30, 2017 include a portion of certain claims brought forward against the Group by customers and forwarding agents (CHF 23.9 million). The non-current part of the provisions as of September 30, 2017, is expected to be utilized within the next two to five years.

7.2 Non-current and current other liabilities

The current part (CHF 66.3 million) contains vacation entitlement, personnel profit participation and respective social security costs and payroll taxes where applicable. The non-current part includes employee benefit obligations (CHF 44.4 million), such as for anniversary, termination and long-service benefits (mainly in USA, Switzerland, Austria and Germany). The timings of these cash outflows can be reasonably estimated based on past performance. Also included are redemption liabilities relating to put options for acquisitions of non-controlling interests in several of the Group's subsidiaries (CHF 13.7 million).

8. Financial risk management

The Group's financial risk management objectives, policies and government structure are consistent with those disclosed in note 17 to the Annual Financial Statements.

Fair value hierarchy

The table below analyzes recurring fair value measurement for financial assets and financial liabilities. These fair value measurements are categorized into different levels in the fair value hierarchy based on the input and techniques used. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

September 30, 2017 (in thousand CHF)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets ¹	0	0	523	523
Financial assets at fair value through profit or loss held for trading ¹	266	0	0	266
Derivative financial assets	0	1,230	0	1,230
Total	266	1,230	523	2,019
Derivative financial liabilities	0	(4,224)	0	(4,224)
Total	0	(4,224)	0	(4,224)

¹ reported as part of investments in the statement of financial position

December 31, 2016 (in thousand CHF)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets ¹	0	0	535	535
Financial assets at fair value through profit or loss held for trading ¹	340	0	0	340
Derivative financial assets	0	1,164	0	1,164
Total	0	0	0	2,040
Derivative financial liabilities	0	(4,227)	0	(4,227)
Total	0	0	0	(4,227)

¹ reported as part of investments in the statement of financial position

There were no significant transfers between Level 1 and Level 2 and vice versa during the Interim Period.

The Group holds an investment (acquisition value of CHF 523 thousand) since June 2015 with a fair value of CHF 535 thousand as of December 31, 2016. This investment was classified as available-for-sale level 3 as it is not traded on an active market and there are no comparative observable arm's length transactions.

Other financial instruments (such as e.g. short-term trade and other receivables, payables or accruals) are not disclosed as their carrying amounts are a reasonable approximation of fair values.

9. Major legal claims

The status of the proceedings disclosed under "pending legal claims" in the Annual Financial Statements (note 29.2) has remained unchanged with the exception of the listed potential claim against Pantainer Ltd which became time-barred.

10. Contingent liabilities and other commitments

There have been no material changes in contingent liabilities and other commitments since the last annual balance sheet date.

11. Events after the balance sheet date

Since the balance sheet date no further events have become known of for which a disclosure is required.