

MEDIA RELEASE

Basel, November 5, 2015

Panalpina to acquire Airflo, a specialized freight forwarder for flowers and vegetables, from Dutch Flower Group

International freight forwarding and logistics company Panalpina is to acquire a majority stake in Airflo, a company based in Kenya and the Netherlands specialized in the export handling of flowers and vegetables. Airflo is part of Dutch Flower Group (DFG), the world's largest flower and plant trader. The acquisition reflects Panalpina's continued expansion in Africa and its increasing focus on the perishables business.



Panalpina World Transport Ltd. will acquire a majority stake in Airflo from DFG, subject to conditions. The two companies reached a respective agreement on November 4, 2015.

Airflo is Kenya's second largest air freight forwarder, specializing in the world-wide export of fresh cut flowers, plant cuttings and vegetables, with a focus to the Netherlands and the UK. The company employs a total of 167 staff in Nairobi and Aalsmeer. It organizes up to 1,500 temperature-controlled shipments per week from Kenya, totalling more than 40,000 tons of fresh cut flowers, especially roses, each year.

"The acquisition of Airflo further expands our presence in Africa and makes us an important player in the Kenyan flower market," says Peter Ulber, Panalpina's CEO. Kenya, where Panalpina set up its own operations at the beginning of the year, is one of the world's key export markets for food and floral products. Fresh cut flowers accounted for more than 60% of Kenya's total air freight exports in 2014.

Dutch Flower Group consists of 30 companies, which generated total revenues of € 1.3 billion in 2014. Airflo is the group's only company involved in the transport and logistics of perishables. "Our core business is the global trade of fresh cut flowers and plants. We have therefore decided to divest a majority share in Airflo," explains Marco van Zijverden, CEO of DFG. "However, managing the cool chain for fresh cut flowers is a crucial component of our success. By going together with a strong global player such as Panalpina, we can ensure that all customers – growers, importers and retailers – will continue to receive the quality service that they are used to. We will further strengthen the supply chain and benefit from Panalpina's global expertise."

Airflo's services in Kenya include quality control after products have been delivered to its Nairobi warehouse by growers, palletizing and delivery of the secured goods ready-for-transport to the ground handling agent at Jomo Kenyatta International Airport. This all happens in a temperature-controlled environment, including the use of a vacuum cooler to cool fresh cut flowers down to 4 °C in a matter of minutes. Airflo coordinates its shipments with the airlines, takes care of customs clearance at Amsterdam Airport Schiphol and onward distribution.

"We are excited about this acquisition," adds Colin Wells, global head specialty vertical perishables at Panalpina. "Kenya's flower business is literally flourishing, with expected annual export growth rates of around 5%. While it is seasonal, it is also characterized by substantial air freight volumes on routes from South to North, counterbalancing the flow of dry cargo, which is typically flown the other way."

DFG and Panalpina have agreed not to disclose any financial details of the deal. The acquisition is subject to approvals by the Kenyan and Dutch authorities.

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About Dutch Flower Group

Dutch Flower Group is a global family of companies. Together, they are a leading player in the import, export, trade and marketing of cut flowers, bouquets, plants and decorative greens. With 2,200 employees, Dutch Flower Group achieves a turnover of € 1.3 billion in 60 countries worldwide in 2014.

www.dfg.nl

About Panalpina

The Panalpina Group 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 know-how and customized IT systems, Panalpina manages the needs of its customers' supply chains, no matter how demanding they might be. Energy Solutions is a specialized service for the energy and capital projects sector. The Panalpina Group operates a global network with some 500 offices in more than 70 countries, and it works with partner companies in a further 90 countries. Panalpina employs over 15,000 people worldwide who deliver a comprehensive service to the highest quality standards – wherever and whenever.

www.panalpina.com

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