

Logwin AG with stable operating development – Impairment of goodwill

- **Sales: 1,572.7 million euros (+2.9 %); earnings before one-off effects slightly below last year**
- **Impairment of goodwill: -98.0 million euros**
- **Very pleasing operating cash flow: 19.0 million euros**

Grevenmacher (Luxembourg) – Logwin AG increased sales in the first nine months of the year by 2.9 % to 1,572.7 million euros (2007: 1,527.9 million euros). Organic growth reached 5.7 %.

Earnings before interest and tax (EBIT) and before restructuring costs and impairments amounted to 25.0 million euros. This figure includes the costs of around 3.0 million euros for the implementation of the Logwin brand across the group. After adjustments for one-off effects, the operating profit was slightly lower than the previous year's figure of 30.2 million euros. The EBIT margin was 1.6 %. In addition to the planned expenses for the introduction of the new corporate brand, the slight fall in earnings for the first nine months was primarily due to the decline in business as a result of the economic situation and significant cost increases in the network activities.

The Logwin Group's operating cash flow developed positively and reached 19.0 million euros at the end of the reporting period (2007: 11.8 million euros). A markedly lower volume of funds was tied up in working capital compared to the same period of the previous year. Liquidity increased to 70.6 million euros as at September 30, 2008 (31.12.2007: 65.6 million euros).

The worldwide slowdown of the business cycle as well as the impact from the financial crisis caused the Logwin AG to adjust its mid-term planning to the current development and expectations. The Goodwill-Impairment-Test performed against this background led to an impairment of -98.0 million euros. The EBIT which is burdened by this effect amounts to -73.0 million euros (2007: 22.3 million euros).

"The weakening economic situation and the crisis in the global financial markets are having a direct effect on us as a logistics business. It is therefore our duty and responsibility to examine our medium-term plans in the light of these significantly changed overall conditions and to adapt them to current developments and estimates," says Berndt-Michael Winter, Chairman of the Executive Committee (CEO) of Logwin AG.

Solutions

In the first nine months of 2008 the business segment Solutions achieved sales of 550.6 million euros, down 3.7 % on sales in the previous year of 571.8 million euros. In individual projects the business units Industrial Goods and Consumer Goods suffered from a dramatic fall in sales in business with established customers as a result of the economic situation. This could not be fully compensated by the acquisition of new customers and the planned expansion of activities for existing customers. Moreover, the business unit Fashion is experiencing declining sales due to one-off effects and against the background of weak growth in fashion retail in Germany. This weakness results in an under-utilisation of the special network and curbs the business unit's sales growth significantly. Earnings for the business segment Solutions in the reporting period amounted to 11.6 million euros, following 21.1 million euros in the same period last year. The operating margin was 2.1 % (2007: 3.7 %). The period for the previous year includes profit contributions from terminated customer projects as well as the proceeds from a disposal.

Air + Ocean

The business segment Air + Ocean increased sales in the first nine months by 8.3 % from 384.0 million euros in the previous year to 415.7 million euros. While the development in the core European market continued to be in line with expectations, the reporting period saw a noticeable cooling off in the previously extremely positive growth dynamic in the Asian business units in particular. Earnings in the business segment climbed from 14.1 million euros in the previous year to 16.5 million euros in a weakening market environment. This corresponds to a particularly pleasing growth of 16.9 %. Increased earnings were the result of further growth generated in the reporting period, in particular in the business unit Europe Middle East, and the continued improvement of internal processes. The operating margin was 4.0 % (2007: 3.7 %).

Road + Rail

Sales in the business segment Road + Rail rose by 7.0 % to 651.5 million euros in the reporting period (2007: 608.7 million euros). Growth signals continued to come from Eastern Europe as a result of the expansion of the location network. Sales growth from the business units Western Europe and Central Europe was the result of the planned expansion of business with existing customers and implemented price increases. These measures were able to compensate for the clearly noticeable declines in volume in the third quarter of 2008 caused by the economic situation. The business segment Road + Rail achieved divisional earnings of 1.6 million euros after 0.1 million euros in the previous year. The positive trend in earnings reflects the first successful steps in its restructuring measures.

Outlook

Regarding orders and current trading conditions, the situation for Logwin has deteriorated significantly over the last few weeks and months due to the economic situation. Based on customer indications, a considerable slowdown can be expected for the coming years. In addition to this, the global financial crisis and its effects on day-to-day economic activity make it a lot more difficult to plan on a solid basis and to make a reliable forecast for the current business year. Against this background, the Logwin Group expects an increase in group sales for the 2008 business year that will, however, continue to weaken compared with the year to date. The operating earnings of the business segments for the current year will therefore still be subject to considerable uncertainty in the fourth quarter.

About Logwin AG

As an external partner, Logwin AG, based in Grevenmacher (Luxembourg), develops a comprehensive range of logistics and service solutions for trade and industry. In 2007, the group generated sales of 2.0 billion euros and currently employs approximately 8,700 staff in 44 countries. Logwin operates in main markets worldwide and has over 400 locations across all continents. With its three business segments Solutions (customer-oriented contract logistics), Air + Ocean (global air and ocean freight forwarding activities) and Road + Rail (land and special transportation activities in Central, Western and Eastern Europe) Logwin AG is one of the market leaders.

Logwin AG is listed on the Prime Standard of the Deutsche Börse. The majority shareholder is DELTON AG, Bad Homburg (Germany).

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Key Figures January 1 – September 30, 2008

<i>in thousand €</i>		9 Months			3rd Quarter		
Group	2008	2007	Δ in %	2008	2007	Δ in %	
Sales	1,572,653	1,527,892	2.9	532,967	526,992	1.1	
Gross Profit	118,843	118,165	0.6	40,548	39,489	2.7	
<i>Margin</i>	7.6 %	7.7 %		7.6 %	7.5 %		
Earnings before Interest and Taxes (EBIT) before Restructuring Costs and Impairments	25,005	30,154	-17.1	9,566	12,180	-21.5	
<i>Margin</i>	1.6 %	2.0 %		1.8 %	2.3 %		
Earnings before Interest and Taxes (EBIT)	-72,995	22,291	-	-88,434	5,876	-	
<i>Margin</i>	-	1.5 %		-	1.1 %		
Net Result	-90,306	1,464		-94,207	-3,278		
<i>Attributable to Shareholders of Logwin AG</i>	-90,760	752		-94,291	-3,405		
Earnings per Share (in €)	-0.81	0.01		-0.85	-0.03		
Operating Cash Flow	19,026	11,754		23,833	21,480		
Net Cash Flow	13,480	-6,679		20,741	16,138		

<i>in thousand €</i>		9 Months			3rd Quarter		
Business Segments	2008	2007	Δ in %	2008	2007	Δ in %	
Solutions							
Sales	550,564	571,832	-3.7	184,161	198,968	-7.4	
Segment Result before Restructuring Costs and Impairments	11,561	21,116	-45.2	4,585	6,848	-32.8	
<i>Margin</i>	2.1 %	3.7 %		2.5 %	3.4 %		
Air + Ocean							
Sales	415,694	384,002	8.3	146,712	145,201	1.0	
Segment Result before Restructuring Costs and Impairments	16,484	14,102	16.9	6,193	5,736	8.0	
<i>Margin</i>	4.0 %	3.7 %		4.2 %	4.0 %		
Road + Rail							
Sales	651,460	608,712	7.0	219,202	190,258	15.2	
Segment Result before Restructuring Costs and Impairments	1,620	57	-	509	663	-23.2	
<i>Margin</i>	0.2 %	0.0 %		0.2 %	0.3 %		

<i>in thousand €</i>	Sept. 30, 2008	Dec. 31, 2007	Δ in %	Sept. 30, 2008	June 30, 2008	Δ in %
Equity Ratio	26.7 %	34.8 %		26.7 %	34.9 %	
Net Financial Debt	134,143	142,786	-6.1	134,143	151,185	-11.3
Number of Employees	8,718	8,483	2.8	8,718	8,580	-1.6