

Economic crisis puts strain on Logwin's development in 2009 – Logwin Group focuses on Solutions and Air + Ocean

- **Abandonment of the business segment Road + Rail as a result of strategic realignment**
- **Continuing business operations: sales 1,113.0 million euros; EBIT 9.7 million euros**

Grevenmacher (Luxembourg) – The Logwin Group has adapted its business model to match the long-term challenges of the logistics market and has significantly reduced its land transportation activities. Following the successful integration of its German *General Cargo* activities into Solutions and the sale of nearly all other Road + Rail activities, the business segment Road + Rail is being abandoned and is therefore reported in the group's consolidated financial statement for 2009 as discontinued business operations.

Berndt-Michael Winter, Chairman of the Executive Committee (CEO) of Logwin AG comments, "We are focusing on the multifaceted development opportunities in our business segments Solutions and Air + Ocean. However, we still remain an integrated logistics service provider with comprehensive logistics and transport solutions expertise. We will be offering access to general cargo networks via our strong partners and through cooperation. This focus makes us leaner, more efficient and thus fit for the future."

Business development 2009 – continuing business operations

In the fiscal year 2009 the Logwin Group generated sales in its continuing business operations of 1,113.0 million euros (2008: 1,407.6 million euros). Cuts in production, particularly in the automotive industry, drastic falls in trading volumes and very low freight rates resulted in a decline in sales of 20.9 %. In difficult economic conditions the group achieved an operating income (EBIT) of 9.7 million euros (2008: 28.8 million euros). In the reporting period an impairment on assets of 1.4 million euros was made.

The economic downturn had a severe impact on business development at **Solutions**. Sales amounting to 690.4 million euros were 20.2 % below those of the previous year (2008: 865.7 million euros). Operating result (EBIT), at 1.0 million euros, was significantly below the previous year's result (2008: 12.3 million euros) due to a fall-off in demand and volumes caused by the economic situation and the current price pressures in the logistics industry.

The business segment **Air + Ocean** generated sales of 423.9 million euros in the fiscal year 2009 (2008: 553.3 million euros). Market-related lower customer demand, the resultant weak volume growth and the sharp decline in freight rates were the main causes of the 23.4 % decrease in sales. Operating result (EBIT) amounted to 14.2 million euros (2008: 23.5 million euros). In a difficult market environment, the EBIT margin maintained a pleasing level of 3.3 %.

Business development 2009 – discontinued business operations

The business segment **Road + Rail** generated sales of 514.6 million euros (2008: 687.2 million euros). This represents a decrease of 25.1 %. Operating result (EBIT) fell to -16.1 million euros (2008: -5.5 million euros). As a result of the divestments and closures, which have already been completed to a large extent, there were one-time expenses as well as accounting profits and losses totaling -36.6 million euros. In view of the planned reduction of land transportation activities, a full goodwill impairment loss was already made on the business segment Road + Rail amounting to -27.3 million euros.

Cash flow and current assets

The net cash flow for the overall group (including discontinued business operations) was 7.7 million euros (2008: 12.3 million euros). Cash and cash equivalents increased to 64.6 million euros (2008: 63.2 million euros).

The new Logwin Group

With its realignment of the group, Logwin has made a far-reaching response to the economic crisis and its consequences for the logistics industry. In the business segment Solutions, special focus will in future be placed on the product and market combinations of Fashion, Media, Retail and industrial sectors such as automotive and engineering. “We already have an excellent market position with our Fashion network and the time-critical distribution systems at Media. We will be expanding these activities to form a flexible retail network for store logistics and at the same time continuing to develop our warehousing activities”, says Berndt-Michael Winter.

Logwin will continue the targeted expansion of its worldwide network of locations in the business segment Air + Ocean and further intensify customer relationships via its key account management in order to be able to maintain attractive margins in the face of rising freight rates. “We are already well placed with our Air + Ocean activities”, according to Winter.

In addition to the profound reorganization, operational measures have been taken throughout the group in order to combat the crisis. In addition to cutting the costs of material and investment, personnel-related measures have been taken in the operating units as well as in administration and, ultimately, staff cuts have been made.

Outlook

It is assumed that there will be a steady development in sales for the continuing business segments starting from the comparatively low level of the reporting year. The new strategic direction and the cost-saving measures initiated will have a positive effect on earnings.

About Logwin AG

As an external partner, Logwin AG, Grevenmacher (Luxembourg), develops a comprehensive range of logistics and service solutions for trade and industry. In 2009, the group generated sales of 1.1 billion euros and currently employs approximately 5,500 staff. Logwin operates in all main markets worldwide and has locations across all continents. With its two business segments Solutions (customer-focused contract logistics solutions) and Air + Ocean (global air and sea freight activities), Logwin AG is one of the leaders in the market.

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

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Key Figures January 1 – December 31, 2009

Group	12 Months			4th Quarter		
	2009	2008	Δ in %	2009	2008	Δ in %
Sales	1,112,968	1,407,611	-20.9	286,904	330,741	-13.3
Gross Profit	92,265	127,627	-27.7	18,840	29,018	-35.1
Margin	8.3 %	9.1 %		6.6 %	8.8 %	
Operating Income (EBIT)	9,672	28,806	-66.4	-554	2,035	-
Margin	0.9 %	2.0 %		-	0.6 %	
Special Items	-1,387	-62,500		-1,387	-	
Earnings of Discontinued Business Operations	-77,097	-44,078		-30,664	-3,168	
Net Result	-82,520	-100,894		-34,898	-10,588	
Attributable to Shareholders of Logwin AG	-82,477	-101,441		-34,957	-10,682	
Earnings per Share (in €)	-0.74	-0.91		-0.31	-0.09	
Operating Cash Flow	9,208	15,159		3,707	-3,867	
Net Cash Flow	7,698	12,278		6,987	-1,202	

Business Segments	12 Months			4th Quarter		
	2009	2008	Δ in %	2009	2008	Δ in %
Solutions						
Sales	690,434	865,662	-20.2	170,009	194,843	-12.7
Operating Result (EBIT)	990	12,334	-92.0	-2,238	-2,690	16.8
Margin	0.1 %	1.4 %		-	-	
Air + Ocean						
Sales	423,923	553,312	-23.4	117,347	137,618	-14.7
Operating Result (EBIT)	14,176	23,454	-39.6	3,026	6,795	-55.5
Margin	3.3 %	4.2 %		2.6 %	4.9 %	
Discontinued Business Operations						
Road + Rail						
Sales	514,581	687,174	-25.1	131,078	154,254	-15.0
Operating Result (EBIT)	-16,075	-5,529	-	-6,179	-3,763	-64.2
Margin	-	-		-	-	

	Dec. 31, 2009	Dec. 31, 2008	Δ in %	Dec. 31, 2009	Sep. 30, 2009	Δ in %
Equity Ratio	21.0 %	28.4 %		21.0 %	24.2 %	
Net Financial Debt*	98,179	102,613	-4.3	98,179	97,644	0.5
Number of Employees*	5,510	5,377	2.5	5,510	5,601	-1.6

* Continuing Business Operations