

**Publication of Quarterly Financial Report 2008  
Statement Dr. Antonius Wagner, Deputy Chairman Board of Directors (CFO)****Conference Call on May 7, 2008**

*- The spoken word is final -*

Ladies and Gentlemen,

For Logwin AG, the beginning of the year was in line with our expectations. Taking into consideration special items, first quarter earnings before interest and taxes are on the same level as in the rather strong first quarter of previous year. Building up on a continued positive sales development, we are confident to reach our targets for 2008.

**Key Financials**

Group sales have risen for around three percent to 523 million euros. Adjusted for foreign exchange effects and acquisitions, organic growth amounted to more than 6 percent. Gross profit of 7.8 percent is slightly down on last year's figure. This underlines that the reduction of price and margin pressures in the current market and competitive environment requires some endurance. The EBIT of 10.8 million euros contains for the first time expenses for the group rebranding of -0.5 million euros. Last year, EBIT has been increased by a divestment of 1.0 million euros.

The operating cash flow of -11.4 million euros reflects an increased seasonality in comparison to last year. Net cash flow is at -13.8 million euros. This reflects among other things a lower investing activity in the first three months of 2008.

**Segment reporting**

Segment reporting shows that the pleasing growth of the Air + Ocean business continued in the first quarter of 2008. Segment Sales grow by more than 17 percent to nearly 140 million euros. The reason for this is again a strong increase in volumes that is affected only slightly by decreasing freight rates. Earnings increase by more than 40 percent.

It is not unintentional that sales growth in the Business Segment Road + Rail slowed down. In its business with existing customers, the segment adequately benefits from the overall growth in the transportation market. As far as the segment result is concerned, we are well on track towards a step-by-step improvement.

The sales drop in Solutions mainly results from the termination of major customer projects. When looking at the reduced operating margin of 4 percent, please bear in mind the sales-related effects on earnings as well as the positive one-time effects in the previous year.

## Solutions

In the following, I would like to go into some further detail as the individual segments are concerned. The major part of the sales drop in Consumer Goods is explained by the declining furniture logistics business in Germany. After the insolvency of our main customer Schieder in the second quarter of last year, we did not succeed in winning sufficiently new business, so far. Against this background, we intensified our sales efforts in Germany and Poland. In addition, we initiated further integration steps leading to a shared utilisation of capacities.

In the business unit Fashion, an extensive cooperation with a textile manufacturer started at the beginning of the year. The decline in sales of around 3 million euros is mainly due to the fact that our customers changed fashion collections some weeks later than usual. Insofar, the early Easter this year hit us in a very sales intensive period. We expect a corresponding “catch-up-effect” in the months to come.

Due to the overall market development, sales in Media were also down for -1.6 million euros. As repeatedly mentioned, we react to the stagnant market tendencies with a focused diversification of services. Good examples for this are the expansion of the attachment distribution and the ongoing internationalisation.

Sales growth in Industrial Goods could not compensate for the sales losses in the other business units. The key impetus came from the strong business with both new and existing customers. Here, I would like to mention especially the sales growth at the Heppenheim location. At Heppenheim, we had one-time higher operating expenses from a project that was launched last year. However, we believe that due to the measures initiated, the sustained profitability of the site has been ensured.

## Air + Ocean

In the business segment Air + Ocean the strongest growth driver still is the growth of European imports from Asia. Sales growth in the business unit Europe - Middle East was very strong in Germany, Poland and Austria. Here, it is pleasing that we were able to win again the sea freight tender of a retail chain in Germany - this was achieved not by aggressive pricing but due to the continuously high quality of services provided to the customer.

A significant contribution to growth also came from the business units Far East and South East Asia. Numerous new customers in the consumer and industrial goods branch were acquired in China, Thailand, Hong Kong, Vietnam and Australia. In China, we strengthened our sales organisation in order to profit from the economic dynamics in this region. Australia, Malaysia and Singapore also developed very positively during the first quarter of 2008. In contrast, we saw a slight slowdown in Hong Kong and Korea.

Despite some negative foreign exchange effects, the business unit Africa developed stable, as well.

## Road + Rail

Sales growth in Western and Eastern Europe is mainly the result of pleasing and targeted increases in profitable business with existing customers. In Central as well as in Western Europe, measures to push the profitability of individual sites are proceeding at full speed. So far, I would like to characterise the progress of these efforts as a “mixed” picture. While some sites show significant progress also from an earning point of view, restructuring efforts at other sites prove to be quite challenging. Our enduring efforts towards the targeted earnings improvement will be continued systematically.

In the business unit Western Europe, the focused termination of activities led to first positive results. Price increases that we agreed upon with our customers will continue to become positively noticeable step by step during this year.

In Eastern Europe, the Logwin group was able to benefit from opportunities in the Russian and Polish logistics markets. Here, full and less-than-container loads as well as logistics services experienced potentially high growth rates. In Poland, exchange rate effects somewhat dampened this development on the earnings side.

### **Profit and loss statement**

The detailed profit and loss statement reveals that in contrast to previous periods, purchased services – which mainly consist of transport services by third parties – increased roughly in line with net sales. Here, you see the effect from price increases that we agreed upon with our customers in the context of generally higher freight rates. Despite that, the gross margin of 7.8 percent is slightly lower than in the previous year, as we faced somewhat higher personnel and other expenses resulting from an increase in orders.

When considering the one-time earnings of 1.0 million euros from the divestment of the Salzburg rail activities, you see that the bundling of administrative functions and other completed restructuring efforts essentially contribute to the stability of operating expenses. It should be mentioned here that the increased exchange rate effects from our worldwide operations are accounted for in the operating expenses with an amount of 700 thousand euros.

Earnings before interest and taxes of 10.8 millions euros are below last year's figure. Adjusted for the already mentioned one-time earnings effect from the Salzburg location and first-time rebranding expenses of -0.5 million euros, EBIT is on the same level as last year and meets our expectations with regard to the course of the year.

Interest expense is stable at -4.3 million euros. The net result of the first quarter of 2008 is 3.7 million euros. For the Logwin AG shareholders, this translates into earnings per share of 0.03 euros (3 cents).

### **Balance Sheet**

The financial situation during the first quarter remained stable. The Equity ratio continues to be at around 35 percent. The corporate bond maturing in 2012 is a stabilising factor on the liabilities side, especially when bearing in mind the recent turbulences in the financial markets. Furthermore, it is pleasing that gross debt was unchanged at roughly 208 million euros. The strong sales growth in March led to a more intensive cash utilisation. As a result, net debt increased by 17 million euros at the balance sheet date.

### **Cash flow statement**

Also in line with overall expectations, the operating cash flow is negative at -1.4 million euros. Strong sales in March caused an increase in working capital of more than 20 million euros. In addition, the first quarter cash flow was charged with a 2.3 million euros tax payment for a previous year in Luxembourg.

On one hand, capital expenditure is 4 million euros less and reflects a temporarily more cautious investing policy. On the other hand, investments in 2007 contained cash-outs from the activities at the site in Feldkirch-Tosters. Divestments mainly refer to the sale of non-operating estates, i.e. in Ludwigshafen. Acquisitions essentially contain payments for the bolt-on acquisitions during previous periods. Insofar, we are in line with our expectations.

### **Outlook**

As far as the outlook for 2008 is concerned, I can say that the expectations we communicated at the annual press conference in March have not changed. On Group level, we expect continued growth. Especially in Air + Ocean, we are determined to expand the share in consolidated group sales.

The introduction of the Logwin brand will result in one-time expenses of up to 5 millions euros. Despite this one-time charge, we expect a significant rise in EBIT and net result as against last year. In the business segments Air + Ocean and Solutions, the main focus will be on the further improvement of operating margins from today's level. In Road + Rail, we target a positive operating result in 2008.

Financial stability will remain a key objective in 2008. In this context, working capital management will be of high importance given the general economic and financial market development. Investments will be aligned to the course of business and the group's financial headroom.

Thank you very much for your attention. My colleagues and I are now looking forward to answer your questions!