Publication of the Annual Report 2008
Speech of Dr. Antonius Wagner, Deputy Chairman of the Board of Directors (CFO)

Analyst Conference Call, 11 March 2009

- The spoken word is final -

Ladies and Gentlemen,

In the current economic environment, it seems important to me that I can report about a stable Logwin Group today. And this is true despite the strong headwinds we encounter at the moment.

Chart 2 – Key Figures

The group sales amounted to just above 2 billion euros and have been stable in the fiscal year 2008. The reduced sales volume in the fourth quarter has unfortunately neutralized the growth we had been able to maintain until then. The reasons for this were the clearly reduced customer volumes.

The gross profit of 150.6 million euros meets exactly the previous year's figure. The EBIT before impairments came in at 23.3 million euros. When comparing with the previous year, please keep in mind that the EBIT before impairments contains expenses of approximately 5 million euros for the rebranding.

The net result of minus 100 million euros reflects the impairment of goodwill of 98 million euros.

The operating cash flow for the year 2008 was 15.2 million euros. At year's end, we had a few unexpected impacts from customers apparently reacting to the current financial crisis by holding back due payments. However, the net cash flow could be stabilized at the previous year's level by a very active management of investing activities.

Chart 3 – Segment Reporting

When looking at the segments, I would like to commend the outstanding performance of our business segment Air + Ocean. Even in the fourth quarter the previous year's sales figure was achieved again and contributed to an annual growth of six percent. It is very positive that despite the harsh fall in sea freight rates the result could be increased significantly to more than 23 million euros. The positive development underlines once more that we are right in our group strategy to increase the sales contribution of air and ocean.

The business segments Road + Rail and Solutions were in contrast to Air + Ocean clearly hit by retracting volumes and decreasing sales in the fourth quarter. This development also impacted the results of both segments. The result in Solutions was additionally impaired by one-offs, such as a large write-down of accounts receivable.

Chart 4 – Solutions

In the business segment Solutions the retracting sales affected all business units. In Consumer Goods and Industrial Goods the expected expiry of some customer activities added to the lowered sales in the fourth quarter. The business unit Fashion sees itself confronted with a structural shift from garment-on-hangers to the transport of flat packed textiles with a slightly lower profitability. In the business unit Media, the continued diminishment of circulations for many print products had a further impact.

With the exception of Media, all business units have reported reduced earnings. As a contract logistics provider, we are here especially hit by the capacity adjustments and production standstills or shortened working hours of our costumers. Furthermore, our customers increasingly demand cost reductions for their logistics services. For example, necessary price increases due to elevated toll are in many cases only partially or not at all accepted by customers.

Chart 6 – Road + Rail

The review of the fiscal year 2008 draws a differentiated picture for the business segment Road + Rail. In the first nine months, under – so to speak – “normal” conditions, we were able to demonstrate progress in our efforts to improve profitability. And this was done despite the significant fuel price increase back then.

The „black zero“ in earnings we had worked for so hard in the first nine months was more than eaten up by the losses suffered in the fourth quarter. In the coming months, it will be our key objective to withstand the negative market trends. We will do this by implementing numerous cost-cutting measures, such as short-time labour in Germany.

Chart 7 – Income Statement

The stable gross profit in the p & l underlines above all one thing: In the year 2008, Logwin as a group was able to compensate on the operating level the range of adversities like increasing fuel prices, shortage in freight capacities in Road + Rail, decaying sea freight rates, and the crashing volumes in the fourth quarter.

The Cost of Sales and the SG&A contain rebranding expenses of approximately 5 million euros. The target range was thus fully met and I believe we have used it efficiently eying the success of the roll out.

Amid the deteriorating economic indicators we have already in the third quarter adjusted our medium-term business plan. The lowered earnings expectations have resulted in a 98 million euros impairment of goodwill from past acquisitions. In addition to that, deferred tax assets had to be written-off as a result of DELTON increasing its stake in Logwin. As a result of the impairment and the increased write-offs in deferred tax assets, Logwin Group records a net result of minus 100 million euros. Without these two effects, the net result would have been positive.

Chart 8 – Balance Sheet

The annual loss reduces the equity position for the group. However, the look at the balance sheet shows a stable financial position with an equity ratio of 28 percent.

Net debt has been reduced by around six percent to 135 million euros.

Chart 9 – Cash Flow

The Operating Cash Flow for the full year 2008 is at 15.2 million euros. This includes an increase in working capital, which among other things resulted from the mentioned reluctant payments of our customers at the end of the year. In order to maintain a Net Cash Flow on the previous year's level of 12 million euros, the reduction in the operating cash flow was compensated by an active management of the Investing Cash Flow. Cut and very focused investments were complemented by the sale of idle property and real estate.

Chart 10 – Current Trading and Outlook

The current economic situation and the completely unpredictable impacts from the financial crisis on the economic developments make it impossible for us to give an "Outlook on the economic performance".

What I can say is this: The group is in a stable financial position as of today, despite the weak sales we saw in January and February. Our short-term credit facilities have only been utilized to a low extent in recent days and weeks in order to cover short-term peaks. In the light of the current economic developments, Working Capital Management and especially the management of accounts receivable will continue to be monitored with an increasing focus on the protection from credit risk and in order to maintain our current cash position.

Thank you very much!