Logwin AG

Half-Year Financial Report 2014

Your Logistics.

LOGWIN

Key Figures 1 January – 30 June 2014

Earnings position *In thousand EUR*	**2014**	2013
Revenues		
Group	543,168	622,810
Change on 2013	*-12.8 %*	
Solutions	239,984	324,388
Change on 2013	*-26.0 %*	
Air + Ocean	302,651	298,066
Change on 2013	*1.5 %*	
Operating result before impairments (EBITA)		
Group	12,280	10,695
Margin	*2.3 %*	*1.7 %*
Solutions	2,318	1,179
Margin	*1.0 %*	*0.4 %*
Air + Ocean	14,030	12,235
Margin	*4.6 %*	*4.1 %*
Net result		
Group	7,833	320

Financial position *In thousand EUR*	**2014**	2013
Operating cash flows	-13,512	-4,987
Net cash flow	-13,893	4,803

Net asset position *In thousand EUR*	**30 Jun 2014**	31 Dec 2013
Equity ratio	28.3 %	26.3 %
Net liquidity *(in thousands of EUR)*	22,230	37,931

	30 Jun 2014	31 Dec 2013
Number of employees	4,276	4,514

The half-year financial report 2014 is published in English and German. The English version is a translation from the German original, which is authoritative.

Group Interim Management Report

Overall conditions

Global economy After indicators had shown a slight upswing at the start of the year, the global economy lost momentum at the end of the first quarter of 2014, primarily due to political uncertainty. The current situation is again exhibiting a more positive trend. Nonetheless, global economic growth remained moderate overall in the first half of the year. Economic growth faltered in particular by a strong decline in exchange rates in numerous emerging markets.

German economy and logistics industry At the end of the first half of 2014, the German economy showed first signs of a cooldown period following the robust economic growth in the spring months. The climate in the German logistics industry in the second quarter was more positive than in the prior quarter.

Competition and market The market for air and ocean freight demonstrated slight volume growth in the first six months of 2014. Although freight rates remained highly volatile, indicators for a stabilization were seen at the end of the first half of the year. Freight rates in the first two quarters of 2014 exceeded prior year level across the board. Contract logistics recorded a stable volume development overall.

Earnings position

Revenues At EUR 543.2m, the Logwin Group's revenues in the first six months of financial year 2014 were 12.8 % below prior year revenues of EUR 622.8m.

This planned decline in revenues is mainly due to the discontinuation or sale of various business activities in the Solutions business segment during the course of 2013. At EUR 240.0m, half-year revenues in the Solutions business segment in financial year 2014 therefore were considerably below the prior year figure of EUR 324.4m.

The Air + Ocean business segment generated revenues of EUR 302.7m in the first half of 2014, exceeding the prior year figure of EUR 298.1m by 1.5 %. The volume trend in the ocean freight was particularly positive compared with the prior year and exceeded market growth considerably. Volumes in air freight also exceeded the prior year figure and slightly outperformed the overall market trend. The increase in freight rates on the prior year also led to a rise in half-year revenues in this business segment. The weakening of several key currency exchange rates had an offsetting effect.

Gross profit and gross margin The Logwin Group's 7.6 % gross margin in the first half of 2014 was slightly above the prior year's margin of 7.3 %. The decline in consolidated revenues caused gross profit to fall from EUR 45.8m for the first six months of 2013 to EUR 41.4m in 2014.

Selling, general and administrative costs Selling, general and administrative costs decreased from EUR 35.6m in the first half of the prior year to EUR 30.3m in 2014. Alongside a decrease in selling, general and administrative costs due to the sale of business activities, the reported expenses include non-recurring expenses of the first six months. On the contrary, the allocation of certain expenses that had been previously reported in administrative costs was changed to cost of sales after the reorganization in the Solutions business segment since the beginning of the year.

Operating result (EBITA) At EUR 12.3m, the Logwin Group's operating result in the first half of 2014 was above the operating result before impairments of EUR 10.7m recorded in the comparative period.

EBITA in the Solutions business segment rose from EUR 1.2m in the first half of 2013 to EUR 2.3m in the current year. Positive one-off effects, including from the sale of business activities, and negative non-recurring expenses in connection with cost reductions and capacity adjustments offset each other. EBITA in the prior year was adversely affected by one-off effects of EUR -1.6m.

The Air + Ocean business segment increased its EBITA by 14.7 % in the first six months of 2014 to EUR 14.0m (prior year: EUR 12.2m). The regions Europe Middle East, Far East and Southeast Asia contributed almost equally to this encouraging increase.

The Logwin Group improved its EBITA margin from 1.7 % in the first half of 2013 to 2.3 % in the first half of 2014 as a result of enhanced profitability in the Air + Ocean business segment and the re-focussing on core activities in the Solutions business segment during the prior year. At 1.0 %, the EBITA margin of the Solutions business segment in the first six months of 2014 exceeded the 0.4 % margin in the prior year period, while the EBITA margin of the Air + Ocean business segment rose from 4.1 % to 4.6 %.

Impairments and EBIT As of 30 June of the prior year, goodwill impairment of EUR 4.0m was recorded in the Solutions business segment in connection with disposals of business activities. Consolidated EBIT after this impairment loss in the prior year thus came to EUR 6.7m compared with the consolidated EBIT of the reporting period of EUR 12.3m.

Financial result and income taxes The financial result improved considerably from EUR -3.2m in the first two quarters of 2013 to EUR -2.0m in 2014 as a result of an early loan repayment made in the prior year. Income tax expenses in the first six months decreased from EUR -3.2m in the prior year to EUR -2.4m in 2014. This is attributable to tax neutral income from disposals and strong contributions to earnings by foreign companies with a low tax burden.

Net result for the period The Logwin Group's net result for the first half of 2014 totaling EUR 7.8m exceeded the prior year figure of EUR 0.3m by EUR 7.5m. Adjusted for the EUR 4.0m impairment of goodwill in the Solutions business segment, the net result for the first six months of 2014 surpassed the prior year figure by EUR 3.5m.

Financial position

Operating cash flows The Logwin Group's cash flows from operating activities in the first half of 2014 came to EUR -13.5m (prior year: EUR -5.0m). The prior year figure contained net cash inflows of EUR 9.4m resulting from utilization of the factoring line, while cash outflows in the current period amounted to EUR -0.2m. Operating cash flows in the first six months of 2014 – adjusted for this effect – improved by EUR 1.1m in particular due to a increase in operating result on the prior year.

Investing cash flows Cash flows from investing activities in the reporting period came to EUR -0.4m and included cash inflows from the disposal of consolidated subsidiaries and other business operations as well as other non-current assets amounting to EUR 1.7m. Cash flows from investing activities in the prior year period amounted to EUR 9.8m and included cash of EUR 13.4m received in connection with the sale of business activities in the Solutions business segment.

Net cash flows The Logwin Group's net cash flows of EUR -13.9m in the first half of 2014 were thus below the prior year figure of EUR 4.8m.

Financing cash flows Cash outflows from financing activities decreased in particular due to the early repayment of a long-term loan in the prior year as well as lower cash outflows from current liabilities to EUR -4.4m in the first half of 2014 (prior year: EUR -7.8m). By contrast, cash flows from financing activities in the first half of 2014 include a payment of EUR -2.2m for the acquisition of outstanding shares in the local company of the Air + Ocean business segment in India.

Net asset position

Total assets The Logwin Group's total assets at the end of the reporting period came to EUR 341.0m (31 December 2013: EUR 345.4m), as non-current assets amounted to EUR 136.2m (31 December 2013: EUR 137.0m) and current assets came to EUR 204.9m (31 December 2013: EUR 208.4m). Trade accounts receivable contained in this figure, which stood at EUR 140.0m as of 30 June 2014, exceeded the prior year end figure of EUR 125.6m due in particular to seasonal factors.

Shareholders' equity As of 30 June 2014, the Logwin Group reported equity of EUR 96.4m compared with EUR 90.9m as of 31 December 2013. The equity ratio rose from 26.3 % on 31 December 2013 to 28.3 % at the end of the first half year.

Liabilities Non-current liabilities came to EUR 45.6m at the end of the first half of 2014 (31 December 2013: EUR 46.0m), while current liabilities stood at EUR 199.0m as of 30 June 2014 (31 December 2013: EUR 208.4m).

Assets held for sale and associated liabilities Assets disclosed as "held for sale" of EUR 3.1m as of 31 December 2013 and the associated liabilities of EUR 1.8m were deconsolidated as planned in the first quarter of 2014 as part of the sale of five eastern European subsidiaries agreed in December 2013.

Cash and net liquidity The Logwin Group's cash and cash equivalents amounted to EUR 41.1m (31 December 2013: EUR 58.6m). The cash position contributed to a very strong net liquidity figure of EUR 22.2m as of 30 June 2014, which is below the prior year end figure of EUR 37.9m due to seasonal effects.

Employees

As of 30 June 2014, the Logwin Group had 4,276 employees worldwide (31 December 2013: 4,514). Headcount fell by 238 mainly due to the sale of subsidiaries in the Solutions business segment taking effect in January 2014.

Other reporting

Members of the Board of Directors and the Executive Committee The previous Chairman of the Board of Directors and the Executive Committee Berndt-Michael Winter relinquished his position at Logwin AG with effect from the end of the Annual General Meeting on 9 April 2014. Since 9 April 2014, the Board of Directors has comprised Dr. Antonius Wagner (Chairman), Dr. Yves Prussen (Deputy Chairman), Sebastian Esser and Dr. Michael Kemmer. The Executive Committee comprises Dr. Antonius Wagner (Chairman), Thomas Eisen, Sebastian Esser, Hauke Müller and Tomas Sonntag.

Risks Compared with the disclosures in the 2013 annual financial report, the risk situation of the Logwin Group has not changed significantly in the first half of 2014. For information about existing and potential risks, please see the 2013 risk report as well as the disclosures in the notes to these consolidated interim financial statements.

Outlook

Economic forecast Logwin Group anticipates a continuation of the slight global economic recovery in the second half of 2014. Due to the temporary slowdown at the beginning of the year, current economic forecasts predict catch-up effects in the following months provided the special effects in the first half of the year cease to have a lasting impact and current escalations of geopolitical tensions do not have an exacerbating effect on global and regional trade. However, the uncertainties in capital markets in many emerging countries and political uncertainty are expected to continue curbing economic growth. A cautiously optimistic development is predicted for Germany.

Revenue expectations In the Solutions business segment, the Logwin Group will see a planned decrease in revenues due to the sales of business activities and closures of individual locations in 2013. For the Air + Ocean business segment, the Logwin-Group expects higher revenues following a rise in volumes due to consistent customer success and continued sales activities. However, the risk of a renewed decrease in freight rates and adverse exchange rate movements could lead to lower revenues.

Earnings expectations In light of the completed and ongoing cost reduction and optimization measures in the Solutions business segment and in holding functions as well as a rise in earnings in the Air + Ocean business segment, the Logwin Group expects an improvement in earnings in 2014 compared with the prior year.

Consolidated Interim Financial Statements

Income Statement

1 January - 30 June *In thousand EUR*	6 Months		2nd Quarter	
	2014	**2013**	**2014**	**2013**
Revenues	543,168	622,810	264,635	302,113
Cost of sales	-501,720	-577,036	-244,695	-281,793
Gross profit	**41,448**	**45,774**	**19,940**	**20,320**
Selling costs	-12,277	-13,009	-6,013	-6,560
General and administrative costs	-18,031	-22,591	-9,499	-11,298
Other operating income	2,889	5,149	836	3,445
Other operating expenses	-1,749	-4,628	-1,032	-3,229
Operating result before impairments (EBITA)	**12,280**	**10,695**	**4,232**	**2,678**
Goodwill impairment	-	-4,000	-	-4,000
Net result before interest and income taxes (EBIT)	**12,280**	**6,695**	**4,232**	**-1,322**
Finance income	125	213	71	108
Finance expenses	-2,162	-3,383	-937	-1,636
Net result before income taxes	**10,243**	**3,525**	**3,366**	**-2,850**
Income taxes	-2,410	-3,205	-957	-1,404
Net result	**7,833**	**320**	**2,409**	**-4,254**
Attributable to:				
Shareholders of Logwin AG	7,713	-20	2,380	-4,428
Non-controlling interests	120	340	29	174
Earnings per share - basic and diluted (in EUR):				
Net result attributable to the shareholders of Logwin AG	**0.05**	**0.00**	**0.02**	**-0.03**
Weighted average number of shares outstanding	146,257,596	146,257,596	146,257,596	146,257,596

Statement of Comprehensive Income

1 January - 30 June *In thousand EUR*	**2014**	**2013**
Net result	**7,833**	**320**
Unrealized gains/losses of securities, available-for-sale	32	-1
Unrealized gains of cash flow hedges (interest rate swaps)	74	332
Gains/losses on currency translation of foreign operations	682	-1,281
Reclassification of currency translation differences into profit or loss	-	247
Other comprehensive income that may be reclassified into profit or loss in future periods	**788**	**-703**
Other comprehensive income	**788**	**-703**
Total comprehensive income	**8,621**	**-383**
Attributable of:		
Shareholders of Logwin AG	8,501	-723
Non-controlling interests	120	340

The accompanying notes are an integral part of these consolidated interim financial statements.

Statement of Cash Flows

1 January - 30 June *In thousand EUR*	2014	2013
Net result before income taxes	10,243	3,525
Financial result	2,037	3,170
Net result before interest and income taxes	12,280	6,695
Reconciliation adjustments to operating cash flows:		
Depreciation and amortization	3,816	5,146
Result from disposal of non-current assets	-723	-649
Goodwill impairment	-	4,000
Other	-1,689	-2,388
Income taxes paid	-2,210	-2,715
Interest paid	-1,198	-1,758
Interest received	125	213
Changes in working capital, cash effective:		
Change in receivables	-16,322	-11,151
Change in payables	-7,225	-11,900
Change in inventories	-155	85
Net cash outflow/inflow from utilizing the factoring facility	-211	9,435
Operating cash flows	**-13,512**	**-4,987**
Capital expenditures	-2,078	-3,243
Proceeds from disposals of consolidated subsidiaries and other business operations, net of cash and cash equivalents	1,422	4,035
Proceeds from disposals of non-current assets	296	9,392
Payments for acquisitions of subsidiaries	-	-215
Other cash flows from investing activities	-21	-179
Investing cash flows	**-381**	**9,790**
Net cash flow	**-13,893**	**4,803**
Repayment of current loans and borrowings	-1,261	-5,291
Repayment of non-current loans and borrowings	-	-1,000
Payment of liabilities from leases	-822	-1,419
Payments for acquisitions of outstanding non-controlling interests	-2,150	-
Distribution to non-controlling interests	-203	-132
Other cash flows from financing activities	-	-7
Financing cash flows	**-4,436**	**-7,849**
Effects of exchange rate changes on cash and cash equivalents	333	-666
Changes in cash and cash equivalents	**-17,996**	**-3,712**
Cash and cash equivalents at the beginning of the year according to the balance sheet	58,646	53,931
Plus cash and cash equivalents which were part of a disposal group as of 31 December 2013	424	-
Cash and cash equivalents at the beginning of the year	59,070	53,931
Change	-17,996	-3,712
Cash and cash equivalents at the end of the period	**41,074**	**50,219**

The accompanying notes are an integral part of these consolidated interim financial statements.

Balance Sheet

Assets *In thousand EUR*	30 Jun 2014	31 Dec 2013
Goodwill	74,893	74,865
Other intangible assets	3,611	3,926
Property, plant and equipment	38,790	39,072
Investments	745	760
Deferred tax assets	16,881	16,886
Other non-current assets	1,254	1,452
Total non-current assets	**136,174**	**136,961**
Inventories	2,756	2,601
Trade accounts receivable	140,021	125,590
Income tax receivables	2,179	2,262
Other receivables and current assets	18,842	16,239
Cash and cash equivalents	41,074	58,646
Assets held for sale	-	3,104
Total current assets	**204,872**	**208,442**
Total assets	**341,046**	**345,403**

Liabilities and Shareholders' Equity *In thousand EUR*	30 Jun 2014	31 Dec 2013
Ordinary shares	131,202	131,202
Group reserves	-36,607	-42,608
Equity attributable to the shareholders of Logwin AG	**94,595**	**88,594**
Non-controlling interests	1,819	2,352
Shareholders' equity	**96,414**	**90,946**
Non-current liabilities from leases	13,918	14,432
Pension provisions and similar obligations	28,387	28,403
Other non-current provisions	2,761	2,507
Deferred tax liabilities	22	48
Other non-current liabilities	541	618
Total non-current liabilities	**45,629**	**46,008**
Trade accounts payable	140,400	142,594
Current liabilities from leases	1,430	1,561
Current loans and borrowings	3,496	4,722
Current provisions	11,251	11,994
Income tax liabilities	3,484	3,318
Other current liabilities	38,942	42,417
Liabilities associated with assets held for sale	-	1,843
Total current liabilities	**199,003**	**208,449**
Total liabilities and shareholders' equity	**341,046**	**345,403**

The accompanying notes are an integral part of these consolidated interim financial statements.

Statement of Changes in Equity

	Equity attributable to the shareholders of Logwin AG								
				Accumulated other comprehensive income					
In thousand EUR	Ordinary shares – voting, no-par value	Capital reserves	Retained earnings	Available-for-sale reserve	Cash flow hedge reserve	Currency translation reserve	**Total**	Non-controlling interests	**Total share-holders' equity**
1 January 2013	**131,202**	**92,321**	**-126,011**	**-73**	**-1,234**	**-653**	**95,552**	**2,602**	**98,154**
Net result			-20				-20	340	320
Other comprehensive income				-1	332	-1,034	-703		-703
Total comprehensive income			**-20**	**-1**	**332**	**-1,034**	**-723**	**340**	**-383**
Distributions							-	-132	-132
Acquistion of outstanding non-controlling interests			619				619	-634	-15
30 June 2013	**131,202**	**92,321**	**-125,412**	**-74**	**-902**	**-1,687**	**95,448**	**2,176**	**97,771**
1 January 2014	**131,202**	**59,843**	**-97,158**	**-58**	**-609**	**-4,626**	**88,594**	**2,352**	**90,946**
Net result			7,713				7,713	120	7,833
Other comprehensive income				32	74	682	788		788
Total comprehensive income			**7,713**	**32**	**74**	**682**	**8,501**	**120**	**8,621**
Distributions							-	-203	-203
Compensation of capital reserves and net losses		-2,712	2,712				-		-
Acquistion of outstanding non-controlling interests			-2,500				-2,500	-450	-2,950
30 June 2014	**131,202**	**57,131**	**-89,233**	**-26**	**-535**	**-3,944**	**94,595**	**1,819**	**96,414**

The accompanying notes are an integral part of these consolidated interim financial statements.

Notes to the Consolidated Interim Financial Statements as of 30 June 2014

1 Basis of accounting

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. In particular, the regulations of IAS 34 on interim financial reporting were applied.

The accounting policies as well as disclosures are based on the consolidated financial statements of Logwin AG as of 31 December 2013, except for those disclosed in note 4 „New accounting provisions“.

The consolidated interim financial statements have been approved by the Audit Committee of Logwin AG on 1 August 2014.

2 Reclassification of the comparative figures

The Logwin Group made a reclassification to the items shown in the income statement. Compared with the half-year financial statements as of 30 June 2013 published in the prior year, the cost of sales rose by EUR 5.3m and administrative costs fell by the same amount. This adjustment concerns sales-related costs allocated within the Group, which were previously stated according to the cost type from the perspective of the providing company. Beginning with these consolidated interim financial statements, these costs will be reported according to the cost type for the receiving company. This allows for better insight into the earnings position of the Logwin Group.

3 Consolidation scope

In addition to Logwin AG as the parent company, the fully consolidated subsidiaries include two domestic and 64 foreign companies as of 30 June 2014 (31 December 2013: two domestic and 67 foreign companies).

The consolidated entities including Logwin AG have developed as follows:

	31 Dec 2013	Additions	Disposals	30 Jun 2014
Luxembourg	3	–	–	3
Germany	21	1	–	22
Other countries	46	1	5	42
Total	**70**	**2**	**5**	**67**

The additions relate to two newly established entities in the first half of 2014. The disposals concern the sale of five European subsidiaries which had been allocated to the Solutions business segment.

4 New accounting provisions

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have published new accounting provisions in recent years. The table below contains the new standards and interpretations that had to be adopted for the first time for financial year 2014:

Standard/interpretation			Mandatory adoption (in the EU) for the annual period beginning on or after	En-dorse-ment
Revised standard	IAS 27	Separate Financial Statements	1 January 2014*	Yes
Revised standard	IAS 28	Investments in Associates and Joint Ventures	1 January 2014*	Yes
Amendment	IAS 32	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014	Yes
Amendment	IAS 36	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	Yes
Amendment	IAS 39	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	Yes
New standard	IFRS 10	Consolidated Financial Statements	1 January 2014*	Yes
New standard	IFRS 11	Joint Arrangements	1 January 2014*	Yes
New standard	IFRS 12	Discloures of Interests in Other Entities	1 January 2014*	Yes
Amendment	IFRS 10 IFRS 11 IFRS 12	Transition Guidance	1 January 2014*	Yes
Amendment	IFRS 10 IFRS 12 IAS 27	Investment Entities	1 January 2014	Yes
New interpretation	IFRIC 21	Levies	1 January 2014	Yes

* The effective date was changed for EU companies in comparison to the original standard.

IFRS 10 “Consolidated Financial Statements” is based on existing principles. IFRS 10 centers on the introduction of a uniform consolidation model for all entities based on the control of the subsidiary by the parent. The first-time adoption of IFRS 10 did not have any impact on the classification of investments currently held by the Group.

IFRS 11 “Joint Arrangements” replaces IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers.” IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. As the Logwin Group does not consolidate any existing interest on a proportionate basis in the current financial year, this change did not have any effect on these interim financial statements.

IFRS 12 “Disclosure of Interests in Other Entities” provides standard rules governing disclosure obligations for shares in subsidiaries (previously regulated in IAS 27), in jointly controlled entities and associates (previously IAS 31 and IAS 28) as well as non-consolidated structured entities. None of the disclosures required by the new standard are applicable to interim financial reporting, unless significant events or transactions may occur. Accordingly, the disclosures under IFRS 12 will be made in the notes to the consolidated financial statements as of 31 December 2014.

First-time adoption of the other provisions also did not have any significant effects on the consolidated interim financial statements of Logwin AG.

5 Segment reporting

The classification of segments is made according to the business segments of the Logwin Group. The segment structure reflects the current organizational and management structure of the Logwin Group. This means that reporting is in line with the requirements of IFRS 8.

Transactions between the segments are made at “arm’s length,” identical with transactions with third parties. The information on the business segments is reported after consolidation of intrasegment transactions. Transactions between the segments are eliminated in the column “Consolidation.”

The tables below set forth segment information of the business segments.

1 January - 30 June 2014 *In thousand EUR*	Solutions	Air + Ocean	Other	Consolidation	Group
External revenues	239,420	301,641	2,107	–	543,168
Intersegment revenues	564	1,010	1,342	-2,916	-
Revenues	**239,984**	**302,651**	**3,449**	**-2,916**	**543,168**
Net result before interest and income taxes (EBIT)	**2,318**	**14,030**	**-4,068**	**-**	**12,280**
Financial result					-2,037
Income taxes					-2,410
Net result					**7,833**

1 January - 30 June 2013 *In thousand EUR*	Solutions	Air + Ocean	Other	Consolidation	Group
External revenues	323,203	297,275	2,333	-	622,810
Intersegment revenues	1,185	791	1,794	-3,770	-
Revenues	**324,388**	**298,066**	**4,126**	**-3,770**	**622,810**
Operating result before impairments (EBITA)	**1,179**	**12,235**	**-2,719**	**-**	**10,695**
Goodwill impairment	-4,000	-	-	-	-4,000
Net result before interest and income taxes (EBIT)	**-2,821**	**12,235**	**-2,719**	**-**	**6,695**
Financial result					-3,170
Income taxes					-3,205
Net result					**320**

6 Assets held for sale and associated liabilities

As of 31 December 2013, assets held for sale and the associated liabilities comprised the assets and liabilities of five consolidated companies of the Solutions business segment for which a signed purchase and transfer agreement existed at the end of reporting period. These subsidiaries were sold in January 2014 effective as of 31 December 2013. The assets and liabilities disposed of included EUR 424k in cash and cash equivalents.

7 Additional information on financial instruments

The following table shows the fair values of derivative financial instruments and material non-current financial instruments whose fair value could be reliably determined as of 30 June 2014 and 31 December 2013:

	Fair Value	
In thousand EUR	30 Jun 2014	31 Dec 2013
Available-for-sale financial assets	579	565
Derivative financial instruments from currency hedges		
with positive market value	302	96
with negative market value	-757	-543
Derivative financial instruments from interest rate hedges (hedge accounting)	-536	-610
Non-current liabilities from leases*	-14,959	-17,736

* The carrying amounts are stated in the balance sheet on page 8.

Available-for-sale financial assets are reported as investments in the balance sheet. Derivative financial instruments from currency hedges are presented under other receivables and current assets or other current liabilities, while derivatives designated as hedging instruments (interest rate swaps) are reported as other non-current liabilities. We refer to the annual financial report 2013 for disclosure regarding the methods and assumptions used to determine the fair value of financial instruments.

Current loans and borrowings as well as cash and cash equivalents include EUR 2.5m (31 December 2013: EUR 4.0m) from payments made by customers that must be passed on directly to the factoring company.

8 Contingent liabilities and lawsuits

In the first six months there were no material changes in contingent liabilities in respect of bank and other guarantees, letters of comfort and other liabilities arising in the ordinary course of business. It can be assumed that no significant obligations will arise.

With regard to the ongoing antitrust proceedings against members of the so-called forwarding agents' conference (Speditionssammelkonferenz), which includes three companies belonging to the Logwin Group, the Austrian Supreme Court remanded the legal procedure to the Vienna Higher Regional Court as the court of first instance by resolution dated 2 December 2013 – delivered 14 January 2014 – following the preliminary ruling on legal questions relating to European law and indicated that the defendants will likely be convicted. The defendants were ordered by the Vienna Higher Regional Court to comment on the revenues in the assessment period within a specified period of time. A provision has been recognized in order to account for potential risks arising from this matter. For more information, please see the 2013 annual financial report.

The Independent Tax Tribunal (Finanzsenat) in Salzburg has suspended proceedings pending a decision by the Austrian Supreme Administrative Court in a similar case relating to a claim for backpayment of import VAT for customs clearances that Logwin Road + Rail Austria GmbH performed with joint and several liability on behalf of customers who are now alleged to have been part of a missing trader (VAT carousel) fraud. There were no changes in the first six months of 2014 that would have required a reassessment of the status as of 31 December 2013. We refer in this matter to the 2013 annual financial report.

9 External review

The consolidated interim financial statements were neither audited according to articles 69 and 340 of the Luxembourg law dated 10 August 1915 with all following changes, nor limited reviewed by an auditor.

10 Subsequent events

No significant events occurred after the reporting period.

Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year."

Dr. Antonius Wagner	Dr. Yves Prussen
(Chairman of the Board of Directors)	(Deputy Chairman of the Board of Directors)