Half-Year Financial Report 2012

Logwin AG

Your Logistics.

LOGWIN

Key Figures January 1 – June 30, 2012

Group *in thousand €*	**2012**	2011
Net Sales	652,696	659,362
Change to 2011	*–1.0 %*	
Operating Income before valuations effects	7,149	12,628
Margin	*1.1 %*	*1.9 %*
Net Result	–50,868	3,636
Net Result excluding goodwill impairment	2,132	3,636
Operating Cash Flows	4,677	3,412
Net Cash Flow	3,634	5,905

Business Segments *in thousand €*	**2012**	2011
Solutions		
Net Sales	343,924	351,167
Change to 2011	*–2.1 %*	
Operating Income before valuations effects	–2,624	2,889
Margin	*–0.8 %*	*0.8 %*
Air + Ocean		
Net Sales	309,570	308,445
Change to 2011	*0.4 %*	
Operating Income	12,108	12,401
Margin	*3.9 %*	*4.0 %*

	June 30, 2012	Dec. 31, 2011
Equity Ratio	30.0 %	37.2 %
Net Financial Debt *(in thousand €)*	8,412	11,694
Number of Employees	5,711	5,925

The Half-Year Financial Report 2012 is published both in English and German. The English version is a translation from the German original, which is authoritative.

Group Interim Management Report

Business Development

Following a slight export-driven upturn in the German economy in the first quarter of 2012, economic performance in the euro area weakened once more as a result of the debt crisis. After brightening temporarily, the global economy also slowed down as a result of uncertainty in the financial markets. This had a significant influence on the German logistics and transportation sector. However, positive signals from China and other countries outside the euro area had a positive effect.

The Logwin Group delivered solid performance in the first six months of 2012 against the backdrop of these overall general conditions. The financial stability of the group showed itself once more in the reduced level of net financial debt. The business segment Air + Ocean stood up well in a cooling economic environment and was able to maintain the level of profitability of the previous year. The half-year result of the business segment Solutions was characterised by strong competitive and price-related pressures. This, combined with high fuel prices, resulted in distinctly lower operating margins.

Goodwill Impairment

Owing to the result for the first six months achieved by the business segment Solutions, which was below the result for the previous year, an impairment test was performed for the goodwill recognized on the balance sheet for the business segment Solutions as of June 30, 2012. For the purpose of the goodwill impairment test, the recoverable amount of the cash-generating unit was determined on the basis of the calculation of the value in use using cash flow forecasts that are based on financial planning covering a period of five years. The financial planning is based on the business plan of the business segment Solutions

In contrast to the method used in the previous year, the average EBIT margin of the prior year and the planning years was taken as the sustainable EBIT margin to calculate the perpetual annuity when mapping the realisation risk with regard to the business plan of the business segment Solutions.

The cash flows of the cash-generating unit Solutions beyond the five-year period were extrapolated using a growth rate that was reduced in order to take account of current uncertainties about the overall economic situation.

The result of the impairment test meant that it was necessary to report an impairment of 53.0 million euros for the goodwill assigned to the business segment Solutions.

Earnings Position

Logwin Group Total net sales for the Logwin Group in the first six months of 2012 amounted to 652.7 million euros and were thus just below the figure for the previous year of 659.4 million euros. Sales at the business segment Air + Ocean were slightly above the level of the previous year while sales at the business segment Solutions decreased compared with the first half of last year owing to the disposal of a number of locations and increased competitive pressures. As a result of reduced sales and relatively higher operating costs at business segment Solutions gross profit decreased by 3.8 million euros from 49.4 million euros in the first half of 2012 over the comparative of the previous year (2011: 53.2 million euros). The increase in selling and administrative costs to 43.5 million euros (2011: 41.3 million euros) compared with the previous year was due to a further expansion of the sales organisation in the business segment Air + Ocean, particularly in Asia, as well as one-off effects. The balance for other operating income and expenses amounted to 1.2 million euros (2011: 0.8 million euros) and included profits of 1.0 million euros from the sale of investments. Operating income before valuation effects in the first six months of 2012, at 7.1 million euros, was 5.5 million euros below the figure for the previous year (2011: 12.6 million euros). The operating margin decreased from 1.9 % in the first half of 2011 to 1.1 %. After the impairment of goodwill assigned to the business segment Solutions totalling 53.0 million euros, profit before interest and income taxes (EBIT) for the first half of the reporting year amounted to –45.9 million euros.

The significantly improved net financial result of -3.2 million euros is due to the lower interest charge resulting from the redemption of the remaining part of the corporate bond in June last year (2011: -5.9 million euros). Income tax charges decreased from -3.1 million euros in 2011 to -1.8 million euros in 2012.

Overall, the Logwin Group concluded the first half of 2012 with a net result of –50.9 million euros (2011: 3.6 million euros). The net result excluding goodwill impairment amounted to 2.1 million euros.

Solutions The business segment Solutions generated sales of 343.9 million euros in the first six months (2011: 351.2 million euros). The functional unit Logistics and Warehousing experienced positive growth and saw higher volumes than last year, particularly in activities in the Central and Eastern Europe region. The General Cargo unit also achieved moderately positive growth. The functional unit Transport and Retail Networks was characterised by declining volumes, in particular in the Media unit but also in Retail Logistics. In addition, greater competitive and price-related pressures resulted in decreased sales and lower margins. Implementing necessary measures to reduce structural costs and increase the efficiency and profitability of the business segment as a result led to one-off charges. Operating income before valuation effects for the business segment Solutions in the first half of 2012 was -2.6 million euros compared with 2.9 million euros for the same period in the previous year. The result was impacted by high fuel and transportation costs, by costs incurred in extending the network and start-up costs for new business. Furthermore, the operating income includes one-off expenses for restructuring measures performed in addition to profits from disposals.

Air + Ocean Sales at business segment Air + Ocean for the first half of the year of 309.6 million euros grew slightly compared with the previous year also as a result of a renewed increase in freight rates in the second quarter 2012 (2011: 308.4 million euros). The business segment benefited from a stable economy in Germany, whereas the situation of the other countries in the euro area proved to be considerably more difficult. Asian entities are benefiting increasingly from trade within Asia. Chinese companies in particular showed pleasing development in the first half year. Overall, the business segment was able to maintain the previous year's level of earnings and achieved operating income of 12.1 million euros in the first six months of 2012 (2011: 12.4 million euros).

Financial and Net Asset Position

The Logwin Group recorded a net cash inflow from operating activities of 4.7 million euros in the first half of 2012 (2011: 3.4 million euros). This figure includes a net cash inflow from the utilization of the factoring facility in the first six months amounting to 19.3 million euros (2011: 22.5 million euros). The utilization of the factoring facility within operating cash flow is reported on the basis of the "true sale" character of the used factoring. Compared with the previous year, systematic working capital management and reduced interest payments as a result of the redemption of the corporate bond in 2010 and 2011 were able to more than make up the lower cash inflows from profit before income taxes. Operating cash flow in the first half of 2012 adjusted for the effect from factoring corresponds to -14.6 million euros compared with an adjusted cash flow for the previous year of -19.0 million euros.

Cash flow from investing activities in the first six month of the financial year amounted to -1.0 million euros and, with largely constant payments for capital expenditures, was below the positive cash flow of the previous year of 2.5 million euros, which included payments received from the disposal of assets amounting to 6.6 million euros. The Logwin Group generated a total net cash flow of 3.6 million euros (2011: 5.9 million euros). Cash flow from financing activities amounted to -9.9 million euros (2011: -46.4 million euros) and primarily included repayments of non-current and current financial liabilities. The figure for the previous year includes the redemption of the remaining corporate bond from cash reserves.

At the end of the first half of 2012 the Logwin Group reported a balance sheet total of 402.4 million euros compared with 459.2 million euros as of December 31, 2011.

As of June 30, 2012, non-current assets amounted to 188.0 million euros (December 31, 2011: 243.2 million euros) and included, as the most significant item, goodwill of 99.7 million euros (December 31, 2011: 153.1 million euros). This figure also included property, plant and equipment of 66.0 million euros (December 31, 2011: 67.3 million euros), other intangible assets of 6.1 million euros (December 31, 2011: 6.8 million euros) and deferred tax assets of 13.6 million euros (December 31, 2011: 13.6 million euros). Current assets of the Logwin Group totalled 214.4 million euros at the end of the first half (December 31, 2011: 216.0 million euros) and mainly consisted of trade accounts receivable of 153.8 million euros (December 31, 2011: 151.2 million euros) and cash and cash equivalents of 35.2 million euros (December 31, 2011: 41.0 million euros). Trade accounts receivable were reduced by the utilization of the factoring facility as of June 30, 2012, totalling 26.5 million euros as a result of the "true sale" character of the factoring (December 31, 2011: 7.2 million euros).

As of June 30, 2012, shareholders' equity of the Logwin Group amounted to 120.9 million euros compared with 170.6 million euros as of December 31, 2011. Owing to the reported impairment of goodwill, the equity ratio decreased to 30.0 % (December 31, 2011: 37.2 %).

At the end of the first six months of 2012 non-current liabilities decreased to 64.0 million euros from 70.0 million euros at December 31, 2011. Current liabilities amounted to 217.5 million euros as of June 30, 2012 (December 31, 2011: 218.6 million euros) and consisted mainly of trade accounts payable of 158.5 million euros (December 31, 2011: 153.9 million euros).

Net financial debt decreased from 11.7 million euros as of December 31, 2011, to 8.4 million euros as of June 30, 2012, mainly as a result of the reduction in non-current loans.

The rating by Standard & Poor’s for the Logwin Group (corporate credit rating) remained unchanged in the first half of 2012. Standard & Poor’s places the Logwin Group in the "B+" rating category.

Employees

As of June 30, 2012, the Logwin Group employed 5,711 staff compared with 5,925 as of December 31, 2011. This represents a decrease of 214 employees, which was due in part to the sale of a subsidiary.

Other Reporting

Annual General Meeting and Extraordinary General Meeting The General Meeting and the extraordinary General Meeting of Logwin AG were held in Luxembourg on April 11, 2012. The individual agenda items can be viewed in the notification to all shareholders on the Logwin website under: www.logwin-logistics.com/investors.

Investigations by Austrian Federal Competition Authorities As reported at length in the 2011 annual financial report, the Vienna Higher Regional Court (Oberlandesgericht) rejected in the first instance in February 2011 claims brought by the Austrian Federal Competition Authorities against members of so-called forwarding agents' conference (SSK), including three companies belonging to the Logwin Group, for alleged infringements of Austrian and European antitrust legislation. In the course of the subsequent appeals process the Austrian Supreme Court referred the case to the European Court of Justice in December 2011 for a preliminary ruling on legal questions relating to European law. There has been no change in the assessment of potential risks for the Logwin Group since December 31, 2011. We refer in this matter to the 2011 Annual Financial Report.

Claim for payment of import sales tax There were no changes in the first half of 2012 that would have required a reassessment of the status as of December 31, 2011, relating to the claim for payment of import sales taxes for customs clearance effected by Logwin Road + Rail Austria GmbH which the company performed with joint and several liability on behalf of customers who are now alleged to have been part of a so-called sales-tax carousel. We refer in this matter to the 2011 Annual Financial Report.

Outlook

Owing to the uncertain economic prospects, the Logwin Group assumes that the general economic environment will see rather muted development in the current year. This uncertainty is likely to have a restraining effect on the earnings position of the Logwin Group.

Against this background, the aim of financial stability with a low level of indebtedness is of vital importance for the Logwin Group. Reduced indebtedness will lead to lower interest expenses.

The business segment Air + Ocean, buoyed up in particular by trade outside Europe, assumes so far that it will experience solid business development for the second half of 2012 in spite of significant economic uncertainties. Performance at the business segment Solutions will continue to be marked by high cost-related and competitive pressures and by the implementation of measures aimed at increasing efficiency that have been decided.

Consolidated Interim Financial Statements

Income Statement

January 1 – June 30, *in thousand €*	6 Months 2012	6 Months 2011	2nd Quarter 2012	2nd Quarter 2011
Net sales	652,696	659,362	322,833	323,082
Cost of sales	–603,322	–606,191	–300,360	–298,845
Gross profit	**49,374**	**53,171**	**22,473**	**24,237**
Selling costs	–15,127	–13,699	–7,754	–6,953
General and administrative costs	–28,347	–27,636	–13,734	–13,901
Other operating income	4,191	4,056	1,655	2,129
Other operating expenses	–2,942	–3,264	–1,593	–1,280
Operating income before valuation effects	**7,149**	**12,628**	**1,047**	**4,232**
Goodwill impairment	–53,000	–	–53,000	–
Profit before interest and income taxes (EBIT)	**–45,851**	**12,628**	**–51,953**	**4,232**
Finance income	388	459	164	226
Finance expenses	–3,569	–6,381	–1,686	–3,546
Profit before income taxes	**–49,032**	**6,706**	**–53,475**	**912**
Income taxes	–1,836	–3,070	–267	–688
Net result	**–50,868**	**3,636**	**–53,742**	**224**
Attributable to:				
Equity holders of Logwin AG	–51,082	3,264	–53,834	53
Non-controlling interests	214	372	92	171
Earnings per share – basic and diluted:				
Net result attributable to the equity holders of Logwin AG	**–0.35**	**0.02**	**–0.37**	**0.00**
Weighted average number of shares outstanding	146,257,596	146,257,596	146,257,596	146,257,596

Statement of Comprehensive Income

January 1 – June 30, *in thousand €*	2012	2011
Net result	**–50,868**	**3,636**
Unrealized gains/losses on securities, available-for-sale	15	–7
Unrealized losses on interest rate swaps	–155	–320
Change in fair value reserve	**–140**	**–327**
Change in translation reserve	**1,515**	**–2,332**
Other comprehensive income	**1,375**	**–2,659**
Total comprehensive income	**–49,493**	**977**
Attributable to:		
Equity holders of Logwin AG	–49,707	605
Non-controlling interests	214	372

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

Statement of Cash Flows

January 1 - June 30, *in thousand €*	2012	2011*
Profit before income taxes	–49,032	6,706
Financial result	3,181	5,922
Profit before interests and income taxes	–45,851	12,628
Reconciliation adjustments to operating cash flows:		
Depreciation and amortization	5,689	6,037
Result from disposal of fixed assets	–403	–224
Goodwill impairment	53,000	–
Other, net	–837	–2,446
Income taxes paid	–2,272	–2,347
Interest paid	–1,950	–4,448
Changes in working capital, cash effective:		
Change in receivables	–24,025	–17,289
Change in payables	2,131	–11,392
Change in inventories	–63	434
Net cash inflow from utilizing the factoring facility	19,258	22,459
Operating cash flows	**4,677**	**3,412**
Capital expenditures	–3,890	–3,646
Proceeds from disposals of consolidated subsidiaries and other business operations	2,888	589
Proceeds from disposals of non-current assets	593	6,046
Payments for acquisitions of subsidiaries, net cash of acquired	–200	–305
Other cash flows from investing activities	–434	–191
Investing cash flows	**–1,043**	**2,493**
Net cash flow	**3,634**	**5,905**
Redemption of corporate bond	–	–65,000
Changes of current loans and borrowings	–3,746	697
Repayment of non-current loans and borrowings	–4,960	–
Proceeds from non-current loans	–	19,006
Payment of finance lease obligations	–1,077	–987
Distribution to non-controlling interests	–196	–114
Other cash flows from financing activities	41	–46
Financing cash flows	**–9,938**	**–46,444**
Effects of exchange rate changes on cash	467	–947
Changes in cash and cash equivalents	**–5,837**	**–41,486**
Cash and cash equivalents at the beginning of the year	41,036	67,499
Change	–5,837	–41,486
Cash and cash equivalents at the end of the period	**35,199**	**26,013**

*Adjustment compared with the prior year's report due to the presentation of the factoring (see Notes, section 1)

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

Balance Sheet

Assets *in thousand €*	June 30, 2012	Dec. 31, 2011
Goodwill	99,730	153,093
Other intangible assets	6,107	6,758
Property, plant and equipment	66,019	67,317
Investments	1,153	1,501
Deferred income taxes	13,557	13,561
Other non-current assets	1,414	924
Total non-current assets	**187,980**	**243,154**
Inventories	2,338	2,293
Trade accounts receivable	153,776	151,185
Income tax receivables	2,828	3,011
Other receivables and current assets	20,252	18,472
Cash and cash equivalents	35,199	41,036
Total current assets	**214,393**	**215,997**
Total assets	**402,373**	**459,151**

Liabilities and Shareholders' Equity *in thousand €*	June 30, 2012	Dec. 31, 2011
Ordinary shares	131,202	131,202
Group reserves	– 12,601	37,106
Equity attributable to the shareholders of Logwin AG	**118,601**	**168,308**
Non-controlling interests	2,298	2,280
Shareholders' equity	**120,899**	**170,588**
Non-current finance lease obligations	18,096	18,827
Non-current loans and borrowings	17,073	22,034
Pension provisions and similar obligations	24,752	24,742
Other non-current provisions	2,291	2,285
Deferred income taxes	322	557
Other non-current liabilities	1,434	1,536
Total non-current liabilities	**63,968**	**69,981**
Trade accounts payable	158,451	153,916
Current finance lease obligations	2,126	2,120
Current loans and borrowings	6,316	9,749
Current provisions	8,788	10,466
Income tax liabilities	3,211	3,532
Other current liabilities	38,614	38,799
Total current liabilities	**217,506**	**218,582**
Total liabilities and shareholders' equity	**402,373**	**459,151**

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

Statement of Changes in Equity

in thousand €	Capital and reserves attributable to the equity holders of Logwin AG					Non-controlling interests	Total shareholders' equity
	Ordinary shares-voting, non-par value	Additional paid-in capital	Retained earnings and other reserves	Result directly recognized in equity	Total		
January 1, 2011	**131,202**	**103,929**	**–68,195**	**–1,555**	**165,381**	**1,608**	**166,989**
Net result			3,264		3,264	372	3,636
Other comprehensive income				–2,659	–2,659	–	–2,659
Total comprehensive income			**3,264**	**–2,659**	**605**	**372**	**977**
Distributions					–	–114	–114
Subsequent costs of capital increase 2010		–70			–70	–	–70
June 30, 2011	**131,202**	**103,859**	**–64,931**	**–4,214**	**165,916**	**1,866**	**167,782**
January 1, 2012	**131,202**	**92,321**	**–50,843**	**–4,372**	**168,308**	**2,280**	**170,588**
Net result			–51,082		–51,082	214	–50,868
Other comprehensive income				1,375	1,375	–	1,375
Total comprehensive income			**–51,082**	**1,375**	**–49,707**	**214**	**–49,493**
Distributions					–	–196	–196
June 30, 2012	**131,202**	**92,321**	**–101,925**	**–2,997**	**118,601**	**2,298**	**120,899**

The accompanying notes are an integral part of these Consolidated Interim Financial Statements.

Notes to Consolidated Interim Financial Statements as of June 30, 2012

1 Basis of Accounting

These consolidated interim financial statements are prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union and are in accordance with these standards. 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 December 31, 2011.

The statement of cash flows of the comparison period concerning the net cash inflow from utilizing the factoring facility was restated. Due to the “true sale” character of the used factoring the utilization or repayment of the facility is reported as a part of the operating cash flow since the consolidated financial statements as of December 2011.

2 Consolidation Scope

In addition to Logwin AG as the parent company, the scope of fully consolidated companies includes two domestic and 75 foreign companies as of June 30, 2012 (as of December 31, 2011: two domestic and 76 foreign companies).

The consolidated entities including Logwin AG have developed as follows:

	Dec. 31, 2011	Additions	Disposals	June 30, 2012
Luxembourg	3	–	–	3
Germany	22	–	1	21
Other countries	54	–	–	54
Total	**79**	**–**	**1**	**78**

The disposal relates to the sale of a German subsidiary in the first quarter 2012 which belonged to the business segment Solutions.

3 Goodwill Impairment

Owing to the result for the first six months achieved by the business segment Solutions, which was once again below the result for the previous year, an impairment test was performed for the goodwill recognized on the balance sheet for the business segment Solutions as of June 30, 2012,

For the purpose of the goodwill impairment test, the recoverable amount of the cash-generating unit was determined on the basis of the calculation of the value in use using cash flow forecasts that are based on financial planning covering a period of five years. The financial planning is based on the business plan of the segment Solutions, which foresees an EBIT margin unchanged at 2.6 % for the last planning year (September 30, 2011: 2.6 %).

In contrast to the method used in the previous year, the average EBIT margin of 2011 (actual) through to 2015 (plan) was taken as the sustainable EBIT margin to calculate the perpetual annuity when mapping the realisation risk with regard to the business plan of the business segment Solutions. This resulted in a sustainable EBIT margin of 1.5 %.

The cash flows of the cash-generating unit Solutions beyond the five-year period were extrapolated using a growth rate of 0.75 % (September 30, 2011: 1.5 %). The growth rate was reduced in order to take account of current uncertainties about the overall economic situation.

The discount rate after tax used for the cash flow forecasts decreased from 7.6 % as of September 30, 2011, to 7.0 % owing to lower levels of interest in the euro area. This corresponds to an interest rate before tax of 10.0 % (September 30, 2011: 10.2 %). The base interest rate used in the calculation of the discount rate was determined on the basis of the yields published by Deutsche Bundesbank for hypothetical zero-coupon German government bonds for a nine-month period. This resulted in a base interest rate at the valuation date of 2.5 %.

The result of the impairment test meant that it was necessary to report an impairment of 53.0 million euros for the goodwill assigned to the business segment Solutions.

Assuming that all other factors remain constant, an increase in the discount rate of 0.1 % would result in an additional impairment of the goodwill assigned to the business segment Solutions of 3.0 million euros. Provided that all other circumstances stay the same, a reduction in the sustainable EBIT margin from 1.5 % to 1.25 % used for the cash flow forecast for the business segment Solutions would result in an additional impairment of goodwill of 20.5 million euros.

4 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 result of each segment is measured by management based on operating income. This operating income is defined as profit before interest, income taxes and special items such as impairment on long-lived assets or goodwill and restructuring costs, as long as they have a relevant impact on the financial condition and results of operations. As far as possible, the general administrative expenses of the holding companies have been allocated to the business segments in line with the principle of causality.

The tables below set forth segment information of the business segments for the periods ended June 30, 2012 and 2011:

January 1 - June 30, 2012 *in thousand €*	Solutions	Air + Ocean	Other	Consolidation	Group
External sales	341,897	308,544	2,255	–	652,696
Intersegment sales	2,027	1,026	1,697	–4,750	–
Net sales	**343,924**	**309,570**	**3,952**	**–4,750**	**652,696**
Operating income before valuation effects	**–2,624**	**12,108**	**–2,335**	**–**	**7,149**
Goodwill impairment	–53,000	–	–	–	–53,000
Profit before interest and income taxes (EBIT)	**–55,624**	**12,108**	**–2,335**	**–**	**–45,851**
Financial result					–3,181
Income taxes					–1,836
Net result					**–50,868**

January 1 - June 30, 2011 *in thousand €*	Solutions	Air + Ocean	Other	Consolidation	Group
External sales	348,796	306,635	3,931	–	659,362
Intersegment sales	2,371	1,810	2,606	–6,787	–
Net sales	**351,167**	**308,445**	**6,537**	**–6,787**	**659,362**
Operating income	**2,889**	**12,401**	**–2,662**	**–**	**12,628**
Financial result					–5,922
Income taxes					–3,070
Net result					**3,636**

5 Loans and borrowings

As of June 30, 2012 the Logwin Group was in compliance with the financial covenants as defined in the agreement of the loan taken out in the second quarter of 2011.

Current loans and borrowings as well as cash and cash equivalents included 3.1 million euros each (December 31, 2011: 5.3 million euros) from payments made by customers that must be passed on directly to the factoring company.

6 Contingent Liabilities

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

As reported at length in the 2011 annual financial report, the Vienna Higher Regional Court (Oberlandesgericht) rejected in the first instance in February 2011 claims brought by the Austrian Federal Competition Authorities against members of so-called forwarding agents' conference (SSK), including three companies belonging to the Logwin Group, for alleged infringements of Austrian and European antitrust legislation. In the course of the subsequent appeals process the Austrian Supreme Court referred the case to the European Court of Justice in December 2011 for a preliminary ruling on legal questions relating to European law. There has been no change in the assessment of potential risks for the Logwin Group since December 31, 2011. We refer in this matter to the 2011 Annual Financial Report.

There were no changes in the first half of 2012 that would have required a reassessment of the status as of December 31, 2011, relating to the claim for payment of import sales taxes for customs clearance effected by Logwin Road + Rail Austria GmbH which the company performed with joint and several liability on behalf of customers who are now alleged to have been part of a so-called sales-tax carousel. We refer in this matter to the 2011 Annual Financial Report.

7 External Review

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

8 Subsequent Events

There were no significant events between June 30, 2012, and the date of authorization of the Half-Year Financial Report by the Audit Committee of Logwin AG.

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."

Berndt-Michael Winter
(Chairman of the Board of Directors)

Dr. Antonius Wagner
(Deputy Chairman of the Board)