Nine-Month Financial Report 2012

Logwin AG

Your Logistics.

LOGWIN

Key Figures January 1 – September 30, 2012

Group *in thousand €*	**2012**	2011
Net Sales	1,005,254	1,009,186
Change to 2011	*–0.4 %*	
Operating Income before valuation effects	16,977	23,809
Margin	*1.7 %*	*2.4 %*
Net Result	–45,538	9,336
Net Result excluding goodwill impairment	7,462	9,336
Operating Cash Flows	13,013	3,904
Net Cash Flow	11,001	3,516

Business Segments *in thousand €*	**2012**	2011
Solutions		
Net Sales	524,687	542,665
Change to 2011	*–3.3 %*	
Operating Income before valuation effects	1,449	7,728
Margin	*0.3 %*	*1.4 %*
Air + Ocean		
Net Sales	481,448	467,201
Change to 2011	*3.0 %*	
Operating Income	20,259	19,918
Margin	*4.2 %*	*4.3 %*

	September 30, 2012	Dec. 31, 2011
Equity Ratio	29.7 %	37.2 %
Net Financial Debt *(in thousand €)*	1,659	11,694
Number of Employees	5,723	5,925

The Nine-Month 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

A strong start to the year for the German economy was followed by a significant worsening of the euro crisis in the second and third quarters of 2012. The global economy is currently experiencing a period of weakness, as well. The main causes for this can be traced to the debt and confidence crisis in the euro area. These developments have led to a noticeable cooling in the economic climate in the German logistics sector.

Despite these negative influences on the overall economic situation, the Logwin Group delivered steady performance in the first nine months of 2012. In particular, the Logwin Group achieved a significant improvement in net cash flow compared with the previous year, which resulted in reduced financial debt, thus underscoring the group's financial stability. The business segment Air + Ocean was able to report a modest increase in sales due to freight rates showing an overall increase compared to the same period last year and positive growth in sea freight volumes, and maintained the profitability of the previous year even in the economically weaker environment. The result of the business segment Solutions for the first nine months continued to be characterised by strong competitive pressures and the continuing high price of fuel. However, the result for the third quarter of 2012 improved compared with the first two quarters.

Goodwill Impairment

Owing to the result for the first half of 2012 achieved by the business segment Solutions, which was below the result of the previous year, an impairment test was performed for the goodwill recognised on the balance sheet of the business segment Solutions at the end of the second quarter of 2012.

The result of the impairment test meant that it was necessary to report an impairment of 53.0 million euros in the second quarter of 2012 for the goodwill assigned to the business segment Solutions.

No further impairment of goodwill was required in the course of the scheduled annual impairment test as of September 30, 2012, for the goodwill recognised on the balance sheet.

Earnings Position

Logwin Group The Logwin Group generated total net sales of 1,005.3 million euros in the first nine months of 2012, which was around the same level of sales as last year (2011: 1,009.2 million euros). Sales at the business segment Air + Ocean were slightly above those for the same period of the previous year, while sales at the business segment Solutions fell slightly compared with the first nine months of 2011 due to disposals of individual locations and to continuing high competitive pressures. Gross profit for the first nine months of 2012 was 81.0 million euros, 2.4 million euros lower than in the same period of the previous year (2011: 83.4 million euros). This was mainly due to the relatively higher operating costs at the business segment Solutions. Selling and administrative costs in the first nine months of 2012 increased to 64.1 million euros (2011: 60.9 million euros) owing to the further expansion of the sales organisation at the business segment Air + Ocean, above all in Asia, and to one-off effects. The balance for other operating expenses and income amounted to 0.0 million euros (2011: 1.3 million euros) and included profits of 1.0 million euros from the sale of participating interests as well as expenses of 1.2 million euros in connection with irregularities in the Turkish legal entity. Operating income before valuation effects for the first nine months of 2012, at 17.0 million euros, was 6.8 million euros below the figure for the previous year (2011: 23.8 million euros). The operating margin before valuation effects decreased accordingly from 2.4 % in the same period of 2011 to 1.7 % in the reporting period. After the impairment of goodwill assigned to the business segment Solutions totalling 53.0 million euros, profit before interest and income tax (EBIT) for the first three quarters amounted to -36.0 million euros.

The significantly improved net financial result of -4.8 million euros was due to the lower interest charge resulting from the redemption of the remaining part of the corporate bond in June last year (2011: -7.8 million euros). Income tax charges decreased from -6.6 million euros in 2011 to -4.7 million euros in 2012.

The net result of the Logwin Group after the first nine months of 2012 amounted to -45.5 million euros (2011: 9.3 million euros). After adjustment for the impairment of goodwill at the business segment Solutions in the second quarter of 2012, the net result totalled 7.5 million euros.

Solutions The business segment Solutions generated sales of 524.7 million euros in the first nine months (2011: 542.7 million euros). Activities in the region Central and Eastern Europe of the functional unit Logistics and Warehousing in particular delivered positive performance in terms of volume, while the areas of Media and Retail Logistics in the functional unit Transport and Retail Networks were faced with lower volumes in the reporting period compared with the same period last year. Furthermore, strong competitive and price pressures resulted in lower sales, and increased fuel and transportation costs resulted in lower margins. Operating income before valuation effects for the business segment Solutions for the first nine months of 2012 were 1.4 million euros, compared with 7.7 million euros in the corresponding period of the previous year. The result for the third quarter of 4.1 million euros improved as a result of seasonal factors compared with the first two quarters of 2012 and is slightly below the result for the previous year (2011: 4.8 million euros). The result for the first nine months was negatively affected by costs for network expansion and start-up costs for new business. Besides profits from disposals, the operating result also included one-off expenses for the implementation of necessary organisational changes aimed at lowering structural costs and increasing the profitability of the business segment, and for the closure of locations.

Air + Ocean Sales at the business segment Air + Ocean increased slightly in the first three quarters of 2012 from 467.2 million euros in 2011 to 481.4 million euros. Sales in the third quarter of 171.9 million euros in particular showed positive growth compared with the previous year (2011: 158.8 million euros). The business segment benefited from the comparatively sustained stable economic environment in Germany, whereas the situation in the other countries of the euro area proved to be significantly more difficult. Air freight volumes in the first nine months were slightly down on the previous year and thus in line with the market level, which fell similarly, whereas sea freight volumes performed somewhat better than the market, which experienced modest growth. Freight rates proved to be varying over the first nine months of the reporting period. After large increases in the first six months of 2012, rates once more fell back considerably in the third quarter due to overcapacities. Asian entities were able to continue expansion of inner-Asian transportation as well as imports from Europe. Further locations were opened in China and India in order to support growth in Asia. Furthermore, growth in the region Africa was pleasing. Overall, the business segment was able to maintain the previous year's level of earnings in the first nine months of 2012 and achieved operating income of 20.3 million euros (2011: 19.9 million euros).

Financial and Net Asset Position

The Logwin Group recorded a net cash inflow from operating activities of 13.0 million euros in the first nine month of the financial year 2012 (2011: 3.9 million euros). This figure includes a net cash inflow from the utilisation of the factoring facility in the first nine month of 2012, amounting to 10.7 million euros (2011: 9.2 million euros). The utilisation of the factoring facility is reported on the basis of the "true sale" character of the used factoring within operating cash flow. Despite lower operating income, it was possible to improve operating cash flow adjusted for the effects of factoring at the end of the third quarter of 2012 by 7.6 million euros to 2.3 million euros as a result of systematic working capital management and reduced interest payments compared with the previous year (2011: -5.3 million euros). Reduced interest payments resulted primarily from the redemption of the corporate bond in 2010 and 2011 and the repayment of non-current loans in the current financial year.

Cash flow from investing activities in the reporting period amounted to -2.0 million euros and, with slightly reduced payments for capital expenditures, was below the cash flow of the previous year of -0.4 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 11.0 million euros (2011: 3.5 million euros). Cash flow from financing activities amounted to -8.6 million euros (2011: -45.6 million euros) and primarily included repayments of long-term and current financial liabilities. The figure for the previous year included the redemption of the remainder of the corporate bond from cash reserves.

At the end of the third quarter of 2012, the Logwin Group reported a balance sheet total of 422.6 million euros compared with 459.2 million euros at December 31, 2011.

Non-current assets amounted to 184.7 million euros at the end of the third quarter of 2012 (December 31, 2011: 243.2 million euros) and included, as the most significant item, goodwill of 99.6 million euros (December 31, 2011: 153.1 million euros). This figure also included property, plant and equipment of 64.6 million euros (2010: 67.3 million euros), other intangible assets of 5.7 million euros (December 31, 2011: 6.8 million euros) and deferred tax assets of 12.4 million euros (December 31, 2011: 13.6 million euros). Current assets of the Logwin Group totalled 237.9 million euros at September 30, 2012, (December 31, 2011: 216.0 million euros) and mainly consisted of trade accounts receivable of 170.5 million euros (December 31, 2011: 151.2 million euros) and cash and cash equivalents of 43.8 million euros (December 31, 2011: 41.0 million euros). Trade accounts receivable were reduced by the utilisation of the factoring line as of September 30, 2012, totalling 18.0 million euros as a result of the "true sale" character of factoring (December 31, 2011: 7.2 million euros).

As of September 30, 2012, the Logwin Group reported shareholders' equity of 125.7 million euros, compared with 170.6 million euros as of December 31, 2011. Owing to the reported impairment of goodwill in the second quarter, the equity ratio decreased to 29.7 % (December 31, 2011: 37.2 %).

At the end of the third quarter of 2012, non-current liabilities decreased to 63.5 million euros from 70.0 million euros at December 31, 2011. Current liabilities amounted to 233.4 million euros as of September 30, 2012 (December 31, 2011: 218.6 million euros) and consisted primarily of trade accounts receivable of 167.7 million euros (December 31, 2011: 153.9 million euros).

Net financial debt decreased from 11.7 million euros as of December 31, 2011, to 1.7 million euros as of September 30, 2012, mainly due to the reduction in non-current loans.

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

Employees

As of September 30, 2012, the Logwin Group employed 5,723 staff compared with 5,925 as of December 31, 2011. This represents a decrease of 202 employees, which was due in part to the sale of a subsidiary.

Other Reporting

Annual General Meeting and Extraordinary General Meeting The General Meetings 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.

Irregularities at the Turkish national company A case of fraud was discovered at the Turkish national company after the balance sheet date. Investigations were initiated immediately with the involvement of the Turkish public prosecutor's department. A provision of 1.2 million euros was made in the interim consolidated financial statements at central Group level as of September 30, 2012, in order to allow for the estimated risk.

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 the 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 nine months 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

Based on current economic forecasts, the Logwin Group no longer expects recovery in the general economy in the final quarter of 2012. Against this background, and taking into account seasonal fluctuations, the Logwin Group assumes it will have a stable financial and earnings position over the remaining three months of the financial year compared with the first nine months.

A major goal of the Logwin Group remains financial stability coupled with a low level of debt, which will also affect the earnings positions owing to reduced interest expenses.

Despite a slowdown in economic activity, the business segment Air + Ocean expects to deliver continuing solid economic performance in the fourth quarter of 2012, with sales growth still likely to be characterised by high volatility of freight rates. Development of the business segment Solutions in the remaining three months will also be marked by high cost and competitive pressures as well as by the effects of the measures aimed at increasing efficiency.

Consolidated Interim Financial Statements

Income Statement

January 1 – September 30, *in thousand €*	9 Months 2012	9 Months 2011	3rd Quarter 2012	3rd Quarter 2011
Net sales	1,005,254	1,009,186	352,558	349,824
Cost of sales	–924,231	–925,811	–320,909	–319,620
Gross profit	**81,023**	**83,375**	**31,649**	**30,204**
Selling costs	–22,298	–20,559	–7,171	–6,860
General and administrative costs	–41,780	–40,348	–13,433	–12,712
Other operating income	6,240	6,327	2,049	2,271
Other operating expenses	–6,208	–4,986	–3,266	–1,722
Operating income before valuation effects	**16,977**	**23,809**	**9,828**	**11,181**
Goodwill impairment	–53,000	–	–	–
Profit before interest and income taxes (EBIT)	**–36,023**	**23,809**	**9,828**	**11,181**
Finance income	433	653	45	194
Finance expenses	–5,231	–8,487	–1,662	–2,106
Profit before income taxes	**–40,821**	**15,975**	**8,211**	**9,269**
Income taxes	–4,717	–6,639	–2,882	–3,569
Net result	**–45,538**	**9,336**	**5,329**	**5,700**
Attributable to:				
Equity holders of Logwin AG	–45,918	8,796	5,164	5,532
Non-controlling interests	380	540	166	168
Earnings per share – basic and diluted:				
Net result attributable to the equity holders of Logwin AG	**–0.31**	**0.06**	**0.04**	**0.04**
Weighted average number of shares outstanding	146,257,596	146,257,596	146,257,596	146,257,596

Statement of Comprehensive Income

January 1 – September 30, *in thousand €*	2012	2011
Net result	**–45,538**	**9,336**
Unrealised gains/losses on securities, available-for-sale	35	–25
Unrealised losses on interest rate swaps	–260	–904
Change in fair value reserve	**–225**	**–929**
Change in translation reserve	**1,034**	**–2,122**
Other comprehensive income	**809**	**–3,051**
Total comprehensive income	**–44,729**	**6,285**
Attributable to:		
Equity holders of Logwin AG	–45,109	5,745
Non-controlling interests	380	540

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

Statement of Cash Flows

January 1 - September 30, *in thousand €*	2012	2011*
Profit before income taxes	–40,821	15,975
Financial result	4,798	7,834
Profit before interests and income taxes	–36,023	23,809
Reconciliation adjustments to operating cash flows:		
Depreciation and amortisation	8,563	9,127
Result from disposal of fixed assets	–246	–213
Goodwill impairment	53,000	–
Other, net	–1,186	–2,088
Income taxes paid	–3,575	–2,655
Interest paid	–2,643	–4,548
Changes in working capital, cash effective:		
Change in receivables	–31,180	–29,691
Change in payables	15,805	553
Change in inventories	–239	365
Net cash inflow from utilising the factoring facility	10,737	9,245
Operating cash flows	**13,013**	**3,904**
Capital expenditures	–5,196	–6,462
Proceeds from disposals of consolidated subsidiaries and other business operations	3,138	589
Proceeds from disposals of non-current assets	681	6,016
Payments for acquisitions of subsidiaries, net of cash acquired	–200	–300
Other cash flows from investing activities	–435	–231
Investing cash flows	**–2,012**	**–388**
Net cash flow	**11,001**	**3,516**
Redemption of corporate bond	–	–65,000
Changes of current loans and borrowings	–1,851	2,476
Repayment of non-current loans and borrowings	–4,979	–
Proceeds from non-current loans	–	18,443
Payment of finance lease obligations	–1,648	–1,363
Distribution to non-controlling interests	–197	–114
Other cash flows from financing activities	28	–44
Financing cash flows	**–8,647**	**–45,602**
Effects of exchange rate changes on cash	400	–1,368
Changes in cash and cash equivalents	**2,754**	**–43,454**
Cash and cash equivalents at the beginning of the year	41,036	67,499
Change	2,754	–43,454
Cash and cash equivalents at the end of the period	**43,790**	**24,045**

*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 €*	Sept. 30, 2012	Dec. 31, 2011
Goodwill	99,643	153,093
Other intangible assets	5,722	6,758
Property, plant and equipment	64,629	67,317
Investments	1,166	1,501
Deferred income taxes	12,433	13,561
Other non-current assets	1,115	924
Total non-current assets	**184,708**	**243,154**
Inventories	2,515	2,293
Trade accounts receivable	170,534	151,185
Income tax receivables	2,634	3,011
Other receivables and current assets	18,417	18,472
Cash and cash equivalents	43,790	41,036
Total current assets	**237,890**	**215,997**
Total assets	**422,598**	**459,151**

Liabilities and Shareholders' Equity *in thousand €*	Sept. 30, 2012	Dec. 31, 2011
Ordinary shares	131,202	131,202
Group reserves	–8,003	37,106
Equity attributable to the shareholders of Logwin AG	**123,199**	**168,308**
Non-controlling interests	2,463	2,280
Shareholders' equity	**125,662**	**170,588**
Non-current finance lease obligations	17,839	18,827
Non-current loans and borrowings	17,056	22,034
Pension provisions and similar obligations	24,635	24,742
Other non-current provisions	2,252	2,285
Deferred income taxes	313	557
Other non-current liabilities	1,406	1,536
Total non-current liabilities	**63,501**	**69,981**
Trade accounts payable	167,737	153,916
Current finance lease obligations	1,910	2,120
Current loans and borrowings	8,643	9,749
Current provisions	9,864	10,466
Income tax liabilities	3,395	3,532
Other current liabilities	41,886	38,799
Total current liabilities	**233,435**	**218,582**
Total liabilities and shareholders' equity	**422,598**	**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						
	Ordinary shares-voting, non-par value	Additional paid-in capital	Retained earnings and other reserves	Result directly recognised in equity	**Total**	**Non-controlling interests**	**Total shareholders' equity**
January 1, 2011	**131,202**	**103,929**	**–68,195**	**–1,555**	**165,381**	**1,608**	**166,989**
Net result			8,796		8,796	540	9,336
Other comprehensive income				–3,051	–3,051	–	–3,051
Total comprehensive income			**8,796**	**–3,051**	**5,745**	**540**	**6,285**
Distributions					–	–114	–114
Subsequent costs of capital increase 2010		–70			–70	–	–70
September 30, 2011	**131,202**	**103,859**	**–59,399**	**–4,606**	**171,056**	**2,034**	**173,090**
January 1, 2012	**131,202**	**92,321**	**–50,843**	**–4,372**	**168,308**	**2,280**	**170,588**
Net result			–45,918		–45,918	380	–45,538
Other comprehensive income				809	809	–	809
Total comprehensive income			**–45,918**	**809**	**–45,109**	**380**	**–44,729**
Distributions					–	–197	–197
September 30, 2012	**131,202**	**92,321**	**–96,761**	**–3,563**	**123,199**	**2,463**	**125,662**

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

Notes to Consolidated Interim Financial Statements as of September 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 utilising the factoring facility was restated. Due to the "true sale" character of the used factoring the utilisation 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 73 foreign companies as of September 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	Sept. 30, 2012
Luxembourg	3	–	–	3
Germany	22	–	2	20
Other countries	54	–	1	53
Total	**79**	**–**	**3**	**76**

The disposals are a sale and two liquidations of subsidiaries 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 recognised 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 approach 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 % as of June 30, 2012 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.

No further impairment of goodwill was required in the course of the scheduled annual impairment test as of September 30, 2012, for the goodwill recognised on the balance sheet.

4 Segment Reporting

The classification of segments is made according to the business segments of the Logwin Group. The segment structure reflects the current organisational 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 September 30, 2012 and 2011:

January 1 - September 30, 2012 *in thousand €*	Solutions	Air + Ocean	Other	Consolidation	Group
External sales	522,070	479,814	3,370	–	1,005,254
Intersegment sales	2,617	1,634	2,619	–6,870	–
Net sales	**524,687**	**481,448**	**5,989**	**–6,870**	**1,005,254**
Operating income before valuation effects	**1,449**	**20,259**	**–4,731**	**–**	**16,977**
Goodwill impairment	–53,000	–	–	–	–53,000
Profit before interest and income taxes (EBIT)	**–51,551**	**20,259**	**–4,731**	**–**	**–36,023**
Financial result					–4,798
Income taxes					–4,717
Net result					**–45,538**

January 1 - September 30, 2011 *in thousand €*	Solutions	Air + Ocean	Other	Consolidation	Group
External sales	539,408	464,098	5,680	–	1,009,186
Intersegment sales	3,257	3,103	3,839	–10,199	–
Net sales	**542,665**	**467,201**	**9,519**	**–10,199**	**1,009,186**
Operating income	**7,728**	**19,918**	**–3,837**	**–**	**23,809**
Financial result					–7,834
Income taxes					–6,639
Net result					**9,336**

5 Loans and borrowings

As of September 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 4.5 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 nine 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 nine month 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

Between September 30, 2012, and the date of authorisation of the Nine-Month Financial Report by the Audit Committee of Logwin AG on October 31, 2012, a case of fraud was discovered at the Turkish national company. Investigations were initiated immediately with the involvement of the Turkish public prosecutor's department. A provision of 1.2 million euros was made in the interim consolidated financial statements at central Group level as of September 30, 2012, in order to allow for the estimated risk.

Logwin AG | ZIR Potaschberg | 5, an de Längten | 6776 Grevenmacher | Luxemburg