Quarterly Financial Report 2012

Logwin AG

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Key Figures January 1 – March 31, 2012

Group *in thousand €*	**2012**	2011
Net Sales	329,863	336,280
Change to 2011	*–1.9 %*	
Operating Income (EBIT)	6,102	8,396
Margin	*1.8 %*	*2.5 %*
Net Result	2,874	3,412
Operating Cash Flows	–3,200	–10,509
Net Cash Flow	–4,721	–10,025

Business Segments *in thousand €*	**2012**	2011
Solutions		
Net Sales	181,468	180,677
Change to 2011	*0.4 %*	
Operating Income (EBIT)	1,308	4,194
Margin	*0.7 %*	*2.3 %*
Air + Ocean		
Net Sales	148,551	155,666
Change to 2011	*–4.6 %*	
Operating Income (EBIT)	5,986	5,878
Margin	*4.0 %*	*3.8 %*

	March 31, 2012	Dec. 31, 2011
Equity Ratio	38.2 %	37.2 %
Net Financial Debt *(in thousand €)*	16,984	11,694
Number of Employees	5,758	5,925

The Quarterly Financial Report 2012 is published both in English and German. The English version is a translation from the German original, which is authorative.

Group Interim Management Report

Business Development

Both the German economy as well as the global economy experienced a slowdown in the first quarter of 2012, which also had a particular effect on the German logistics and transportation sector due to lower exports. However, there has been a discernible reversal of this trend since the end of the first quarter, which can be largely attributed to a recovery in the foreign trade of emerging economies. The renewed increase in oil prices is nevertheless having a constricting influence. There is still the additional threat of negative effects resulting from the debt crisis in the euro area.

The Logwin Group achieved stable performance in the first quarter of 2012. The business segment Air + Ocean experienced falling sales compared with the previous year due to lower freight rates but was still able to maintain the same profitability as last year. The business segment Solutions reported stable volumes but suffered considerably from higher fuel and transportation costs compared with the previous year.

Earnings Position

Logwin Group The Logwin Group generated total sales of 329.9 million euros in the first quarter of 2012. This represents a slight fall of 1.9 % over the corresponding value for last year (2011: 336.3 million euros). Sales at business segment Air + Ocean declined due to continuing low freight rates while sales at business segment Solutions rose slightly compared with the same quarter last year. A gross profit of 26.9 million euros in the first quarter of 2012 was 2.0 million euros down on the first quarter of 2011 largely due to higher operating costs in the business segment Solutions (2011: 28.9 million euros). Selling, general and administrative costs, at 22.0 million euros, increased compared with last year (2011: 20.5 million euros). The reason for this was the continuing expansion of the sales organisation, especially in Asia, as well as one-off effects. The balance for other operating income and expenses amounted to 1.2 million euros (2011: -0.1 million euros) and included profits of 1.0 million euros from the sale of investments. Operating income (EBIT) in the first three months of 2012 was 6.1 million euros and was thus 2.3 million euros below the figure for the previous year (2011: 8.4 million euros). The EBIT margin declined correspondingly from 2.5 % last year to 1.8 %.

The significantly improved net financial result of -1.7 million euros (2011: -2.6 million euros) is due to the lower interest arising from the redemption of the remaining part of the corporate bond in June last year. Income tax charges decreased from -2.4 million euros in 2011 to -1.6 million euros in 2012.

Overall, the Logwin Group concluded the first quarter of 2012 with a net result of 2.9 million euros (2011: 3.4 million euros).

Solutions The business segment Solutions generated sales of 181.5 million euros in the first three months (2011: 180.7 million euros). The functional unit Logistics and Warehousing experienced positive growth and higher volumes, particularly in activities in the region Central and Eastern Europe. The General Cargo unit also achieved moderately positive growth. Retail Network, part of the functional unit Transport and Retail Networks, similarly reported a slight growth in sales, while the Media unit was faced with falling volumes. Operating income (EBIT) at the business segment Solutions for the reporting period totalled 1.3 million euros, compared with operating income of 4.2 million euros for the previous year. The result was significantly impacted by increased fuel and transportation costs. Besides profits from disposals, the operating result also included expenditure for measures aimed at reducing structural costs and increasing the efficiency and profitability of the business segment.

Air + Ocean Sales at business segment Air + Ocean for the first quarter of 2012 declined from 148.6 million euros compared with the previous year due to reduced freight rates (2011: 155.7 million euros). The business segment succeeded in maintaining the performance level of last year despite lower sales, and in the first three months of 2012 achieved operating income (EBIT) of 6.0 million euros compared with 5.9 million euros in 2011, thanks in part to special effects. Asian business units in particular experienced a pleasing growth in activities.

Financial and Net Asset Position

The first quarter of 2012 saw a cash outflow from operating activities of -3.2 million euros (2011: -10.5 million euros). This figure includes a net cash inflow from the utilization of the factoring facility of 5.4 million euros as of March 31, 2012. Compared with the previous year, systematic working capital management more than compensated the effect from the decreased cash inflow from profit before income taxes.

Cash flow from investing activities in the first quarter of 2012 was -1.5 million euros. With largely constant payments made for investments, this was below the positive cash flow of 0.5 million euros of the previous year, which included payments received for the sale of assets amounting to 2.5 million euros. Total net cash flow was -4.7 million euros (2011: -10.0 million euros). Cash flow from financing activities amounted to -8.1 million euros (2011: -1.4 million euros) and primarily included repayments of non-current and current financial debts.

As of March 31, 2012, the Logwin Group reported a balance sheet total of 453.1 million euros compared with 459.2 million euros at the end of last year.

Non-current assets amounted to 241.7 million euros at the end of the first quarter (December 31, 2011: 243.2 million euros) and included, as the most significant item, goodwill of 152.5 million euros (December 31, 2011: 153.1 million euros). This figure also included property, plant and equipment of 67.0 million euros (December 31, 2011: 67.3 million euros), other intangible assets of 6.4 million euros (December 31, 2011: 6.8 million euros) and deferred tax assets of 13.1 million euros (December 31, 2011: 13.6 million euros). Current assets of the Logwin Group totalled 211.4 million euros at the end of the quarter (December 31, 2011: 216.0 million euros) and mainly consisted of trade accounts receivable of 156.0 million euros (December 31, 2011: 151.2 million euros) and cash and cash equivalents of 28.3 million euros (December 31, 2011: 41.0 million euros). Trade accounts receivable were reduced by the utilization of the factoring facility as of March 31, 2012, totalling 12.6 million euros as a result of the "true sale" character of factoring (December 31, 2011: 7.2 million euros).

As of March 31, 2012, shareholders' equity of the Logwin Group amounted to 173.1 million euros compared with 170.6 million euros at the end of last year. The equity ratio increased slightly to 38.2 % (December 31, 2011: 37.2 %).

At the end of the first quarter of 2012 non-current liabilities decreased to 65.7 million euros from 70.0 million euros at December 31, 2011. Current liabilities amounted to 214.3 million euros as of March 31, 2012 (December 31, 2011: 218.6 million euros). This figure mainly included trade accounts payable of 150.1 million euros (December 31, 2011: 153.9 million euros).

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

Employees

As of March 31, 2012, the Logwin Group employed 5,758 staff compared with 5,925 as of December 31, 2011. This represents a decrease of 167 employees, which was partly due 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.

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 quarter 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 the assessment of leading German economic research institutes the Logwin Group assumes that there will be continued recovery in the German and global economies in the current year. This should have a positive effect on business volumes and consequently on sales. The Logwin Group expects stable earnings for 2012 compared with last year and has already initiated measures aimed at saving costs and improving profitability, particularly in the business segment Solutions. Moreover, reduced interest expenses will also have a positive effect.

The business segment Air + Ocean anticipates continuing robust business development with increasing freight rates over the course of the year. Performance at the business segment Solution will be marked by the implementation of the measures aimed at increasing efficiency that have been decided.

Consolidated Interim Financial Statements

Income Statement

January 1 - March 31, *in thousand €*	2012	2011
Net sales	329,863	336,280
Cost of sales	–302,962	–307,346
Gross profit	**26,901**	**28,934**
Selling costs	–7,373	–6,746
General and administrative costs	–14,613	–13,735
Other operating income	2,536	1,927
Other operating expenses	–1,349	–1,984
Operating income (EBIT)	**6,102**	**8,396**
Finance income	224	233
Finance expenses	–1,883	–2,835
Profit before income taxes	**4,443**	**5,794**
Income taxes	–1,569	–2,382
Net result	**2,874**	**3,412**
Attributable to:		
Equity holders of Logwin AG	2,752	3,211
Non-controlling interest	122	201
Earnings per share – basic and diluted:		
Net result attributable to the equity holders of Logwin AG	0.02	0.02
Weighted average number of shares outstanding	**146,257,596**	**146,257,596**

Statement of Comprehensive Income

January 1 - March 31, *in thousand €*	2012	2011
Net result	**2,874**	**3,412**
Unrealized gains/losses on securities, available-for-sale	26	–4
Unrealized losses on interest rate swaps	–59	–
Change in fair value reserve	**–33**	**–4**
Change in translation reserve	**–283**	**–2,151**
Other comprehensive income	**–316**	**–2,155**
Total comprehensive income	**2,558**	**1,257**
Attributable to:		
Equity holders of Logwin AG	2,436	1,056
Non-controlling interest	122	201

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

Statement of Cash Flows

January 1 - March 31, *in thousand €*	2012	2011
Profit before income taxes	4,443	5,794
Financial result	1,659	2,602
Profit before interests and income taxes	6,102	8,396
Reconciliation adjustments to operating cash flows:		
Depreciation and amortization	2,824	3,030
Result from disposal of fixed assets	–520	–216
Other, net	–1,573	–1,729
Income taxes paid	–1,035	–610
Interest paid	–729	–570
Changes in working capital, cash effective:		
Change in receivables	–13,546	–16,904
Change in payables	–122	–2,474
Change in inventories	47	568
Net Cash inflow from utilizing the factoring facility	5,352	–
Operating cash flows	**–3,200**	**–10,509**
Capital expenditures	–2,060	–1,863
Proceeds from disposals of consolidated subsidiaries and other business operations	473	300
Proceeds from disposals of non-current assets	559	2,456
Payments for acquisitions of subsidiaries, net cash of acquired	–200	–310
Other cash flows from investing activities	–293	–99
Investing cash flows	**–1,521**	**484**
Net cash flow	**–4,721**	**–10,025**
Repayment of current loans and borrowings	– 3,726	–276
Repayment of non-current loans and borrowings	–3,789	–516
Payment of finance lease obligations	–660	–556
Other cash flows from financing activities	29	–46
Financing cash flows	**–8,146**	**–1,394**
Effects of exchange rate changes on cash	134	–925
Changes in cash and cash equivalents	**–12,733**	**–12,344**
Cash and cash equivalents at the beginning of the year	41,036	67,499
Change	–12,733	–12,344
Cash and cash equivalents at the end of period	**28,303**	**55,155**

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

Balance Sheet

Assets *in thousand €*	**March 31, 2012**	**Dec. 31, 2011**
Goodwill	152,541	153,093
Other intangible assets	6,392	6,758
Property, plant and equipment	66,951	67,317
Investments	1,163	1,501
Deferred income taxes	13,134	13,561
Other non-current assets	1,476	924
Total non-current assets	**241,657**	**243,154**
Inventories	2,229	2,293
Trade accounts receivable	155,955	151,185
Income tax receivables	3,115	3,011
Other receivables and current assets	21,842	18,472
Cash and cash equivalents	28,303	41,036
Total current assets	**211,444**	**215,997**
Total assets	**453,101**	**459,151**

Liabilities and Shareholders' Equity *in thousand €*	**March 31, 2012**	**Dec. 31, 2011**
Ordinary shares	131,202	131,202
Group reserves	39,542	37,106
Equity attributable to the shareholders of Logwin AG	**170,744**	**168,308**
Non-controlling interest	2,402	2,280
Shareholders' equity	**173,146**	**170,588**
Non-current finance lease obligations	18,529	18,827
Non-current loans and borrowings	18,247	22,034
Pension provisions and similar obligations	24,592	24,742
Other non-current provisions	2,300	2,285
Deferred income taxes	553	557
Other non-current liabilities	1,482	1,536
Total non-current liabilities	**65,703**	**69,981**
Trade accounts payable	150,067	153,916
Current finance lease obligations	2,077	2,120
Current loans and borrowings	6,436	9,749
Current provisions	9,403	10,466
Income tax liabilities	3,710	3,532
Other current liabilities	42,559	38,799
Total current liabilities	**214,252**	**218,582**
Total liabilities and shareholders' equity	**453,101**	**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 recognized in equity	**Total**	**Non-controlling interest**	**Total shareholders' equity**
January 1, 2011	**131,202**	**103,929**	**–68,195**	**–1,555**	**165,381**	**1,608**	**166,989**
Net result			3,211		3,211	201	3,412
Other comprehensive income				–2,155	–2,155	–	–2,155
Total comprehensive income			**3,211**	**–2,155**	**1,056**	**201**	**1,257**
Subsequent costs of capital increase 2010		–70			–70	–	–70
March 31, 2011	**131,202**	**103,859**	**–64,984**	**–3,710**	**166,367**	**1,809**	**168,176**
January 1, 2012	**131,202**	**92,321**	**–50,843**	**–4,372**	**168,308**	**2,280**	**170,588**
Net result			2,752		2,752	122	2,874
Other comprehensive income				–316	–316	–	–316
Total comprehensive income			**2,752**	**–316**	**2,436**	**122**	**2,558**
March 31, 2012	**131,202**	**92,321**	**– 48,091**	**– 4,688**	**–170,744**	**2,402**	**173,146**

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

Notes to Consolidated Interim Financial Statements as of March 31, 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.

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 March 31, 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	March 31, 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 of 2012 which belonged to the business segment Solutions.

3 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 EBIT before 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 March 31, 2012 and 2011:

January 1 - March 31, 2012 *in thousand €*	Solutions	Air + Ocean	Other	Consolidation	Group
External sales	180,445	148,190	1,228	–	329,863
Intersegment sales	1,023	361	819	–2,203	–
Net sales	**181,468**	**148,551**	**2,047**	**–2,203**	**329,863**
Operating income (EBIT)	**1,308**	**5,986**	**–1,192**	**–**	**6,102**
Financial result					–1,659
Income taxes					–1,569
Net result					**2,874**

January 1 - March 31, 2011 *in thousand €*	Solutions	Air + Ocean	Other	Consolidation	Group
External sales	179,338	154,884	2,058	–	336,280
Intersegment sales	1,339	782	1,360	–3,481	–
Net sales	**180,677**	**155,666**	**3,418**	**–3,481**	**336,280**
Operating income (EBIT)	**4,194**	**5,878**	**–1,676**	**–**	**8,396**
Financial result					–2,602
Income taxes					–2,382
Net result					**3,412**

4 Loans and borrowings

As of March 31, 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 2.9 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.

5 Contingent Liabilities

In the first three 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 quarter 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.

6 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.

7 Subsequent Events

There were no significant events between March 31, 2012, and the date of authorization of the quarterly financial report by the Audit Committee of Logwin AG.