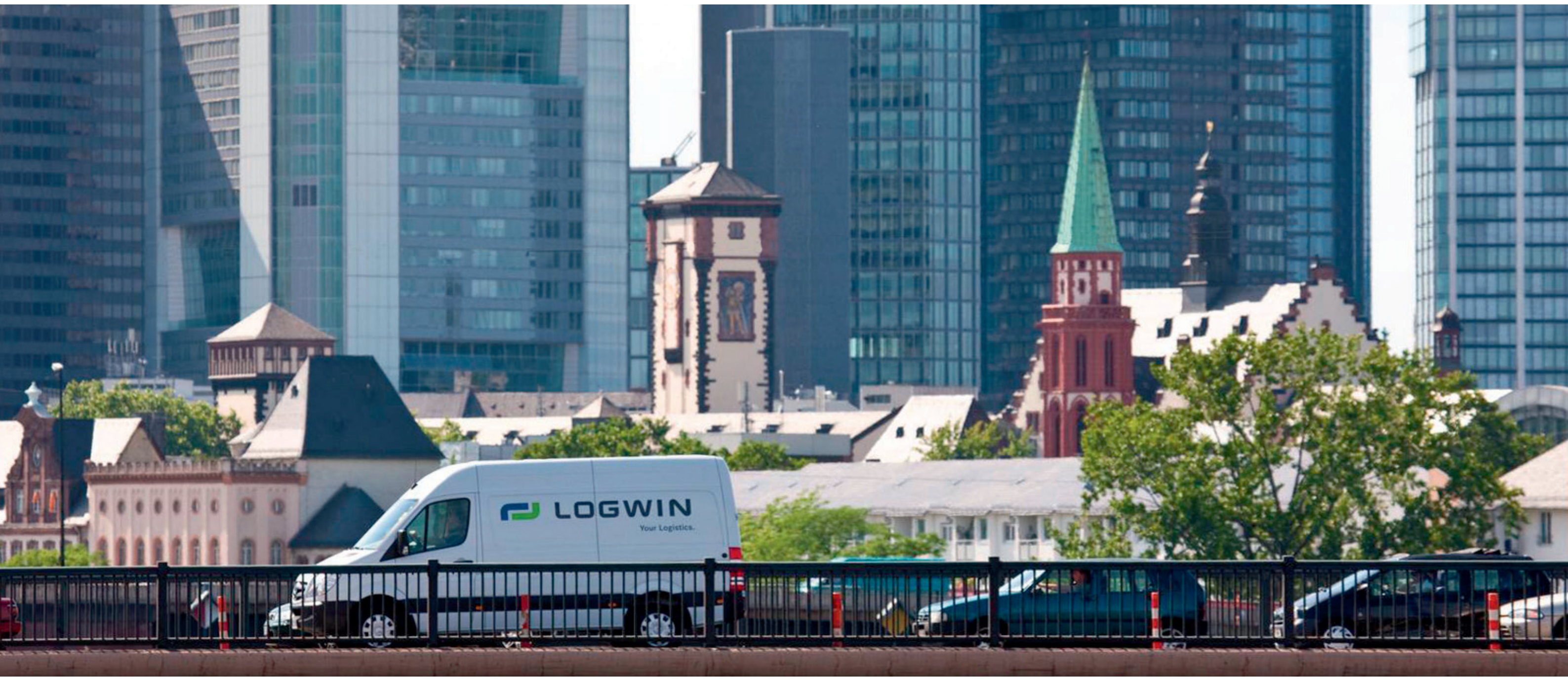
Annual Financial Report 2013

Logwin AG



Your Logistics.

Key Figures 1 January – 31 December 2013

Group *in thousands of EUR*	2013	2012
Revenues	1,219,709	1,324,593
Change on 2012	*−7.9%*	
Operating result (EBITA) before valuation effects and the sale of business activities	14,839	14,914
Margin	*1.2%*	*1.1%*
Net result	−2,865	−68,621
Net result excluding goodwill impairment and the sale of business activities	3,997	5,822
Operating cash flow	21,518	24,784
Net Cash flow	32,323	20,546

Business Segments *In thousands of EUR*	2013	2012
Solutions		
Revenues	600,649	691,963
Change on 2012	*−13.2%*	
Operating result (EBITA) before valuation effects and the sale of business activities	−2,910	−3,514
Margin	*−0.5%*	*−0.5%*
Air + Ocean		
Revenues	618,126	633,248
Change on 2012	*−2.4%*	
Operating result (EBITA)	27,096	25,317
Margin	*4.4%*	*4.0%*

	31 Dec 2013	31 Dec 2012
Equity ratio	26.3%	24.8%
Net liquidity *(In thousands of EUR)*	37,931	7,180
Number of employees	4,514	5,505

The annual financial report 2013 is published both in English and German. The English version is a translation from the German original, which ist authoritative.

Group Management Report

Logwin Group background information

Business model

The Logwin Group The Logwin Group provides its customers with comprehensive logistics and transport solutions – from procurement logistics and production-related services to distribution. As an integrated logistics service provider, Logwin combines the advantages of an internationally established logistics group with those of a flexible medium-sized company. With its two business segments Solutions and Air + Ocean, the Logwin Group offers a range of logistical services for customer-specific requirements and manages supply chains between suppliers and consumers either partially or as a whole. The Logwin Group can take care of supply chain management, warehousing, value added services and worldwide transportation by road, rail, air or sea freight on behalf of its customers. Here it makes use of its own specialized networks as well as transportation partners in proven partnerships.

Logwin AG is listed on the Frankfurt Stock Exchange. The majority shareholder is DELTON Vermögensverwaltung AG, Bad Homburg.

Solutions business segment As a specialist in contract logistics, the Solutions business segment offers individual customer- and industry-oriented solutions in the retail sector as well as in the area of industrial contract logistics with a focus on the chemical and automotive sectors. The solutions range from supply chain management, transportation and warehousing through to logistical value added services and complete outsourcing projects. The business also maintains special networks, particularly for the fashion and consumer goods industries ("Retail Network") and for the media sector.

Air + Ocean business segment The Air + Ocean business segment provides worldwide transportation and logistics solutions with a focus on intercontinental air and sea freight, frequently in connection with upstream and downstream value added services. Air + Ocean draws on its international network that is divided into the five business units Europe Middle East, Americas, Africa, South East Asia and Far East Asia and which is complemented by powerful partnerships.

Financial performance management

A number of key control parameters are of central importance for financial performance management within the Logwin Group. Operating income before valuation effects measures the profitability of the group and of the individual business segments. Additional key control indicators are net result and net cash flow (operating cash flows plus investing cash flows). These three indicators are also the fundamental elements of the remuneration system. Discounted cash flow (DCF) analyses are used as the basis for assessing the benefits of major investments.

Research and development

Development activities in the Logwin Group concentrate on service and process innovations. These innovations are developed with customers as preparation for large assignments in order to ensure improved operational and administrative processes. The specialists in the Logistics Engineering, Process Development and IT units of the Solutions business segment in particular are entrusted with this type of work for complex contract logistics projects.

Corporate governance

Members of the Board of Directors and the Executive Committee

Berndt-Michael Winter (*1954)
Chairman of the Board of Directors and the Executive Committee (Chief Executive Officer)
Chairman of the Management Board of DELTON AG, Bad Homburg v. d. Höhe (GER)

Dr. Antonius Wagner (*1961)
Deputy Chairman of the Board of Directors and the Executive Committee
Member of the Management Board of DELTON AG, Bad Homburg v. d. Höhe (GER)

Thomas Eisen (*1971)
Member of the Executive Committee, Bergheim (AUT)

Sebastian Esser (*1974)
Member of the Executive Committee (Chief Financial Officer), Aschaffenburg (GER)
Since 1 January 2014

Dr. Michael Kemmer (*1957)
Non-executive member of the Board of Directors
Chief Executive Bundesverband Deutscher Banken, Berlin (GER)

Hauke Müller (*1964)
Member of the Executive Committee, Hamburg (GER)

Dr. Yves Prussen (*1947)
Non-executive member of the Board of Directors
Attorney in Luxembourg (LU)

Tomas Sonntag (*1960)
Member of the Executive Committee, Hong Kong (CHN)
Since 1 January 2014

The Board of Directors of Logwin AG has adopted a Corporate Governance Charter, which is available on the Internet at http://www.logwin-logistics.com/investors/governance.html.

Information in accordance with Article 11 of the Luxembourg Takeover Act dated 19 May 2006

Lit (a): Details on the equity structure of the Logwin Group are included in note 26 on page 60 of the notes to the consolidated financial statements. As of 31 December 2013, there were 146,257,596 fully paid up, no-par voting shares outstanding and admitted for trading on the Frankfurt Stock Exchange.

Lit (b): There are no restrictions on the transfer of the shares.

Lit (c): The majority shareholder of Logwin AG is DELTON Vermögensverwaltung AG, Bad Homburg, Germany, which is a wholly owned subsidiary of DELTON AG, Bad Homburg, Germany. The sole shareholder of DELTON AG is Stefan Quandt. For further details please refer to notes 1 and 39 on pages 26 and 80 of the notes to the consolidated financial statements.

Lit (d): There are no shares that give the holders any special rights of control.

Lit (e): There are no employee stock ownership schemes in the Logwin Group.

Lit (f): There are no restrictions on voting rights in the Logwin Group.

Lit (g): As of 31 December 2013, Logwin AG is unaware of any understandings with shareholders that restrict the transfer of shares or voting rights in accordance with Directive 2004/109/EC.

Lit (h): Rules governing the appointment and replacement of members of the Board of Directors and changes to the Articles and Memorandum of Association are contained in articles 8, 16 and 17 of the Articles and Memorandum of Association of Logwin AG and in chapter 8 of the Corporate Governance Charter. Both documents can be downloaded from www.logwin-logistics.com/investors.

In particular, the following applies:

- The members of the Board of Directors are appointed by the General Meeting of shareholders for a period not exceeding six years. They may be dismissed by the General Meeting at any time. The repeated appointment of a member of the Board of Directors is permitted.
- If a member of the Board of Directors (including executive members of the Board) retires prematurely, the remaining members may co-opt a new member to the Board in accordance with legal provisions on a provisional basis. Final election will take place when shareholders next meet for their General Meeting.
- The General Meeting of shareholders may change the company's Articles and Memorandum of Association at any time, taking into account legal provisions governing minimum attendance and majority voting.

Lit (i): The powers of the Board of Directors, in particular relating to the empowerment to issue or withdraw shares, are regulated in articles 5, 8, 9, 10, 11, 18, 19 and 23 of the Articles and Memorandum of Association of Logwin AG and in chapter 3 of the Corporate Governance Charter. Both documents can be downloaded from www.logwin-logistics.com/investors.

In particular, the following applies:

- The Board of Directors is responsible for the management of the company.
- The Board of Directors is vested with the powers to perform all acts of administration and disposal in the interests of the company. The Board of Directors may appoint a committee of directors charged with performing the daily management of the company (hereinafter referred to as "Executive Committee").
- The Board of Directors defines the scope of activity of the Executive Committee and of the individual committees. It also authorizes the procedures that are to be used for the Executive Committee and the individual committees.

- The daily management of the company is performed by the Executive Committee under the supervision of the Board of Directors. The Board of Directors decides on the signatory powers of the members of the Executive Committee.
- The Board of Directors is authorized until 31 March 2015 to increase the company's registered capital by issuing on one or more occasions up to 76,692,378 new no-par bearer shares with or without an issue premium ("prime d'emission") in exchange for cash and/or non-cash capital contributions.
- The company may repurchase its own shares in accordance with the provisions of the law.

Lit (j): There are finance agreements containing clauses that grant lenders the right to terminate the agreement prematurely in the event that the number of shares held by the majority shareholder of Logwin AG falls below certain thresholds.

Lit (k): There are no agreements between Logwin AG and members of its Board of Directors or other employees that provide for compensation in the event of termination of employment without cause or in the event of a takeover bid.

Economic report

Market environment

The performance of the global economy varied in 2013. Following a quiet start to the year, economic growth slowly began to pick up by mid year. The situation in the eurozone also improved slightly in the course of the year, despite continuing weak public sector demand. While the economic recovery remained sluggish – although to varying degrees – following the sharp downturns in prior years in Greece, Italy, Portugal and Spain, the German economy exhibited an upswing. However, there has been uncertainty since the beginning of the fourth quarter of 2013 resulting from the considerable devaluation of the currencies of several developing economies.

The development of the global economy along with overall weak eurozone demand had an adverse impact on the logistics industry in 2013. Transported volumes of goods fell slightly short of the prior year figure, in particular in the first half. Nonetheless, a cautiously positive trend became apparent by year end and is expected to continue into the beginning of the following year.

Business performance

The development of the Solutions business segment was, along the continuation of measures to improve profitability, shaped by the sale and discontinuation of business activities in financial year 2013. Five locations with primarily general cargo shipping activities and around 575 employees (2012 revenue of around EUR 130m) were sold in the course of the year. In addition, four European companies and locations were sold during the reporting period. With around 240 employees, these had accounted for around EUR 18m of group revenue in 2012. As of 31 December 2013, a sale and transfer agreement had been signed for five additional subsidiaries of the Solutions business segment in Eastern Europe.

The Air + Ocean business segment continued to record considerable growth in profitability in financial year 2013 despite the challenges presented by the economic environment and a slight decline in revenue on the prior year. Investments in future and growth markets (in particular in Asia) continued to pay off in financial year 2013.

Earnings position

Logwin Group The Logwin Group generated total revenue of EUR 1,219.7m in financial year 2013, marking a −7.9 % decrease on the prior year figure of EUR 1,324.6m. This development is primarily attributable to the sale of business activities and the closure of locations in the Solutions business segment as well as on average lower freight rates in the Air + Ocean business segment.

The Logwin Group recorded gross profit of EUR 99.3m in 2013, a decline on the prior year figure (EUR 102.7m). The gross margin improved from 7.8 % to 8.1 %. Selling, general and administrative costs fell to EUR −82.8m in financial year 2013 from EUR −86.6m in the prior year as a consequence of the implemented measures aimed at stabilizing the earnings position of the Solutions business segment. The net amount of other operating expenses and income comes to EUR −4.5m (prior year: EUR 0.1m) and includes disposals of goodwill of EUR −1.3m (prior year: EUR −0.5m) associated with the sale of locations and subsidiaries in the Solutions business segment. The total effect of the sales of business activities on the result was EUR −2.9m (prior year: EUR 1.3m). Adjusted for these effects, the Logwin Group achieved an operating result before valuation effects and the sale of business activities of EUR 14.8m in financial year 2013 (prior year: EUR 14.9m). The Air + Ocean business segment was able to continue its earnings growth and improved its operating result by EUR 1.8m. The Logwin Group’s adjusted operating margin before valuation effects and the sale of business activities amounted to 1.2 % in 2013 (prior year: 1.1 %).

The sale of the Solutions locations and the resulting change to the revenue structure of the business segment prompted Logwin to subject the Solutions business segment to a goodwill impairment test as of 30 June 2013. The impairment test showed that it was necessary to record an impairment of EUR −4.0m. After the goodwill impairment in the Solutions business segment, the Logwin Group’s net result before interest and income taxes (EBIT) came to EUR 8.0m. EBIT totaled EUR −59.5m in 2012 and included impairment losses of EUR −71.5m on goodwill of the Solutions business segment and impairment losses on property, plant and equipment of EUR −4.2m.

The financial result of EUR –5.8m for financial year 2013 was up slightly compared with the prior year (2012: EUR –6.5m). Income tax expense increased from EUR –2.6m in the prior year to EUR –5.1m in 2013.

The Logwin Group's net result for the period amounted to EUR –2.9m in financial year 2013, up from the net result for the period of EUR –68.6m in the prior year. Adjusted for goodwill impairment and sales of business activities, the net result for the period came to EUR 4.0m in 2013 (prior year: EUR 5.8m).

Solutions In financial year 2013, the Solutions business segment generated revenue of EUR 600.6m, which was –13.2 % below the prior year figure of EUR 692.0m due to the sale and closure of logistics locations. Furthermore, a decrease in volumes in the print media sector had an adverse impact on the Media area. Revenue fell short of the prior year level in the area of Retail due to the discontinuation of unprofitable business activities. By contrast, individual transactions with key customers showed a positive development. The operating result before valuation effects and the sale of business activities in the Solutions business segment amounted to EUR –2.9m (prior year: EUR –3.5m). The operating result of the segment included charges associated with the closure of locations. At the same time, the implementation of the organizational changes aimed at lowering structural costs and increasing profitability of the business segment had a positive effect in the reporting period.

Air + Ocean The Air + Ocean business segment generated revenue of EUR 618.1m in financial year 2013 compared with EUR 633.2m in 2012. The slight decrease by –2.4 % is primarily due to mostly lower freight rates over the course of the year compared to the prior year. In line with the prior year development, sea freight rates saw high volatility in financial year 2013. Air freight rates remained heavily volatile as well and increased noticeably at year end following a period of markedly low rates. This was attributable to a sharp decrease in capacities, in particular on the main routes between Asia and Europe, which continued to exert strong pressure on margins. The segment's positive volume growth in the area of sea freight exceeded the market development, which was primarily the result of increased exports from Europe and inner-Asian transportation. The air freight rate volumes for the Air + Ocean business segment fell in financial year 2013 from the prior year level due to less customer-specific project business. At EUR 27.1m, operating income of the segment was considerably higher (7.1 %) than the 2012 figure of EUR 25.3m. This boosted the operating margin from 4.0 % in the prior year to 4.4 % in financial year 2013. In particular a number of the Asian companies and the Americas and Africa regions showed a positive development in financial year 2013.

Financial position

Financial Management in the Logwin Group The operating entities of the Logwin Group primarily finance themselves from operating cash flows and via Logwin AG, which provides funds in the form of intragroup loans to its subsidiaries. The Logwin Group finances itself from equity capital and also from the sale of trade accounts receivable (factoring). In addition, the Logwin Group has several credit facilities at its disposal.

Existing financial liabilities mainly relate to finance lease obligations. Overall, the Logwin Group was able to reduce its financial liabilities of EUR 46.8m as of 31 December 2012 to EUR 20.7m as of the end of financial year 2013. The decrease is mainly due to the premature repayment of the long term loan raised in 2011. Net liquidity increased from EUR 7.2m as of the end of the prior year to EUR 37.9m as of 31 December 2013.

Liquidity analysis and investments The Logwin Group recorded cash inflows from operating activities of EUR 21.5m in financial year 2013 compared with EUR 24.8m in the prior year. The Group's working capital management again contributed to a positive cash flow, although to a somewhat lesser extent than in the prior year.

The Logwin Group generated cash flow from investing activities of EUR 10.8m in 2013 (prior year: EUR −4.2m) including the sale of assets and business activities. Cash flow from investing activities included proceeds of EUR 16.6m (prior year: EUR 3.9m) from disposals of non current assets, consolidated companies and other business operations.

The Logwin Group thus generated a total net cash flow of EUR 32.3m (prior year: EUR 20.5m).

Cash flow from financing activities in 2013 was EUR −25.3m (prior year: EUR −7.7m) and was primarily made up of largely premature repayments of the long-term bank loan of EUR 18.0m.

Net asset position

Total assets of the Logwin Group decreased considerably from EUR 396.4m as of the reporting date of the prior year to EUR 345.4m as of 31 December 2013. The reduction in total assets is largely due to a decrease in property, plant and equipment, resulting from the sales and the impairment of goodwill of the Solutions business segment.

Non current assets decreased from EUR 161.0m as of the reporting date of the prior year to EUR 137.0m. Goodwill of EUR 74.9m (prior year: EUR 81.1m) continues to constitute the most significant item under non current assets. Non current assets also mainly include property, plant and equipment of EUR 39.1m (prior year: EUR 55.5m), deferred tax assets of EUR 16.9m (prior year: EUR 16.5m) and other intangible assets of EUR 3.9m (prior year: EUR 5.6m).

The Logwin Group's current assets came to EUR 208.4m as of 31 December 2013 compared with EUR 235.4m as of the end of the prior year. The largest items under current assets are trade accounts receivable of EUR 125.6m (prior year: EUR 150.0m) and cash and cash equivalents of EUR 58.6m (prior year: EUR 53.9m). Trade accounts receivable were reduced as of 31 December 2013 by the amount used under the factoring line totaling EUR 6.0m (31 December 2012: EUR 6.0m). The assets and liabilities of the five companies of the Solutions business segment for which a contract regarding their sale had been signed as of the reporting date were reported under the items “Assets held for sale” and “Liabilities associated with assets held for sale” as of the end of financial year 2013. The undeveloped property reported under “Assets held for sale” in the prior year was sold in 2013.

Equity of the Logwin Group came to EUR 90.9m as of 31 December 2013 (prior year: EUR 98.2m), while the equity ratio rose from 24.8 % as of the reporting date of the prior year to 26.3 % as of the end of financial year 2013.

Non-current liabilities were considerably reduced in 2013 mainly due to the full repayment of the long term loan and came to EUR 46.0m as of 31 December 2013 (prior year: EUR 66.5m). Current liabilities decreased as of 31 December 2013 from EUR 231.7m to EUR 208.4m and are primarily made up of trade accounts payable of EUR 142.6m (prior year: EUR 161.7m).

Employees

The Logwin Group had 4,514 employees worldwide as of 31 December 2013 compared with 5,505 employees as of 31 December 2012. This represents a decrease of 991 employees. The number of employees in Germany fell by 781 from 2,919 to 2,138. The number of employees in the Air + Ocean business segment increased by 72 on the prior year. The Solutions business segment employed 1,082 people fewer than in the previous year, primarily due to the disposal and closure of subsidiaries and branches.

Report on the Logwin share

The Logwin share A total of 7.0 million Logwin AG shares were traded on all German stock exchanges in 2013. This was equivalent to a turnover of EUR 7.5m. The price of the Logwin share rose between the beginning and end of the reporting period from EUR 0.95 to a Xetra closing price of EUR 1.06. The significance of this share price development is limited due to the low volumes traded.

Key figures for the Logwin share

		31 Dec 2013	31 Dec 2012
Closing price (Xetra)	*in EUR*	1.06	0.95
High/low 52 weeks	*in EUR*	1.23/0.90	1.09/0.65
Total number of shares	*Units*	146,257,596	146,257,596
Market capitalization	*in millions of EUR*	155.0	138.9

Shareholdings The majority shareholder is DELTON Vermögensverwaltung AG. The members of the Board of Directors and the Executive Committee of Logwin AG did not hold any shares or options to purchase shares in Logwin AG as of 31 December 2013.

Company rating The rating by Standard & Poor's for the Logwin Group (corporate credit rating) remained unchanged 2013 at "B+."

Subsequent events report

On 14 January 2014, the ruling of the Austrian Supreme Court from 2 December 2013 was delivered to the Logwin Group that the legal procedure has been remanded to the Vienna Higher Regional Court as the court of first instance. In this context, please see "Risks from infringements against national and international legislation" in the risk report.

The subsidiaries with assets and liabilities as of 31 December 2013 disclosed as "Held for sale" were sold in January 2014 effective as of 31 December 2013.

No other material events occurred between 31 December 2013 and the preparation of the consolidated financial statements by the Board of Directors of Logwin AG on 3 March 2014 which would require reporting.

Risk report

Risk management system

Objectives and Strategy The Logwin Group has a group-wide risk management system in order to ensure the proper management of the company and to implement a coherent risk policy at Logwin AG. This forms an integral part of the planning and control system within the Logwin Group and is an essential element in managing and controlling the company. The risk management system is also included in the audit of the annual financial statements performed by the auditors. The overriding aim of Logwin AG's risk policy is the timely and systematic identification of risks that may lead to an adverse deviation from forecasts or targets or may become a risk to the continued existence of the company so that such risks can be avoided or their negative effects minimized by initiating prompt countermeasures. The systematic identification and analysis of opportunities is not a component of the group wide control and risk management system. Continuous close monitoring of business activities at various levels of management of the Logwin Group ensures that opportunities are adequately identified and exploited.

Structure and process The appropriate transformation of the established risk policy into an efficient risk management system is guaranteed by group-wide policies and procedures that are set down in risk management guidelines. Risk owners in the business segments and holding companies identify and assess risks that can emerge in their areas. These are then systematically summarized at the functional/business unit, business segment or group level depending on predetermined reporting threshold values and communicated to the relevant management levels in the functional/business units and segments as well as to the Executive Committee and the Board of Directors of Logwin AG. Besides regular reporting at specified intervals, emergency reporting procedures in the event of special urgency play an essential part in the risk management system. Controlling the risks is the responsibility of the risk owners themselves, the relevant management levels in the functional units, business units or business segments or the Executive Committee, depending on the required degree of authority. These clearly defined processes and responsibilities do not just guarantee that all identified risks are duly addressed, but also ensure that the Executive Committee and the Board of Directors of Logwin AG are informed about all major risks.

The internal control and risk management system relating to the financial reporting process Besides the risk management guidelines, group-wide accounting guidelines also regulate the financial reporting process as a further feature of the internal control and risk management system. The financial reporting process in the Logwin Group reflects its decentralized organizational structure, i.e., at the business segment level the individual group companies are monitored with regard to their reporting preparations, e.g., scheduling and assigning tasks, obtaining balance confirmations, allocating provisions and also with regard to drawing up the financial statements by way of numerous, in part system-based reconciliation and plausibility checks. A further step in the internal control system are the representation letters presented by the management of each subsidiary regarding their annual financial statements. All input and worksteps in the consolidation process are documented in the consolidation software, which is used across the group and which has a hierarchical system of user rights for access and data input. Besides the external auditors, the Group's internal audit is also involved in monitoring compliance with the accounting guidelines in selected cases.

Risks

Overview Unknown or unrecognized risks may exist for the Logwin Group despite the existence of a risk management system. The possibility cannot be excluded that the risk management system could prove to be partially or entirely inadequate or fail completely, and that such risks could materialize in the Group's course of business or not be identified quickly enough. The occurrence of one or more of these risks could have material negative effects on the net assets, financial situation and earnings position of the Logwin Group.

As a global logistics service provider, the Logwin Group faces macroeconomic risks along with industry, competition, customer and procurement risks. Furthermore, financial, legal, regulatory and environmental risks, IT and other risks as well as risks from violations of national and international laws can also affect business performance, materially impacting on the Group's net assets, financial situation and earnings position.

Macroeconomic risks The performance of the global economy and of world trade is of crucial importance for the demand for logistics services and thus for the business performance of the Logwin Group. There are thus significant risks for the Logwin Group associated with global economic trends, in particular to economic performance of the eurozone and Asian economies. A significant decline in economic growth would lead to a fall in demand for logistics services that might make it necessary for the Logwin Group to take further corrective measures. There is a risk that this would involve considerable negative effects on earnings.

The current situation could also deteriorate in the event that the markets consider the measures taken and the consolidation plans aimed at tackling government debt in the industrialized nations and key growth economies to be insufficient. This could lead to distortions in the financial markets and negative knock-on effects on the real economy, in particular to a downturn in world trade. This would directly affect the Logwin Group in its Air + Ocean business segment, in particular in its core markets in Asia and Europe, as well as in its Solutions business segment. A persisting surplus of transport capacity caused by a fall in demand and slower globalization can lead to further intensified competition for reduced customer orders and volumes. If these risks materialize they could have a negative effect on the Logwin Group's net assets, financial situation and earnings position.

If considerable capital outflows from key growth markets (which often result in sharp depreciation of the local currency) continue to take place, the Logwin Group will face the risk of a negative impact on the economic development of the countries affected.

Industry risks It is necessary for transportation and logistics service providers, and in particular for the Logwin Group, to constantly review their business models and strategic direction and to optimize their corporate structures and processes in order to be better prepared for fluctuations in the economy and to be ready to deal with the intensity of competition and the resultant pressure to consolidate within the industry. This includes the continuous improvement of logistics services, for example by increasing the efficiency and flexibility of service delivery. Failing to take such measures, or implementing countermeasures too late when a slowdown occurs, involves material risks for the future economic growth of the Logwin Group. These could result in reduced revenues, lower utilization of its own capacities and decreased earnings.

Developments in industry-specific costs pose a considerable risk for the Logwin Group's earnings situation. In connection with providing transportation services and managing logistics premises there is the risk of an increase in crude oil prices that has a direct influence on diesel and heating oil prices. The reasons for increases include a recovery of the global economy, upheavals and tensions in the Middle East and North Africa and devaluation of the euro against the US dollar. This can lead to unexpected and, in particular in local markets, often to very abrupt increase in the cost of the services provided by Logwin. Logwin faces the risk of a significant decrease in earnings if such price increases cannot be passed on promptly and in full to customers.

It is also important for the Logwin Group when providing seamless transportation and logistics services at different company locations to have appropriately qualified staff at appropriate conditions. In the event that appropriate staff are not available, or only partially available, at the company's locations at reasonable conditions, or that there is for example a shortage of available truck drivers, the Logwin Group faces the risk of not being able to provide its services as agreed due to increased costs of employment or transport, or only in a way that is economically unviable. This could have a negative effect on the Logwin Group's business performance and profitability.

In an increasingly security-conscious environment the possibility of the introduction of stricter security measures such as tighter import controls and controls in connection with air freight security cannot be excluded. It is difficult to assess what the effects of this might be for the logistics industry, but having to meet international security regulations would presumably result in increased administrative costs and significantly higher investment requirements for additional security measures, which would then affect the financial and earnings position of the Logwin Group.

Competition and customer risks In the Solutions business segment, specific risks arise from a concentration of competition in niche markets with a small number of competitors. This makes it more difficult to increase market share. Furthermore, the logistics solutions are heavily dependent on developments in the automotive, chemical, retail and media industries due to the high level of specialization in large parts of their service offering. A slowdown in the economic performance of these sectors or individual market participants would have a direct negative impact on the short- to medium-term earnings expectations of the Logwin Group.

In the Air + Ocean business segment, the key competition risks are the unpredictable developments in freight rates. A fall in freight rates can result in a reduction in the supply of worldwide sea and air freight capacities and significantly intensify the competition for transport volumes. Conversely, a continuous and noticeable increase in freight rates can have considerable effects on the earnings situation of the Logwin Group. There is the risk that it might not be possible to pass on higher rates to customers fully and in a timely manner.

Many customers that have launched restructuring measures and rationalization programs become even more cost-conscious and consequently demand reduced prices from their logistics service providers. This can result in existing logistics contracts being re-examined and an increasing number of contracts being put out to tender. This applies especially to the Solutions business segment, which is highly dependent on individual large customers. There is the risk for the Logwin Group that increasing customer cost sensitivity will have an adverse effect on its earnings performance.

Agreed contract periods are frequently growing shorter and no longer cover the required investment needs and non recurring expenses for the realization of logistics solutions. In drawing up contracts, there is a tendency to transfer risks such as liability and investment risks to the service provider and/or to agree on penalties for failure to render services in compliance with the contract. These may lead to risks exceeding the basic legal warranty risk, which could have a negative impact on the net assets, financial situation and earnings position of the Logwin Group.

Additional customer-related risks arising from extended payment periods, an increase in overdue receivables and bad debt and insolvencies.

Increased consolidation in the logistics industry can lead to a shift in the traditionally highly fragmented structure of the market, with large logistics groups assuming even greater market importance. For the Logwin Group, this can mean a deterioration in its competitive position if additional economies of scale in certain activities generate competitive advantage for others.

Procurement risks The Logwin Group uses subcontractors in a significant part of its services. The case might arise of not being able to provide sufficient transportation or warehousing capacities or of having to procure them at considerably increased market prices. Such unscheduled price hikes cannot always be passed on to customers immediately and in full. On the other hand, there are risks of an underutilization of transportation capacities and freight space held, particularly in the special networks of the Solutions business segment and the air freight area, as well as risks connected with logistics sites held to meet business requirements remaining vacant. Since carriers and logistics companies in Germany, as in previous years, represent one of the sectors with the highest level of insolvencies, there is the risk for the Logwin Group that subcontractors are not able to provide the agreed services due to insolvency.

When long-term supplier agreements are concluded with air and sea freight providers, the Logwin Group may have to pay penalties if it fails to meet its order commitments.

Financial risks The Logwin Group has guidelines regulating the handling of financial risks. In accordance with these, financial risk positions are identified and wherever possible hedged.

Liquidity risks
As a result of the continuing debt crisis in many industrialized countries, a renewed escalation could give rise to the risk of a drastic reduction in the granting of loans and thus a reduction in the financing options available to companies. In addition, a sharp increase in general interest rates in the eurozone is expected in the medium to long term. These developments can lead to higher expenses should financing be required, which could have a considerably negative effect on the Logwin Group's net assets, financial situation and earnings position.

The business operations of the Logwin Group as a logistics company can require it to use loans, factoring and credit-related forms of finance, for example when renting or leasing infrastructure, transport equipment and other technical equipment and facilities over the short to medium term. Continuing restricted access to means of finance and guaranteed credit lines, insufficient availability of suitable receivables that can be sold in the factoring process or a sustained increase in the cost of such financing instruments could lead to considerable risks for liquidity and earnings.

Engaging in the transportation business on a global scale requires the possibility of guarantees and collateral being provided by generally recognized guarantors, for example to customs and tax authorities and in the process of handling air and ocean transports. The Logwin Group will be faced with liquidity and earnings risks if the established financial instruments in international trade are no longer available to the Logwin Group to a sufficient extent, or if the customary mechanisms underlying international financial business transactions fail to work.

The Logwin Group manages its liquidity risk by monitoring the current liquidity situation on a daily basis. Liquidity planning is used to determine future requirements and to analyze on a regular basis whether the Logwin Group is in a position to meet its financial liabilities by the agreed maturity dates. In the event that financing arrangements are subject to covenants, compliance with the financial covenants is also monitored on a continuous basis. The Logwin Group also limits its liquidity risk through strict working capital management and financing from various sources of finance. As of 31 December 2013, the Logwin Group had unused credit facilities of EUR 48.8m. The Logwin Group also has the possibility to utilize a contractually agreed maximum amount of EUR 45.0m from the factoring facility depending on the volume of receivables sold.

Note 34 on page 74 of the notes provides a maturity analysis of financial liabilities.

Credit risks
There are credit risks arising from relationships with customers and banks. Credit risks with customers are, wherever possible, minimized by detailed credit assessments. Furthermore, trade credit insurance exists for the majority of customers, particularly in Germany. Credit risks resulting from relationships with banks (counterparty risk) are counteracted via diversification of banking relationships.

In cases where insurance or other collateral is not available or is insufficient, or where hedging is not performed due to economic considerations, the Logwin Group faces increased risks of payment default, which could have a negative impact on earnings if other risk prevention strategies are not implemented fully and in a timely manner.

Allowances are made for possible default risks on trade accounts receivable and other financial assets. Please refer to note 20 on page 56 of the notes to the consolidated financial statements for more information on the extent of loss provisions and the maturity structure of trade accounts receivable.

Currency risks
The companies of the Logwin Group generate revenue in various currencies in the course of carrying out their worldwide activities and therefore also recognize their assets in non-euro currencies. As a result, the Group is subject to ongoing currency risks. A significant risk to earnings and liquidity from the negative effects of exchange rate movements cannot be excluded.

Wherever feasible, the Logwin Group reacts to foreign exchange risks affecting liquidity by using hedging instruments. The use of financial hedging instruments requires the availability of corresponding credit facilities for the Logwin Group and necessitates the existence of functioning exchange rate mechanisms on the global currency markets. A sustained increase in the direct and indirect costs for suitable hedging instruments can have an adverse effect on the company's economic performance. Taking into account hedging activities, a change in the respective functional currency of the group companies by +/− 10 % in relation to the US dollar as of 31 December 2013 would have an effect on the Group's net result of −/+ EUR 0.1 m (prior year: −/+ EUR 0.1 m).

Note 34 on page 75 of the notes contains a list of forward exchange contracts as of the reporting date.

As the euro is the reporting currency of the Logwin Group, the consolidated financial statements of the companies are translated into euros, which is the functional currency of the Group. These translation related foreign currency risks are not typically hedged in the Logwin Group. This can create a considerable impact on the presentation of the earnings position and net assets of the Logwin Group.

Interest rate risks
Interest rates can change. Increased rates of interest can pose a risk to the earnings of the Logwin Group. As of 31 December 2013, the Group had financial liabilities subject to variable interest rates resulting from finance lease agreements. The variable interest factoring line, utilization of which is recognized as a reduction in receivables, is in some cases hedged by an interest rate swap.

Based on the variable-interest, unhedged financial liabilities, a change in the rate of interest as of 31 December 2013, by +/− 100 basis points would have an effect on the financial result of −/+ EUR 0.1 m (prior year: −/+ EUR 0.2m).

Legal, regulatory and environmental risks The Logwin Group performs various customs and VAT-related processes on behalf of its customers as part of its cross-border, international transportation activities. Risks are involved in performing these processes and making the required customs or tax declarations. This applies especially when the Logwin Group is liable for the completeness and accuracy of such declarations, for example, when bearing joint and several liability. Risks to the financial situation and earnings position of the Logwin Group arise in particular in cases where a customer is unable to settle its payment obligations.

In this context, Logwin Road + Rail Austria GmbH was served with a claim from the Austrian customs authorities in April 2010 demanding repayment of import VAT of around EUR 16m in connection with customs clearances that the company had performed with joint and several liability on behalf of customers in the period between December 2005 and March 2006. The exemption from import VAT granted at that time was now revoked since the consignee of the goods was allegedly a participant in a "missing trader" (VAT carousel) fraud. The company, which remained part of the Logwin Group after the sale of the Road + Rail activities, lodged an appeal against the decision. The customs authorities did not grant the appeal lodged by Logwin, which is why legal steps against the claim are being pursued further. The independent tax tribunal (Finanzsenat) in Salzburg has suspended proceedings pending a decision by the Austrian Supreme Administrative Court in a similar case. As of the reporting date, the risk of a claim is considered to be improbable. Against this background, no provision has been made in the accompanying financial statements to cover this matter. Moreover, the company has an insurer's preliminary confirmation of cover. This could have considerable negative consequences on the Logwin Group's net asset and financial position if the legal steps prove unsuccessful and the insurer fails to provide (sufficient) cover despite its preliminary confirmation of cover.

Contractual risks, principally warranties, indemnification and tax risks, remain in connection with winding up the business operations sold by the Logwin Group.

Moreover, in providing its services and running its own facilities, the Logwin Group is subject to the laws, rules and regulations prevailing in the countries where it operates. In many countries, these regulations include transportation licenses, which in some cases distinguish between national and international activities. Other conditions and licensing requirements may restrict the time of day or day of the week when transportation and logistics activities can be performed. For a number of customer projects, the companies of the Logwin Group are dependent upon retaining their current licenses and permits. Losing such authorization could significantly threaten the profitability of the customer projects concerned.

In addition, substantial changes in taxation or levies such as road tolls and other usage-based charges could have a considerable effect on the profitability of current business and impact earnings negatively. Likewise, regulatory provisions such as the tightening up of the law relating to driving crews result in ever rising labor costs. For example, changes in driving and rest times can lead to more drivers being required, which significantly increases the cost of providing road haulage services and may impact the earnings of the Logwin Group.

Country-specific risks can result, for example, from inconsistent interpretation, application and abrupt changes to legal, tax and customs regulations. This is not only the case for various emerging countries where the legal system does not yet conform to international standards (or only to a limited extent). It also applies to locally adopted implementing regulations of EU law, whose transposition sometimes differs greatly from country to country.

The companies of the Logwin Group have applied for trademark protection for most of their brands, in particular for the uniform group brand Logwin, or are already in possession of such property rights. A few registration applications are still pending. Negative effects for the Logwin Group's market presence can therefore not be ruled out if necessary licensing and trademark rights are not obtained, or if they expire.

The Logwin Group is particularly affected by environmental laws and regulations in those areas where the provision of logistics services involves having to deal with potentially hazardous materials such as operating filling stations or tank cleaning facilities. In addition, various logistics projects require the handling of hazardous goods. The logistics and transportation sector, at least in Germany and the rest of the EU, can also be expected over the next few years to increasingly become the focal point of policies and laws on the environment and climate change. In this context, there are risks that it will only be possible in part to offset the resultant cost increases through increased efficiency or to pass them on to customers in the form of higher prices. This could have a considerable impact on the Logwin Group's earnings and financial position.

Risks from infringements against national and international legislation The Logwin Group attaches great importance to group-wide compliance with national and international legislation, and a compliance officer has been appointed to ensure this principle is met. Nevertheless, the possibility of infringements against national or international regulations occurring, resulting in risks that could threaten the very existence of the Logwin Group, cannot be excluded.

At the end of February 2010, the Austrian Federal Competition Authorities submitted petitions to the Vienna Higher Regional Court (Oberlandesgericht Wien) to impose monetary fines against more than 40 Austrian logistics companies, including three companies belonging to the Logwin Group, for alleged infringements of Austrian and European antitrust legislation. Based on information obtained so far, the Logwin Group does not share the legal opinion of the Austrian Federal Competition Authorities. In its partial decision dated 22 February 2011, the Vienna Higher Regional Court rejected in the first instance claims brought by the Austrian Federal Competition Authorities against members of the so-called forwarding agents' conference (Speditionssammelkonferenz – SSK). The Austrian Federal Competition Authorities and the Austrian Federal Competition Attorney have lodged an appeal with the Austrian Supreme Court against the decision in the first instance. The latter referred the case to the European Court of Justice (ECJ) for a preliminary ruling on legal questions in European law. The ECJ ruled that a company is not protected by legitimate expectation if a potential offense is committed on the basis of a company's misapprehension of the legality of its conduct that was caused by the content of legal advice provided by a lawyer or the decision of a national competition agency. With its ruling from 2 December 2013 (delivered on 14 January 2014), the Austrian Supreme Court remanded the legal procedure to the Vienna Higher Regional Court as the court of first instance. The argumentation provided by the Austrian Supreme Court indicates that the members of the SSK may likely be convicted. The ruling also includes a statement on the possible amount of the fine. The defendants were ordered by the Vienna Higher Regional Court to submit statements within a specified period of time in which they are to comment on the revenue in the assessment period. The Logwin Group recognized a provision as of 31 December 2013 as a result of these developments. As the Austrian Federal Competition Authority has yet to state any amount in its application for the imposition of fines, it is possible that the actual charge will exceed the provision. This could have an additional adverse impact on the net assets and financial position of the Logwin Group.

IT and other risks The availability of a functioning IT infrastructure and IT applications is critically important for the economic performance of the Logwin Group. IT risks can arise from a possible outage of operational and administrative IT systems, which could impact the course of business. A prolonged outage of IT systems could lead to significant risks for the Logwin Group.

The activities of the Logwin Group's business segments involve liability and warranty risks owing to possible damage and quality defects arising during the provision of services. Claims for damages could also arise from breaches of duty on the part of management. In addition, malicious acts such as theft, fraud, disloyalty, misappropriation of payments and corruption as well as misrepresentation in financial accounting hold a high level of potential risk and can result in substantial damage both in material terms and to Logwin's reputation.

Executives of the Logwin Group accept specific and quantifiable business risks in order to be able to make full use of market opportunities. Should these risks materialize, they could have material negative effects on the net assets, financial situation and earnings position of the Logwin Group. Even after the impairments performed in 2013 and in prior years, recognized goodwill of EUR 74.9m is still the largest individual item in the Logwin Group's non-current assets as of 31 December 2013. Prolonged weak or sustained performance weaker than anticipated in individual areas within the Logwin Group involves the risk that additional impairment will have to be recorded for the goodwill recognized in the consolidated balance sheet ("impairment risk"). Another influential factor is the current and anticipated trend in interest rates. In compliance with the requirements of IAS 36, goodwill is subject to an impairment test at least once every 12 months. Sustained weak or weaker than anticipated performance of individual Logwin companies could result in an adjustment of recognized deferred taxes. In addition, risks could arise in connection with the recoverability of input tax receivables. A lack of recoverability would have a negative influence on the net assets, financial situation and earnings position of the Logwin Group.

Opportunities and outlook

Based on the forecasts of leading economic research institutes, the Logwin Group expects the global economic situation to improve slightly in 2014. The industrialized countries are expected to be the driving force of the global economic recovery. Signs of further economic growth are becoming apparent in Germany, a trend that is primarily attributable to domestic demand as well as demand from countries outside of the eurozone. Considerable uncertainty and risks to the further development of the global economy are posed by the large capital outflows from key growth markets observable since the fourth quarter of 2013 and the resulting sharp declines in the currency pairs relevant for the Logwin Group.

The Logwin Group anticipates a slight improvement in economic operating conditions in 2014. Partly due to the anticipated improvement in the earnings position in the Solutions business segment, the Group is aiming for an increase in its consolidated operating result and in profitability. The Logwin Group also anticipates a further reduction in interest expense.

As in financial year 2013, performance of the Solutions business segment in 2014 will be marked by intense cost and competitive pressures. Measures designed to increase efficiency and improve profitability will be implemented and enhanced on a continuous basis. In addition, the sales organization in the logistics area will be strengthened in order to generate organic growth through new business. This should bring about an increase in the operating result.

The Air + Ocean business segment anticipates an increase in transport volume despite the persisting challenges presented by the competitive environment. The business segment plans to concentrate on increasing the efficiency of the sales organization and on improving new customer acquisition. Revenues will continue to depend heavily on freight rates. The still high volatility of freight rates will present a major challenge in 2014. Mergers and alliances among shipping companies will create additional uncertainty as concerns forecasting sea freight rates.

The Logwin Group will continue to pursue its goal of generating a positive net cash flow in 2014. To this end, the Logwin Group will continue with its investment activity while pursuing a profitability- and liquidity-oriented business policy and will continue to focus on active working capital management.

Consolidated Financial Statements

Income Statement

In thousands of EUR	2013	2012	*Note/page*
Revenues	1,219,709	1,324,593	*8/44*
Cost of sales	−1,120,426	−1,221,874	*9/47*
Gross profit	**99,283**	**102,719**	
Selling costs	−26,475	−29,785	*9/47*
General and administrative costs	−56,291	−56,832	*9/47*
Other operating income	7,548	8,705	*10/47*
Other operating expenses	−12,088	−8,621	*10/47*
Operating result before valuation effects	**11,977**	**16,186**	
Goodwill impairment	−4,000	−71,500	*11/48*
Impairment of property, plant and equipment	–	−4,215	*12/48*
Net result before interest and income taxes (EBIT)	**7,977**	**−59,529**	
Finance income	528	604	*13/48*
Finance expenses	−6,310	−7,096	*13/48*
Net result before income taxes	**2,195**	**−66,021**	
Income taxes	−5,060	−2,600	*14/49*
Net result	**−2,865**	**−68,621**	
Attributable to:			
Shareholders of Logwin AG	−3,412	−69,150	
Non-controlling interests	547	529	
Earnings per share – basic and diluted (in EUR):			
Net result attributable to the shareholders of Logwin AG	**−0.02**	**−0.47**	
Weighted average number of shares outstanding	146,257,596	146,257,596	

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

Statement of Comprehensive Income

In thousands of EUR	2013	2012	*Note/page*
Net result	**−2,865**	**−68,621**	
Unrealized gains on securities, available-for-sale	15	38	
Unrealized gains/losses on cash flow hedges (interest rate swaps)	484	−207	
Reclassification of cash flow hedge losses to profit or loss	141	–	*28/62*
Gains/losses on currency translation of foreign operations	−4,274	327	
Reclassification of currency translation differences into profit or loss	301	−4	
Other comprehensive income that may be reclassified into profit or loss in future periods	**−3,333**	**154**	
Remeasurements of the net defined benefit liability	588	−4,593	*29/63*
Deferred tax effect on the remeasurements of the net defined benefit liability	−183	833	*25/59*
Other comprehensive income that will not be reclassified into profit or loss in future periods	**405**	**−3,760**	
Other comprehensive income	**−2,928**	**−3,606**	
Total comprehensive income	**−5,793**	**−72,227**	
Attributable to:			
Shareholders of Logwin AG	−6,340	−72,756	
Non-controlling interests	547	529	

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

Statement of Cash Flows

In thousands of EUR	2013	2012	*Note/page*
Net result before income taxes	2,195	−66,021	
Financial result	5,782	6,492	*13/48*
Net result before interest and income taxes	7,977	−59,529	
Reconciliation adjustments to operating cash flows:			
Depreciation and amortization	10,178	11,542	*9/47*
Result from disposal of non-current assets	–	−189	*10/47*
Goodwill impairment	4,000	71,500	*11/48*
Impairment of property, plant and equipment	–	4,215	*12/48*
Other	−513	−1,994	
Income taxes paid	−4,239	−5,898	
Interest paid	−3,720	−4,126	
Interest received	528	604	
Changes in working capital, cash effective:			
Change in receivables	16,742	−4,844	
Change in payables	−9,222	14,914	
Change in inventories	−229	−176	
Net cash in-/outflow from utilizing the factoring facility	16	−1,235	*28/62*
Operating cash flows	**21,518**	**24,784**	
Capital expenditures	−5,497	−7,276	
Proceeds from disposals of consolidated subsidiaries and other business operations, net of cash and cash equivalents	2,531	3,138	*15/50*
Proceeds from disposals of non-current assets	14,090	760	
Payments for acquisitions of subsidiaries	−287	−200	
Other cash flows from investing activities	−32	−660	
Investing cash flows	**10,805**	**−4,238**	
Net cash flow	**32,323**	**20,546**	
Repayment of current loans and borrowings	−4,291	742	
Repayment of non-current loans and borrowings	−18,000	−6,034	*28/62*
Payment of liabilities from leases	−2,359	−2,248	
Distribution to non-controlling interests	−163	−207	
Other cash flows from financing activities	−489	43	
Financing cash flows	**−25,302**	**−7,704**	
Effects of exchange rate changes on cash and cash equivalents	−1,882	54	
Changes in cash and cash equivalents	**5,139**	**12,896**	
Cash and cash equivalents at the beginning of the period	53,931	41,036	
Change	5,139	12,896	
Cash and cash equivalents at the end of the period	59,070	53,932	
Less cash and cash equivalents which are part of a disposal group	−424	–	*24/58*
Cash and cash equivalents at the end of the period according to the balance sheet	**58,646**	**53,931**	*23/57*

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

Balance Sheet

Assets *In thousands of EUR*	**31 Dec 2013**	**31 Dec 2012**	*Note/page*
Goodwill	74,865	81,082	*16/51*
Other intangible assets	3,926	5,619	*17/54*
Property, plant and equipment	39,072	55,508	*18/55*
Investments	760	1,182	
Deferred tax assets	16,886	16,463	*25/59*
Other non-current assets	1,452	1,118	
Total non-current assets	**136,961**	**160,972**	
Inventories	2,601	2,453	*19/56*
Trade accounts receivable	125,590	150,007	*20/56*
Income tax receivables	2,262	3,195	*21/57*
Other receivables and current assets	16,239	21,206	*22/57*
Cash and cash equivalents	58,646	53,931	*23/57*
Assets held for sale	3,104	4,616	*24/58*
Total current assets	**208,442**	**235,408**	
Total assets	**345,403**	**396,380**	

Liabilities and Shareholders' Equity *In thousands of EUR*	**31 Dec 2013**	**31 Dec 2012**	*Note/page*
Ordinary shares	131,202	131,202	
Group reserves	−42,608	−35,650	
Equity attributable to the shareholders of Logwin AG	**88,594**	**95,552**	
Non-controlling interests	2,352	2,602	
Shareholders' equity	**90,946**	**98,154**	*26/60*
Non-current liabilities from leases	14,432	17,418	*27/61*
Non-current loans and borrowings	–	16,000	*28/62*
Provisions for pensions and similar obligations	28,403	29,260	*29/63*
Other non-current provisions	2,507	2,408	*30/67*
Deferred tax liabilities	48	197	*25/59*
Other non-current liabilities	618	1,246	*33/68*
Total non-current liabilities	**46,008**	**66,529**	
Trade accounts payable	142,594	161,704	
Current liabilities from leases	1,561	2,359	*27/61*
Current loans and borrowings	4,722	10,974	*28/62*
Current provisions	11,994	10,440	*31/67*
Income tax liabilities	3,318	2,820	*32/68*
Other current liabilities	42,417	43,400	*33/68*
Liabilities associated with assets held for sale	1,843	–	*24/58*
Total current liabilities	**208,449**	**231,697**	
Total liabilities and shareholders' equity	**345,403**	**396,380**	

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

LOGWIN

Statement of Changes in Equity

	Equity attributable to the shareholders of Logwin AG									
				Accumulated other comprehensive income						
In thousands of 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 shareholders' equity**	*Note/ page*
1 January 2012	**131,202**	**92,321**	**−53,101**	**−111**	**−1,027**	**−976**	**168,308**	**2,280**	**170,588**	
Net result			−69,150				−69,150	529	−68,621	
Other comprehensive income			−3,760	38	−207	323	−3,606		−3,606	
Total comprehensive income			**72,910**	**38**	**−207**	**323**	**−72,756**	**529**	**−72,227**	
Distributions							–	−207	−207	
31 December 2012	**131,202**	**92,321**	**−126,011**	**−73**	**−1,234**	**−653**	**95,552**	**2,602**	**98,154**	
1 January 2013	**131,202**	**92,321**	**−126,011**	**−73**	**−1,234**	**−653**	**95,552**	**2,602**	**98,154**	
Net result			−3,412				−3,412	547	−2,865	
Other comprehensive income			405	15	625	−3,973	−2,928		−2,928	
Total comprehensive income			**−3,007**	**15**	**625**	**−3,973**	**−6,340**	**547**	**−5,793**	
Distributions							–	−163	−163	
Compensation of capital reserves and net losses		−32,478	32,478				–		–	*26/60*
Acquisition of outstanding non-controlling interests			619				619	−634	−15	
Consolidation of previously non-consolidated subsidiaries			−1,237				−1,237		−1,237	*26/60*
31 December 2013	**131,202**	**59,843**	**−97,158**	**−58**	**−609**	**−4,626**	**88,594**	**2,352**	**90,946**	

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

Notes to the Consolidated Financial Statements as of 31 December 2013

General Information

Notes to the Income Statement

Notes to the Statement of Cash Flows

Notes to the Balance Sheet

Other Notes

General Information

1 Corporate information

The consolidated financial statements of Logwin AG, Grevenmacher, Luxembourg, ("Logwin AG" or "Logwin") for the financial year as of 31 December 2013, were authorized for issue by resolution of the Board of Directors on 3 March 2014, and under Luxembourg law are still subject to approval by the Annual General Meeting. Logwin AG, 5 an de Längten, L-6776 Grevenmacher, is a limited company incorporated and domiciled in Grevenmacher, Luxembourg, whose shares are publicly traded on the Frankfurt Stock Exchange. The majority shareholder is DELTON AG, Bad Homburg vor der Höhe, Germany, through its wholly owned subsidiary DELTON Vermögensverwaltung AG, Bad Homburg vor der Höhe, Germany.

As an integrated logistics service provider, the Logwin Group has a long-standing experience, specialized infrastructure and expertise in various sectors of industry and trade and assumes responsibility for its customers' supply chain management, warehousing, value added services and both local and global freight transportation by road, rail, air and ocean. The principal activities of the Group are described in note 8, "Segment reporting."

2 Statement of compliance with IFRS

The consolidated financial statements of Logwin AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. All standards of the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRS IC), formerly known as the International Financial Reporting Interpretation Committee (IFRIC) or Standing Interpretation Committee (SIC), whose application is mandatory for financial year 2013, have been applied.

Application of the provisions of the German Accounting Standards (GAS) issued by the Accounting Standards Committee of Germany (ASCG), however, is not compulsory for Logwin AG due to its headquarters in Luxembourg.

3 Basis of preparation of the financial statements

The financial statements of the subsidiaries are prepared using uniform accounting policies and the same reporting date as the financial statements of the parent company.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale securities, which have been measured at fair value. The financial year corresponds to the calendar year. The consolidated financial statements are presented in euros (EUR). Unless stated otherwise, all figures are shown in thousands of euros (EUR k). Due to rounding differences, information included in these financial statements may differ slightly from the actual figures by +/− one unit (EUR, % etc.).

4 Consolidation principles

The consolidated financial statements comprise the financial statements of Logwin AG and its subsidiaries (also referred to as the "Logwin Group" or the "Group" below) as of 31 December each year. In addition to Logwin AG as the parent company, the fully consolidated subsidiaries include two domestic and 67 foreign companies as of 31 December 2013 (prior year: two domestic and 67 foreign companies).

The consolidated entities including Logwin AG have developed as follows:

	31 Dec 2012	Additions	Disposals	31 Dec 2013
Luxembourg	3	1	1	3
Germany	19	3	1	21
Other countries	48	1	3	46
Total	**70**	**5**	**5**	**70**

The additions relate to two newly established entities and one entity that was established by way of a spin-off from an existing entity of the Group. In addition, one Luxembourg and one German subsidiary were consolidated as of 1 January 2013, having previously been recognized in financial assets.

Disposals in Luxembourg and Germany relate to intragroup mergers. The disposals of companies in other countries concern the sale of three European subsidiaries of the Solutions business segment.

Please refer to page 81 for a list of significant affiliates.

All intragroup balances, transactions, income, expenses, gains and losses are eliminated in full. Subsidiaries are fully consolidated from the time of acquisition, i.e., from the time at which the Group obtains control. They are no longer included in the consolidated financial statements when the parent company loses control over the subsidiary.

Non-controlling interests represent the portion of net results and net assets of consolidated companies not held by the Group and are presented separately in the consolidated income statement, in the statement of comprehensive income, in the consolidated statement of changes in equity and within equity in the consolidated balance sheet – separately from the shares attributable to the shareholders of Logwin AG.

5 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 2013:

Standard/interpretation			Mandatory adoption (in the EU) for the annual period beginning on or after	Endorsement
Amendment	IAS 1	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	1 July 2012	Yes
Amendment	IAS 12	Income Taxes – Deferred Tax: Recovery of Underlying Assets	1 January 2013*	Yes
Revised standard	IAS 19	Employee Benefits	1 January 2013	Yes
Amendment	IFRS 1	First-time Adoption of IFRSs – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2013*	Yes
Amendment	IFRS 1	First-time Adoption of IFRSs – Government Loans	1 January 2013	Yes
Amendment	IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	Yes
New standard	IFRS 13	Fair Value Measurement	1 January 2013	Yes
Amendment	Various	Annual Improvements to IFRSs 2009 to 2011	1 January 2013	Yes
New interpretation	IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013	Yes

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

The amendments to IAS 1 “Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income” were applied early in financial year 2012 for the sake of improved clarity and greater relevance to decision-making. They resulted in changes to the presentation of other comprehensive income in the statement of comprehensive income.

The first-time adoption of the other changes resulted in the following effects on recognition, measurement and disclosure (including notes) for the Logwin Group in financial year 2013:

The revised standard IAS 19 “Employee Benefits” has an effect on the net benefit expense since the return on plan assets must be calculated using the same rate of interest that is used for discounting defined benefit obligations. The Logwin Group adopted the revised provisions for the first time for the financial year beginning on 1 January 2013. This did not lead to any significant effects on measurement. In addition, the disclosure requirements with respect to defined benefit plans have been considerably extended.

IFRS 13 “Fair Value Measurement” provides uniform guidance for determining fair value and defines additional disclosures that must be made. The Logwin Group adopted IFRS 13 for the first time in financial year 2013. First-time adoption resulted in extended disclosure obligations with regard to financial instruments. However, the first-time adoption of IFRS 13 did not have any significant effects on the measurement of fair value.

First-time adoption of the other changes did not have any significant effects on the net assets, financial situation and earnings position disclosed in the consolidated financial statements of the Logwin AG.

Moreover, the IASB and the IFRIS IC have issued the following new or revised accounting provisions whose adoption was not yet compulsory in financial year 2013. These provisions will only become effective in the coming years. A large number of these new accounting standards must still undergo the endorsement process of the European Commission. The Logwin Group has not exercised the option to voluntarily early adopt the accounting provisions in financial year 2013.

Standard/interpretation			Mandatory adoption (in the EU) for the annual period beginning on or after	Endorsement
Amendment	IAS 19	Employee Benefits – Employee Contributions	1 July 2014	No
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 9	Financial Instruments	open	No
Amendment	IFRS 9 IFRS 7	Financial Instruments Financial Instruments: Disclosures – Mandatory Effective Date and Transition Disclosures	open	No
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	Disclosures 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
Amendment	Various	Annual Improvements to IFRSs 2010 to 2012	1 July 2014	No
Amendment	Various	Annual Improvements to IFRSs 2011 to 2013	1 July 2014	No
New interpretation	IFRIC 21	Levies	1 January 2014	No

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

These new or amended accounting rules are likely to have the following effects for the future consolidated financial statements of the Logwin Group:

The adoption of IFRS 9 “Financial Instruments” will entail an examination of the classification of financial instruments used so far and may lead to reclassification. The current version of IFRS 9 contains amendments with respect to general hedge accounting. The effects on future financial statements are still being analyzed by the Logwin Group. Furthermore, the IASB plans to extend the standard to include new provisions with respect to impairment of financial assets that are measured at amortized cost, and to make limited changes to the provisions in connection with classification and measurement. As soon as these projects are finalized, a mandatory date of first-time adoption will be determined.

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. This standard is effective for financial years beginning on or after 1 January 2014. Based on the preliminary analyses performed, IFRS 10 is not expected to 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. The standard is effective for financial years beginning on or after 1 January 2014. As the Logwin Group did not consolidate any existing interest on a proportionate basis in financial year 2013, this change will not have any effect on future financial statements.

IFRS 12 “Disclosure of Interests in Other Entities” will provide 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. The standard defines a range of new disclosures that are likely to have an effect on the consolidated financial statements for annual reporting periods beginning on 1 January 2014.

Based on current information, no material effects on future reporting of the Logwin Group are expected from other new and amended standards.

6 Significant accounting judgments and estimates

The preparation of financial statements requires management to make certain estimates and assumptions and hence accounting judgments that affect the amounts of assets and liabilities recognized at the end of the reporting period and the income and expense items for the reporting period. Actual amounts may differ from these estimates, leading to a risk that an adjustment to the carrying amounts of assets or liabilities might be required in subsequent financial years.

Uncertainties exist in connection with the goodwill impairment test that has to be performed at least once a year, since future cash flows and an appropriate rate of interest must be specified for the discounted cash flow method used for this purpose. The carrying amount of recognized goodwill as of 31 December 2013 amounted to EUR 74.9m (prior year: EUR 81.1m). Please refer to the explanations in note 16 “Goodwill”.

Additional estimates are required in actuarial calculations of the value of Provisions for pensions and similar obligations with regard to the assumptions used. Their carrying amount as of 31 December 2013 is EUR 28.4m (prior year: EUR 29.3m). Please refer to note 29 “Provisions for pensions and similar obligations”.

Estimates also have to be made with regard to the recognition of deferred tax assets and expectations regarding future taxable profits and about how these will be offset against tax loss carryforwards or, where applicable, existing deferred tax liabilities. Their carrying amount at the end of the reporting period is EUR 16.9m (prior year: EUR 16.5m). Please refer to note 25 “Deferred taxes”.

Assumptions also have to be made with regard to the useful life of property, plant and equipment and other intangible assets and their recoverability has to be assessed for accounting purposes. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists, or annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. Management accounting judgments also include the decision as to whether development costs meet the conditions for capitalization as internally generated intangible assets, in particular software.

A test for the impairment of trade accounts receivable and inventories is also necessary. Management must assess to what extent the significant risks and rewards are transferred to the factoring company in order to report receivables sold in the course of factoring appropriately in the balance sheet. Please refer to note 7, “Summary of significant accounting policies” – under Factoring – for information on the reporting of factoring in the consolidated financial statements.

To distinguish between finance leases and operating leases, it must be assessed to what extend risks and rewards associated with the leased asset are transferred to the lessee.

In addition, with respect to the recognition of provisions, the Group has to make assumptions regarding the probability and amount of expected outflows of assets. Furthermore, it is necessary for management to assess the situation for the antitrust case in which three Austrian Logwin companies are involved and the customs law case involving Logwin Road + Rail Austria GmbH. In view of the unsure further course the proceedings will take, even these assessments are subject to uncertainties. Please refer to the comments in note 36 “Contingent liabilities and lawsuits”.

7 Summary of significant accounting policies

Foreign currency translation

The consolidated financial statements are presented in euros, which is Logwin AG’s functional currency and the Group’s presentation currency.

The assets and liabilities of group companies with a functional currency other than the euro are translated into euros using the mean exchange rate in effect at the reporting date and revenues and expenses are translated at the average rate during the financial year. Exchange rate gains or losses on foreign currency translation are reported as a separate item under shareholders’ equity. On disposal of a foreign operation previously included in the scope of consolidation, the cumulative amount reported in equity relating to that particular foreign operation is recognized in profit or loss for the period.

The following table shows the development of the exchange rates of the major currencies used in the consolidated financial statements:

		Average rate		Closing rate	
Currency		2013	2012	31 Dec 2013	31 Dec 2012
EUR 1 =					
Australian dollar	AUD	1.3769	1.2413	1.5520	1.2692
Brazilian real	BRL	2.8667	2.5098	3.2208	2.6928
Swiss franc	CHF	1.2309	1.2053	1.2259	1.2080
Chinese renminbi	CNY	8.1654	8.1092	8.3555	8.2172
British pound	GBP	0.8493	0.8111	0.8364	0.8170
Hong Kong dollar	HKD	10.3015	9.9723	10.6886	10.2191
Polish zloty	PLN	4.1972	4.1844	4.1487	4.0809
US dollar	USD	1.3281	1.2856	1.3783	1.3183
South African rand	ZAR	12.8293	10.5552	14.4257	11.2211

Business combinations

The Logwin Group exercises the option under IFRS 1 “First-time adoption of International Financial Reporting Standards” which allows an exemption from full retroactive adoption of IFRS in connection with business combinations. For this reason, IFRS 3 “Business combinations” has been applied to all business combinations occurring after 30 September 2002. When it takes control of a subsidiary, the Logwin Group measures all identifiable assets, liabilities and contingent liabilities acquired at their fair values as of the acquisition date.

The carrying amount of any non-controlling interests in the acquired company is calculated from the proportionate share held by the minority stakeholders in the fair value of the assets and liabilities. Acquiring additional interests in companies over which control was already achieved as a result of previous transactions (non-controlling interests) is deemed in terms of consolidation theory to be a transfer of shareholder equity between groups of shareholders. In this case, the acquisition costs for the additional shares are offset against the non-controlling interests to be derecognized.

Goodwill acquired in a business combination is initially measured at cost, which is the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities.

Revenue recognition

The Logwin Group generates revenues from its business segments by providing logistics and service solutions for industry and commerce. Revenues are recognized net of sales deductions at the time they have materialized according to IFRS. This is generally the case when there is clear evidence of an agreement, ownership has been transferred or the service has been rendered, the price has been agreed or can be determined, and there is adequate certainty of receipt of payment.

Revenues in the Air + Ocean business segment and in connection with providing transportation services in the Solutions business segment are primarily generated through the sale of combined logistics services to customers for which, in addition to the provision of own logistics services, significant transportation services from external carriers are purchased. Revenues are realized from transportation services in accordance with the terms of the contract of transportation. In addition, the Solutions business segment generates revenues from distribution and storage based on customer contracts. Revenues are realized when the customer uses the service.

When a contract with a customer has already been performed but not yet invoiced, aceruals are made for the agreed revenue and for the costs where necessary. These accruals are based on analyses of existing contractual obligations and the experience of the Group.

For business transactions which do not themselves generate revenue but which are conducted in connection with the principal sales activities, all income is set off against the associated expenses that arise from the same business transaction in accordance with IAS 1.34, if this is a fair reflection of the character of the business transaction or event, for example customs clearance activities.

Interest income is reported for all financial instruments measured at amortized cost using the effective interest rate. Interest income is reported in the income statement as part of finance income.

EBIT and EBITA

A core measure of earnings for the Logwin Group is EBIT (earnings before interest and taxes). It is derived from revenues less cost of sales as well as selling, general and administrative costs. It also includes other operating expenses and income, measurement effects on non-current assets and impairment losses on goodwill. EBITA (earnings before interest, taxes and amortization) is calculated from EBIT plus impairment losses on goodwill.

Earnings per share

Earnings per share are calculated as a ratio of the net result for the period attributable to shareholders of Logwin AG to the weighted average number of shares outstanding. Dilution would arise if the result were reduced by potential shares from options and conversion rights. No such rights exist with regard to the shares of Logwin AG.

Cash flow statement

The net cash flow in the Logwin Group is defined as the sum of the operating cash flows and investing cash flows.

Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is the fair value as of the date of acquisition. Internally generated intangible assets are capitalized provided they meet the criteria for capitalization and the costs incurred exceed the materiality threshold. Otherwise costs are recognized in income in the period in which they are incurred. Subsequent measurement is performed at cost less any accumulated amortization and any accumulated impairment losses.

The amortization period and method and the residual value for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite useful lives is recognized in the income statement in the expense category consistent with the function of the intangible asset. Capitalized intangible assets are amortized over an economic useful life of between 3 and 10 years.

Gains and losses arising from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement under other operating income or other operating expenses when the asset is disposed of.

Property, plant and equipment

Property, plant, and equipment are stated at the cost of acquisition, construction or production less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis, based on an economic useful life of between 10 and 50 years for real estate and 3 to 20 years for machinery, operating and office equipment.

The depreciation period, the depreciation method and the residual value for an item of property, plant and equipment are reviewed at regular intervals. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate, and treated as changes in accounting estimates. Depreciation of property, plant and equipment is recognized in the income statement in the expense category consistent with the function of the asset.

An item of property, plant, and equipment is derecognized upon its disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount and recognized in the period the item is derecognized under other operating income or other operating expenses.

Non-current assets held for sale and disposal groups

IFRS 5 specifies for the classification as “held for sale” that such assets must be available for immediate sale and that the sale of these assets is highly probable. Disposal groups are groups of assets, including the pro rata goodwill, to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount or fair value less costs to sell.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired (please see also note 6 “Significant accounting judgments and estimates”). An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use. The recoverable amount is calculated for each individual asset unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. In this case, the recoverable amount may be calculated for the cash-generating unit to which the asset belongs.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. To determine the value in use, the estimated future cash flows from the continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market expectations of the time value of money and the risks specific to the asset. Where impairment losses on property, plant and equipment or intangible assets have a material impact on the earnings position of the Logwin Group, these are reported in a separate item in the income statement. Impairment losses on trade accounts receivable are reported in selling costs.

An assessment is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is determined. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized immediately in profit or loss for the period. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Special aspects relating to the impairment of goodwill

Goodwill impairment testing is performed once a year. The Logwin Group has selected 30 September of each financial year as the reference date for its annual goodwill impairment test. If there is any indication of impairment at any other time, an impairment test will be performed at such time.

For the purpose of impairment testing, any goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Logwin Group's cash-generating units, or to the groups of cash-generating units, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units. Each unit to which goodwill is allocated

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a business segment determined in accordance with IFRS 8 "Operating Segments".

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. In the Logwin Group, the cash-generating units are the business segments. An impairment loss is recognized in cases where the recoverable amount of the cash-generating unit is less than the carrying amount. Impairment losses on goodwill may not be reversed if the reasons for the impairments cease to exist.

Where part of a cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this way is measured based on the relative values of the fair value associated with the operation disposed of and the recoverable amount of the cash-generating unit retained.

Inventories

Inventories are stated at the lower of cost or net realizable value using the moving average method. Risks resulting from slow-moving items and from the obsolescence of inventories, as well as potential losses from pending supply agreements are reflected by writing down inventory items to their net realizable values.

Income taxes

Income tax receivables and income tax liabilities are calculated in accordance with IAS 12. In addition, deferred tax assets and deferred tax liabilities are reported in the balance sheet. Deferred income taxes result from temporary differences between the carrying amounts stated in the consolidated balance sheet and the taxation base of assets and unused tax loss carryforwards. Any future tax savings or tax charges that are likely to result from these differences are reported as assets or liabilities. Deferred tax assets are only stated to the extent that taxable earnings are likely against which the temporary difference can be offset. Where the savings or charges underlying the tax deferrals are recognized in equity, the creation or reversal of deferred taxes is also recognized in equity.

The relevant basis for assessment is valued at the rate of tax likely to be applicable at the time of realization. Country-specific tax rates are always applied for companies included in the consolidation. Thus a corporate tax rate of 15 % plus the solidarity surcharge ("Solidaritätszuschlag") of 5.5 % on corporate income tax is used to calculate deferred taxes for Germany as well as a local trade tax based on the local multiplier. When deferred tax assets exceed the amount of deferred tax liabilities, their recoverability is evaluated taking the probable development in earnings of the relevant group company into account.

Deferred tax assets and deferred tax liabilities are netted when they refer to income taxes that are assessed by the same tax authority for the same taxable entity.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, checks and short-term deposits. Cash and cash equivalents are liquid assets with an original maturity of up to three months.

Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or an equity instrument of another entity. Financial instruments are initially recognized on the settlement date at fair value, plus transaction costs where applicable. All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, bonds are subsequently measured at amortized cost using the effective interest method, interest-bearing loans are carried at the repayment amount. Gains and losses are recognized in the income statement when the liabilities are derecognized and through the amortization process.

Subsequent measurement is performed according to the categories to which the financial assets and financial liabilities are assigned in accordance with IAS 39. The Group determines the classification of its financial assets and financial liabilities when they are initially recognized and reviews this categorization at the end of each financial year.

Financial assets	Subsequent measurement	Changes in value
Held for trading or designated as at fair value through profit or loss	Fair value	Realized and unrealized gains and losses are recognized in profit or loss.
Held-to-maturity investments	Amortized cost	Changes in value are not recognized in the income statement until the date of maturity. Recognized in profit or loss where the fair value falls below the carrying amount for a sustained period of time or to a significant extent (impairment) for reasons of credit quality.
Loans and receivables	Amortized cost	When bad debt risks are identified, value adjustments are performed on separate impairment accounts both on a case-by-case basis and in groups defined according to due dates (incurred loss model). Derecognition is performed when uncollectible.
Available-for-sale	Fair value (if this can be reliably determined) or amortized cost	Changes in value are always recognized in equity and transferred from equity to profit or loss in the event of impairment or disposal.

Financial liabilities	Subsequent measurement	Changes in value
Held for trading or designated as at fair value through profit or loss	Fair value	Realized and unrealized gains and losses are recognized in profit or loss.
At amortized cost	Amortized cost	Impairments are recognized in profit or loss immediately.

The Group did not designate any financial assets or liabilities at fair value through profit or loss upon initial recognition. No reclassifications were effected between the categories during financial year 2013.

Financial assets are classified as held for trading when they are purchased for the purpose of sale or repurchase in the near future. Derivatives embedded in host contracts are accounted for separately and reported at fair value if their economic characteristics and risks are not closely related to those of the host contract and the host contracts were not designated as held for trading or at fair value. The Logwin Group examines key contracts when they are concluded with respect to embedded derivatives.

Foreign exchange forward transactions are used within the Logwin Group to offset the risk of changes in the value of the corresponding underlying business transactions resulting from market price fluctuations. These derivative financial instruments are classified as held for trading.

The amortized cost of non-current financial assets and liabilities is calculated using the effective interest method.

Hedge Accounting

The Logwin Group uses derivative financial instruments to hedge its interest rate risk. Cash flow hedges are used to hedge the risk arising from fluctuations in future cash outflows from assets or liabilities recognized or expected, highly probable future transactions which will affect profit or loss. Changes in the value of hedging instruments relating to the effective portion are recognized in equity with no effect on profit or loss. Ineffective portions are recognized in income. The underlying measurement of effectiveness is performed at each reporting date of published financial statements. The amounts recognized in equity are transferred to the income statement when the hedged transaction affects profit or loss, for example when hedged interest income or expenses are recognized.

When concluding a transaction, the Logwin Group documents the relationship between the hedging instrument and the underlying business transaction as well as the aim of the hedge. Furthermore, an assessment is made at the beginning of the hedging relationship and at regular intervals subsequently as to whether the derivatives used in the hedging relationship are highly effective in offsetting the changes in the cash flow of the underlying business transactions. Prospective tests of effectiveness are conducted by comparing the principal terms of the hedging instrument to those of the hedged liability ("critical terms match"). The dollar offset method is used to determine the effectiveness retrospectively.

In financial year 2013 and in the prior year, the Logwin Group only designated interest rate swaps as hedging instruments to hedge against interest rate fluctuations of loans and borrowings.

Factoring

Factoring, which Logwin has been using since 2009, is a flexible form of financing in which the factoring company provides a facility which Logwin can use up to the agreed limit in return for the sale of trade accounts receivable. If the facility is not used or only partially used, receivables sold are stated in the balance sheet as trade accounts receivable. The utilization of the factoring facility is accounted for in the Logwin Group by reducing the receivables as substantially all risks and rewards from the receivables are transferred to the factoring company. Accordingly, cash flows resulting from using the facility are reported as operating cash flow in the line item "Net cash out-/inflow from utilizing the factoring facility." There are no material payment obligations to be expected from continuing involvement. There are no obligations to repurchase receivables.

Leases

The determination whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the start of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance costs and the repayment of the lease liability so as to achieve a constant rate of interest on the residual carrying amount of the lease liability. Finance costs are expensed immediately.

If it is not sufficiently certain that ownership will pass to the Group at the end of the term of the lease, capitalized leased assets are depreciated over the shorter of the term of the lease or its useful life.

Operating lease payments are recognized in the income statement as an expense over the lease term within the respective functional area.

Provisions

Provisions are recognized in accordance with IAS 37 when an obligation is present as a result of a past event and can be reliably assessed and it is likely that an outflow of resources will be required to settle the obligation. They are recognized in the amount of the probable utilization. Provisions with an expected residual term of more than one year are recognized at their present value.

Provisions for pensions and similar obligations

The Logwin Group has both defined benefit and defined contribution plans to meet pension obligations.

Defined benefit plans are reported as a liability according to IAS 19 under “Provisions for pensions and similar obligations.” Pension obligations relate primarily to employees of group companies in Germany and are mainly vested benefits in connection with benefit plans closed in the past. Furthermore, all Austrian employees are entitled under Austrian law prior to 31 December 2002 (“Abfertigung alt”), in the event of retirement or involuntary termination of employment to severance pay ranging from 2 to 12 months of the last monthly salary depending on the period of service.

Defined benefit obligations are measured by independent actuaries in accordance with the projected unit credit method prescribed in IAS 19. Consequently, the present value of the pension obligations expected in connection with possible future benefits becoming payable is recognized as the pension provision for benefit entitlements, if the respective obligation has vested fully or pro rata temporis as of the measurement date on the basis of the pensionable service rendered. Actuarial assumptions in connection with discount rates, mortality rates, future salary and pension trends as well as turnover rates are taken into account when measuring the obligations.

Where there are plan assets, the pension provisions are calculated by netting these assets and the present value of the defined benefit obligation ("funding status"). If the obligation exceeds the plan assets (the plan assets exceed the obligation), the netted amount is referred to as the net defined benefit liability (asset).

Remeasurements of the net defined benefit liability (asset) include actuarial gains or losses from the obligation as well as returns on plan assets not included in interest income. They result from differences between the actual development compared to the prior-year assumptions as well as changes in assumptions, and are recognized in equity. The service costs are reported under operating expenses and the amounts resulting from unwinding of the discount on the obligation netted with the interest income from plan assets are included in the financial result. Actuarial reports are prepared each year.

In addition to the defined benefit plans there are also defined contribution plans. These generally include the statutory pension insurance applicable in certain countries. Contributions paid into these defined contribution plans are recognized as expenses in the financial year.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The Group must have access to the principal or most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Logwin Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities recorded at fair value must be classified according to the valuation technique applied. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs for the assets or liability that are not based on observable market data

In the Logwin Group, recognition at fair value applies to financial instruments classified as "held for trading" or "available for sale" and to non-financial assets if they were written down to their fair value less costs to sell after being tested for impairment or due to their classification as "held for sale".

8 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.

The Solutions business segment provides comprehensive full-service logistics solutions. The portfolio of services ranges from industry-specific supply chain management and warehousing to value added services and complete logistics outsourcing projects. The Air + Ocean business segment bundles the international air and sea freight activities of the Logwin Group in the Europe Middle East, South East Asia, Far East Asia, Americas and Africa business units. General expenses which cannot be directly allocated to the segments are shown in the "Other" column.

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 result before valuation effects. This ratio is defined as earnings before interest, taxes and special items such as impairment of non-current assets or goodwill and restructuring costs, as long as they have a material impact on the net assets, financial situation and earnings position. As far as possible, the general and administrative costs of the holding companies have been allocated to the business segments based on causality.

The tables below set forth segment information of the business segments for the periods from 1 January to 31 December 2013 and 2012.

2013 *in thousands of EUR*	Solutions	Air + Ocean	Other	Consolidation	Group
External revenues	598,640	616,582	4,488	–	1,219,709
Intersegment revenues	2,009	1,544	3,535	−7,089	–
Revenues	**600,649**	**618,126**	**8,023**	**−7,089**	**1,219,709**
Operating result before valuation effects	**−5,772**	**27,096**	**−9,347**	**–**	**11,977**
Goodwill impairment	−4,000	–	–	–	−4,000
Impairment of property, plant and equipment	–	–	–	–	–
Net result before interest and income taxes (EBIT)	**−9,772**	**27,096**	**−9,347**	**–**	**7,977**
Financial result					−5,782
Income taxes					−5,060
Net result					**−2,865**
Balance sheet					
Segment assets	116,369	137,811	8,381	–	262,561
Unallocated assets					82,842
Total consolidated assets					**345,403**
Segment liabilities	97,421	108,509	22,647	–	228,577
Unallocated liabilities					25,880
Total consolidated liabilities					**254,457**

2012 *in thousands of EUR*	Solutions	Air + Ocean	Other	Consolidation	Group
External revenues	688,837	631,193	4,563	–	1,324,593
Intersegment revenues	3,126	2,055	3,476	−8,657	–
Revenues	**691,963**	**633,248**	**8,039**	**−8,657**	**1,324,593**
Operating result before valuation effects	**−2,242**	**25,317**	**−6,889**	**–**	**16,186**
Goodwill impairment	−71,500	–	–	–	−71,500
Impairment of property, plant and equipment	−3,613	–	−602	–	−4,215
Net result before interest and income taxes (EBIT)	**−77,355**	**25,317**	**−7,491**	**–**	**−59,529**
Financial result					−6,492
Income taxes					−2,600
Net result					**−68,621**
Balance sheet					
Segment assets	161,247	143,301	14,424	–	318,972
Unallocated assets					77,408
Total consolidated assets					**396,380**
Segment liabilities	116,506	109,761	21,707	–	247,974
Unallocated liabilities					50,252
Total consolidated liabilities					**298,226**

Assets and liabilities of the Solutions business segment decreased mainly due to the sale of locations and companies.

Information according to geographical areas

The tables below present geographical information on revenues and non-current assets for financial years 2013 and 2012.

in thousands of EUR	2013		2012	
Germany	631,413	52 %	699,860	53 %
Austria	188,273	15 %	192,781	14 %
Other EU	101,816	8 %	115,907	9 %
Asia/Pacific	227,557	19 %	235,307	18 %
Other	70,650	6 %	80,738	6 %
Total revenues	**1,219,709**	**100 %**	**1,324,593**	**100 %**

Revenues from external customers are allocated according to the geographical location of the billing entity. No revenues from one single customer represent more than 10 % of the Logwin Group's total revenues.

in thousands of EUR	2013		2012	
Germany	28,604	67 %	41,098	67 %
Austria	7,555	18 %	8,077	13 %
Other EU	3,980	9 %	8,083	14 %
Asia/Pacific	1,754	4 %	2,530	4 %
Other	1,105	2 %	1,339	2 %
Total non-current assets	**42,998**	**100 %**	**61,127**	**100 %**

Non-current assets are reported by location of the respective assets. They comprise property, plant and equipment and other intangible assets including finance lease contracts.

Notes to the Income Statement

9 Expenses by nature

in thousands of EUR	2013	2012
Purchased services	−857,997	−927,631
Materials and supplies	−10,814	−12,354
Personnel expenses	−216,249	−238,501
Operating lease expenses	−47,636	−54,913
Depreciation and amortization	−10,178	−11,542
Sundry expenses	−60,318	−63,550
Total cost of sales, selling, general and administrative costs	**−1,203,192**	**−1,308,491**

Purchased services mostly comprise transportation services provided by third parties.

10 Other operating income and expenses

in thousands of EUR	2013	2012
Foreign exchange gains	3,676	5,517
Gains from disposal of non-current assets	2,026	686
Sundry income	1,846	2,502
Other operating income	**7,548**	**8,705**

in thousands of EUR	2013	2012
Foreign exchange losses	−3,722	−5,760
Losses from disposal of non-current assets	−2,026	−497
Sundry expenses	−6,340	−2,364
Other operating expenses	**−12,088**	**−8,621**

Gains and losses from foreign exchange reflect the volume of business activities invoiced in foreign currencies. The net income/expense from foreign exchange gains and losses is as follows:

in thousands of EUR	2013	2012
Foreign exchange gains	3,676	5,517
Foreign exchange losses	−3,722	−5,760
Foreign exchange effects, net	**−46**	**−243**

11 Goodwill impairment

As of 30 June 2013, the sale of three locations of Logwin Solutions Deutschland GmbH was completed as part of an asset deal. For this reason, the Logwin Group subjected the goodwill allocated to the Solutions business segment to an impairment test. The impairment test showed that it was necessary to report an impairment of EUR 4.0m.

In the prior year, owing to the weak result for the first six months of 2012 reported by the Solutions business segment as of 30 June 2012, an impairment test was performed on the goodwill recognized for this segment. This test resulted in an impairment of EUR 53.0m. The goodwill allocated to the Solutions business segment was again tested for impairment as of 31 December 2012 due to events that occurred in the fourth quarter of 2012 and came to the Group’s attention in the first few weeks of financial year 2013. This test resulted in an additional impairment of EUR 18.5m for 2012.

Please refer to note 16 “Goodwill”.

12 Impairment of property, plant and equipment

An impairment loss of EUR 602k in 2012 resulted from the measurement of a plot of land held for sale at fair value less costs to sell. Furthermore, an impairment loss of EUR 3,013k was recorded in the Solutions business segment relating to two German logistics properties during the financial year 2012. To this end, the value in use was determined based on the planned cash flow of the location over the estimated useful life. A further European logistics property was written down to its fair value less costs to sell. This resulted in an impairment loss of EUR 600k.

13 Financial result

The following table shows the composition of the financial result in financial years 2013 and 2012:

in thousands of EUR	2013	2012
Finance income	**528**	**604**
Interest expenses from bank accounts	−1,400	−1,984
Interest expenses from finance leases	−576	−776
Net interest expense from the unwinding of the discount on defined benefit obligations and from the return on plan assets	−1,015	−1,152
Other interest expenses	−1,841	−1,630
Other finance expenses	−1,478	−1,554
Finance expenses	**−6,310**	**−7,096**
Financial result	**−5,782**	**−6,492**

Other interest expenses include guarantee commissions, factoring interest and interest expenses from the unwinding of the discount on other non-current provisions. Other finance expenses include foreign exchange effects from group financing.

14 Income taxes

Tax expenses for the Logwin Group are as follows:

in thousands of EUR	2013	2012
Current income taxes	−5,857	−5,033
Deferred income taxes	797	2,433
Total income taxes	**−5,060**	**−2,600**

Reconciliation of expected income tax expenses to the tax expenses in the income statement:

in thousands of EUR	2013	2012
Net result before income taxes	**2,195**	**−66,021**
Expected income taxes (tax rate 30.38 %)	**−667**	**20,057**
Non-deductible goodwill impairment	−1,215	−21,721
Foreign tax rate differential	1,014	1,042
Expenses not deductible for tax purposes	−2,376	−1,321
Tax effects relating to prior periods	512	−99
Change in valuation allowances and effects from not recognizing deferred tax assets	−2,306	−550
Other taxation effects	−22	−8
Total income tax expenses	**−5,060**	**−2,600**

The tax rate used of 30.38 % reflects the tax rate of Logwin AG.

Notes to the Statement of Cash Flows

15 Proceeds from disposals of consolidated subsidiaries and other business operations

Proceeds from disposals of consolidated subsidiaries and other business operations in financial year 2013 include cash inflows from the sale of companies and locations of the Solutions business segment and break down as follows:

In thousands of EUR	**2013**
Consideration received	2,822
Less cash and cash equivalents disposed of	–291
Proceeds from disposals of consolidated subsidiaries and other business operations, net of cash and cash equivalents	**2,531**

The following assets and liabilities were disposed of:

In thousands of EUR	**2013**
Goodwill	1,342
Other non-current assets	4,409
Trade accounts receivable	1,674
Cash and cash equivalents	291
Other current assets	981
Assets disposed of	**8,697**
Non-current provisions	107
Trade accounts payable	1,874
Other current liabilities	2,404
Liabilities disposed of	**4,385**

The prior-year proceeds relate to the cash inflow from a purchase price claim relating to the sale of a subsidiary in prior years and cash received from the sale of a subsidiary in financial year 2012. The assets and liabilities of the subsidiary included EUR 267k in cash and cash equivalents.

Notes to the Balance Sheet

16 Goodwill

Allocation of goodwill to cash-generating units

The business segments are taken to be cash-generating units of the Logwin Group. The goodwill acquired in the course of business combinations has been allocated to the business segments as follows

In thousands of EUR	31 Dec 2013	31 Dec 2012
Solutions	29,565	35,645
Air + Ocean	45,300	45,437
Goodwill	**74,865**	**81,082**

In thousands of EUR	Goodwill
Acquisition cost	226,950
Accumulated impairment	−73,857
Carrying amount as of 1 January 2012	**153,093**
Impairment	−71,500
Currency differences	−59
Disposals	−452
Carrying amount as of 31 December 2012	**81,082**
Acquisition cost	226,439
Accumulated impairment	−145,357
Carrying amount as of 1 January 2013	**81,082**
Impairment	−4,000
Currency differences	−137
Disposals	−1,342
Reclassification as held for sale	−738
Carrying amount as of 31 December 2013	**74,865**
Acquisition cost	224,222
Accumulated impairment	−149,357

Goodwill impairment testing

As in the prior year, the Logwin Group used 30 September as the reference date for its annual goodwill impairment test in financial year 2013. The test covered all goodwill recognized by the Group. Events-triggered impairment tests as of 30 June 2013 and as of 31 December 2013 became necessary for the goodwill related to the Solutions business segment as there were indications of potential impairment.

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 a financial plan covering a period of a maximum of five years. The financial plan is based on the business plans of the business segments.

The cash flow forecasts are based on the following underlying assumptions:

- Budgeted revenue growth rates: the anticipated growth rates of the respective industries are used to determine the budgeted revenue growth rates. Stable revenue growth was assumed over the coming years.
- Budgeted operating profit margins: the profit margins generated in the preceding years, increased for expected efficiency improvements, are used to determine the budgeted operating profit margins. Allowance was made here for the fact that developments in earnings will also depend on the economic situation.

Events-triggered impairment test of Solutions as of 30 June 2013

As of 30 June 2013, the sale of three locations of Logwin Solutions Deutschland GmbH was completed as part of an asset deal. For this reason, the Logwin Group subjected the goodwill allocated to the Solutions business segment to an impairment test.

The previous financial plan was based on the business plan of the Solutions business segment as of 31 December 2012 and was adjusted for the effects from the sale of the locations. The revised business plan forecast an EBIT margin of 2.3 % for the last planning year (31 December 2012: 2.2 %). The average EBIT margin of 2012 (actual) through to 2016 (plan) was taken as the sustainable EBIT margin of 1.31 % to calculate the perpetual annuity (31 December 2012: 1.35 %). Beyond the five-year period the growth rate was assumed unchanged from the prior year at 0.75 %. The expected cash flows were discounted using a discount rate of 7.1 % after tax (31 December 2012: 7.3 %), which is equivalent to an interest rate of 10.2 % before tax (31 December 2012: 10.5 %).

The impairment test showed that it was necessary to report an impairment of EUR 4.0m.

Annual impairment test of the Logwin Group as of 30 September 2013
The annual impairment test for the entire goodwill was carried out as of 30 September. The assumptions used for the Solutions business segment as of 30 June 2013 remained largely unchanged. A sustainable EBIT margin of 3.1 % (unchanged on the prior year) and a growth rate of 1.5 % (unchanged on the prior year) were used for the Air + Ocean business segment. The cash flows were discounted using a discount rate of 7.0 % after tax (30 September 2012: 6.6 %). This corresponds to an interest rate of 9.6 % to 10.5 % before tax (30 September 2012: 8.8 % to 9.4 %).

No further impairment of goodwill resulted from this impairment test.

Events-triggered impairment test of Solutions as of 31 December 2013
Due to the additional sales with effect from 31 December 2013 in the Solutions business segment, the Group conducted an additional impairment test of the goodwill of the Solutions business segment.

The financial plan of the Solutions business segment was adjusted with respect to the sales completed in the fourth quarter of 2013 and due to new information as of 31 December 2013. The revised business plan forecast an EBIT margin of 2.5 % for the last planning year. The average EBIT margin of 2013 (actual) through to 2017 (plan) was taken as the sustainable EBIT margin of 1.5 % to calculate the perpetual annuity. Beyond the five-year period the growth rate was assumed unchanged at 0.75 %. The expected cash flows were discounted using a discount rate of 7.1 % after tax, which is equivalent to an interest rate of 10.3 % before tax.

The impairment test performed as of 31 December 2013 did not result in any additional impairment.

Assuming that all other factors remained constant, an increase in the discount rate of at least 0.5 % or a reduction in the sustainable EBIT margin from 1.5 % to 1.4 % used for the financial plan for the Solutions business segment would result in an impairment of the goodwill assigned to the Solutions business segment. Both effects occurring together would result in an impairment of EUR 4.0m.

17 Other intangible assets

Amortization of intangible assets of EUR 819k is included in cost of sales (prior year: EUR 964k). A further EUR 18k (prior year: EUR 70k) relates to selling costs and EUR 2,143k (prior year: EUR 1,993k) to general and administrative costs.

In thousands of EUR	**Software, concessions and other licenses**	**Customer contracts acquired**	**Total**
Acquisition cost	47,393	18,226	65,619
Accumulated amortization	−40,666	−18,195	−58,861
Carrying amount as of 1 Jan 2012	**6,728**	**30**	**6,758**
Currency differences	22	–	22
Change in scope of consolidation	−15	–	−15
Additions	1,900	–	1,900
Disposals	−20	–	−20
Amortization	−2,996	−30	−3,026
Carrying amount as of 31 Dec 2012	**5,619**	**–**	**5,619**
Acquisition cost	45,446	18,226	63,672
Accumulated amortization	−39,827	−18,226	−58,053
Carrying amount as of 1 Jan 2013	**5,619**	**–**	**5,619**
Currency differences	−21	–	−21
Change in scope of consolidation	−7	–	−7
Additions	1,550	–	1,550
Disposals	−226	–	−226
Amortization	−2,980	–	−2,980
Reclassification as held for sale	−9	–	−9
Carrying amount as of 31 Dec 2013	**3,926**	**–**	**3,926**
Acquisition cost	36,703	17,520	54,223
Accumulated amortization	−32,777	−17,520	−50,297

Cost of sales includes depreciation of property, plant and equipment of EUR 5,768k (prior year: EUR 6,909k), while selling costs include depreciation of property, plant and equipment of EUR 213k (prior year: EUR 252k) and general and administrative costs include depreciation of property, plant and equipment of EUR 1,217k (prior year: EUR 1,354k).

18 Property, plant and equipment

In thousands of EUR	Land and buildings	Machinery and equipment	Tools, fixtures, furniture and office equipment	Vehicle fleet	Construction in progress	Total
Acquisition cost	110,253	38,876	46,481	17,648	450	213,708
Accumulated depreciation and impairment losses	−60,618	−32,612	−37,829	−15,332	–	−146,391
Carrying amount as of 1 Jan 2012	**49,635**	**6,264**	**8,652**	**2,316**	**450**	**67,317**
Currency differences	155	24	85	5	–	269
Change in scope of consolidation	–	−6	−68	–	–	−74
Additions	799	1,178	2,715	819	370	5,881
Transfers	−760	1,251	63	5	−559	–
Disposals	−292	−1	−116	−130	–	−539
Depreciation	−2,565	−1,588	−3,547	−815	–	−8,515
Impairment losses	−4,109	−106	–	–	–	−4,215
Reclassification as held for sale	−4,616	–	–	–	–	−4,616
Carrying amount as of 31 Dec 2012	**38,247**	**7,016**	**7,784**	**2,200**	**261**	**55,508**
Thereof attributable to finance leases	12,225	763	703	876	–	14,567
Acquisition cost	102,307	38,364	44,282	16,495	261	201,709
Accumulated depreciation and impairment losses	−64,060	−31,348	−36,498	−14,295	–	−146,201
Carrying amount as of 1 Jan 2013	**38,247**	**7,016**	**7,784**	**2,200**	**261**	**55,508**
Currency differences	−92	−105	−120	−51	–	−368
Change in scope of consolidation	−2,804	−73	9	−60	–	−2,928
Additions	604	685	2,945	505	232	4,971
Transfers	118	90	48	−40	−216	–
Disposals	−9,296	−300	−428	−811	–	−10,835
Depreciation	−2,044	−1,206	−3,339	−609	–	−7,198
Reclassification as held for sale	–	−28	−46	−4	–	−78
Carrying amount as of 31 Dec 2013	**24,733**	**6,079**	**6,853**	**1,130**	**277**	**39,072**
Thereof attributable to finance leases	9,441	554	403	478	–	10,876
Acquisition cost	72,099	36,591	38,265	10,042	277	157,274
Accumulated depreciation and impairment losses	−47,366	−30,512	−31,410	−8,914	–	−118,202

As of 31 December 2013, no property, plant and equipment (prior year: carrying amount of EUR 7,783k) was mortgaged to secure loans as the respective liabilities were fully repaid in financial year 2013. The liabilities came to EUR 408k as of 31 December of the prior year.

19 Inventories

Inventories primarily include fuel, vehicle spare parts and tires with a value of EUR 2,601k (prior year: EUR 2,453k). No inventories were pledged. In the reporting period, inventories of EUR 10,814k were recognized as an expense (prior year: EUR 12,354k).

20 Trade accounts receivable

In thousands of EUR	31 Dec 2013	31 Dec 2012
Trade accounts receivable	**105,642**	**127,281**
Less allowance for doubtful accounts	−1,871	−2,986
Trade accounts receivable, net	**103,771**	**124,295**
Trade accounts receivable from factoring	21,819	25,712
Total trade accounts receivable	**125,590**	**150,007**

The allowances changed as follows:

In thousands of EUR	2013	2012
1 January	**−2,986**	**−3,861**
Currency differences	125	−62
Additions	−851	−1,371
Utilization	629	1,225
Reversals	360	895
Change in scope of consolidation	852	188
31 December	**−1,871**	**−2,986**

These expenses are reported in the item “Selling costs” of the income statement.

The table below shows the aging of unimpaired trade accounts receivable:

In thousands of EUR	31 Dec 2013	31 Dec 2012
Ageing structure		
not overdue	81,332	95,890
< 10 days	15,542	18,505
11 - 30 days	3,315	5,820
31 - 90 days	2,675	3,424
91 - 180 days	684	608
181 - 360 days	223	48
> 360 days	–	–

As of 31 December 2013, trade accounts receivable not sold to the factoring company in the amount of EUR 14,270k (prior year: EUR 30,919k) were secured by credit insurance. Secured receivables are subject to a deductible of 10 % (prior year: 20 %).

21 Income tax receivables

As of 31 December 2013, income tax receivables of EUR 2,262k (prior year: EUR 3,195k) include tax refunds from corporate income tax credits of EUR 1,195k (prior year: EUR 1,464k).

22 Other receivables and current assets

In thousands of EUR	31 Dec 2013	31 Dec 2012
Receivables from the sale of non-current assets	469	712
Receivables from loans granted to affiliated companies, not consolidated	–	1,434
Input tax refund	2,896	2,602
Advance payments	9,290	9,793
Derivative financial instruments	96	538
Miscellaneous receivables and assets	3,488	6,127
Total other receivables and current assets	**16,239**	**21,206**

The miscellaneous receivables and assets as of 31 December 2013 include receivables from billing transport containers totaling EUR 957k (prior year: EUR 2,974k).

Other receivables and current assets are due within one year. As in the prior year, there were no material impairments of other receivables and current assets. With the exception of individual deposits required by operational business other receivables and current assets were not subject to pledging.

23 Cash and cash equivalents

In thousands of EUR	31 Dec 2013	31 Dec 2012
Cash	57,731	52,618
Cash equivalents	915	1,313
Total cash and cash equivalents	**58,646**	**53,931**

Cash and cash equivalents comprise checks, cash in hand and bank balances as well as cash equivalents with a total maturity of up to three months from the date of acquisition.

Cash and cash equivalents include EUR 4.0m (prior year: EUR 7.3m) from payments made by customers that must be passed on directly to the factoring company.

24 Assets held for sale and associated liabilities

Assets held for sale and the associated liabilities (disposal group) as of 31 December 2013 comprise 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 the reporting period. The sale was thus highly likely.

The disposal group includes the following asset and liability items:

In thousands of EUR	**31 Dec 2013**
Goodwill	738
Other non-current assets	96
Trade accounts receivable	1,532
Cash and cash equivalents	424
Other current assets	314
Assets held for sale	**3,104**
Trade accounts payable	1,498
Other current liabilities	345
Liabilities associated with assets held for sale	**1,843**

The disposal group was recognized at its carrying amount.

The assets held for sale as of 31 December 2012 included a plot of undeveloped land for which a legally binding contractual offer existed at the end of the reporting period. The disposal of the plot of land was completed upon the payment of the purchase price of EUR 4.6m in October 2013.

25 Deferred taxes

Deferred tax assets and liabilities consist of the following:

In thousands of EUR	31 Dec 2013		31 Dec 2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	1,480	40	3,422	6
Property, plant and equipment	846	2,817	533	2,379
Investments	90	3	114	12
Current assets	61	132	55	343
Provisions	3,967	195	4,426	562
Liabilities	2,272	35	2,940	41
Tax loss carryforwards	16,434	–	14,114	–
Valuation allowances	−5,090	–	−5,995	–
Net amounts	−3,174	−3,174	−3,146	−3,146
Total deferred taxes	**16,886**	**48**	**16,463**	**197**

In thousands of EUR	2013	2012
Deferred taxes, net as of 1 January	**16,266**	**13,004**
Change recognized in profit or loss	797	2,433
Change recognized in equity	−183	833
Currency and other differences	−105	−4
Change in scope of consolidation	63	–
Deferred taxes, net as of 31 December	**16,838**	**16,266**

As of 31 December 2013, Logwin Group did not recognize any deferred tax liabilities on temporary differences from retained earnings of domestic and foreign subsidiaries of EUR 15.1m (prior year: EUR 15.5m) because it is not probable that the differences will reverse in the foreseeable future. The potential impact on income taxes amounts to EUR 2.0m (prior year: EUR 1.3m).

In thousands of EUR	31 Dec 2013	31 Dec 2012
Can be carried forward indefinitely	436,387	358,390
Can be carried forward for a limited period (1–15 years)	949	1,110
Total tax loss carryforwards	**437,336**	**359,500**

Insofar as a tax assessment has been made, loss carryforwards are reported in accordance with this assessment. If no assessment has yet been made, the calculated value, or the value reported to the tax authorities, is used.

26 Shareholders' equity

Issued capital and authorized capital

As of 31 December 2013, there were 146,257,596 (prior year: 146,257,596) fully paid up, no-par voting shares outstanding. Each share represents EUR 0.897 of issued capital. In addition, the authorized capital of Logwin AG amounted to EUR 68,798k as of 31 December 2013 (31 December 2012: EUR 68,798k). The authorized capital consisted of 76,692,378 no-par non-issued shares.

Profit/loss appropriation and capital reserves

Logwin AG appropriated the annaul net loss of EUR 32,478k as of 31 December 2012 by offsetting it against the capital reserves in accordance with the resolution adopted by the Annual General Meeting on 10 April 2013. This was executed accordingly by Logwin AG. The net profit of EUR 2,349k as of 31 December 2011 was taken to the legal reserve in the prior year.

Retained earnings

Distributable retained earnings

According to Luxembourg law, a company must allocate at least 5 % of the net result for the period as stated in the local financial statements to a legal reserve until the reserve equals 10 % of issued capital of the company. As of 31 December 2013, this reserve in the amount of EUR 8,070k (prior year: EUR 8,070k) is presented in the statement of changes in equity of the Logwin Group as part of the retained earnings. The legal reserve cannot be distributed as a dividend.

Defined benefit plans

Remeasurements of the net defined benefit liability in the form of actuarial gains and losses as well as return on plan assets not included in interest income are recognized in equity and may not be reclassified to profit or loss in future periods. These amounts are recorded in retained earnings and amounted to EUR −5,618k as of 31 December 2013 (prior year: EUR −6,551k). The change compared to the prior year of EUR 933k relates to the remeasurement of the net defined benefit liability in 2013 (EUR 405k) and to changes in the scope of consolidation (EUR 528k).

Consolidation of previously non-consolidated subsidiaries

Retained earnings as of 31 December 2013 include effects from the consolidation of two subsidiaries as of 1 January 2013. The acquisition accounting was based on the original equity of the companies as of the acquisition or formation date.

Accumulated other comprehensive income

Differences from the translation of the financial statements of subsidiaries with a functional currency other than the euro, the effects of the fair value measurement of available-for-sale securities and any changes in the fair value of derivative financial instruments classified as cash flow hedges are reported under shareholders' equity as accumulated other comprehensive income. The amounts recognized in equity may need to be reclassified under certain circumstances to profit or loss in future periods.

27 Liabilities from leases

Within the Logwin Group certain items of property, plant and equipment are financed through finance leases. This mainly relates to buildings and vehicles to the extent that this is the favorable financing method. Interest rates and other interest conditions are fixed at the contract date. Some finance leases contain renewal options, purchase options and price adjustment clauses. Finance leases do not provide for contingent rent nor do they contain restrictions on the Group's activities concerning the distribution of dividends, additional debt or further leasing.

The liabilities from leases represent the present value of the future minimum lease payments and are shown in the following table, classified by maturity:

	31 Dec 2013			
In thousands of EUR	Current	1 to 5 years	Over 5 years	Total
Minimum lease payments	2,042	6,681	10,175	**18,898**
Finance costs	−481	−1,345	−1,079	**−2,905**
Present value of minimum lease payments	**1,561**	**5,336**	**9,096**	**15,993**

	31 Dec 2012			
In thousands of EUR	Current	1 to 5 years	Over 5 years	Total
Minimum lease payments	3,019	7,928	12,442	**23,389**
Finance costs	-660	-1,888	-1,064	**-3,612**
Present value of minimum lease payments	**2,359**	**6,040**	**11,378**	**19,777**

28 Loans and borrowings

The current and non-current loans and borrowings and the current portion of the non-current loans and borrowings, classified by maturity, are shown below:

In thousands of EUR	31 Dec 2013			
	Current	1 to 5 years	Over 5 years	Carrying amount
Non-current loans and borrowings	–	–	–	–
Total non-current	**–**	**–**	**–**	**–**
Current loans and borrowings	4,722	–	–	4,722
Current portion of non-current loans and borrowings	–	–	–	–
Total current	**4,722**	**–**	**–**	**4,722**

In thousands of EUR	31 Dec 2012			
	Current	1 to 5 years	Over 5 years	Carrying amount
Non-current loans and borrowings	–	16,000	–	16,000
Total non-current	**–**	**16,000**	**–**	**16,000**
Current loans and borrowings	8,974	–	–	8,974
Current portion of non-current loans and borrowings	2,000	–	–	2,000
Total current	**10,974**	**–**	**–**	**10,974**

As of 31 December 2013, current loans and borrowings included EUR 4.0m (prior year: EUR 7.3m) from payments made by customers that had to be passed on directly to the factoring company.

The interest rates of the current loans and borrowings are at market level. The interest rate for non-current loans and borrowings was within a range of 3.8 % to 6.7 % (prior year: 3.8 % to 6.7 %).

As of 31 December 2013, the Logwin Group had loans, credit commitments and borrowing facilities (without guarantee facilities) amounting to EUR 49.5m (prior year: EUR 65.7m), of which EUR 704k (prior year: EUR 19,677k) was drawn. In the prior year, these figures included a bank loan the Logwin Group took out in 2011 amounting to EUR 20.0m with a term of five years. The outstanding balance as of 31 December 2012 amounted to EUR 18.0m. The loan amount was repaid prematurely in 2013.

Depending on the amount of sold receivables, a contractual limit of EUR 45.0m was available to the Logwin Group from factoring at the reporting date (prior year: EUR 45.0m). As of 31 December 2013, the actual amount drawn was EUR 6,028k (prior year: EUR 6,012k). The interest rate charged on the factoring facility drawn is variable.

In order to hedge the interest rate risk, the Group concluded interest rate swaps, one of which was canceled in 2013 in connection with the loan repayment. At the time of cancellation, the accumulated unrealized loss of EUR 141k from the cash flow hedge reserve was transferred to the financial result. The residual term of the remaining interest rate swap was two years as of 31 December 2013.

29 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are recognized due to plans for commitments for retirement, invalidity and survivors' pensions. The Logwin Group has both defined benefit and defined contribution plans.

Defined contribution plans

Under the defined contribution plans of the Group, payments in a total amount of EUR 1,176k to private pension insurance schemes were recorded in financial year 2013 (prior year: EUR 683k). In addition, contribution payments of EUR 9,360k were made to public pension insurance schemes.

Defined benefit plans

Defined benefit obligations mainly result from (funded and unfunded) pension commitments to employees, mostly of German group companies. The Logwin Group's obligations relate primarily to obligations from vested benefits in connection with benefit plans closed in the past. The benefits payable are mostly lifetime pension payments. In addition, there are legal claims of Austrian employees to severance payments.

A characteristic of the defined benefit obligations is that the Logwin Group grants the promised benefit level and thus bears the financing and longevity risk. If the obligations are partially or fully funded, the financing risk is replaced by the general market risk. As the Logwin Group's plan assets are employer's pension liability insurance policies, direct insurance policies and pension trusts, the volatility of which is comparatively low, the risk is also low.

The net defined benefit liability recognized in the balance sheet is as follows:

In thousands of EUR	31 Dec 2013	31 Dec 2012
Present value of the obligation	29,896	30,687
Plan assets	–1,493	–1,427
Net defined benefit liability (funding status)	**28,403**	**29,260**

The development of the net defined benefit liability in the current financial year and in the prior year is described in the following table:

In thousands of EUR	2013	2012
Net defined benefit liability as of 1 January	**29,260**	**24,742**
Expense recognized in the income statement	1,335	1,633
Plan contributions and payments, net	–1,462	–1,713
Remeasurements recognized in equity	–588	4,593
Settlements	–29	–
Other changes	–113	5
Net defined benefit liability as of 31 December	**28,403**	**29,260**

The change in the net defined benefit liability breaks down to the development of the present value of the obligation and the plan assets as follows:

In thousands of EUR	2013	2012
Present value of the obligation as of 1 January	**30,687**	**26,466**
Current service cost	320	480
Interest expenses	1,066	1,253
Actuarial gains (-)/losses (+)		
due to changes in demographic assumptions	–43	–
due to changes in financial assumptions	–639	4,551
due to experience adjustments	102	22
Contributions by plan participants	–	30
Payments from company assets	–1,446	–1,702
Payments from plan assets	–78	–420
Settlements	–29	–
Other changes	–44	7
Present value of the obligation as of 31 December	**29,896**	**30,687**

In thousands of EUR	2013	2012
Plan assets as of 1 January	**1,427**	**1,724**
Interest income on plan assets	51	101
Return on plan assets not included in interest income	8	–20
Contributions by the employer	16	12
Contributions by plan participants	–	30
Payments from plan assets	–78	–420
Other changes	69	–
Plan assets as of 31 December	**1,493**	**1,427**

As of 31 December 2013, the plan assets consisted of employer's pension liability insurance policies of EUR 744k (prior year: EUR 764k), pension trusts of EUR 359k (prior year: EUR 311k), direct insurance policies of EUR 309k (prior year: EUR 352k), and other forms of insurance of EUR 81k (prior year: EUR 0k). The expected contributions to plan assets amount to EUR 13k in the following year.

The expenses for defined benefit plans recognized in the income statement are as follows:

In thousands of EUR	2013	2012
Service costs	–320	–480
Net interest expense	–1,015	–1,152
Total pension expenses	**–1,335**	**–1,632**

In 2013, of the total amount of expenses for defined benefit plans, EUR 253k (prior year: EUR 325k) was included in cost of sales, EUR 32k (prior year: EUR 85k) in selling costs and EUR 35k (prior year: EUR 70k) in general and administrative costs. The net interest expense from unwinding of the discount on the obligation as well as from the return on plan assets of EUR 1,015k (prior year: EUR 1,152k) is included in finance expenses.

Actuarial assumptions

The following actuarial assumptions were used to calculate pension provisions and similar obligations:

	31 Dec 2013	31 Dec 2012
Discount rate	3.7%	3.5%
Wage and salary trend	2.5% – 3.0%	2.5% – 3.0%
Pension trend	2.0%	2.0%

Life expectancy was based on the 2005 G mortality tables published by Prof. Dr. Klaus Heubeck for the German entities.

The discount rates were determined based on yields on high-quality corporate bonds which match the underlying obligations in terms of currency and maturity.

The wage and salary trends take into account inflation adjustments and career-related salary increases, and are based (similar to the turnover rates) on past experience and expectations for the future.

The pension trends either correspond to the contractually guaranteed pension adjustments or are based on the provisions in place for pension adjustments.

Changes in the principal actuarial assumptions would have had the following effects on defined benefit obligations:

	In thousands of EUR	**31 Dec 2013**
Discount rate	0.5 percentage points higher	−2,072
	0.5 percentage points lower	2,321
Wage and salary trend	0.5 percentage points higher	557
	0.5 percentage points lower	−494
Pension trend	0.5 percentage points higher	1,357
	0.5 percentage points lower	−1,240
Life expectancy	Decrease in mortality rate by 10 %	1,205

The sensitivity analyses presented take into account the change of one assumption, with the other assumptions remaining unchanged compared with the original calculation. This means possible correlations between the individual assumptions were not taken into account. The method used to calculate the sensitivities is the same method that is used to determine the present value of the defined benefit obligation.

In order to examine the sensitivity of the present value of the defined benefit obligation to changes in the assumed life expectancy, the mortality rates were lowered by 10 % in a comparative calculation, which resulted in an increase in life expectancy of around one year.

The weighted average duration of the defined benefit obligation based on the present values of the obligation is 14.17 years.

The maturity profile of undiscounted payments of the defined benefit obligation is as follows:

In thousands of EUR	**31 Dec 2013**
Payments due within the next financial year	1,479
Payments due in 2 to 5 years	5,378
Payments due in 6 to 10 years	7,464
Payments due in 11 to 15 years	7,887
Payments due in 16 to 20 years	7,420
Payments due in more than 20 years	25,321

30 Other non-current provisions

In thousands of EUR	Long-service bonus provisions	Other	Total non-current provisions
1 January 2013	**2,378**	**30**	**2,408**
Additions	221	331	552
Utilization	–267	–	–267
Release	–88	–	–88
Currency differences	–41	–	–41
Change in scope of consolidation	–57	–	–57
31 December 2013	**2,146**	**361**	**2,507**

In 2013, the interest portion from unwinding of the discount on the long-service bonus provisions amounted to EUR 203k (prior year: EUR 221k). The other provisions mainly relate to provisions for vacancy costs.

31 Current provisions

In thousands of EUR	Current provisions
1 January 2013	**10,440**
Additions	8,805
Utilization	–5,267
Release	–1,881
Currency differences	–67
Change in scope of consolidation	–36
31 December 2013	**11,994**

The current provisions comprise provisions for lawsuits and litigations, onerous contracts and warranties as well as other current provisions. The provisions for warranties primarily include provisions for freight and liability damage from operating activities.

Further disclosures regarding current provisions are not made in accordance with IAS 37.92 so as to avoid influencing the outcome of the proceedings. In this context, please refer to note 36 “Contingent liabilities and lawsuits.”

32 Income tax liabilities

The recognized liabilities are calculated from accrued income tax expenses for financial year 2013 and prior financial years amounting to EUR 5,929k (prior year: EUR 11,548k), less prepayments made totaling EUR 2,611k (prior year: EUR 8,728k).

33 Other liabilities

In thousands of EUR	31 Dec 2013	31 Dec 2012
Liabilities relating to personnel: Wages and salaries	16,699	16,194
Social security	1,450	1,635
Accrued vacation	2,427	2,940
Other taxes and levies	5,561	6,408
Advances received from customers	3,094	2,509
Derivative financial instruments	543	1,400
Other liabilities, accruals and deferred income	12,643	12,314
Total other current liabilities	**42,417**	**43,400**
Negative fair value of derivative hedging instruments	610	1,235
Sundry other non-current liabilities	8	11
Total other non-current liabilities	**618**	**1,246**
Total other liabilities	**43,035**	**44,646**

Other liabilities, accruals and deferred income as of 31 December 2013 include liabilities from billing transport containers totaling EUR 594k (prior year: EUR 2,698k).

The remaining maturities of the financial liabilities included in other liabilities are shown below:

In thousands of EUR	31 Dec 2013	31 Dec 2012
Due within 1 year	23,622	24,276
Due 1 to 5 years	618	1,246
Other financial liabilities	**24,240**	**25,522**

Other Notes

34 Additional information on financial instruments

The following tables provide additional information on the financial instruments held by the Logwin Group. They show the financial assets and liabilities by IAS 39 measurement category as well as the balance sheet items containing financial instruments with the corresponding carrying amounts and the fair value.

Financial instruments by measurement category according to IAS 39

In thousands of EUR	**Carrying amount 31 Dec 2013**	Amortized cost	Fair value through profit or loss	Fair value through OCI
Loans and receivables (LAR)	190,530	190,530	–	–
Available-for-sale (AFS)	760	195	–	565
Held for trading (HFT)	96	–	96	–
Financial assets	**191,386**	**190,725**	**96**	**565**
At amortized cost (FLAC)	170,403	170,403	–	–
Held for trading (FLHFT)	543	–	543	–
Financial liabilities	**170,946**	**170,403**	**543**	**–**

In thousands of EUR	**Carrying amount 31 Dec 2012**	Amortized cost	Fair value through profit or loss	Fair value through OCI
Loans and receivables (LAR)	213,647	213,647	–	–
Available-for-sale (AFS)	1,182	631	–	551
Held for trading (HFT)	538	–	538	–
Financial assets	**215,367**	**214,278**	**538**	**551**
At amortized cost (FLAC)	211,565	211,565	–	–
Held for trading (FLHFT)	1,400	–	1,400	–
Financial liabilities	**212,965**	**211,565**	**1,400**	**–**

Carrying amount and fair values of financial instruments by item of the balance sheet
The following table reconciles the existing financial instruments to the corresponding items of the balance sheet and shows the respective measurement basis, carrying amount and the fair value as of the reporting date:

In thousands of EUR	Measurement category in accordance with IAS 39	**Carrying amount 31 Dec 2013**	Carrying amount in accordance with IAS 39		Carrying amount in accordance with IAS 17	**Fair Value as of 31 Dec 2013**
			Amortized cost	Fair value		
Assets						
Investments	AFS	**760**	**195**	**565**	**–**	**565**
Other non-current assets	LAR	**1,452**	**1,452**	**–**	**–**	**1,452**
Trade accounts receivable	LAR	**125,590**	**125,590**	**–**	**–**	**125,590**
	LAR	4,842	4,842	–	–	4,842
	HFT[1]	96	–	96	–	96
	n.a.	11,301	–	–	–	–
Other receivables and current assets	**Total**	**16,239**	**4,842**	**96**	**–**	**–**
Cash and cash equivalents	LAR	**58,646**	**58,646**	**–**	**–**	**58,646**
Liabilities						
Non-current liabilities from leases	n.a.	**14,432**	**–**	**–**	**14,432**	**17,736**
	FLAC	8	8	–	–	8
	n.a.[2]	610	–	610	–	610
Other non-current liabilities	**Total**	**618**	**8**	**610**	**–**	**–**
Trade accounts payable	FLAC	**142,594**	**142,594**	**–**	**–**	**142,594**
Current liabilities from leases	n.a.	**1,561**	**–**	**–**	**1,561**	**2,428**
Current loans and borrowings	FLAC	**4,722**	**4,722**	**–**	**–**	**4,722**
	FLAC	23,079	23,079	–	–	23,079
	FLHFT[1]	543	–	543	–	543
	n.a.	18,795	–	–	–	–
Other current liabilities	**Total**	**42,417**	**23,079**	**543**	**–**	**–**

[1] The financial assets and liabilities held for trading comprise derivative financial instruments from currency hedges with positive or negative fair values. Changes in fair value are recognized in profit or loss.

[2] This item comprises hedging instruments of cash flow hedges with negative fair values.

In thousands of EUR	Measurement category in accordance with IAS 39	**Carrying amount 31 Dec 2012**	Carrying amount in accordance with IAS 39		Carrying amount in accordance with IAS 17	**Fair Value as of 31 Dec 2012**
			Amortized cost	Fair Value		
Assets						
Investments	AFS	**1,182**	**631**	**551**	**–**	**551**
Other non-current assets	LAR	**1,118**	**1,118**	**–**	**–**	**1,118**
Trade accounts receivable	LAR	**150,007**	**150,007**	**–**	**–**	**150,007**
	LAR	8,591	8,591	–	–	8,591
	HFT[1]	538	–	538	–	538
	n.a.	12,077	–	–	–	–
Other receivables and current assets	**Total**	**21,206**	**8,441**	**538**	**–**	**–**
Cash and cash equivalents	LAR	**53,931**	**53,931**	**–**	**–**	**53,931**
Liabilities						
Non-current liabilities from leases	n.a.	**17,418**	**–**	**–**	**17,418**	**17,616**
Non-current loans and borrowings	FLAC	**16,000**	**16,000**	**–**	**–**	**16,000**
	FLAC	11	11	–	–	11
	n.a.[2]	1,235	–	1,235	–	1,235
Other non-current liabilities	**Total**	**1,246**	**11**	**1,235**	**–**	**–**
Trade accounts payable	FLAC	**161,704**	**161,704**	**–**	**–**	**161,704**
Current liabilities from leases	n.a.	**2,359**	**–**	**–**	**2,359**	**2,385**
Current loans and borrowings	FLAC	**10,974**	**10,974**	**–**	**–**	**10,974**
	FLAC	22,876	22,876	–	–	22,876
	FLHFT[1]	1,400	–	1,400	–	1,400
	n.a.	19,124	–	–	–	–
Other current liabilities	**Total**	**43,400**	**22,876**	**1,400**	**–**	**–**

[1] The financial assets and liabilities held for trading comprise derivative financial instruments from currency hedges with positive or negative fair values. Changes in fair value are recognized in profit or loss.

[2] This item comprises hedging instruments of cash flow hedges with negative fair values.

The fair values of financial instruments were determined based on the following methods and assumptions:

Available-for-sale financial assets were recognized at their fair value where their fair value could be reliably determined. In this case, the fair values of the available-for-sale assets were determined by the market inputs available at the reporting date in accordance with Level 1. The price of a publicly traded available-for-sale asset on the reporting date represents the fair value of the instrument.

The fair values of derivative financial instruments were determined in accordance with Level 2 of the fair value hierarchy using the quoted prices of the contracting parties and valuation techniques such as the present value method based on currently observable market data. The fair values of the currency derivatives were calculated using the respective spot rate and the yield curves of the respective currency. The fair values of interest rate swaps were calculated based on discounted future expected cash flows. Market interest rates for equivalent terms were used for discounting purposes.

The fair values for liabilities from lease agreements and other loans and borrowings with variable rates of interest were determined on the assumption that agreed rates of interest are equivalent to market interest rates. Consequently, their carrying amounts are deemed to match their fair values. Valuation models are used to calculate the fair values for liabilities from lease agreements and loans and borrowings with fixed interest rates. The inputs (interest rates) are based on observable market data.

The fair values of trade accounts receivable and payable, other current assets and liabilities that were allocated to the "Loans and receivables" category as well as cash and cash equivalents are deemed to match their carrying amounts owing to their short terms.

The following table provides an overview of the classification of the financial assets and financial liabilities of the Logwin Group that were recognized at fair value as of 31 December 2013, in accordance with the fair value hierarchy:

31. Dec 2013 *In thousands of EUR*	Level 1	Level 2	Level 3	**Total**
Assets				
Available-for-sale financial assets	565	–	–	**565**
Forward exchange contracts held for trading	–	96	–	**96**
Liabilities				
Financial liabilities held for trading	–	543	–	**543**
Interest rate swaps used as hedging instruments	–	610	–	**610**

There were no transfers between Level 1 and Level 2 in the financial year.

Net results from financial instruments by measurement category

In thousands of EUR	From interest	From subsequent measurement		From disposal	Net result	
		At fair value	Impairment		2013	2012
Loans and receivables	519	–	−635	–	−116	−502
Available-for-sale financial assets	–	15	−7	−34	−26	−7
Financial assets held for trading	823	−28	–	–	795	4,661
Financial liabilities measured at amortized cost	−3,168	–	–	–	−3,168	−3,481
Financial liabilities held for trading	339	25	–	–	364	−6,290
Total	**−1,487**	**12**	**−642**	**−34**	**−2,151**	**−5,619**

Please refer to note 13 “Financial result” for information on interest income and expenses. Gains and losses from subsequent valuation at fair value relate primarily to the valuation of derivative financial instruments held to hedge currency risks. Impairment losses include both write-offs for default and impairment of receivables.

Financial risks

Unless provided below, please refer for information on financial risks and sensitivity analyses to the explanations contained in the management report on page 13 et seq.

Maturity analysis of financial liabilities

The following cash outflows can be expected in the coming years to service financial liabilities:

In thousands of EUR	31 Dec 2013			31 Dec 2012		
	Loans and borrowings	Liabilities from leases	Interest rate swaps	Loans and borrowings	Liabilities from leases	Interest rate swaps
Cash flow 1st year						
Interest	–	481	283	681	659	530
Redemption	4,722	1,561	–	10,974	2,359	–
Total	**4,722**	**2,042**	**283**	**11,655**	**3,018**	**530**
Cash flow 2nd year						
Interest	–	430	283	603	591	385
Redemption	–	1,397	–	2,000	1,822	–
Total	**–**	**1,827**	**283**	**2,603**	**2,413**	**385**
Cash flow 3rd year						
Interest	–	366	118	526	494	282
Redemption	–	1,387	–	2,000	1,468	–
Total	**–**	**1,753**	**118**	**2,526**	**1,962**	**282**
Cash flow 4th year						
Interest	–	301	–	235	439	117
Redemption	–	1,430	–	12,000	1,480	–
Total	**–**	**1,731**	**–**	**12,235**	**1,919**	**117**
Cash flow 5th year						
Interest	–	248	–	–	363	–
Redemption	–	1,122	–	–	1,271	–
Total	**–**	**1,370**	**–**	**–**	**1,634**	**–**
Cash flow after 5 years						
Interest	–	1,079	–	–	1,066	–
Redemption	–	9,096	–	–	11,377	–
Total	**–**	**10,175**	**–**	**–**	**12,443**	**–**

Trade accounts payable and derivative financial liabilities in existence at the reporting date that are not included in hedge accounting are always due within one year.

Forward exchange contracts

As of 31 December 2013, the Logwin Group had various forward exchange contracts to hedge the foreign exchange risk of the operating business and to secure Logwin AG's receivables or liabilities arising from group financing. The following table shows the major transactions:

	31 Dec 2013	
	Nominal value in foreign currency	Nominal value in euros
Forward exchange contracts to hedge receivables of Logwin AG arising from group financing and the operating activities of group companies		
Sell		
AED	3,835,000	771,980
AUD	1,240,000	850,439
BRL	1,435,000	433,048
CNY	31,800,000	3,844,294
CZK	4,700,000	170,759
GBP	2,180,000	2,583,123
HKD	44,900,000	4,285,237
MXN	2,660,000	157,919
MYR	8,875,000	1,993,262
PLN	3,680,000	869,730
SGD	390,000	230,565
USD	5,865,000	4,293,055
ZAR	12,275,000	895,703
Other		285,029
Total		**21,664,141**
Forward exchange contracts to hedge liabilities of Logwin AG arising from group financing and the operating activities of group companies		
Buy		
AED	6,475,000	1,302,294
AUD	2,655,000	1,778,274
CHF	1,905,000	1,562,891
CNY	100,130,000	12,209,652
GBP	3,405,000	4,010,298
HKD	122,885,000	11,742,614
HUF	190,800,000	641,263
IDR	2,460,000,000	143,440
KRW	1,000,000,000	689,180
PLN	5,220,000	1,249,439
SGD	2,645,000	1,545,791
TWD	17,000,000	424,894
USD	6,815,000	5,016,240
ZAR	12,260,000	906,945
Other		339,328
Total		**43,562,544**

The following table compares the fair values and the nominal amounts of the derivative financial instruments:

In thousands of EUR	31 Dec 2013 Nominal amount	31 Dec 2013 Fair value	31 Dec 2012 Nominal amount	31 Dec 2012 Fair value
Assets				
Forward exchange contracts	18,092	96	25,199	538
Total	**18,092**	**96**	**25,199**	**538**
Liabilities				
Forward exchange contracts	47,135	543	46,309	1,400
Interest rate swaps	10,000	610	20,000	1,235
Total	**57,135**	**1,153**	**66,309**	**2,635**

The assets are matched by liabilities from the valuation of the underlying financial transactions. Liabilities from forward exchange transactions are matched by assets from the valuation of the underlying internal financial transactions. The interest rate swaps represent hedging transactions that are included in hedge accounting.

Capital management

The goal of the Logwin Group's capital management is to preserve its financial stability and maintain an adequate equity level for Logwin AG. It can react to negative changes in the capital structure by adjusting its equity or debt resources.

Medium and long-term financial decisions are checked for their impact on the capital structure of the Logwin Group. In addition, short and medium-term changes in the capital structure are systematically monitored by analyzing working capital. In addition to changes in absolute values, a key aspect here is relative changes and changes relative to relevant figures such as revenues.

The following items are covered by capital management:

In thousands of EUR	31 Dec 2013	31 Dec 2012
Liabilities from leases	−15,993	−19,777
Loans and borrowings	−4,722	−26,974
Gross financial debt	**−20,715**	**−46,751**
Cash and cash equivalents	58,646	53,931
Net liquidity	**37,931**	**7,180**
Trade accounts payable	−142,594	−161,704
Other liabilities and provisions	−57,536	−57,496
Trade accounts receivable	125,590	150,007
Income tax receivables/liabilities	−1,056	375
Other non-current and current receivables and assets	17,691	22,324
Inventories	2,601	2,453
Working capital	**−55,304**	**−44,041**
Shareholders' equity	**90,946**	**98,154**

35 Financial commitments

The following table shows all unrecognized financial commitments as of 31 December 2013 and 2012:

In thousands of EUR	31 Dec 2013	31 Dec 2012
Due within 1 year	30,500	35,861
Due within 2 to 5 years	57,851	59,633
Due after 5 years	9,499	17,244
Total	**97,850**	**112,738**

Financial commitments comprise almost exclusively operating lease agreements. The Group has operating lease agreements predominantly for warehouses, other buildings and vehicles. Some of these leases contain renewal options, purchase options or escalation clauses. There are no resulting restrictions on the Group's activities concerning dividends, additional debt or further leasing.

In financial year 2013, operating lease expenses amounted to EUR 47,636k (prior year: EUR 54,195k). In financial year 2013, the Group received EUR 1,165k (prior year: EUR 1,517k) from sub-leasing agreements.

36 Contingent liabilities and lawsuits

It can be assumed that the contingent liabilities in respect of bank and other guarantees, letters of comfort and other liabilities arising in the ordinary course of business as of 31 December 2013 will not result in material obligations.

At the end of February 2010, the Austrian Federal Competition Authorities submitted petitions to the Vienna Higher Regional Court (Oberlandesgericht Wien) to impose monetary fines against more than 40 Austrian logistics companies, including three companies belonging to the Logwin Group, for alleged infringements of Austrian and European antitrust legislation. Based on information obtained so far, the Logwin Group does not share the legal opinion of the Austrian Federal Competition Authorities. In its partial decision dated 22 February 2011, the Vienna Higher Regional Court rejected in the first instance claims brought by the Austrian Federal Competition Authorities against members of the so-called forwarding agents' conference (Speditionssammelkonferenz – SSK). The Austrian Federal Competition Authorities and the Austrian Federal Competition Attorney have lodged an appeal with the Austrian Supreme Court against the decision in the first instance. The latter referred the case to the European Court of Justice (ECJ) for a preliminary ruling on legal questions in European law. The ECJ ruled that a company is not protected by legitimate expectation if a pontential offense is committed on the basis of a company's misapprehension of the legality of its conduct that was caused by the content of legal advice provided by a lawyer or the decision of a national competition agency. With its ruling from 2 December 2013 (delivered on 14 January 2014), the Austrian Supreme Court remanded the legal procedure to the Vienna Higher Regional Court as the court of first instance. The argumentation provided by the Austrian Supreme Court indicates that the members of the SSK may likely be convicted. The ruling also includes a statement on the possible amount of the fine. The defendants were ordered by the Vienna Higher Regional Court to submit statements within a specified period of time in which they are to comment on the revenue in the assessment period. The Logwin Group recognized a provision as of 31 December 2013 as a result of these developments. As the Austrian Federal Competition Authority has yet to state any amount in its application for the imposition of fines, it is possible that the actual charge will exceed the provision. This could have an additional adverse impact on the net assets and financial position of the Logwin Group.

Logwin Road + Rail Austria GmbH was served with a claim from the Austrian customs authorities in April 2010 demanding backpayment of import VAT of around EUR 16m in connection with customs clearances that the company had performed with joint and several liability on behalf of customers in the period between December 2005 and March 2006. The exemption from import VAT granted at that time was now revoked since the consignee of the goods was allegedly a participant in a missing trader (VAT carousel) fraud. The company, which remained part of the Logwin Group after the sale of the Road + Rail activities, lodged an appeal against the decision. The customs authorities did not grant the appeal lodged by Logwin, which is why legal steps against the claim are being pursued further. The independent tax tribunal (Finanzsenat) in Salzburg has suspended proceedings pending a decision by the Austrian Supreme Administrative Court in a similar case. As of the reporting date, the risk of a claim is considered to be improbable. Against this background, no provision has been made in the accompanying financial statements to cover this matter. Moreover, the company has an insurer's preliminary confirmation of cover. This could have considerable negative consequences on the Logwin Group's net asset and financial position if the legal steps prove unsuccessful and the insurer fails to provide (sufficient) cover despite its preliminary confirmation of cover.

37 Auditor's fees

The auditor's fees for the financial year and the prior year covered the following services (amounts excluding out-of-pocket expenses):

	Auditors of Luxembourg companies		Auditor's network abroad	
In thousands of EUR	**2013**	**2012**	**2013**	**2012**
Audit services	140	140	477	540
Tax services	–	-	54	35
Other services	15	21	72	58
Total	**155**	**161**	**603**	**633**

38 Key management personnel compensation

The compensation of non-executive members of the Board of Directors and of members of the Executive Committee includes all amounts received from group companies. The fixed portion of the regular compensation also includes other compensation components. In 2013, payments in the amount of EUR 46k (prior year: EUR 43k) were made to a defined contribution pension plan for members of management.

In thousands of EUR	**2013**	**2012**
Members of the Executive Committee	1,626	1,627
thereof fixed portion of regular compensation	*1,381*	*1,346*
thereof variable portion of regular compensation	*245*	*281*
Non-executive members of the Board of Directors (fixed compensation)	120	137

39 Related party transactions

Entities and persons are regarded as related parties if one party has the ability to control the other party or has an interest in the entity that gives it significant influence over the entity, if the party is an associate or if the party is a member of the key personnel of the entity or its parent.

In financial years 2013 and 2012, the Logwin Group rendered or received services to or from certain associated and affiliated non-consolidated companies as part of its ordinary operations. Furthermore, there were supply and service relationships with the parent company DELTON AG and its subsidiaries.

	Associated and affiliated, not consolidated companies		DELTON AG and its subsidiaries	
In thousands of EUR	**2013**	**2012**	**2013**	**2012**
Services provided	374	478	240	183
Services received	153	1,442	1,116	1,331
Receivables as of 31 Dec	630	227	11	2
Payables as of 31 Dec	499	77	781	336

The sole shareholder of DELTON AG, Mr. Stefan Quandt, is a shareholder in and Deputy Chairman of the Supervisory Board of BMW AG, Munich. He is a related party of BMW AG as defined by IAS 24 “Related Party Disclosures.”

In 2013, the Logwin Group’s revenues from companies of the BMW Group amounted to EUR 37,901k (prior year: EUR 37,358k). Receivables from BMW Group amounted to EUR 415k as of 31 December 2013 (prior year: EUR 1,725k). In addition, Logwin Group companies procured vehicles from the BMW Group, predominantly by leasing.

Furthermore, there were transactions between the Logwin Group and members of its Board of Directors. In financial year 2013, these resulted in expenses for the Logwin Group in an amount of EUR 82k (prior year: EUR 85k).

All transactions with related parties were conducted under standard market conditions at arm’s length.

40 Events after the reporting period

On 14 January 2014, the ruling of the Austrian Supreme Court from 2 December 2013 was delivered to the Logwin Group that the legal procedure has been remanded to the Vienna Higher Regional Court as the court of first instance. Please refer to note 36 “Contingent liabilities and lawsuits.”

The subsidiaries with assets and liabilities as of 31 December 2013 disclosed as “Held for sale” were sold in January 2014 effective as of 31 December 2013.

No other material events occurred between 31 December 2013 and the preparation of the consolidated financial statements by the Board of Directors of Logwin AG on 3 March 2014 which would require reporting.

41 Significant affiliates

The table below lists all fully consolidated companies as of 31 December 2013 with revenues exceeding EUR 10m and subsidiaries making use of the exemption clause pursuant to Article 264b of the German Commercial Code (HGB):

Revenues in thousands of EUR	Share of capital	**Revenues 2013 (not consolidated)**	**Employees 31 Dec 2013**
Solutions			
Logwin Solutions Deutschland GmbH, DE-Aschaffenburg	100.00 %	172,551	573
Logwin Solutions Network GmbH, DE-Aschaffenburg	100.00 %	163,553	675
Logwin Solutions Austria GmbH, AT-Bergheim	100.00 %	138,676	249
Logwin Solutions Media GmbH, DE-Aschaffenburg	100.00 %	90,318	121
Air + Ocean			
Logwin Air + Ocean Deutschland GmbH, DE-Aschaffenburg	100.00 %	247,121	378
Logwin Air + Ocean China Ltd., CN-Shanghai	100.00 %	86,240	326
Logwin Air + Ocean Austria GmbH, AT-Bergheim	100.00 %	54,233	56
Logwin Air + Ocean Hong Kong Ltd., HK-Hongkong	100.00 %	44,965	158
Logwin Air + Ocean Australia Pty. Ltd., AU-Sydney	100.00 %	38,035	53
Logwin Air + Ocean Singapore Pte. Ltd., SG-Singapore	100.00 %	23,279	118
Logwin Air + Ocean Poland Sp.z.o.o., PL-Piaseczno	100.00 %	23,253	265
Logwin Air + Ocean South Africa (Pty.) Ltd., ZA-Johannesburg	100.00 %	23,065	97
Logwin Air + Ocean (Thailand) Ltd., TH-Bangkok	100.00 %	18,811	79
Logwin Air + Ocean UK Limited, GB-Hayes	100.00 %	16,133	30
Logwin Air + Ocean Brazil Logistica e Despacho Ltda., BR-Sao Paulo	100.00 %	15,135	51
Logwin Air & Ocean Middle East (LLC), AE-Dubai	60.00 %	15,022	58
Logwin Air + Ocean Italy S.r.l., IT-Milano	51.00 %	14,916	23
Logwin Air + Ocean Korea Ltd., KR-Seoul	100.00 %	14,200	28
Logwin Air + Ocean The Netherlands B.V., NL-Venlo	100.00 %	13,706	4
Logwin Air + Ocean Belgium N.V., BE-Antwerpen	100.00 %	11,191	17
Logwin Air + Ocean Chile S.A., CL-Santiago	66.67 %	10,944	22
Logwin Air + Ocean Indonesia P.T., ID-Jakarta	90.00 %	10,429	61
Subsidiaries making use of the exemption clause pursuant to Article 264b of the German Commercial Code (HGB)			
Logwin Solutions Heppenheim GmbH & Co. KG, DE-Heppenheim	100.00 %	2,136	3

Declaration by the Board of Directors

The Board of Directors is responsible for the preparation, completeness and accuracy of the consolidated financial statements and the group management report, as well as for all other information provided in the Annual Financial Report.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). Pursuant to the provisions of the Luxembourg Commercial Code, the group management report contains an analysis of the net assets, financial position and results of operations of the Group, as well as further information.

The consolidated financial statements, the group management report and the independent auditor's report were subject to a preliminary audit by the Audit Committee and discussed extensively in a meeting of the Board of Directors together with representatives of the audit firm.

The audit of the consolidated financial statements and the group management report for financial year 2013 did not give rise to any objections. By way of resolution by the Board of Directors, the consolidated financial statements and the group management report were therefore approved for publication.

In line with Luxembourg law, the consolidated financial statements and the group management report must still be approved by the Annual General Meeting.

The Board of Directors of Logwin AG
Grevenmacher (Luxembourg), 3 March 2014

Responsibility statement

"To the best of our knowledge and in accordance with the applicable reporting principles for consolidated financial reporting, the consolidated financial statements give a true and fair view of the net assets, financial position and result of operations of the Group, and the group management report 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."

Berndt-Michael Winter	Dr. Antonius Wagner
(Chairman of the Board of Directors)	(Deputy Chairman of the Board of Directors)

Independent auditor's report

To the shareholders of Logwin AG

Report on the consolidated financial statements

Following our appointment by the Annual General Meeting dated 10 April 2013, we have audited the accompanying consolidated accounts of Logwin AG, which comprise the consolidated balance sheet as of 31 December 2013, the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of these consolidated accounts in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "reviseur d'entreprises agréé"
Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier." Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The procedures selected depend on the judgment of the "reviseur d'entreprises agréé," including the assessment of the risks of material misstatement of the consolidated accounts, whether due to fraud or error. In making those risk assessments, the "reviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated accounts give a true and fair view of the financial position of Logwin AG as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the Board of Directors, is consistent with the consolidated accounts.

The corporate governance statement, as published on the company's website (http://www.logwin-logistics.com/investors/governance.html) as of the date of this report is the responsibility of the Board of Directors. This statement is consistent, as the date of this report, with the consolidated accounts and includes the information required by the law with respect to the corporate governance statement.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

Werner WEYNAND
Luxembourg, 3 March 2014