

Logwin: Solid financial performance in spite of weaker economic environment

- **Sales: 652.7 million euros / Operating income (EBITA) : 7.1 million euros**
- **Solutions: higher cost-related and competitive pressures impact result**
- **Air + Ocean: profitability at last' year's level despite weakening economic environment**
- **Impairment of goodwill of business segment Solutions: 53.0 million euros**

Grevenmacher (Luxembourg) - The Logwin Group generated sales of 652.7 million euros in the first six months of 2012 and was thus just below the figure for the previous year (2011: 659.4 million euros). Operating income (EBITA) in the reporting period, at 7.1 million euros, was below the previous year (2011: 12.6 million euros). The operating margin in the first half year declined accordingly to 1.1 %.

Owing to the result for the first half of 2012 achieved by the business segment Solutions, which was below the result for the previous year, an impairment test was performed for the goodwill recognized on the balance sheet for the business segment Solutions as of 30 June 2012. The result of the test meant that it was necessary to report an impairment of 53.0 million euros for the goodwill of the business segment Solutions. After the goodwill impairment, profit before interest and income taxes (EBIT) amounted to -45.9 million euros.

The financial result improved to -3.2 million euros (2011: -5.9 million euros). The financial stability of the Logwin Group showed itself once more in the reduced level of net financial debt. Overall, the Logwin Group achieved a net result for the first half of 2012 of -50.9 million euros. The net result adjusted for the impairment of goodwill totalled 2.1 million euros (2011: 3.6 million euros).

Berndt-Michael Winter, Chairman of the Executive Committee (CEO) of Logwin AG comments, "Earnings performance at the business segment Solutions and the impairment of goodwill that this entails are of course disappointing for us. Nevertheless, we consider Logwin as a whole to be well equipped for the future in both strategic and financial terms. Our focussed sales activities at Solutions and our cooperation with DTL aimed at improving capacity utilisation in our retail network show positive prospects. At Air + Ocean we continue to see stable development in a similarly challenging market environment."

The business segment **Solutions** generated sales of 343.9 million euros in the first half of 2012 (2011: 351.2 million euros). Activities in the region Central and Eastern Europe of Logistics and Warehousing in particular developed positively with higher volumes than in the previous year. General Cargo also showed a moderately positive performance. Transport and Retail Networks was characterised by declining volumes, in particular in the Media business but also in Retail Logistics. In addition, greater competitive and price-related pressures resulted in decreased sales and lower margins. Implementing necessary measures to reduce structural costs and increase the efficiency and profitability of the business segment as a result led to one-off charges. Operating income (EBITA) amounted to -2.6 million euros (2011: 2.9 million euros). High transportation costs, costs for expanding the network and start-up costs for new business all had a negative impact. The operating result also includes one-off expenses for restructuring measures performed in addition to profits from disposals.

In the business segment **Air + Ocean** sales in the first half of 2012 of 309.6 euros showed slight growth compared with the previous year (2011: 308.4 million euros). This was also due to freight rates, which increased again in the second quarter of 2012. The business segment benefited from the stable economy in Germany, whereas the situation in the other countries of the euro area proved to be considerably more difficult. Asian entities are benefiting increasingly from trade within Asia. Chinese business units in particular showed pleasing development in the first half year. Overall, the business segment was able to maintain the previous year's level of earnings and achieved operating income of 12.1 million euros in the first six months of 2012 (2011: 12.4 million euros).

Outlook

Owing to the uncertain economic prospects, the Logwin Group assumes that the general economic environment is likely to see muted development in the current year. This uncertainty is likely to have a restraining effect on the earnings position of the Logwin Group. Against this background, the aim of financial stability with a low level of indebtedness is of vital importance for the Logwin Group. The business segment Air + Ocean assumes so far that it will experience continuing solid business development for the remainder of the year, in spite of significant economic uncertainties. Performance at the business segment Solutions will continue to be marked by high cost-related and competitive pressures and by the implementation of measures aimed at increasing efficiency that have been decided.

The half-year financial report 2012 of the Logwin Group is available on the Internet at:
www.logwin-logistics.com

About Logwin AG

Logwin AG, Grevenmacher (Luxembourg), develops comprehensive logistics and service solutions as an external partner for industry and trade. In 2011, the group generated sales of 1.3 billion euros and currently employs more than 5,700 staff. Logwin operates in all main markets worldwide and has over 250 locations across all continents. With its two business segments Solutions (customer-focused contract logistics solutions) and Air + Ocean (global air and sea freight activities), Logwin AG is one of the leaders in the market.

Logwin AG is listed in the Prime Standard of the Deutsche Börse. The majority shareholder is DELTON AG, Bad Homburg (Germany).

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Key Figures January 1 – June 30, 2012

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

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

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

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