Logwin AG

Annual Financial Report 2015

Your Logistics

LOGWIN

Key Figures 1 January – 31 December 2015

Earnings position *In thousand EUR*	**2015**	**2014**
Revenues		
Group	1,058,916	1,129,426
Change on 2014	*−6.2%*	
Solutions	380,766	479,537
Change on 2014	*−20.6%*	
Air + Ocean	676,140	648,062
Change on 2014	*4.3%*	
Operating result (EBITA)		
Group	30,289	25,132
Margin	*2.9%*	*2.2%*
Solutions	500	3,633
Margin	*0.1%*	*0.8%*
Air + Ocean	36,159	31,214
Margin	*5.3%*	*4.8%*
Net result		
Group	15,674	13,837

Financial position *In thousand EUR*	**2015**	**2014**
Operating cash flow	29,993	16,201
Net cash flows	33,059	13,666

Net asset position	**31 Dec 2015**	**31 Dec 2014**
Equity ratio	31.6%	27.9%
Net liquidity (*in thousand EUR*)	77,288	50,817

	31 Dec 2015	**31 Dec 2014**
Number of employees	4,157	4,298

Group Management Report

General information on the Logwin Group

Business model

The Logwin Group The Logwin Group provides its global customers with logistics and transport solutions – from procurement logistics and production-related services to distribution. As a logistics service provider, Logwin combines the advantages of an internationally established logistics group with those of a flexible medium-sized company. With its business segments Air + Ocean and Solutions, 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 transportation by road, rail, air or sea freight on behalf of its customers. The Logwin Group makes use of its own networks when providing its services.

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

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. The Air + Ocean business segment draws on an international network of its own subsidiaries and longstanding partners.

Solutions business segment As a specialist in contract logistics, the Solutions business segment offers individual customer- and industry-oriented solutions particularly 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 segment also maintains a special network for customers some of whom operate in the field of fashion and consumer goods.

Financial performance management

A number of key control parameters are of central importance for the financial performance management within the Logwin Group. The operating result before goodwill impairment (EBITA) 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 the fundamental elements of the remuneration system as well. Discounted cash flow analyses are used as the basis for assessing the benefits of large investments.

Research and development

Development activities in the Logwin Group concentrate on service and process innovations. These innovations are generally developed with customers in order to achieve improvements in operational and administrative processes. The specialists in the Tender Management / 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

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

Dr. Yves Prussen (*1947)
Deputy Chairman of the Board of Directors, non-executive member
Attorney
Luxembourg (LU)

Marcus Cebulla (*1969)
Member of the Executive Committee
Aschaffenburg (GER)

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

Sebastian Esser (*1974)
Member of the Board of Directors and the Executive Committee (Chief Financial Officer)
Aschaffenburg (GER)

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)

Tomas Sonntag (*1960)
Member of the Executive Committee until 20 November 2015
Hong Kong (CHN)

Axel Steiner (*1973)
Member of the Executive Committee since 1 January 2016
Aschaffenburg (GER)

The Board of Directors of Logwin AG has adopted a Corporate Governance Charter, which is available on the internet at www.logwin-logistics.com/company/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 25 on page 58 of the notes to the consolidated financial statements. As of 31 December 2015, there were 146,257,596 fully paid up, no-par-voting shares issued and admitted for trading on the Frankfurt Stock Exchange, of which 1,813,545 shares were held as treasury shares of Logwin AG as of 31 December 2015 and therefore did not have voting rights or dividend rights.

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 38 on pages 27 and 79 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 2015, 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/company/investors/governance.html.
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 the legal provisions on a provisional basis. Final election will take place when the shareholders next meet for their General Meeting.
- The General Meeting may change the company's Articles and Memorandum of Association at any time, taking into account the 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 are available at www.logwin-logistics.com/company/investors/governance.html.
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 2020 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'émission") 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

Overall conditions

Global economy In 2015, global economic performance was stable despite various challenges. As a result of the sharp drop in commodity prices – particularly the persistently low price of crude oil – and positive exchange rate movements, particularly for companies in the euro zone, leading economies experienced positive development across the board. In contrast, certain economies, such as Brazil or Russia, did not escape the effects of the recession or only saw highly restrained growth.

Overall, macroeconomic development in all leading economic areas was influenced by the policy of low interest rates and support measures from the central banks.

German (logistics) industry In 2015, the German economy saw a moderately positive development and grew by approximately 1.7%. The highly stable demand for German investment goods abroad and consumption in Germany provided further support was underpinned by the development of the euro exchange rate. The German textile and clothing industry deviated negatively from this trend. Particularly in the second half of 2015 significant year-on-year declines were posted here, attributable to the weather and consumer behavior. During the course of the year, business in the automotive sector clouded over. As a result there was a noticeable decline in business development in some cases.

Competition and market During the course of 2015, the logistics business was characterized by an increasingly challenging market and competitive environment in all relevant areas. The extremely high concentration of customer tenders required a very high level of resources in order to secure and gain business, both in the Solutions business segment and in the international air and sea freight business.

In light of stagnant, even declining volumes, air and sea freight carriers reacted to persistent overcapacity by further reducing capacity. Nevertheless, a further decline in freight rates in the sea freight and air freight areas was inevitable. The high availability of transport capacity on all modes of transportation and in all key relations reduced barriers to market entry, particularly for smaller competitors, and thus exacerbated competition in the freight environment.

Business performance

The Logwin Group's overall performance was satisfactory in the 2015 financial year. Owing to consequent alignment to customer requirements in all areas, it was possible to secure existing business in a declining market and the competitive environment in many areas. Against the market trend, the Group also succeeded in acquiring new business. Despite a decrease in revenue volume, the Logwin Group's result increased overall. While revenues in the Solutions business segment declined, significant customer success in intercontinental air and ocean freight activities continued in the Air + Ocean business segment.

The successful development of nearly all Group companies in the business segment Air + Ocean is the result of the focus on sales for global network activities, the standardization of operating processes and strategic investments in network expansions. The basis for the rise in revenues were pleasing volume increases in sea freight, generated in a market that was stagnant overall. Air freight did not escape the decline on the market as a whole in the relevant market segments and reported falling volumes, particularly imports from Asia to Europe.

In the Solutions business segment as well, the challenging competitive environment shaped business performance during the course of 2015. This development was intensified by the largely restrained development in terms of numerous customer transactions and a very high frequency of tenders related to existing business and the acquisition of new business. Against this backdrop, successfully securing nearly all existing business areas was the expression of a rise in competitive capability in the different areas of the Solutions business segment. As a result of disposals and discontinued business activities, revenues still decreased in line with expectations.

At the same time, some cases of plummeting business volumes, particularly in the German and European retail network, necessitated certain significant capacity adjustments. This had a considerable impact on earnings. The measures introduced and largely implemented in the 2015 financial year have served to create more competitive cost structures and secure future market success coupled with a successive rise in profitability.

Earnings position

Revenues In the 2015 financial year, revenues of the Logwin Group amounted to EUR 1,058.9m, down 6.2% on the prior-year figure of EUR 1,129.4m. The revenues upturn in the Air + Ocean business segment deaccelerated during 2015 due to falling sea freight rates and reduced exchange rate effects. As a result, this rise compensated only to a limited extent for the loss of revenues in the Solutions business segment resulting from disposals.

Air + Ocean
In the current reporting period, the Air + Ocean business segment generated revenues of EUR 676.1m as against EUR 648.1m in 2014. It was therefore up 4.3% on the prior-year figure for revenues, despite the contrary effects of low sea freight rates. The business segment again increased its sea freight volumes. This growth was achieved on a stagnant and, in some cases, slightly declining market. By contrast, in the Air + Ocean business segment there was also a slight decline in air freight volumes over the year, owing to the shrinking overall market. Overall, volume development is positive, supported by the rate-related moderate revenues trend. The appreciation of key foreign currencies against the reporting currency also made a tangible contribution to the rise in revenues.

Solutions
In 2015, the Solutions business segment generated revenues of EUR 380.8m, which was significantly below the prior-year figure of EUR 479.5m by 20.6% as a result of the disposal of Press Logistics. In the year under review, the segment was also influenced once again by high price and competitive pressure, which also squeezed the revenue volume. The retail segment was affected significantly where key customers experienced noticeable volume declines.

Gross margin and gross profit The gross margin of the Logwin Group improved to 8.0% in the year under review as against the prior-year figure of 7.6%. Gross profit slightly declined from EUR 86.1m to EUR 84.3m, primarily due to the disposal-related revenues downturn in the Solutions business segment.

Selling, general and administrative costs In the 2015 financial year, selling expenses amounted to EUR 29.5m, higher than the prior-year figure of EUR 26.5m. This was particularly the result of the targeted expansion of sales activities in the Air + Ocean business segment combined with foreign exchange effects. In contrast, general and administrative expenses decreased noticeably from EUR 34.4m in the prior year to EUR 29.8m. The decline in the reporting period is mainly due to the disposal of Press Logistics and continuously implemented measures to optimize costs.

EBITA In financial year 2015, the Logwin Group generated an operating result before goodwill impairment (EBITA) of EUR 30.3m and thus significantly exceeded the EBITA recorded in the prior year by EUR 5.2m (prior year: EUR 25.1m). The improvement in earnings was mainly generated by the Air + Ocean business segment. The Group's operating margin moved up from 2.2% to 2.9%.

Air + Ocean
At EUR 36.2m, EBITA in the Air + Ocean business segment outperformed the prior-year period by 16.0% (prior year: EUR 31.2m). The earnings improvement resulted both from the successful handling of existing business and from attracting new business. In light of the pleasing market

trend, operating efficiency in all parts of the organization secured successful processing of the higher business volume. The depreciation of the euro also led to noticeable higher profit contributions at a number of Asian subsidiaries.

Solutions
In 2015, the Solutions business segment reported an operating result before goodwill impairment of EUR 0.5m (prior year: EUR 3.6m). The decrease was a result of the performance on the German retail network falling short of expectations due to seasonal effects and higher one-time expenses. One-time expenses were primarily shaped by measures to increase competitive capability, which were particularly necessary in order to react to restrained business performance on the German retail market. At the beginning of the year, increased start-up costs in new business areas and expenses for quality assurance had a negative impact on earnings. By contrast, the disposal of Press Logistics activities at the start of 2015 resulted in proceeds.

The annual impairment test on goodwill for the Solutions business segment as a result of updated planning assumptions resulted in an impairment of EUR 4.4m being taken (2014: EUR 0.0m).

Financial result and income taxes The financial result of the Logwin Group improved from EUR −4.0m to EUR −2.6m in the 2015 financial year, mainly as a result of the further decrease in interest expenses of current and non-current borrowings. Moreover, interest expenses from pension obligations saw a decline. In the prior year, the financial result was also influenced by the termination of a financing-related interest rate hedge. At EUR −7.7m, the income tax expense was just above the prior-year figure (prior year: EUR −7.3m), despite the rise in the operating result before taxes.

Net result In the 2015 financial year, the Logwin Group's net result amounted to EUR 15.7m, thus exceeding the prior-year result by EUR 1.8m (prior year: EUR 13.8m).

Financial position

Financial management in the Logwin Group The operating entities of the Logwin Group finance themselves primarily from operating cash flows or intragroup loans. The Logwin Group primarily finances itself from equity and funds such as bank loans, other loans and factoring of receivables.

The Logwin Group slightly reduced its financial liabilities from EUR 16.1m as of 31 December 2014 to EUR 15.4m as of the end of the financial year 2015. Financial liabilities relate almost exclusively to finance lease obligations.

Operating cash flows The Logwin Group's cash flows from operating activities amounted to EUR 30.0m in 2015. The significant year-on-year increase of EUR 13.8m was attributable to rigorous working capital management, particularly resulting from a significant decrease in customer receivables.

Investing cash flows In the 2015 financial year, the Logwin Group's cash flows from investing activities amounted to EUR 3.1m (prior year: EUR –2.5m). The positive investing cash flows include proceeds from the disposal of consolidated subsidiaries and other business operations in addition to non-current assets in the amount of EUR 9.5m (prior year: EUR 2.7m). This was offset by investments in various logistics facilities and general equipment in addition to IT infrastructure.

Net cash flow The Logwin Group thus generated a net cash flow of EUR 33.1m (prior year: EUR 13.7m).

Financing cash flows In 2015, cash flows from financing activities amounted to EUR –7.9m (prior year: EUR –7.6m) and included payments for the buyback of the Group's own shares in the amount of EUR –2.9m (prior year: EUR –0.1m) and for the acquisition of non-controlling interests in the Chilean company amounting to EUR –2.1m.

Net asset position

Total assets The Logwin Group's total assets slightly declined from EUR 365.2m as of the reporting date of the prior year to EUR 362.5m as of 31 December 2015. Despite the significant increase in cash and cash equivalents, a decline in total assets is reported due to the decrease in non-current assets and trade receivables as against the prior year.

Non-current assets dropped from EUR 132.8m in 2014 to EUR 122.2m in the year under review. Here the key items were recognized goodwill of EUR 66.8m (prior year: EUR 75.3m), despite the disposal of goodwill in the amount of EUR 4.0, and the impairment of EUR 4.4m recognized in 2015. Non-current assets also include property, plant and equipment of EUR 35.2m (prior year: EUR 34.2m), deferred tax assets of EUR 14.2m (prior year: EUR 16.6m) and other intangible assets of EUR 3.9m (prior year: EUR 4.7m).

The Logwin Group's current assets rose to EUR 240.3m compared with EUR 232.4m as of the end of the prior year. The largest items of current assets were trade receivables amounting to EUR 126.9m (prior year: EUR 141.4m) and cash and cash equivalents of EUR 92.7m (prior year: EUR 67.0m).

Equity As of the end of the reporting period in 2015, the Logwin Group's equity amounted to EUR 114.5m (prior year: EUR 102.1m), driven essentially by the positive net result of EUR 15.7m. Actuarial gains due to a reduction in pension provisions owing to interest rates and currency translation by international subsidiaries positively impacted equity by EUR 2.3m. The equity ratio increased from 27.9% as of the end of the reporting period of the prior year to 31.6% as of 31 December 2015.

Liabilities In 2015, non-current liabilities declined essentially as a result of pension provisions and similar obligations from EUR 50.6m as of 31 December 2014 to EUR 48.3m. Current liabilities decreased as of 31 December 2015 from EUR 212.6m to EUR 199.7m and are primarily made up of trade accounts payable of EUR 146.3m (prior year: EUR 152.2m). In addition, the utilization of other current provisions contributed to a reduction in liabilities.

Cash and net liquidity Cash and cash equivalents of the Logwin Group came to EUR 92.7m at the end of the 2015 financial year (prior year: EUR 67.0m). Due to higher cash and cash equivalents, the Group's net liquidity increased again from EUR 50.8m at the end of the prior year to EUR 77.3m as of the end of the reporting period.

Employees

The Logwin Group had 4,157 employees worldwide as of 31 December 2015 compared with 4,298 employees as of the end of the prior year. Headcount fell by 141 mainly due to the disposal of Press Logistics at the beginning of 2015. As of the end of the reporting period, the Solutions business segment therefore had 191 fewer employees than at the end of the prior year. The number of employees in the Air + Ocean business segment increased by 66 in the prior year.

The number of employees in the Logwin Group in Germany fell from 2,087 to 1,917.

Report on the Logwin share

The Logwin share A total of 9.2 million Logwin AG shares were traded on all German stock exchanges in 2015. This was equivalent to a turnover of EUR 15.2m. The price of the Logwin share rose between the beginning and end of the reporting period from EUR 1.18 to a Xetra closing price of EUR 1.81. However, the significance of the share price development is limited due to the very low volumes traded.

Share buyback program Based on the authorization granted by the Annual General Meeting held on 9 April 2014, the Board of Directors of Logwin AG resolved a share buyback program on 28 November 2014. The program expired on 30 September 2015. In the 2015 financial year, 1,740,850 shares were acquired (prior year: 72,695).

Key figures for the Logwin share

		31 Dec 2015	31 Dec 2014
Closing price (Xetra)	*in Euro*	1.810	1.195
High/low 52 weeks	*in Euro*	2.170/1.150	1.274/0.885
Total number of shares	*Units*	146,257,596	146,257,596
– thereof outstanding	*Units*	144,444,051	146,184,901
Market capitalization	*in million EUR*	261.4	174.7

Shareholdings The majority shareholder of Logwin AG 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 2015.

Company rating The rating by Standard & Poor's for the Logwin Group (corporate credit rating) was increased in May 2015 to "BB–" with a stable outlook.

Subsequent events report

There were no events subject to reporting requirements that occurred between 31 December 2015 and the preparation of the consolidated financial statements by the Board of Directors of Logwin AG on 29 February 2016.

Risk report

Risk management system

Objectives and strategy The Logwin Group has established a Group-wide risk management system in order to ensure the proper management of the company and to implement a determined risk policy at Logwin AG. This risk management system forms a key part of the planning and internal control system and is thus an essential element in managing and controlling the company. The risk management system is included in the audit of the annual financial statements performed by the auditor. 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 further 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 identified and exploited.

Structure and process The risk management system is secured 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 depending on predetermined reporting threshold values and communicated to the relevant management levels in the business segments as well as to the Executive Committee and the Board of Directors of Logwin AG. Besides regular reporting at specified intervals, immediate reporting procedures for new significant risks play an essential part in the risk management system. Controlling and managing the risks is the responsibility of the risk owners, the relevant management levels in the business segments or the Executive Committee, depending on the 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 in the financial reporting process Besides the risk management guidelines, Group-wide accounting guidelines 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, numerous in part system-based reconciliation and plausibility checks are used to monitor the individual group companies with regard to their reporting preparations, (e.g., scheduling and assigning tasks, obtaining balance confirmations, assessing provisions) and also with regard to drawing up the financial statements. Another element in the internal control system are the letters of representation presented by the management of each subsidiary regarding their annual financial statements. All input and work steps in the consolidation process are documented in the consolidation software, which is used Group-wide. Besides the external auditors, the internal audit department 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 inadequate or inefficient, and that unrecognized risks or negative developments could materialize in the Group's course of business or not be identified quickly enough in order to prevent them from materializing. 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 risks arising from operating business activities. Furthermore, financial, legal, regulatory and other risks may also affect its business performance. As a result, the Logwin Group's net assets, financial situation and earnings position may be significantly affected.

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. Material risks therefore lie in global economic developments and in particular in the euro zone economy as well as in the Asian economies. In this regard, there is the particular risk of a serious impact from the decline in economic growth in China. A further escalation of geopolitical crises, such as in the Ukraine or Syria, could adversely affect global economic stability. A significant decline in economic momentum in relevant economic areas and economies and on submarkets, such as the textile industry or certain segments in wholesale and retail trade, would lead to a fall in the Logwin Group customer demand for logistics services in individual or all operating Logwin units, which could make it necessary for the Logwin Group to take further corrective measures. Barriers to trade or exchange rate changes may also have a significant impact on trade flows and thus on the market size for intercontinental air and ocean transport.

Risks arising from operating business activities Business activities from operating units of the Logwin Group are subject to a variety of risks worldwide. These are explained in more detail in the sections below.

Market and customer risks
Many customers who have launched cost reduction 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 these customer measures will have an adverse effect on its earnings situation.

When drawing up contracts, there is also a tendency to transfer risks, such as liability and investment risks to the service provider, and/or agree on penalties for failure to render services in compliance with the contract as a condition to establish business relations. These may lead to risks significantly 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.

In the Air + Ocean business segment, the key risk is a lasting slowdown in the long-term growth trends in the area of air and sea freight. Due to the very low industry concentration and the global oversupply of air and sea freight capacity, fiercer competition for stagnating air and sea freight volumes can further increase pressure on margins.

Procurement risks
Developments in industry-specific costs pose another considerable risk for the Logwin Group's earnings situation. Such price hikes cannot always be passed on to customers immediately and in full. Logwin faces the risk of a significant decrease in earnings if such external price increases cannot be passed on promptly and in full to customers.

There is also the risk of an increase in diesel and heating oil prices, particularly in connection with the provision of transportation services and management of logistics property. Following the slump in oil prices since the middle of 2014, there is the risk that these may rise sharply again in the medium term, which could lead to an unexpected and, in some cases, very abrupt increase in the cost of production, particularly on local markets.

It is true that the Logwin Group uses subcontractors in a significant part of its services. However, there are risks of an underutilization of transportation capacities and freight space maintained, particularly in the retail network of the Solutions business segment and the air freight area. Furthermore, risks related to logistics property that is rented or held otherwise and remaining vacant could have a negative effect on the Logwin Group's net assets, financial and earnings position. A noticeable increase in freight rates can have considerable effects on the earnings situation of the Logwin Group if higher rates cannot be fully passed on to customers in a timely manner.

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 competitively appropriate conditions. In the event that sufficient appropriate staff are not or only restrictedly available at the company's locations, the Logwin Group faces the risk of not being able to provide its services as agreed due to increased labor costs, or only in a way that is economically unviable. This also applies to skilled experts in logistics in addition to the workforce in the commercial area. This could have a negative effect on the Logwin Group's business performance and profitability in the short, medium or long term.

Technical 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 considerably impact the course of business. In particular, a prolonged outage of IT systems could lead to risks for the Logwin Group that could threaten its existence as a going concern. The outage of technical equipment such as automated storage technology, particularly for high-rise warehouses, ground conveyor vehicles and facilities or material flow computers when business segments provide services on behalf of the Logwin Group can result in revenue shortfalls, liability and warranty risks for damage and quality defects.

Financial risks

Liquidity risks
The business operations of the operating units of the Logwin Group as a logistics provider require 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 at the Logwin Group.

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 world-wide. The Logwin Group will be faced with liquidity and earnings risks if such established financial instruments 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. The Logwin Group also limits its liquidity risk through strict working capital management and financing from various sources. As of 31 December 2015, the Logwin Group had unused credit facilities of EUR 38.9m (prior year: EUR 59.2m). The Logwin Group can also utilize a contractually agreed maximum amount of EUR 45.0m from the factoring facility depending on the volume of receivables sold.

Note 33 to the consolidated financial statements on page 74 provides a maturity analysis of the financial liabilities.

Credit risks
There are credit risks arising from relationships with customers and banks. Credit risks arising from relationships with customers are minimized by detailed credit assessments and a restrictive allocation of credit periods. Furthermore, in nearly all countries trade credit insurance exists for the majority of customers. Credit risks resulting from relationships with banks (counterparty risk) are counteracted via diversification of banking relationships.

Allowances are made for possible default risks on trade accounts receivable and other financial assets. Please refer to note 20 on page 55 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 revenues 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. Moreover, between the companies of the Logwin Group there are internal financing balances in foreign currencies. As a result, 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 potential foreign exchange risks affecting liquidity by using hedging instruments. 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 2015 would have an effect on the Group's net result of −/+ EUR 0.2m (prior year: −/+ EUR 0.2m).

Note 33 on page 75 of the notes contains a list of forward exchange contracts as of the end of the reporting period.

As the euro is the reporting currency of the Logwin Group, the financial statements of the companies are translated into euro, which is the functional currency of the Group, for the purposes of the consolidated financial statements. 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 after a long-lasting phase of low interest rates as a result of various influential factors. Increased rates of interest can pose a risk to the earnings of the Logwin Group. As of 31 December 2015, the Group had financial liabilities subject to variable interest rates resulting from finance lease contracts. Based on the variable-interest, unhedged financial liabilities, a change in the rate of interest as of 31 December 2015, by +/− 100 basis points would have an effect on the financial result of −/+ EUR 0.1m (prior year: /+ EUR 0.1m).

Legal and regulatory 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. Considerable 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.

Logwin Road + Rail Austria GmbH was served with a claim from the Austrian customs authorities in April 2010 demanding back-payment of import VAT of around EUR 17m plus interest 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 relevant Logwin company lodged an appeal against the decision but it was unsuccessful. By order of the Administrative Court dated 25 November 2015, the appeal was rejected. The customs office did not initiate its enforcement based on a confirmation of cover by the insurer in charge of the loss adjustment. In the remission procedure initiated, Logwin, also with reference to court rulings under European law, filed for the full remission of these payments plus interest as the company believes it is not at fault. As of the end of the reporting period, a remission of these payments is considered to be rather likely against the backdrop of favorable prospects. Therefore, no liabilities have been reported in these financial statements to cover this matter. A confirmation of cover by the insurer in charge of the loss adjustment exists if Logwin's liability has been recognized by declaratory judgment and the request for remission has been legally rejected. There could be considerable negative consequences on the Logwin Group's net asset and financial position if the remission procedure proves unsuccessful and the insurer fails to provide (sufficient) cover despite its confirmation of cover.

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 costs and significantly higher investment requirements for additional security measures, which could then affect the financial and earnings position 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 contractually agreed acceptance of risks, principally warranties, indemnification and tax risks, remain in connection with winding up the business operations sold by the Logwin Group. These risks are contractually limited as far as possible. If Logwin Group is held liable, this can have a considerably negative impact on the financial situation and earnings position of 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, such as transportation licenses. Conditions and licensing requirements may restrict transportation and logistics activities. For a number of customer projects, the companies of the Logwin Group are dependent upon retaining their current licenses and permits at all times. Losing such authorization could significantly threaten the profitability of the customer projects concerned.

On the main market – Germany – the introduction of a statutory minimum wage at the beginning of 2015 constitutes a significant liability risk for the Logwin Group if it leads to involuntary violations or, as part of its liability as a guarantor for minimum wage obligations, if these cannot be claimed in recourse proceedings. By means of relevant agreements and obligations, the Logwin Group obliges its suppliers and subcontractors to provide evidence on compliance with minimum wage legislation and its exemption from risks arising from a claim in this respect. Risks arising from the introduction of the statutory minimum wage may have a negative impact on net assets, financial situation and earnings position of the Logwin Group.

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. In addition, various logistics facilities require the handling of hazardous goods. The logistics and transportation sector, at least in Germany and the rest of the EU, can be expected over the next few years to become the focal point of policies and laws on the environment and climate change. In this context, there are risks that 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.

Other risks for the Logwin Group arise from breaches of duty on the part of management. In addition, malicious acts such as theft, fraud, breach of trust, misappropriation of payments and corruption hold a high level of potential risk and can result in substantial damage both in material terms and to Logwin's reputation.

The Logwin Group accepts business risks in order to make 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. Recognized goodwill of EUR 66.8m continued to be the largest individual item in the Logwin Group's non-current assets as of 31 December 2015 and is for approximately 2/3 attributable to the business segment Air + Ocean. In compliance with the requirements of IAS 36, goodwill is subject to an impairment test. Prolonged performance that is weaker than anticipated in individual areas within the Logwin Group involves the risk that additional impairment will have to be recorded again for the goodwill recognized in the consolidated balance sheet ("impairment risk"). Another influential factor is the current and anticipated trend in interest rates. Sustained weak or weaker than anticipated performance of individual Logwin companies could require an additional adjustment of recognized deferred taxes. A lack of recoverability of non-current assets could have a negative influence on the net assets, financial situation and earnings position of the Logwin Group.

Compliance

The Logwin Group attaches great importance to Group-wide compliance with national and international legislation, contractual agreements and the Group's internal policies. To firmly anchor this principle, the Logwin Group has formulated a code of conduct, which is binding for all employees in the Group. This code of conduct specifically defines general behavioral principles, requires employees to understand and comply with the relevant legislation, governs how to deal with business partners and public-sector institutions and sets out guidance on avoiding conflicts of interest. The Board of Directors of Logwin AG has also adopted a Corporate Governance Charter, which is based on the Corporate Governance regulations of the Luxembourg Stock Exchange and sets out requirements for the governance of the Logwin Group as well as for ensuring compliance with related legislation. The Corporate Governance Charter of Logwin AG has been published on the Logwin Group's homepage. Please refer to the "Corporate governance" section of this management report.

To monitor compliance with compliance requirements, a compliance officer was appointed. A major focus of the work of the internal audit function is on monitoring compliance with legislation and internal rules as well as contractual agreements. Together with business segment representatives, the internal audit function carries out audits of selected locations and companies worldwide. In this context, external specialists and lawyers are also regularly involved in monitoring compliance with national legislation, with a particular emphasis being placed on the topics of anti-corruption, compliance with tax and customs legislation, data protection and labor law.

Overall, the Logwin Group's compliance organization was further expanded in recent years to meet our customers' increasing compliance requirements. Nevertheless, the possibility of infringements against national or international regulations occurring, resulting in risks that could threaten the very existence of the Logwin Group, can never be excluded completely.

Opportunities and outlook

Economic forecast In line with leading economic forecasts, the Logwin Group anticipates a slight rise in global growth for 2016. Subdued positive economic development is expected overall in the euro zone. Overall, the German economy will expand only modestly and is likely to post growth at a level similar to that of 2015. For the Logwin Group, the development of individual sub-sectors in the German consumer market, particularly the textile and clothing sector, will be of significant importance for the development of the operating business segments.

The potential of key risk factors negatively affecting the business performance of the Logwin Group is considered to be realistic and is reflected in the forecast and planning of further business performance. This includes declining growth expectations for the Chinese economy and the impact of the fall in raw material prices on global goods and trade flows.

Revenue expectations The Logwin Group anticipates moderate revenue growth for 2016. The performance of the overall economy in 2016 will play a key role in this context.

Air + Ocean
In 2016, the sombre market environment in addition to the fiercely competitive environment on the main markets of the Air + Ocean business segment could restrain the highly positive development in recent years. The successful sales efforts to gain new customers and expand business with existing customers continues to be actively pursued. However, revenues will depend not only on the volume development with existing and new customers but also heavily on freight rates and currency exchange rates in 2016 as in previous years.

Solutions
Revenues in the Solutions business segment should develop operational stable in 2016. New customer business and growth among existing customers are expected to have a stimulating effect, while known changes in revenue structure in the existing business will have a cushioning effect at several locations.

Earnings expectations Subject to the above conditions, the Logwin Group is aiming to achieve a moderate increase in Group earnings in 2016 as against the 2015 financial year.

Air + Ocean
In the Air + Ocean business segment, after a highly successful year in 2015 stable earnings should be achieved in 2016, provided that the current customer success is expanded and increasing transport volumes continues. Loss in margins and shrinking volumes may have a negative impact on earnings.

Solutions
The profitability of the Solutions business segment will improve thanks to various improvements at numerous locations and as a result of prior years' measures to reduce costs and discontinue certain activities. Uncertainty with regard to macroeconomic development and individual market segments, such as the textile, clothing and the automotive sectors, may pose a threat to achieving the targeted increase in earnings.

Liquidity development The Logwin Group will continue to pursue its goal of generating a positive net cash flow in 2016. The expected group net result as well as a business policy focused on profitability and liquidity, coupled with continuous optimization of working capital management, will contribute to this objective.

Consolidated Financial Statements

Income Statement

In thousand EUR	2015	2014	*Note/page*
Revenues	1,058,916	1,129,426	*8/44*
Cost of sales	−974,599	−1,043,335	*9/47*
Gross profit	**84,317**	**86,091**	
Selling costs	−29,473	−26,457	*9/47*
General and administrative costs	−29,751	−34,431	*9/47*
Other operating income	11,841	6,312	*10/47*
Other operating expenses	−6,645	−4,269	*10/47*
Operating result before impairments	**30,289**	**27,246**	
Impairment of property, plant and equipment	–	−2,114	*11/48*
Operating result before goodwill impairment (EBITA)	**30,289**	**25,132**	
Goodwill impairment	−4,400	–	*12/48*
Net result before interest and income taxes (EBIT)	**25,889**	**25,132**	
Finance income	281	275	*13/48*
Finance expenses	−2,832	−4,283	*13/48*
Net result before income taxes	**23,338**	**21,124**	
Income taxes	−7,664	−7,287	*14/49*
Net result	**15,674**	**13,837**	
Attributable to:			
Shareholders of Logwin AG	15,059	13,388	
Non-controlling interests	615	449	
Earnings per share – basic and diluted (in EUR):			
Net result attributable to the shareholders of Logwin AG	**0.10**	**0.09**	
Weighted average number of shares outstanding	144,995,867	146,251,538	

Statement of Comprehensive Income

In thousand EUR	2015	2014	*Note/page*
Net result	**15,674**	**13,837**	
Unrealized gains of securities, available-for-sale	−8	30	
Unrealized gains of cash flow hedges (interest rate swaps)	–	122	
Reclassification of cash flow hedge losses to profit or loss	–	487	*13/48*
Gains on currency translation of foreign operations	1,653	4,569	
Other comprehensive income that may be reclassified into profit or loss in future periods	**1,645**	**5,208**	
Remeasurement of the net defined benefit liability	995	−5,729	*28/60*
Deferred tax from remeasurement of the net defined benefit liability	−301	1,091	*24/57*
Other comprehensive income that will not be reclassified into profit or loss in future periods	**694**	**−4,638**	
Other comprehensive income	**2,339**	**570**	
Total comprehensive income	**18,013**	**14,407**	
Attributable to:			
Shareholders of Logwin AG	17,142	13,958	
Non-controlling interests	871	449	

Statement of Cash Flows

In thousand EUR	2015	2014	*Note/page*
Net result before income taxes	23,338	21,124	
Financial result	2,551	4,008	*13/48*
Net result before interest and income taxes	25,889	25,132	
Reconciliation adjustments to operating cash flows:			
Depreciation and amortization	7,604	7,700	*9/47*
Result from disposal of non-current assets	−3,848	−729	*10/47*
Goodwill Impairment	4,400	–	*12/48*
Impairment of property, plant and equipment	–	2,114	*11/48*
Other	−2,780	1,551	
Income taxes paid	−7,327	−5,480	
Interest paid	−1,715	−2,593	
Interest received	281	275	
Changes in working capital, cash effective:			
Change in receivables	11,733	−11,410	
Change in payables	−4,064	5,573	
Change in inventories	−180	96	
Net cash outflow from repaying the factoring facility	–	−6,028	*27/60*
Operating cash flows	**29,993**	**16,201**	
Capital expenditures in PP&E and other intangible assets	−6,462	−5,236	
Proceeds from disposals of consolidated subsidiaries and other business operations, net of cash and cash equivalents	8,997	2,027	*15/50*
Proceeds from disposal of non-current assets	543	706	
Payments for acquisitions of subsidiaries	−8	–	
Other cash flows from investing activities	−4	−32	
Investing cash flows	**3,066**	**−2,535**	
Net cash flow	**33,059**	**13,666**	
Repayment of current loans and borrowings	−598	−3,521	
Payment of liabilities from leases	−1,770	−1,578	
Re-/Payments for the change in non-controlling interests	−2,081	−2,150	
Distribution to non-controlling interests	−521	−255	
Payments for acquisitions of own shares	−2,938	−88	
Other cash flows from financing activities	−23	–	
Financing cash flows	**−7,931**	**−7,592**	
Effects of exchange rate changes on cash and cash equivalents	574	1,815	
Changes in cash and cash equivalents	**25,702**	**7,889**	
Cash and cash equivalents at the beginning of the period	66,959	59,070	
Change	25,702	7,889	
Cash and cash equivalents at the end of the period	**92,661**	**66,959**	*23/56*

Balance Sheet

Assets *In thousand EUR*	**31 Dec 2015**	**31 Dec 2014**	*Note/page*
Goodwill	66,821	75,266	*16/51*
Other intangible assets	3,852	4,663	*17/53*
Property, plant and equipment	35,185	34,224	*18/54*
Investments	729	726	
Deferred tax assets	14,165	16,571	*24/57*
Other non-current assets	1,399	1,378	
Total non-current assets	**122,151**	**132,828**	
Inventories	2,638	2,505	*19/55*
Trade accounts receivable	126,936	141,422	*20/55*
Income tax receivables	924	2,068	*21/56*
Other receivables and current assets	17,164	19,450	*22/56*
Cash and cash equivalents	92,661	66,959	*23/56*
Total current assets	**240,323**	**232,404**	
Total assets	**362,474**	**365,232**	

Liabilities *In thousand EUR*	**31 Dec 2015**	**31 Dec 2014**	*Note/page*
Share capital	131,202	131,202	
Group reserves	−14,747	−31,150	
Treasury shares	−3,026	−88	
Equity attributable to the shareholders of Logwin AG	**113,429**	**99,964**	
Non-controlling interests	1,104	2,096	
Shareholders' equity	**114,533**	**102,060**	*25/58*
Non-current liabilities from leases	13,058	13,420	*26/59*
Pension provisions and similar obligations	31,907	34,106	*28/60*
Other non-current provisions	3,271	3,036	*29/65*
Deferred tax liabilities	48	53	*24/57*
Other non-current liabilities	4	5	*32/66*
Total non-current liabilities	**48,288**	**50,620**	
Trade accounts payable	146,297	152,238	
Current liabilities from leases	1,583	1,454	*26/59*
Current loans and borrowings	732	1,268	*27/60*
Current provisions	7,188	11,348	*30/65*
Income tax liabilities	2,746	3,668	*31/66*
Other current liabilities	41,107	42,576	*32/66*
Total current liabilities	**199,653**	**212,552**	
Total liabilities and shareholders' equity	**362,474**	**365,232**	

Statement of Changes in Equity

In thousand EUR	Equity attributable to the		
	Share capital	Additional paid-in capital	Retained earnings
1 January 2014	**131,202**	**59,843**	**−97,158**
Net result			13,388
Other comprehensive income			−4,638
Total comprehensive income			**8,750**
Distributions			
Compensation additional paid-in capital and net losses		−2,712	2,712
Change in non-controlling interests			−2,500
Acquisition of own shares			
31 December 2014	**131,202**	**57,131**	**−88,196**
1 January 2015	**131,202**	**57,131**	**−88,196**
Net result			15,059
Other comprehensive income			694
Total comprehensive income			**15,753**
Distributions			
Compensation additional paid-in capital and net losses		−8,959	8,959
Change in non-controlling interests			−739
Acquisition of own shares			
31 December 2015	**131,202**	**48,172**	**−64,223**

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

shareholders of Logwin AG							
Accumulated other comprehensive income							
Available-for-sale reserve	Cash flow hedge reserve	Currency translation reserve	Treasury shares	**Total**	Non-controlling interests	**Total shareholders' equity**	*Note/page*
−58	**−609**	**−4,626**	**–**	**88,594**	**2,352**	**90,946**	
				13,388	449	13,837	
30	609	4,569		570		570	
30	**609**	**4,569**		**13,958**	**449**	**14,407**	
				–	−255	−255	
				–		–	*25/58*
				−2,500	−450	−2,950	
			−88	−88		−88	*25/58*
−28	**0**	**−57**	**−88**	**99,964**	**2,096**	**102,060**	
−28	**0**	**−57**	**−88**	**99,964**	**2,096**	**102,060**	
				15,059	615	15,674	
−8		1,397		2,083	256	2,339	
−8		**1,397**		**17,142**	**871**	**18,013**	
				–	−521	−521	
				–		–	*25/58*
				−739	−1,342	−2,081	
			−2,938	−2,938		−2,938	*25/58*
−36	**0**	**1,340**	**−3,026**	**113,429**	**1,104**	**114,533**	

Notes to the Consolidated Financial Statements as of 31 December 2015

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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 2015, were authorized for issue by resolution of the Board of Directors on 29 February 2016, 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 2015, 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 56 foreign companies as of 31 December 2015 (prior year: two domestic and 59 foreign companies).

The consolidated entities including Logwin AG have developed as follows:

	31 Dec 2014	Additions	Disposals	31 Dec 2015
Luxembourg	3	–	–	3
Germany	18	–	4	14
Other countries	41	1	–	42
Total	**62**	**1**	**4**	**59**

The addition relates to one newly established entity in Columbia allocated to the Air + Ocean business segment. The disposals concern the sale of Logwin Solutions Media GmbH with effect from 1 January 2015, two intra-group mergers in Germany as well as the liquidation of one subsidiary.

Please refer to page 80 for a list of shareholdings.

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 applied for the first time for financial year 2015:

Standard/interpretation			Mandatory adoption (in the EU) for the annual period beginning on or after	Endorsement
Amendment	Various	Annual Improvements to IFRSs 2011 to 2013	1 January 2015	Yes
New interpretation	IFRIC 21	Levies	17 June 2014	Yes

The annual improvement to IFRSs 2011 to 2013 cycle comprises the following amendments to existing standards:

IAS 40 was updated, clarifying that IAS 40 and IFRS 3 are not mutually exclusive. The assessment of whether the purchase of a property held as a financial investment constitutes the purchase of an asset or a group of assets or a business combination in line with IFRS 3 "Business combinations," is to be based on the regulations found in IFRS 3.

IFRS 1 now clarifies that a company may adopt a new IFRS that is not binding yet in its first IFRS financial statements, provided that its earlier adoption is permitted.

The amendment to IFRS 3 clarifies that all types of joint arrangements within the scope of IFRS 3 are excluded.

In IFRS 13, it was clarified that the portfolio exception in paragraph 52 of IFRS 13 is to be applied to all contracts within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" or IFRS 9 "Financial Instruments," regardless of whether these contracts fulfill the definitions of financial assets or financial liabilities in accordance with IAS 32 "Financial Instruments: Presentation" or not.

The new interpretation of IFRIC 21 provides guidelines on when a liability is to be applied to a levy imposed by a government. The interpretation applies both to levies that must be recognized in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and levies whose timing and amounts are certain.

Provided that the new or amended provisions are applicable to the Logwin Group, there was no significant impact on the consolidated financial statements of Logwin AG from the first-time adoption of the aforementioned provisions.

Moreover, the IASB and the IFRS IC have issued the following new or revised accounting standards whose adoption was not yet compulsory in financial year 2015. These standards will only become effective in the coming years. Moreover, a large number of these new accounting standards must still undergo the endorsement process of the European Commission. The Logwin Group did not exercise the option to voluntarily early adopt the accounting provisions in financial year 2015.

Standard/interpretation			Mandatory adoption (in the EU) for the annual period beginning on or after	Endorsement
Amendment	IAS 1	Disclosure Initiative	1 January 2016	Yes
Amendment	IAS 12	Recognition of Deffered Tax Assets for Unrealised Losses	1 January 2017	No
Amendment	IAS 16 IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	Yes
Amendment	IAS 16 IAS 41	Bearer Plants	1 January 2016	Yes
Amendment	IAS 19	Defined Benefit Plans: Employee Contributions	1 February 2015	Yes
Amendment	IAS 27	Equity Method in Separate Financial Statements	1 January 2016	Yes
New standard	IFRS 9	Financial Instruments	1 January 2018	No
Amendment	IFRS 10 IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	n/a	No
Amendment	IFRS 10 IFRS 12 IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016	No
Amendment	IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	Yes
New standard	IFRS 14	Regulatory Deferral Accounts	1 January 2016	No
New standard	IFRS 15	Revenue from Contracts with Customers	1 January 2018	No
New standard	IFRS 16	Leases	1 January 2019	No
Amendment	Various	Annual Improvements to IFRSs 2010 to 2012	1 February 2015	Yes
Amendment	Various	Annual Improvements to IFRSs 2012 to 2014	1 January 2016	Yes

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

IFRS 9 “Financial Instruments” sets out requirements for recognizing, measuring and derecognizing financial instruments as well as accounting for hedges. The IASB published the final version of the standard during the completion of various phases of its comprehensive project on financial instruments in July 2014. As a result, financial instruments previously accounted for under IAS 39 “Financial Instruments: Recognition and Measurement” will be accounted for fully under IFRS 9. The endorsement process on the compulsory adoption of the standard in the EU has not been finalized yet. The Logwin Group is still analyzing the effects on future statements resulting from an adoption of new regulations.

IFRS 15 "Revenue from Contracts with Customers" establishes a single, uniform framework for revenue recognition and thus replaces existing standards. The standard requires entities to disclose quantitative and qualitative information about the amount, timing and uncertainty of revenue and cash flows from contracts with customers. The Logwin Group is currently analyzing the effects of the standard on future financial statements. First-time adoption is expected to mainly result in extended disclosure obligations, but it is not expected to have a significant effect on the recognition of revenue itself.

IFRS 16 "Leases" is the result of a project jointly monitored by the IASB and FASB in order to improve the recognition of leases. The aim was to develop recognition criteria that are compatible with the definitions of assets and liabilities in the framework concept and replace existing regulations on the recognition of leases in accordance with IAS 17. On 13 January 2016, the new standard was adopted by the IASB and still has to pass through the endorsement process of the European Commission. An analysis of the effects on consolidated financial statements in the future, which may arise as a result of the first-time adoption of new regulations, will be performed during the course of 2016.

The amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses" are the result of draft annual improvements from 2010 to 2012. In response to feedback on the draft, the IASB resolved to clarify the recognition of deferred tax assets for unrealized losses with regard to debt securities in the context of a narrow scope project to amend IAS 12. In the future, unrealized losses in debt securities measured at fair value, where the tax basis is acquisition costs, will lead to deductible temporary differences. No significant effects resulting from the aforementioned clarifications are anticipated within the Logwin Group.

Based on current information, the new regulations listed below are not relevant to the Logwin Group and will therefore not have an effect on the net assets, financial situation and earnings position of the Group:

- Amendment to IAS 16 and IAS 41 – Agriculture: Bearer Plants
- Amendment to IAS 27 – Equity Method in Separate Financial Statements
- Amendment to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendment to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception
- IFRS 14 – Regulatory Deferral Accounts

No material effects on future reporting of the Logwin Group are currently 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 expected future cash flows, sustainable growth rates and an appropriate weighted cost of capital (WACC) must be considered for the discounted cash flow method used for this purpose. The components of the WACC are the risk-free interest rate, the market risk premium, the so-called beta factors, the spread for the credit risk and the debt ratio.The carrying amount of recognized goodwill as of 31 December 2015 amounted to EUR 66.8m (prior year: EUR 75.3m). 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 2015 is EUR 31.9m (prior year: EUR 34.1m). Please refer to note 28 “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 14.2m (prior year: EUR 16.6m). Please refer to note 24 “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 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 key figures and 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. In this context, there are also references to management's assessment of the litigation risks arising from a customs law case involving Logwin Road + Rail Austria GmbH and relevant explanations in note 35 "Contingent liabilities and lawsuits."

7 Summary of significant key figures and 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		2015	2014	31 Dec 2015	31 Dec 2014
1 EUR =					
Australian dollar	AUD	1.4765	1.4724	1.4990	1.4878
Brazilian real	BRL	3.6912	3.1229	4.2590	3.2394
Chinese renminbi	CNY	6.9728	8.1887	7.0910	7.5442
British pound	GBP	0.7260	0.8065	0.7380	0.7823
Hong Kong dollar	HKD	8.6023	10.3058	8.4685	9.4340
Polish zloty	PLN	4.1829	4.1842	4.2400	4.3103
Singapor dollar	SGD	1.5250	1.6831	1.5449	1.6085
Thailand baht	THB	38.0004	43.1655	39.3340	40.0190
US dollar	USD	1.1096	1.3289	1.0926	1.2160
South African rand	ZAR	14.1503	14.4070	16.8847	14.1487

Business combinations

If the Logwin Group has obtained control, the Group recognizes business combinations using the acquisition method. In accordance with IFRS 10 "Consolidated Financial Statements," control exists if a group is subject to changing yields from its involvement in an investee or has a right to these yields and has the ability to influence these yields using its control over the investee. The statements of subsidiaries are included in the consolidated financial statements from the date at which the Group gains control until the date at which it ceases to have control. When it gains 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 in accordance with IFRS 3.

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 identifiable assets, liabilities and contingent 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 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. Any difference is offset against retained earnings without affecting profit or loss.

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. Any gains resulting from a purchase at a price below fair value are directly recognized in profit or loss. Transaction costs are immediately recognized in profit or loss.

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, accruals are made for the agreed revenue and for the future 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 EBITA (earnings before interest, taxes and amortisation). 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 and impairment losses on property, plant and equipment. EBIT (earnings before interest and taxes) is calculated from EBITA less 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.

Net Cash flow

Another major control parameter for the Logwin Group is the net cash flow. 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. Intangible assets with an indeterminable useful life are reviewed for recoverability annually.

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 buildings 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 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 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.

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
If there is any indication of goodwill impairment at any time, an impairment test will be performed at such time. Goodwill impairment testing is performed at least once a year. The Logwin Group selected 31 December as the reference date for its annual goodwill impairment test in 2015. The planned impairment test was performed on 30 September in each of the previous reporting periods. Deferring the measurement date to the end of the reporting period was the result of amended internal planning processes and was done in favor of an increase in planning certainty. Therefore, planned impairment testing will be performed as of the end of the reporting period (31 December).

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.

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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 or the loss carryforward 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 equivalents are short-term, highly liquid financial investments 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	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). Typically, a full value adjustment is assumed after 180 days. 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 2015 and the prior year.

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 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 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 2015 no hedging relationships existed in the Logwin Group that have to be accounted in the context of hedge accounting. 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

The Logwin Group is using a factoring program for major German group companies. It 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 in-/outflow from utilizing or repaying the factoring facility” provided that a utilization or repayment of a previous utilization was performed in the reporting period. 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 Logwin 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 Germany and some other 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.

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 for the fashion and consumer goods industries ("Retail Network"). 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. The Air + Ocean business segment draws on an international network that is divided into the five regions Europe Middle East Africa, Americas, South East Asia and Far East Asia.

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 goodwill impairment (EBITA). General expenses and income which cannot be directly allocated to the segments are shown in the "Other" column.

The tables below set forth segment information of the business segments for the periods from 1 January to 31 December 2015 and 2014.

2015 *In thousand EUR*	**Solutions**	**Air + Ocean**	**Other**	**Conso-lidation**	**Group**
External revenues	379,449	674,569	4,898	–	1,058,916
Intersegment revenues	1,316	1,571	3,906	−6,793	–
Revenues	**380,765**	**676,140**	**8,804**	**−6,793**	**1,058,916**
Operating result before impairments	**500**	**36,159**	**−6,370**	**–**	**30,289**
Impairment of property, plant and equipment	–	–	–	–	–
Operating result before goodwill impairment (EBITA)	**500**	**36,159**	**−6,370**	**–**	**30,289**
Goodwill impairment	−4,400	–	–	–	−4,400
Net result before interest and income taxes (EBIT)	**−3,900**	**36,159**	**−6,370**	**–**	**25,889**
Financial result					−2,551
Income taxes					−7,664
Net result					**15,674**
Segment assets	83,044	153,081	17,165	–	253,290
Unallocated assets					109,184
Total consolidated assets					**362,474**
Segment liabilities	80,078	129,648	20,072	–	229,798
Unallocated liabilities					18,143
Total consolidated liabilities					**247,941**

2014 *In thousand EUR*	**Solutions**	**Air + Ocean**	**Other**	**Conso-lidation**	**Group**
External revenues	478,480	646,191	4,755	–	1,129,426
Intersegment revenues	1,057	1,871	2,909	−5,838	–
Revenues	**479,537**	**648,062**	**7,664**	**−5,838**	**1,129,426**
Operating result before impairments	**4,672**	**31,214**	**−8,641**	**–**	**27,245**
Impairment of property, plant and equipment	−1,039	–	−1,075	–	−2,114
Operating result before goodwill impairment (EBITA)	**3,633**	**31,214**	**−9,716**	**–**	**25,132**
Goodwill impairment	–	–	–	–	–
Net result before interest and income taxes (EBIT)	**3,633**	**31,214**	**−9,716**	**–**	**25,132**
Financial result					−4,008
Income taxes					−7,287
Net result					**13,837**
Segment assets	103,101	158,131	16,875	–	278,107
Unallocated assets					87,125
Total consolidated assets					**365,232**
Segment liabilities	93,617	124,725	24,972	–	243,315
Unallocated liabilities					19,858
Total consolidated liabilities					**263,172**

Information according to geographical areas

The tables below present geographical information on revenues and specific items of non-current assets for financial years 2015 and 2014.

In thousand EUR	2015		2014	
Germany	452,723	43%	556,848	49%
Austria	191,059	18%	179,976	16%
Other EU	82,034	8%	86,657	8%
Asia/Pacific	265,975	25%	246,083	22%
Other	67,125	6%	59,862	5%
Total revenues	**1,058,916**	**100%**	**1,129,426**	**100%**

Revenues from external customers are allocated according to the geographical location of the billing entity. In 2015 10.5%, or EUR 111.0m of the Logwin Group's total revenues accounts to a customer in the business segment Solutions.

In thousand EUR	31 Dec 2015		31 Dec 2014	
Germany	23,907	61%	24,374	63%
Austria	8,051	21%	6,939	18%
Luxembourg	2,397	6%	2,980	7%
Other EU	1,171	3%	1,428	4%
Asia/Pacific	2,494	6%	2,122	5%
Other	1,017	3%	1,044	3%
Total non-current assets	**39,037**	**100%**	**38,887**	**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 thousand EUR	2015	2014
Purchased services	−739,655	−799,657
Materials and supplies	−8,562	−9,249
Personnel expenses	−192,356	−195,504
Operating lease expenses	−38,998	−42,374
Depreciation and amortization	−7,604	−7,700
Sundry expenses	−46,648	−49,739
Total cost of sales, selling, general and administrative costs	**−1,033,823**	**−1,104,223**

Purchased services mostly comprise transportation services provided by third parties.

10 Other operating income and expenses

In thousand EUR	2015	2014
Foreign exchange gains	6,715	3,218
Gains from disposal of non-current assets	3,977	878
Sundry income	1,149	2,216
Other operating income	**11,841**	**6,312**

The position “Gains from disposal of non-current assets” include substantially gains from the disposal of Press Logistics.

In thousand EUR	2015	2014
Foreign exchange losses	−6,480	−2,963
Losses from disposal of non-current assets	−129	−149
Sundry expenses	−36	−1,157
Other operating expenses	**−6,645**	**−4,269**

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 thousand EUR	2015	2014
Foreign exchange gains	6,715	3,218
Foreign exchange losses	−6,480	−2,963
Foreign exchange effects, net	**235**	**255**

11 Impairment of property, plant and equipment

In the year under review, there were no unscheduled impairment requirements for property, plant and equipment.

In the prior year, impairment losses totaling EUR 2,114k were recognized in various properties of the Logwin Group.

12 Goodwill impairment

As of 31 December 2015, the Logwin Group performed an impairment test on recognized goodwill. This resulted in an impairment requirement of EUR 4,400k, which relates to the goodwill of the Solutions business segment in full.

13 Financial result

The following table shows the composition of the financial result in financial years 2015 and 2014:

In thousand EUR	2015	2014
Finance income	**281**	**275**
Interest expenses from bank accounts	–641	–773
Interest expenses from finance leases	–406	–427
Net interest expense from the unwinding of the discount on defined benefit obligations and from the return on plan assets	–714	–1,073
Other interest expenses	–803	–1,411
Other finance expenses	–268	–599
Finance expenses	**–2,832**	**–4,283**
Financial result	**–2,551**	**–4,008**

Other interest expenses include guarantee commissions and interest expenses from the unwinding of the discount on other non-current provisions. In the previous year other interest expenses also included accumulated losses from cash flow hedges of EUR 487k, which were transferred from the cash flow reserve to the financial result due to the termination of the existing interest rate swaps and the repayment of the factoring facility in 2014.

Other finance expenses include foreign exchange effects from group financing.

14 Income taxes

Tax expenses for the Logwin Group are as follows:

In thousand EUR	2015	2014
Current income taxes	–6,983	–5,753
Deferred income taxes	–681	–1,534
Total income taxes	**–7,664**	**–7,287**

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

In thousand EUR	2015	2014
Net result before income taxes	**23,338**	**21,124**
Expected income taxes (tax rate 31.47%; prior year 30.38%)	**–7,345**	**–6,418**
Non-deductible goodwill impairment	–1,385	–
Foreign tax rate differential	2,539	1,991
Expenses not deductible for tax purposes	–1,330	–900
Tax effects relating to prior periods	401	259
Change in valuation allowances and effects from not recognizing deferred tax assets	–424	–2,264
Other taxation effects	–120	45
Total income tax expenses	**–7,664**	**–7,287**

The tax rate used of 31.47% (prior year: 30.38%) reflects the tax rate of Logwin AG. The increase of the tax rate compared to the prior year is due to the changed trade tax rate in Grevenmacher.

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 include cash inflows from the sale of companies and locations of the Solutions business segment as well as agreed subsequent purchase price adjustments for disposals from prior years.

In thousand EUR	2015	2014
Consideration received	9,204	2,451
Less cash and cash equivalents disposed of	−207	−424
Proceeds from disposals of consolidated subsidiaries and other business operations, net of cash and cash equivalents	**8,997**	**2,027**

The following assets and liabilities were disposed of:

In thousand EUR	2015	2014
Goodwill	4,045	738
Other non-current assets	1,757	103
Trade accounts receivable	7,595	1,532
Cash and cash equivalents	207	424
Other current assets	2,343	314
Assets disposed of	**15,947**	**3,110**
Non-current provisions	294	–
Trade accounts payable	8,267	1,498
Other current liabilities	1,869	345
Liabilities disposed of	**10,430**	**1,843**

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 thousand EUR	31 Dec 2015	31 Dec 2014
Solutions	21,120	29,565
Air + Ocean	45,701	45,701
Goodwill	**66,821**	**75,266**

In thousand EUR	Goodwill
Acquisition cost	224,222
Accumulated impairment	–149,357
Carrying amount as of 1 January 2014	**74,865**
Currency differences	401
Carrying amount as of 31 December 2014	**75,266**
Acquisition cost	224,623
Accumulated impairment	-149,357
Carrying amount as of 1 January 2015	**75,266**
Disposals	-4,045
Impairment	-4,400
Carrying amount as of 31 December 2015	**66,821**
Acquisition cost	220,578
Accumulated impairment	-153,757

Retirement of goodwill

The disposal of Logwin Solutions Media GmbH resulted in the retirement of goodwill in the Solutions business segment, which amounted to EUR 4,045k. The retired goodwill was proportionately determined based on the ratios of the division sold and the remaining cash-generating unit.

Goodwill impairment testing

In the 2015 financial year, the Logwin Group used 31 December as the reference date for its annual goodwill impairment test unlike in previous years (30 September). In this context, please refer to the explanations found in “Special aspects relating to the impairment of goodwill” in note 7 “Summary of significant accounting policies.”

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 industry, which is relevant for the respective business segment, 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. Deviations from planning are analyzed and taken into account where necessary in the form of discounts on the business plans presented. The amount of necessary discounts is reestablished in each case when the impairment test is performed.

The business plan of the Solutions business segment forecasts an EBITA margin of 1.7% for the last planning year (30 September 2014: 2.4%). The average EBITA margin of 2015 (actual) through to 2019 (plan) of 1.5% (30 September 2014: 1.4%) was taken as the sustainable EBITA margin to calculate the perpetual annuity. Beyond the five-year period the growth rate used was unchanged from the prior year at 0.75%. A sustainable EBITA margin of 3.1% (in line with the prior-year plan) and an unchanged growth rate of 1.5% were used for the Air + Ocean business segment. The expected cash flows of the two business segments were discounted using a discount rate of 6.9% after tax (30 September 2014: 6.6%). This corresponds to an interest rate of 9.5% to 9.6% before tax (30 September 2014: 9.3% to 9.9%).

As a result of the impairment test the recognition of an impairment loss of EUR 4,400k for the business segment Solutions to the recoverable amount of EUR 46.9m was necessary. The decline in business volumes, particularly in the German und European retail network and the continuing intensive competitive situation were considered.

With a 0.25% increase in the discount rate and assuming that all other factors remained constant, an additional goodwill impairment of EUR 2.7m would be assigned to the Solutions business segment. Under identical conditions a decrease in the sustainable EBITA margin of the Solutions business segment used for the cash flow forecast from 1.5% to 1.4% would lead to an additional goodwill impairment of EUR 3.6m. Both effects occurring together would result in an impairment of EUR 6.1m.

17 Other intangible assets

Amortization of intangible assets of EUR 955k is included in cost of sales (prior year: EUR 878k). A further EUR 24k (prior year: EUR 7k) relates to selling costs and EUR 700k (prior year: EUR 752k) to general and administrative costs.

In thousand EUR	**Software, concessions and other licenses**
Acquisition cost	36,703
Accumulated impairment	−32,777
Carrying amount as of 1 Jan 2014	**3,926**
Currency differences	6
Additions	2,402
Disposals	−34
Amortization	−1,637
Carrying amount as of 31 Dec 2014	**4,663**
Acquisition cost	38,245
Accumulated impairment	−33,582
Carrying amount as of 1 Jan 2015	**4,663**
Currency differences	9
Change in scope of consolidation	−42
Additions	901
Disposals	–
Amortization	−1,679
Carrying amount as of 31 Dec 2015	**3,852**
Acquisition cost	35,213
Accumulated impairment	−31,361

18 Property, plant and equipment

Cost of sales includes depreciation of property, plant and equipment of EUR 4,595k (prior year: EUR 4,607k), while selling costs include depreciation of property, plant and equipment of EUR 225k (prior year: EUR 159k) and general and administrative costs include depreciation of property, plant and equipment of EUR 1,105k (prior year: EUR 1,297k).

In thousand EUR	Land and buildings	Machinery and equipment	Tools, fixtures, furniture and office equipment	Vehicle fleet	Construction in progress	Total
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
Carrying amount as of 1 Jan 2014	**24,733**	**6,079**	**6,853**	**1,130**	**277**	**39,072**
Currency differences	11	20	125	17	–	173
Additions	459	289	2,483	487	128	3,846
Transfers	109	56	9	−4	−170	–
Disposals	−7	−17	−252	−23	–	−299
Depreciation	−1,680	−1,000	−2,956	−427	–	−6,063
Impairment	−2,102	–	−13	–	–	−2,115
Reclassification as held for sale	−390	–	–	–	–	−390
Carrying amount as of 31 Dec 2014	**21,133**	**5,427**	**6,249**	**1,180**	**235**	**34,224**
Thereof attributable to finance leases	*8,673*	*457*	*310*	*585*	–	*10,025*
Acquisition cost	69,664	36,642	38,274	9,549	235	154,364
Accumulated depreciation and impairment losses	−48,531	−31,215	−32,025	−8,369	–	−120,140
Carrying amount as of 1 Jan 2015	**21,133**	**5,427**	**6,249**	**1,180**	**235**	**34,224**
Currency differences	−12	50	109	−11	–	136
Change in consolidation scope	−47	−85	−129	−10	–	−271
Additions	1,789	424	3,115	728	1,352	7,408
Transfers	114	40	26	5	−185	–
Disposals	−12	−18	−284	−73	–	−387
Depreciation	−1,657	−990	−2,865	−413	–	−5,925
Impairment	–	–	–	–	–	–
Carrying amount as of 31 Dec 2015	**21,308**	**4,848**	**6,221**	**1,406**	**1,402**	**35,185**
Thereof attributable to finance leases	*9,034*	*374*	*325*	*765*	–	*10,498*
Acquisition cost	68,706	35,529	37,674	9,371	1,402	152,682
Accumulated depreciation and impairment losses	−47,398	−30,681	−31,453	−7,965	–	−117,497

As of 31 December 2015 and 2014, no property, plant and equipment was mortgaged to secure loans.

19 Inventories

Inventories primarily include packaging material, transport containers,and vehicle spare parts with a value of EUR 2,638k (prior year: EUR 2,505k). No inventories were pledged. In the reporting period, inventories of EUR 8,562k were recognized as an expense (prior year: EUR 9,249k).

20 Trade accounts receivable

In thousand EUR	31 Dec 2015	31 Dec 2014
Trade accounts receivable	**100,185**	**113,559**
Less allowance for doubtful accounts	−1,387	−1,685
Trade accounts receivable, net	**98,798**	**111,874**
Trade accounts receivable from factoring	28,138	29,548
Total trade accounts receivable	**126,936**	**141,422**

The allowances changed as follows:

In thousand EUR	2015	2014
1 January	**−1,685**	**−1,871**
Currency differences	5	−35
Additions	−1,116	−717
Utilization	752	319
Reversals	600	619
Change in scope of consolidation	57	–
31 December	**−1,387**	**−1,685**

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 thousand EUR	31 Dec 2015	31 Dec 2014
Aging structure		
not overdue	75,386	87,351
< 10 days	15,179	15,713
11 – 30 days	4,436	5,216
31 – 90 days	3,157	3,282
91 – 180 days	558	192
181 – 360 days	82	120
> 360 days	–	–

As of 31 December 2015, trade accounts receivable not sold to the factoring company in the amount of EUR 15,455k (prior year: EUR 16,319k) were secured by credit insurance. Secured receivables are generally subject to a deductible of 10% (prior year: 10%).

21 Income tax receivables

As of 31 December 2015, income tax receivables of EUR 924k (prior year: EUR 2,068k) include tax refunds from corporate income tax credits of EUR 135k (prior year: EUR 912k).

22 Other receivables and current assets

In thousand EUR	31 Dec 2015	31 Dec 2014
Receivables from the sale of non-current assets	200	300
Input tax refund	3,248	3,277
Advance payments	11,735	11,746
Derivative financial instruments	648	1,863
Miscellaneous receivables and assets	1,333	2,264
Total other receivables and current assets	**17,164**	**19,450**

The miscellaneous receivables and assets as of 31 December 2015 include receivables from billing transport containers totaling EUR 478k (prior year: EUR 485k).

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 thousand EUR	31 Dec 2015	31 Dec 2014
Cash	91,241	66,028
Cash equivalents	1,420	931
Total cash and cash equivalents	**92,661**	**66,959**

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.

As of 31 December 2015, cash and cash equivalents amounted to EUR 2.2m (prior year: EUR 6.1m), which the Logwin Group had at its disposal as a result of a settlement agreement only after approximately two working days.

24 Deferred taxes

Deferred tax assets and liabilities consist of the following:

In thousand EUR	31 Dec 2015		31 Dec 2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	549	47	2,332	273
Property, plant and equipment	1,000	2,485	1,094	2,521
Investments	177	4	62	10
Current assets	2	1,055	59	187
Provisions	5,821	1	5,398	32
Liabilities	2,161	23	2,353	5
Tax loss carryforwards	15,542	–	16,137	–
Valuation allowances	–7,520	–	–7,888	–
Net amounts	–3,567	–3,567	–2,975	–2,975
Total deferred taxes	**14,165**	**48**	**16,571**	**53**

In the financial year 2015 the recognized deferred taxes changed as follows:

In thousand EUR	2015	2014
Deferred taxes, net as of 1 January	**16,518**	**16,838**
Change recognized in profit or loss	–681	–1,534
Change recognized in equity	–301	1,091
Currency and other differences	25	123
Change in scope of consolidation	–1,444	–
Deferred taxes, net as of 31 December	**14,117**	**16,518**

The change recognized in equity concerns both in 2015 and in the previous year exclusively deferred tax effects on revaluation of net liability for defined benefit plans.

As of 31 December 2015, Logwin Group did not recognize any deferred tax liabilities on temporary differences from retained earnings of domestic and foreign subsidiaries of EUR 15.2m (prior year: EUR 19.8m) because it is not probable that the differences will reverse in the foreseeable future. The potential impact on income taxes amounts to EUR 1.3m (prior year: EUR 2.4m).

Net deferred tax assets amounting to EUR 8,249k (prior year: EUR 9,386k) have been recognized despite tax losses in the reporting year or in the prior year due to the Logwin Group's expectation of sustained positive results based on the forecast figures on the taxable income of the relevant entities within a future period of five years.

For the following temporary differences and unused tax losses no deferred tax assets have been recognized since it is not probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilized:

In thousand EUR	31 Dec 2015	31 Dec 2014
Tax losses	492,057	502,159
Deductible temporary differences	6,596	7,609
Total	**498,653**	**509,768**

Unrecognized tax losses totaling EUR 51k will expire within a period of five years (prior year: EUR 69k; six years).

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.

25 Shareholders' equity

Issued capital and authorized capital

As of 31 December 2015, there were 146,257,596 (prior year: 146,257,596) fully paid up, no-par voting shares issued. 144,444,051 of these shares were outstanding and 1,813,545 were held as treasury shares ("Treasury shares"). Treasury shares do not have voting rights or dividend rights, 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 2015 (prior year: 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 annual net loss of EUR 8,959k as of 31 December 2014 by offsetting it against the capital reserves in accordance with the resolution adopted by the Annual General Meeting on 8 April 2015. In 2014 the net loss of the prior year of EUR 2,712k was offset against the capital reserve as well.

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 2015, 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 −9,562k as of 31 December 2015 (prior year: EUR −10,256k). The change compared to the prior year of EUR 694k relates completely to the remeasurement of the net defined benefit liability (prior year: EUR −4,638k) after deduction of the associated deferred taxes.

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 accumulated other comprehensive income of EUR 1,645k (prior year: EUR 5,208k) primarily resulted of the translation of the financial statements of subsidiaries. The amounts recognized in equity may need to be reclassified under certain circumstances to profit or loss in future periods.

Treasury shares

Based on the authorization granted by the Annual General Meeting held on 9 April 2014, the Board of Directors resolved a share buyback program on 28 November 2014. The program expired as planned on 30 September 2015. Until this date, 1,813,545 shares (prior year: 72,695) were acquired at an acquisition cost totaling EUR 3.0m (prior year: EUR 0.1m).

Non-controlling interests

The change in non-controlling interests particulary resulted from the acquisition of the non-controlling interests of the Chilean subsidiary.

26 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 2015			
In thousand EUR	Current	1 to 5 years	Over 5 years	Total
Minimum lease payments	1,927	6,684	7,675	**16,286**
Finance costs	–344	–928	–373	**–1,645**
Present value of minimum lease payments	**1,583**	**5,756**	**7,302**	**14,641**

	31 Dec 2014			
In thousand EUR	Current	1 to 5 years	Over 5 years	Total
Minimum lease payments	1,841	10,084	5,556	**17,481**
Finance costs	–387	–1,090	–1,130	**–2,607**
Present value of minimum lease payments	**1,454**	**8,994**	**4,426**	**14,874**

27 Loans and borrowings

As of 31 December 2015, the Logwin Group had credit facilities (without guarantee facilities) amounting to EUR 38.9m (prior year: EUR 59.2m), which had not been drawn at the reporting date as well as at the end of the prior year. Furthermore, depending on the amount of sold receivables, a contractual limit of EUR 45.0m (prior year: EUR 45.0m) was available to the Logwin Group from factoring at the reporting date. As of 31 December 2015 the factoring facility was not utilized (prior year: EUR 0.0m).

Loans and borrowings reported as of 31 December 2015 totaling EUR 732k (prior year: EUR 1,268k) primarily refer to issued cheques that had not yet been charged (EUR 644k).

The interest rate on the utilized factoring facility and current loans and borrowings were variable and therefore at market level.

28 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 868k to private pension insurance schemes were recorded in financial year 2015 (prior year: EUR 918k). In addition, contribution payments of EUR 7,811k (prior year: EUR 8,187k) 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 primarily 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 thousand EUR	31 Dec 2015	31 Dec 2014
Present value of the obligation	33,460	35,699
Plan assets	−1,553	−1,593
Net defined benefit liability (funding status)	**31,907**	**34,106**

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 thousand EUR	2015	2014
Net defined benefit liability as of 1 January	**34,106**	**28,403**
Expense recognized in profit or loss	1,097	1,409
Plan contributions and payments, net	−1,922	−1,544
Remeasurements recognized in equity	−995	5,729
Settlements	−145	−47
Change in consolidation scope	−294	–
Other changes	60	156
Net defined benefit liability as of 31 December	**31,907**	**34,106**

Other changes include primarily effects from the currency translation of the net defined benefit liability.

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 thousand EUR	2015	2014
Present value of the obligation as of 1 January	**35,699**	**29,896**
Current service cost	383	336
Interest expenses	747	1,126
Actuarial gains (–)/losses (+)		
due to changes in demographic assumptions	2	1
due to changes in financial assumptions	–838	5,755
due to experience adjustments	–138	–7
Payments from company assets	–1,909	–1,532
Payments from plan assets	–114	–61
Settlements	–145	–47
Change in consolidation scope	–294	–
Other changes	67	230
Present value of the obligation as of 31 December	**33,460**	**35,699**

In thousand EUR	2015	2014
Plan assets as of 1 January	**1,593**	**1,493**
Interest income on plan assets	33	54
Return on plan assets not included in interest income	21	20
Contributions by the employer	13	12
Payments from plan assets	–114	–61
Other changes	7	76
Plan assets as of 31 December	**1,553**	**1,593**

As of 31 December 2015, the plan assets consisted of employer's pension liability insurance policies of EUR 786k (prior year: EUR 820k), pension trusts of EUR 379k (prior year: EUR 364k), direct insurance policies of EUR 313k (prior year: EUR 309k), and other forms of insurance of EUR 75k (prior year: EUR 100k). The expected contributions to plan assets amount to EUR 13k in the following year.

The expenses for defined benefit plans recognized in profit or loss are as follows:

In thousand EUR	2015	2014
Service costs	–383	–336
Net interest expense	–714	–1,073
Total pension expenses	**–1,097**	**–1,409**

In 2015, of the total amount of expenses for defined benefit plans, EUR 280k (prior year: EUR 240k) was included in cost of sales, EUR 71k (prior year: EUR 47k) in selling costs and EUR 32k (prior year: EUR 49k) 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 714k (prior year: EUR 1,073k) is included in finance expenses.

Actuarial assumptions

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

	31 Dec 2015	31 Dec 2014
Discount rate	2.3%	2.1%
Wage and salary trend	2.5%	2.0% – 2.5%
Pension trend	1.75%	1.75%

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 thousand EUR	31 Dec 2015	31 Dec 2014
Discount rate	0.5 percentage points higher	−2,379	−2,613
	0.5 percentage points lower	2,670	2,944
Wage and salary trend	0.5 percentage points higher	585	576
	0.5 percentage points lower	−522	−515
Pension trend	0.5 percentage points higher	1,617	1,794
	0.5 percentage points lower	−1,473	−1,642
Life expectancy	Decrease in mortality rate by 10%	1,468	1,522

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 (prior year: one year).

The weighted average duration of the defined benefit obligation based on the present values of the obligation is 13.45 years (prior year: 15.05 years).

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

In thousand EUR	31 Dec 2015	31 Dec 2014
Payments due within the next financial year	1,676	1,486
Payments due in 2 to 5 years	6,001	5,987
Payments due in 6 to 10 years	8,283	8,018
Payments due in 11 to 15 years	8,270	8,286
Payments due in 16 to 20 years	7,787	7,482
Payments due in more than 20 years	18,116	19,412

29 Other non-current provisions

In thousand EUR	Long-service bonus provisions	Other	Total non-current provisions
1 January 2015	**2,665**	**371**	**3,036**
Additions	481	56	537
Utilization	−183	−50	−233
Release	−23	−30	−53
Change in consolidation scope	−16	–	−16
31 December 2015	**2,924**	**347**	**3,271**

In 2015, the interest portion from unwinding of the discount on the long-service bonus provisions amounted to EUR 45k (prior year: EUR 77k). The other provisions mainly relate to provisions for vacancy costs.

30 Current provisions

In thousand EUR	Lawsuits and litigations	Onerous contracts	Warranties	Other	Total non-current provisions
1 January 2015	**3,055**	**1,731**	**1,686**	**4,876**	**11,348**
Additions	240	154	997	2,289	3,680
Utilization	−2,619	−657	−531	−2,092	−5,899
Release	−93	−10	−492	−836	−1,431
Change in consolidation scope	−58	–	−16	−481	−555
Currency differences	8	–	4	33	45
31 December 2015	**533**	**1,218**	**1,648**	**3,789**	**7,188**

The reported provisions for lawsuits and litigations relate to various litigation risks from various Group companies. The utitlization of the provision in 2015 comprises EUR 2.0m for the antitrust proceedings which was completed in the first quarter of 2015.

Provisions for onerous contracts of EUR 1.2m (prior year: EUR 1.7m) were recognized due to operating lease agreements in place, whose contractual obligations are not sufficiently covered by the expected economic benefit of the relevant locations.

The provisions for warranties primarily include provisions for freight and liability damage from operating activities.

The other current provisions include, among other things, provisions for various contractual and recourse risks as well as provisions for outstanding invoices and customer bonuses.

31 Income tax liabilities

The recognized liabilities are calculated from accrued income tax expenses for financial year 2015 and prior financial years amounting to EUR 5,315k (prior year: EUR 7,026k), less prepayments made totaling EUR 2,569k (prior year: EUR 3,358k).

32 Other liabilities

In thousand EUR	31 Dec 2015	31 Dec 2014
Liabilities relating to personnel:		
Wages and salaries	19,520	19,655
Social security	1,367	1,430
Accrued vacation	2,511	2,454
Other taxes and levies	5,829	6,189
Advances received from customers	2,504	3,526
Derivative financial instruments	1,218	1,155
Other liabilities, accruals and deferred income	8,158	8,167
Total other current liabilities	**41,107**	**42,576**
Sundry other non-current liabilities	4	5
Total other non-current liabilities	**4**	**5**
Total other liabilities	**41,111**	**42,581**

Other liabilities, accruals and deferred income as of 31 December 2015 include liabilities from billing transport containers totaling EUR 410k (prior year: EUR 639k).

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

In thousand EUR	31 Dec 2015	31 Dec 2014
Due within 1 year	24,872	25,371
Due 1 to 5 years	4	5
Other financial liabilities	**24,876**	**25,376**

Other Notes

33 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 thousand EUR	**Carrying amount 31 Dec 2015**	Amortized cost	Fair value through profit or loss	Fair value through OCI
Loans and receivables (LaR)	226,642	226,642	–	–
Available-for-sale (AfS)	729	137	–	593
Held for trading (HfT)	648	–	648	–
Financial assets	**228,019**	**226,779**	**648**	**593**
At amortized cost (FLAC)	170,687	170,687	–	–
Held for trading (FLHfT)	1,218	–	1,218	–
Financial liabilities	**171,905**	**170,687**	**1,218**	**–**

In thousand EUR	**Carrying amount 31 Dec 2014**	Amortized cost	Fair value through profit or loss	Fair value through OCI
Loans and receivables (LaR)	214,437	214,437	–	–
Available-for-sale (AfS)	726	129	–	598
Held for trading (HfT)	1,863	–	1,863	–
Financial assets	**217,026**	**214,565**	**1,863**	**598**
At amortized cost (FLAC)	177,726	177,726	–	–
Held for trading (FLHfT)	1,155	–	1,155	–
Financial liabilities	**178,881**	**177,726**	**1,155**	**–**

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 thousand EUR	Measurement category in accordance with IAS 39	**Carrying amount 31 Dec 2015**	Carrying amount in accordance with IAS 39		Carrying amount in accordance with IAS 17	**Fair Value as of 31 Dec 2015**
			Amortized cost	Fair Value		
Assets						
Investments	AfS	**729**	**136**	**593**	**–**	**593**
Other non-current assets	LaR	**1,399**	**1,399**	**–**	**–**	**1,399**
Trade accounts receivable	LaR	**126,936**	**126,936**	**–**	**–**	**126,936**
	LaR	5,645	5,645	–	–	5,645
	HfT*	648	–	648	–	648
	n.a.	10,871	–	–	–	–
Other receivables and current assets	**Total**	**17,164**	**5,645**	**648**	**–**	**–**
Cash and cash equivalents	LaR	**92,661**	**92,661**	**–**	**–**	**92,661**
Liabilities						
Non-current liabilities from leases	n.a.	**13,058**	**–**	**–**	**13,058**	**13,689**
Other non-current liabilities	FLAC	**4**	**4**	**–**	**–**	**4**
Trade accounts payable	FLAC	**146,297**	**146,297**	**–**	**–**	**146,297**
Current liabilities from leases	n.a.	**1,583**	**–**	**–**	**1,583**	**1,661**
Current loans and borrowings	FLAC	**732**	**732**	**–**	**–**	**732**
	FLAC	23,654	23,654	–	–	23,654
	FLHfT*	1,218	–	1,218	–	1,218
	n.a.	16,235	–	–	–	–
Other current liabilities	**Total**	**41,107**	**23,654**	**1,218**	**–**	**–**

* 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

In thousand EUR	Measurement category in accordance with IAS 39	**Carrying amount 31 Dec 2014**	Carrying amount in accordance with IAS 39		Carrying amount in accordance with IAS 17	**Fair Value as of 31 Dec 2014**
			Amortized cost	Fair Value		
Assets						
Investments	AfS	**726**	**129**	**598**	**–**	**598**
Other non-current assets	LaR	**1,378**	**1,378**	**–**	**–**	**1,378**
Trade accounts receivable	LaR	**141,422**	**141,422**	**–**	**–**	**141,422**
	LaR	4,688	4,688	–	–	4,688
	HfT*	1,863	–	1,863	–	1,863
	n.a.	12,899	–	–	–	–
Other receivables and current assets	**Summe**	**19,450**	**4,688**	**1,863**	**–**	**–**
Cash and cash equivalents	LaR	**66,959**	**66,959**	**–**	**–**	**66,959**
Liabilities						
Non-current liabilities from leases	n.a.	**13,420**	**–**	**–**	**13,420**	**14,378**
Other non-current liabilities	FLAC	**5**	**5**	**–**	**–**	**5**
Trade accounts payable	FLAC	**152,238**	**152,238**	**–**	**–**	**152,238**
Current liabilities from leases	n.a.	**1,454**	**–**	**–**	**1,454**	**1,518**
Current loans and borrowings	FLAC	**1,268**	**1,268**	**–**	**–**	**1,268**
	FLAC	24,216	24,216	–	–	24,216
	FLHfT*	1,155	–	1,155	–	1,155
	n.a.	17,205	–	–	–	–
Other current liabilities	**Summe**	**42,576**	**24,216**	**1,155**	**–**	**–**

* 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

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, in accordance with the fair value hierarchy.

31 Dec 2015 *In thousand EUR*	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	593	–	–	**593**
Forward exchange contracts held for trading	–	648	–	**648**
Liabilities				
Forward exchange contracts held for trading	–	1,218	–	**1,218**

31 Dec 2014 *In thousand EUR*	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	598	–	–	**598**
Forward exchange contracts held for trading	–	1,863	–	**1,863**
Liabilities				
Forward exchange contracts held for trading	–	1,155	–	**1,155**

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

Net results from financial instruments by measurement category

In thousand EUR	From interest	From subsequent measurement At Fair Value	From subsequent measurement Impairment	From disposal	**Net result 2015**
Loans and receivables	256	–	−484	–	−228
Available-for-sale financial assets	–	−8	–	–	−8
Financial assets held for trading	133	−72	–	–	61
Financial liabilities measured at amortized cost	−1,309	–	–	–	−1,309
Financial liabilities held for trading	−1,748	3	–	–	−1,745
Total	**−2,668**	**−77**	**−484**	**–**	**−3,229**

In thousand EUR	From interest	From subsequent measurement At Fair Value	From subsequent measurement Impairment	From disposal	**Net result 2014**
Loans and receivables	253	–	−101	–	152
Available-for-sale financial assets	–	30	−27	−24	−21
Financial assets held for trading	−541	102	–	–	−439
Financial liabilities measured at amortized cost	−2,167	–	–	–	−2,167
Financial liabilities held for trading	643	−43	–	–	600
Total	**−1,812**	**89**	**−128**	**−24**	**−1,875**

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

Currency risks

The companies of the Logwin Group generate revenues 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. Moreover, between the companies of the Logwin Group there are internal financing balances in foreign currencies. As a result, 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 potential foreign exchange risks affecting liquidity by using hedging instruments. 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 2015 would have an effect on the Group's net result of −/+ EUR 0.2m (prior year: −/+ EUR 0.2m).

As the euro is the reporting currency of the Logwin Group, the financial statements of the companies are translated into euro, which is the functional currency of the Group, for the purposes of the consolidated financial statements. 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 after a prolonged phase of low interest rates as a result of various influential factors. Increased rates of interest can pose a risk to the earnings of the Logwin Group. As of 31 December 2015, the Group had financial liabilities subject to variable interest rates resulting from finance lease contracts. Based on the variable-interest, unhedged financial liabilities, a change in the rate of interest as of 31 December 2015, by +/− 100 basis points would have an effect on the financial result of −/+ EUR 0.1m (prior year: /+ EUR 0.1m).

Maturity analysis of financial liabilities

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

In thousand EUR	31 Dec 2015		31 Dec 2014	
	Loans and Borrowings	Liabilities from leases	Loans and Borrowings	Liabilities from leases
Cashflow 1st year				
Interest	–	344	–	387
Redemption	732	1,583	1,268	1,454
Total	**732**	**1,927**	**1,268**	**1,841**
Cashflow 2nd year				
Interest	–	304	–	347
Redemption	–	2,078	–	5,063
Total	**–**	**2,382**	**–**	**5,410**
Cashflow 3rd year				
Interest	–	250	–	289
Redemption	–	1,334	–	1,441
Total	**–**	**1,584**	**–**	**1,730**
Cashflow 4th year				
Interest	–	207	–	247
Redemption	–	1,232	–	1,292
Total	**–**	**1,439**	**–**	**1,539**
Cashflow 5th year				
Interest	–	166	–	208
Redemption	–	1,112	–	1,198
Total	**–**	**1,278**	**–**	**1,406**
Cashflow after 5 years				
Interest	–	373	–	1,130
Redemption	–	7,302	–	4,426
Total	**–**	**7,675**	**–**	**5,556**

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 2015, 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 2015	
	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	9,360,000	2,298,176
AUD	4,620,000	2,978,934
CHF	80,000	73,869
CNH	73,260,000	10,036,430
CZK	3,800,000	140,190
GBP	2,280,000	3,153,350
HKD	45,120,000	5,267,478
HUF	249,000,000	792,041
KRW	912,000,000	700,470
MYR	10,320,000	2,156,520
PLN	250,000	57,924
SGD	80,000	48,426
TRY	480,000	148,377
USD	6,350,000	5,760,627
Total		**33,612,812**
Forward exchange contracts to hedge liabilities of Logwin AG arising from group financing and the operating activities of group companies		
Buy		
AED	11,580,000	2,833,182
AUD	4,780,000	3,116,626
CHF	2,040,000	1,903,943
CNH	155,920,000	22,039,492
CZK	19,310,000	716,068
GBP	3,685,000	5,108,434
HKD	94,510,000	11,065,371
HUF	587,000,000	1,870,283
INR	12,600,000	172,508
KRW	912,000,000	725,970
MYR	900,000	192,513
SGD	3,530,000	2,287,346
TRY	480,000	148,699
TWD	17,000,000	472,353
USD	12,505,000	11,421,242
Total		**64,074,030**

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

In thousand EUR	31 Dec 2015		31 Dec 2014	
	Nominal amount	Fair Value	Nominal amount	Fair Value
Assets				
Forward exchange contracts	41,368	648	42,075	1,863
Total	**41,368**	**648**	**42,075**	**1,863**
Liabilities				
Forward exchange contracts	56,319	1,218	29,591	1,155
Total	**56,319**	**1,218**	**29,591**	**1,155**

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.

Netting agreements are set out in the master agreements in place with the banks through which derivative financial instruments are concluded. However, these netting agreements only take effect in the event of insolvency. The presentation of the net amount for accounting purposes is therefore not permitted, as there is only a theoretical right of set-off at the end of the reporting period. If it were permitted, offsetting would allow a total of EUR 648k (prior year: EUR 1,155k) of the recognized assets of EUR 648k (prior year: EUR 1,863k) to be offset against the recognized liabilities of EUR 1,218k (prior year: EUR 1,155k).

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 in particular through the utitlization of existing credit facilities and the factoring facility.

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 thousand EUR	31 Dec 2015	31 Dec 2014
Liabilities from leases	−14,641	−14,874
Loans and borrowings	−732	−1,268
Gross financial debt	**−15,373**	**−16,142**
Cash and cash equivalents	92,661	66,959
Net liquidity	**77,288**	**50,817**
Trade accounts payable	−146,297	−152,238
Other liabilities and current provisions	−51,569	−56,966
Trade accounts receivable	126,936	141,422
Income tax receivables/liabilities	−1,822	−1,601
Other non-current and current receivables and assets	18,562	20,828
Inventories	2,638	2,505
Working Capital	**−51,552**	**−46,049**
Shareholders' equity	**114,533**	**102,060**

34 Financial commitments

The following table shows all unrecognized financial commitments as of 31 December 2015 and 2014:

In thousand EUR	31 Dec 2015	31 Dec 2014
Due within 1 year	30,151	30,806
Due within 2 to 5 years	48,306	45,618
Due after 5 years	9,317	7,133
Total	**87,774**	**83,557**

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, escalation clauses or contingent rent payments. There are no resulting restrictions on the Group's activities concerning dividends, additional debt or the conclusion of further leasing contracts.

In financial year 2015, operating lease expenses amounted to EUR 38,998k (prior year: EUR 42,374k). In financial year 2015, the Group received EUR 1,570k (prior year: EUR 2,432k) from sub-leasing agreements.

35 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 2015 will not result in material obligations.

Logwin Road + Rail Austria GmbH was served with a claim from the Austrian customs authorities in April 2010 demanding back-payment of import VAT of around EUR 17m plus interest 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 relevant Logwin company lodged an appeal against the decision but it was unsuccessful. By order of the Administrative Court dated 25 November 2015, the appeal was rejected. The customs office did not initiate its enforcement based on a confirmation of cover by the insurer in charge of the loss adjustment. In the remission procedure initiated, Logwin, also with reference to court rulings under European law, filed for the full remission of these payments plus interest as the company believes it is not at fault. As of the end of the reporting period, a remission of these payments is considered to be rather likely against the backdrop of favorable prospects. Therefore, no liabilities have been reported in these financial statements to cover this matter. A confirmation of cover by the insurer in charge of the loss adjustment exists if Logwin's liability has been recognized by declaratory judgment and the request for remission has been legally rejected. There could be considerable negative consequences on the Logwin Group's net asset and financial position if the remission procedure proves unsuccessful and the insurer fails to provide (sufficient) cover despite its confirmation of cover.

36 Auditor's fees

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

In thousand EUR	Auditors of Luxembourg companies	Auditor's network abroad
Audit services	101	502
Tax services	–	10
Other services	–	15
Total	**101**	**527**

37 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 2015, payments in the amount of EUR 108k (prior year: EUR 89k) were made to a defined contribution pension plan for members of management.

In thousand EUR	2015	2014
Members of the Executive Committee	3,215	2,595
thereof fixed portion of regular compensation	*2,003*	*1,814*
thereof variable portion of regular compensation	*1,212*	*781*
Non-executive members of the Board of Directors (fixed compensation)	120	120

38 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 2015 and 2014, 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 thousand EUR	2015	2014	2015	2014
Services provided	5	2	201	239
Services received	269	227	578	799
Receivables as of 31 Dec	6	33	–	4
Payables as of 31 Dec	64	–	98	108

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 2015, the Logwin Group’s revenues from companies of the BMW Group amounted to EUR 22,815k (prior year: EUR 26,361k). Receivables from BMW Group amounted to EUR 2,476k as of 31 December 2015 (prior year: EUR 1,735k). 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 2015, these resulted in expenses for the Logwin Group in an amount of EUR 34k (prior year: EUR 52k).

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

39 Events after the reporting period

No other material events occurred between 31 December 2015 and the preparation of the consolidated financial statements by the Board of Directors of Logwin AG on 29 February 2016 which would require reporting.

40 List of shareholdings

The table below lists all companies of the Logwin Group as of 31 December 2015:

	Share of capital
Solutions	
Logwin Road + Rail Luxemburg S.à r.l., LU-Grevenmacher	100.00%
Logwin Solutions Management GmbH, DE-Aschaffenburg	100.00%
Logwin Solutions Holding International GmbH, AT-Salzburg	100.00%
Logwin Solutions Austria GmbH, AT-Salzburg	100.00%
Logwin Solutions Network GmbH, DE-Aschaffenburg	100.00%
Logwin Solutions Italy S.r.l. i.L., IT-Melzo	100.00%
Logwin Solutions Spain S.A., ES-Madrid	100.00%
Logwin Solutions Deutschland GmbH, DE-Aschaffenburg	100.00%
Logwin Solutions Liechtenstein AG, LI-Eschen	100.00%
Logwin Solutions Neckartenzlingen GmbH, DE-Neckartenzlingen	100.00%
Air + Ocean	
Logwin Air + Ocean International GmbH, DE-Aschaffenburg	100.00%
Logwin Air + Ocean Beteiligungs GmbH, DE-Aschaffenburg	100.00%
Logwin Air + Ocean Deutschland GmbH, DE-Aschaffenburg	100.00%
Logwin Air + Ocean Switzerland AG, CH-Pratteln	100.00%
Logwin Air + Ocean UK Limited, GB-Uxbridge	100.00%
Logwin Air + Ocean Belgium N.V., BE-Antwerpen	100.00%
Logwin Air + Ocean Czech S.r.o., CZ-Mladá Boleslav	100.00%
Logwin Air + Ocean Hungary Kft., HU-Budapest	100.00%
Logwin Air + Ocean The Netherlands B.V., NL-1438 AX Oude Meer	100.00%
Logwin Air + Ocean Poland Sp.z.o.o., PL-Piaseczno	100.00%
Logwin Air + Ocean Italy S.r.l., IT-Milano	51.00%
Logwin Air & Ocean Spain S.L., ES-Barcelona	100.00%
Logwin Air + Ocean Austria GmbH, AT-Salzburg	100.00%
Logwin Air and Ocean Lojistik Hizmetleri ve Ticaret Limited Sirketi, TR-Istanbul	100.00%
Logwin Air and Ocean South Africa (Pty.) Ltd., ZA-Johannesburg	100.00%
Logwin Air and Ocean Kenya Ltd., KE-Nairobi	60.00%
Leadway Container Depot (Pty) Ltd, ZA-Lynnwood	100.00%
Logwin Air & Ocean Hong Kong Ltd., HK-Hongkong	100.00%
Logwin Air + Ocean Taiwan Ltd, TW-Taipeh	100.00%
Logwin Air + Ocean Philippines Inc., PH-Paranaque City	100.00%
Logwin Air & Ocean Korea Ltd., KR-Seoul	100.00%
Logwin Air + Ocean China Ltd., CN-Shanghai	100.00%
Logwin Air + Ocean Shanghai Ltd., CN-Shanghai	100.00%
Logwin Air & Ocean Far East Ltd., HK-Hongkong	100.00%
Logwin Air + Ocean Singapore Pte. Ltd., SG-Singapore	100.00%
Logwin Air & Ocean Vietnam Company Limited, VN-Hochiminh City	100.00%

Logwin Air + Ocean Malaysia Sdn. Bhd., MY-Kuala Lumpur	100.00%
Logwin Air + Ocean (Thailand) Ltd., TH-Bangkok	100.00%
P.T. Logwin Air & Ocean Indonesia, ID-Jakarta	90.00%
Logwin Air & Ocean India Pvt. Ltd., IN-Mumbai	100.00%
Logwin Air & Ocean Australia Pty. Ltd., AU-Alexandria	100.00%
Logwin Air + Ocean Mexico S.A. de C.V., MX-City	100.00%
Logwin Air + Ocean Colombia SAS, CO-Bogota	100.00%
Logwin Air + Ocean Brazil Logística e Despacho Ltda., BR-Sao Paulo	100.00%
Logwin Air + Ocean Chile S.A., CL-Santiago	100.00%
Logwin Air & Ocean Middle East LLC, AE-Dubai	60.00%
Sonstige	
Logwin AG, LU-Grevenmacher	100.00%
Logwin Service Austria GmbH, AT-Bergheim	100.00%
Logwin Holding Immo Aschaffenburg GmbH, DE-Aschaffenburg	100.00%
Logwin Air + Ocean Holding Austria GmbH, AT-Salzburg	100.00%
Logwin Road + Rail Austria GmbH, AT-Salzburg	100.00%
Thiel AS Logistics AG, LU-Grevenmacher	100.00%
Logwin Road + Rail Deutschland GmbH, DE-Aschaffenburg	100.00%
Logwin Holding Aschaffenburg GmbH, DE-Aschaffenburg	100.00%
Logwin Finance GmbH, DE-Aschaffenburg	100.00%
Logwin Solutions Holding Deutschland GmbH, DE-Aschaffenburg	100.00%
ANSH Aschaffenburger Nutzfahrzeuge, Service und Handels GmbH, DE-Aschaffenburg	100.00%
Aschaffenburger Versicherungsmakler GmbH, DE-Aschaffenburg	100.00%
Logistics International AG i.L., CH-Pratteln	100.00%
Not consolidated	
Leadway Freight Ltd. HK-Hongkong n.o.	100.00%
Logwin Forwarding Malaysia Sdn. Bhd., MY-Kuala Lumpur	49.00%
A + O Distribution Corporation, PH-Paranaque City	100.00%
Logwin Air and Ocean Simesonke (Pty.) Ltd., ZA-Spartan Kempton Park	100.00%
Leadway Container Line Ltd., SG-Singapore	100.00%
East West Freight Ltd., HK-Hongkong	100.00%
Lippe Logistik GmbH & Co. KG, DE-Lemgo	100.00%
Lippe Logistik Verwaltungs GmbH i.L., DE-Lemgo	100.00%
Logwin Solutions Lojistik Hizmetleri ve Ticaret Ltd. Sti. i.L., TR-Istanbul	100.00%
Hellmann Beverage Logistics Inc, US-FL-Miami	50.00%
LAWE Vermögensverwaltungs GmbH, AT-Salzburg	50.00%
FLW Mietbau- und Speditions GmbH i.L., AT-Salzburg	50.00%
Speditionsbau- und Verwertungsgesellschaft mbH, AT-Salzburg	25.00%
ZAO WELZ ZIM, RU-Moskau	50.00%
Transcontainer-Universal GmbH & Co. KG, DE-Bremen	6.86%

Investments of the Logwin AG are not consolidated, if the company does not carry out any business operations or if the Group does not exercise any significant influence on the company. Furthermore for investments of minor importance for the consolidated financial statements no consolidation using the at equity method has been carried out.

In the year under review, the Logwin Group employed 4,188 people on average (prior year: 4,296).

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), as adopted by the European Union. 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 2015 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), 29 February 2016

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."

Dr. Antonius Wagner
(Chairman of the Board of Directors)

Sebastian Esser
(Member of the Board of Directors)

To the Shareholders of
Logwin AG, Société Anonyme
5, an de Längten
L-6776 Grevenmacher

Report of the Réviseur d'entreprises agréé

Report on the consolidated financial statements

Following our appointment by the General Meeting of the Shareholders dated 8 April 2015, we have audited the accompanying consolidated financial statements of Logwin AG, which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising 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 financial statements 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 of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé
Our responsibility is to express an opinion on these consolidated financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 financial statements.

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 financial statements give a true and fair view of the consolidated financial position of Logwin AG as of 31 December 2015, and of its consolidated financial performance and its consolidated 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 financial statements. The Corporate Governance Statement, as published on the Company's website (http://www.logwin-logistics.com/company/investors/governance.html), as of the date of this report is the responsibility of the Board of Directors. This statement is consistent, at the date of this report, with the consolidated financial statements and includes the information required by the law with respect to the Corporate Governance Statement.

Luxembourg, 29 February 2016

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Frauke Oddone