Annual Report 2011

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–

A HUNDRED THIRTY FIVE

BLG LOGISTICS

135 YEARS
THE STRENGTH TO CHANGE ::

BLG is a long-established company that has stayed young – rich in experience, open to new ideas, exploiting opportunities. It was founded by merchants for the storage and handling of maritime cargo in Bremen in 1877. Today it is a seaport-oriented logistics specialist with international operations.

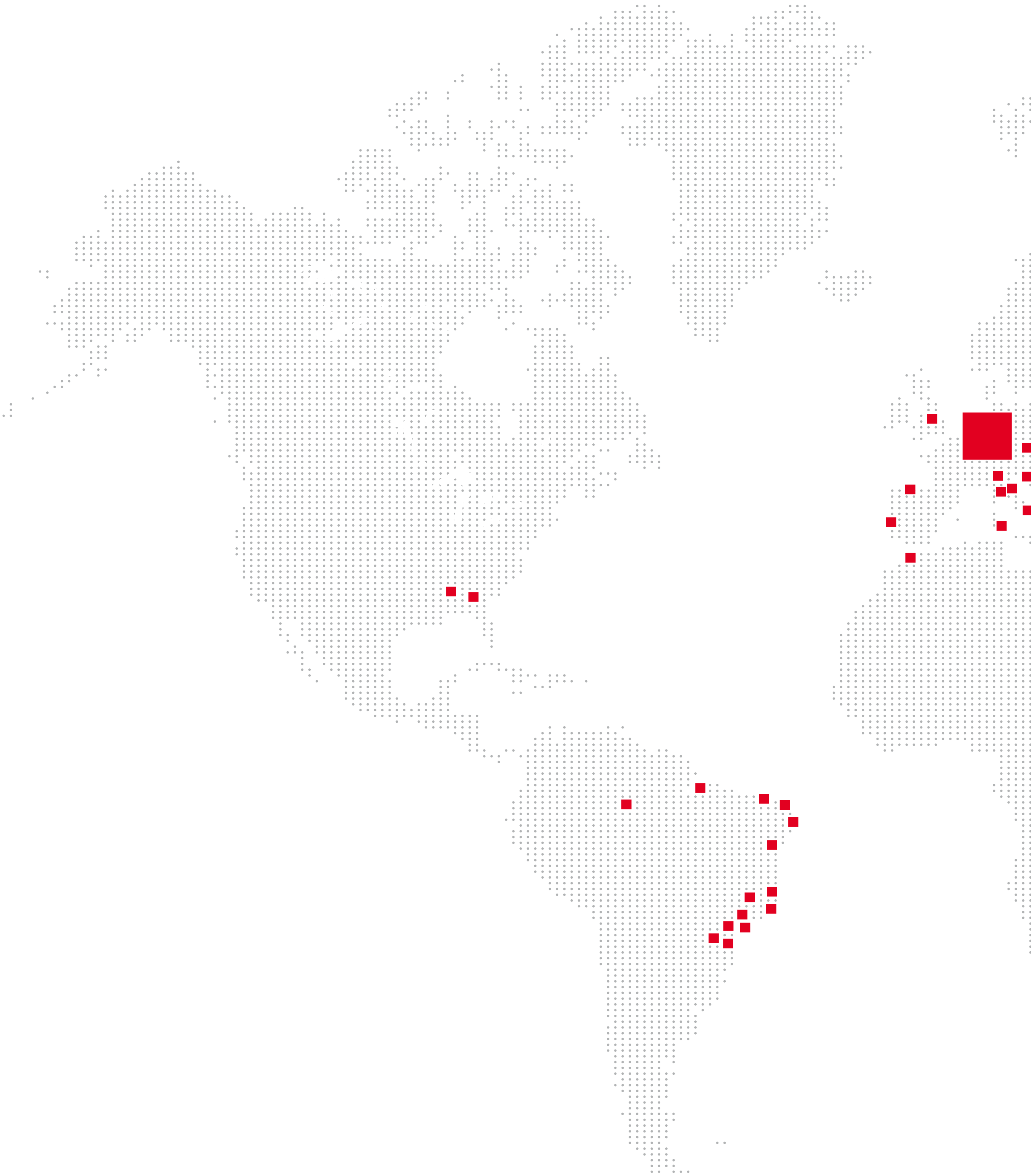
“Nothing is as constant as change,” as the saying goes. Only those who face change and consistently shape the future can survive in the long run. BLG is able to do just that.

We set ourselves clear goals: medium-term and long-term, operational and strategic, ecological and socially responsible. We successfully push forward our corporate development. The focus is on Europe. However, we support our clients and increasingly tackle market developments overseas as well. Logistics services are employment-intensive. In the past years we have thus been able to create many new jobs – particularly in Bremen and Bremerhaven.

Time has shown that BLG always reads the signs at an early stage and history has demonstrated that BLG always implements change successfully. This is how we mastered the global economic and financial crisis in 2009.

But where does this strength come from? It comes from the many competent and committed people at BLG who reliably steer the company through the ups and downs of history. With their unflagging support the company can look confidently into the future.

The Board of Management



OUR LOCATIONS

Alhandra | Anchieta | Atlanta | Beijing | Belem | Berlin | | Böblingen | Bremen | Bremerhaven | Brotterode | Cape Town | Cagliari | Chenna
Falkenberg | Fortaleza | Frankfurt | Fuzhou | Gdansk | Gioia Tauro | Glenmarie | Hamburg | Illychevsk | João de Pessoa | Johannesburg | Ka
Mainz | Manaus | Marcianise | Melle | Melzo | Moscow | Mumbai | Neuss | Nošovice | Offenburg | Paderborn | Padua | Paranagua | Pekan
Resende | Rho | Salerno | Salvador | Santos | São Paulo | Schöps | St. Petersburg | Tangier | Taubaté | Tianjin | Trieste | Tuscaloosa | Ust-Lu

ai | Curitiba | Cuxhaven | Dabrowa Gornicza | Dodendorf | Doncaster | Duisburg | Durban | East London | Emmerich | Erfurt | Eisenach |
ahla | Kelheim | Kempen | Kiev | Koblenz | Kölleda | Koper | Krefeld | Kuala Lumpur | Kulim | La Spezia | Lisbon | Ludwigsfelde | Milan |
| Polch | Port Elizabeth | Port Klang | Porto Velho | Prague | Pretoria | Pune | Ranjangaon | Ravenna | Ravensburg | Recife | Remshalden |
uga | Uitenhage | Vitoria | Wackersdorf | Wallenhorst | Walldorf | Wilhelmshaven | Wurzen | Wörth | Zilina

Key figures for BLG Group

		2011	2010	Change
Sales and earnings				
Sales	million EUR	1,008.5	897.4	12.4 %
Return on sales[1]	%	6.3	5.6	12.5 %
EBITDA	million EUR	131.2	111.5	17.7 %
EBIT	million EUR	63.4	49.9	27.1 %
EBT	million EUR	48.5	34.1	42.2 %
Asset and capital structure				
Balance sheet total	million EUR	1,031.0	976.3	5.6 %
Investments in long-term intangible and tangible assets	million EUR	66.4	33.6	97.6 %
Capitalization ratio[1]	%	64.4	69.0	-6.7 %
Equity-to-fixed-assets ratio (golden balance sheet rule)[1]	%	104.6	93.1	12.4 %
Working capital ratio[1]	%	102.5	77.0	33.1 %
Equity	million EUR	353.2	330.4	6.9 %
Equity ratio[1]	%	34.3	33.8	1.5 %
Equity ratio (adjusted for hybrid capital)	%	26.7	25.8	3.5 %
Return on equity[1]	%	14.2	10.6	34.0 %
Net indebtedness[1]	million EUR	340.6	349.1	-2.4 %
Return on total assets[1]	%	6.3	5.1	23.5 %
Cash flows[2]				
Cash flow from current operating activities	million EUR	88.1	110.8	-20.5 %
Cash flow from investment activities	million EUR	-57.6	-22.4	-157.1 %
Cash flow from financing activities	million EUR	37.2	-81.9	145.4 %
Capital-market-oriented key figures				
BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–				
Earnings per share	EUR	0.58	0.34	70.6 %
Dividend	EUR	0.40	0.30	33.3 %
Human resources				
Employees[3]	Yearly average	6,261	5,949	5.2 %
Personnel cost ratio	%	44.9	45.3	-0.9 %
Jobs worldwide		15,500	14,700	5.4 %

[1] For calculation of the key figures we refer to p. 86 in the Group Management Report.
[2] The composition of the cash flows is shown in the cash flow statement on p. 118.
[3] Determination in accordance with Section 267 (5) HGB

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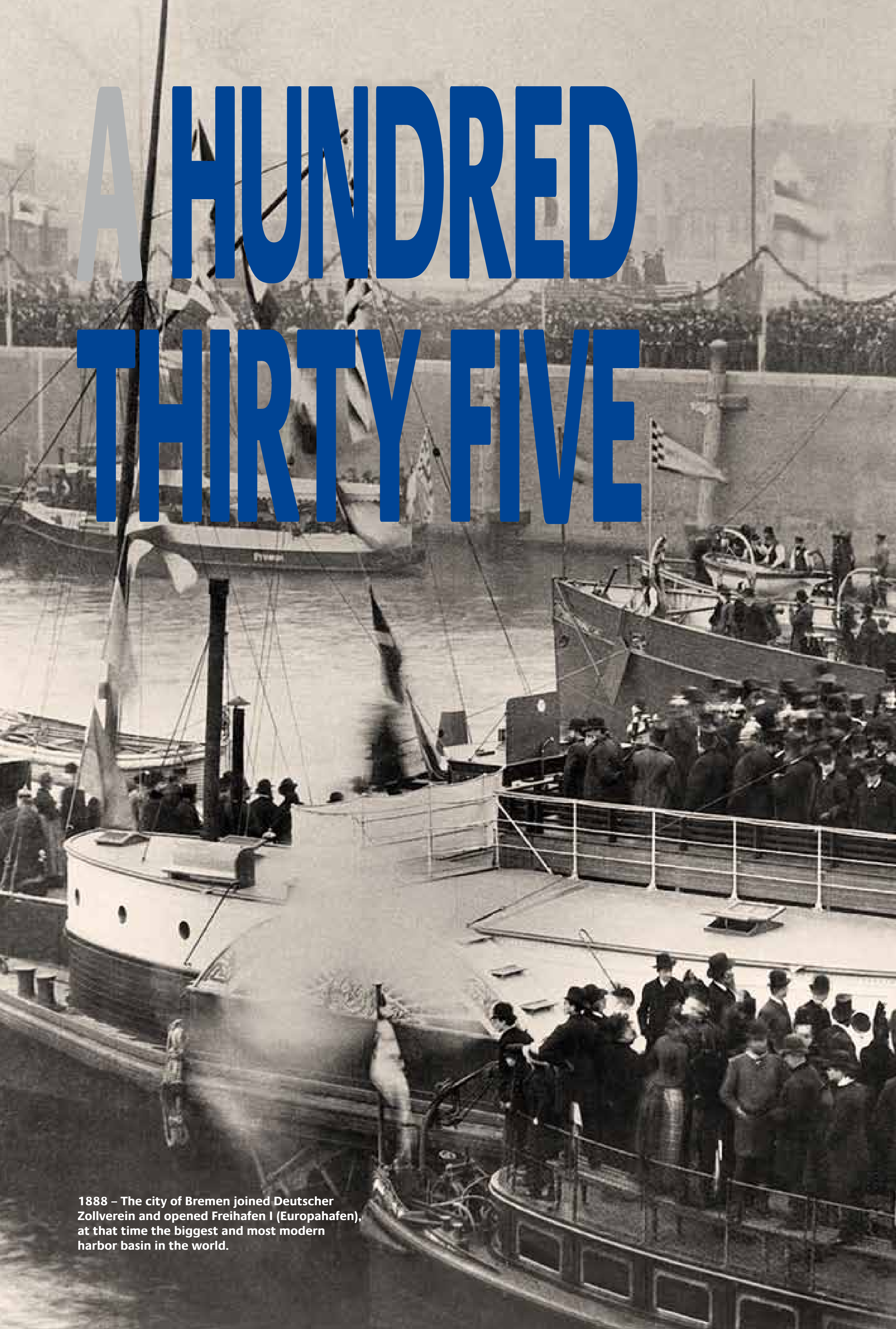
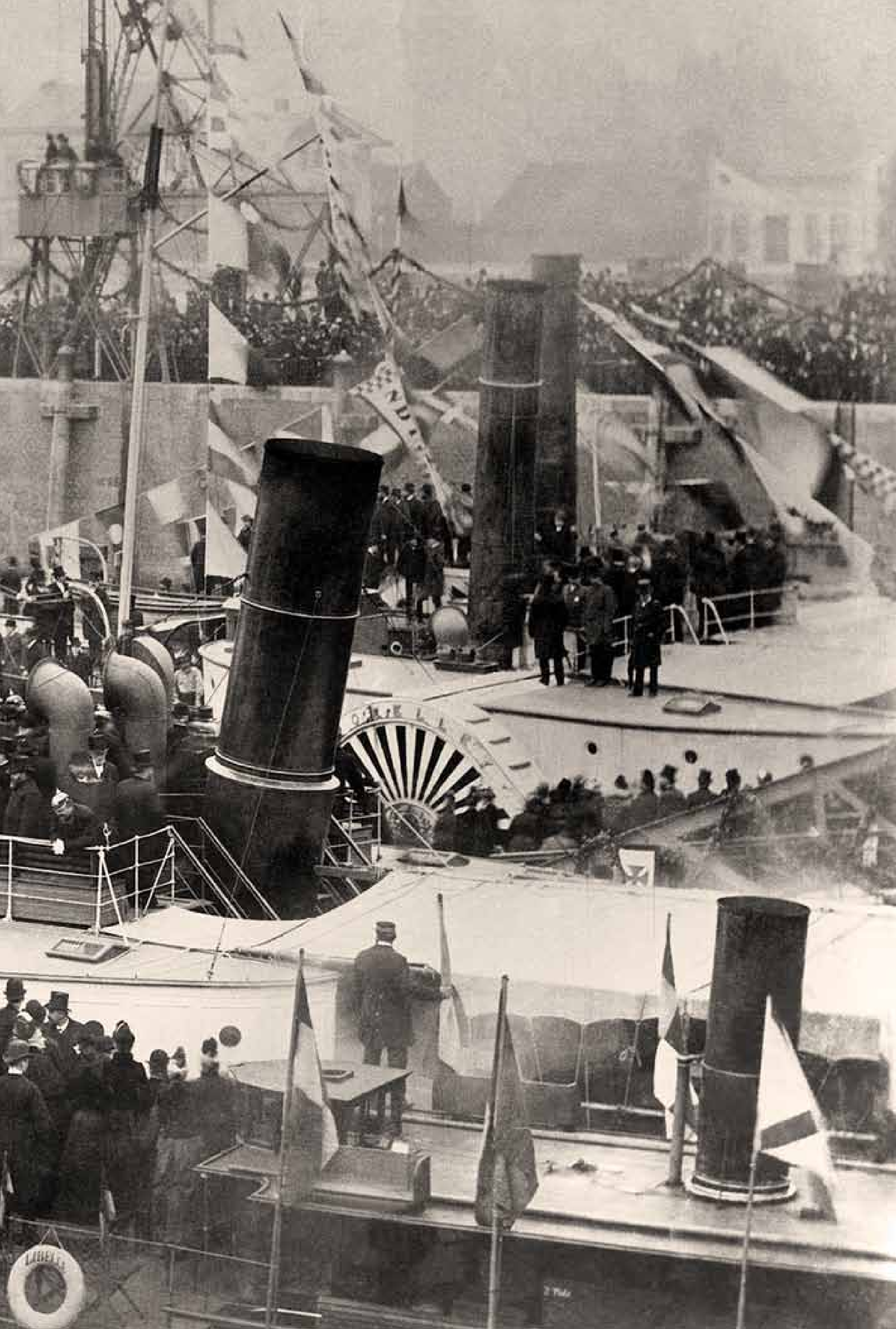


1888 – The city of Bremen joined Deutscher Zollverein and opened Freihafen I (Europahafen), at that time the biggest and most modern harbor basin in the world.



Sicherheitshafen – nucleus of BLG on the left bank of the Weser – in 1877

From Bremer Lagerhaus-Gesellschaft to the BLG LOGISTICS GROUP

In February 1877 sixty five merchants established Bremer Lagerhaus-Gesellschaft. They combined their storage capacities, which were spread all over the city, on the waterfront and initially concentrated them in Sicherheitshafen (now Hohentorshafen). This idea turned into a long success story for Bremen – interrupted only by the two world wars and the structural transformation that took place in connection with the political and economic changes towards the end of the 1980s – in particular the opening in Eastern Europe.

BLG's service portfolio has grown throughout its history and has been repeatedly extended in the course of world economic and technological development. This resulted in significant expansion of port business, which was previously restricted to Bremen and Bremerhaven. Since 1998 the corporate group has developed into an international logistics specialist. Today it operates in Europe, North and South America, Asia and Africa with over 100 companies and branches.

Bremen and BLG experienced a constant upswing in Germany's seaport history. Freihafen I (Europahafen), the largest and most modern harbor basin in the world at that time, was finished back in 1888, only eleven years after the establishment of BLG. The city of Bremen as the owner assigned operation to BLG. Soon Freihafen II (Überseehafen) and the grain facility were added. In 1953 BLG also took over the freeports in Bremerhaven and in the mid-1960s Neustädter Hafen in Bremen.

The merchant submarine DEUTSCHLAND is loaded in Bremen in 1916

Difficult years

But first it was necessary to get through hard times. Due to the British sea blockage in World War I, Bremen with its focus on foreign trade had to shift its alignment to the domestic economy. Most men were conscripted. There was hardly any work in the ports any more.

The shortage of raw materials in Germany was so pronounced that Bremen came up with the idea of setting up a scheduled service to America with merchant submarines so as to procure raw materials important for the war effort. At that time it was considered technically impossible to cross the Atlantic with submarines. Nevertheless, it worked. The merchant submarine DEUTSCHLAND completed two successful voyages. Drugs and dyes were loaded at BLG in Bremen. The sister vessel BREMEN was lost without a trace on its first departure and the OLDENBURG did not even go into service because the US entered the war in 1917.

Things were even worse in World War II. The first bombs fell in summer 1940. At the end of the war the ports were reduced to rubble. The sheds were extensively destroyed and the harbor basins blocked by sunk ships. However, clearing-up operations started up right away. In the provisionally repaired Überseehafen work commenced again in autumn 1945. Reconstruction of the ports as the economic basis of the city had top priority. At the beginning operations were dominated by imports from the European Recovery Program (ERP) and other aid programs (CARE packages). However, trade and commerce increasingly gained importance again.

Setting off into the present

Reconstruction was a race against time. There was a shortage of capacity in Überseehafen. As of 1950, therefore, efforts focused on refurbishing Europahafen. The annual cargo handling volume of 9.7 million tons in 1952 already surpassed the prewar level in the Bremen ports. When the capacity of the ports again corresponded to the prewar level at the end of the1950s, the cargo handling volume there amounted to nearly 15 million tons. The "economic miracle" unfolded its force. There was a shortage of berths, needed area and storage space. Ships were often anchored off the island of Wangerooge for days at a time before they found space in the port. A new facility on the left bank of the Weser was supposed to resolve the problem, Neustädter Hafen. When the basin and the first shed were completed in the mid-1960s, the next quantum leap in development was about to take place. The container age was emerging.

Destroyed shed 15 in Bremen's Überseehafen, 1941

The MS FAIRLAND in Bremen's Überseehafen, 1966

Containers – a new dimension

The standardized "American boxes" were an entirely new dimension in port business. Most experts at that time, however, did not believe there was any future for the container, at least not in Europe. The leading minds at BLG thought otherwise. They conducted negotiations with the American shipping company Sea-Land Inc. In 1966 the FAIRLAND made fast at shed 15 in Überseehafen and discharged the first containers on German soil.

The container was not the only innovation. According to the ferry principle, ro-ro vessels were built for overseas traffic. Large rolltrailers were stowed in the port and rolled on board via ramps using tractor trucks after the arrival of the ships. That saved time and money. Later everything with wheels rolled on board on its own wheels. Rolling cargo gained a strong position in maritime transport. Compared to conventional shipments, the container was a genuine revolution. Short lay times in ports, lower costs, regular scheduled services with fewer vessels in comparison to traditional general cargo freighters and transshipment via complete truck or railway wagon loads meant significant rationalization. The average capacity of an eight-person gang working with conventional general cargo was 100 tons per shift. Nowadays a team with a gantry crane can handle up to 5,000 tons per shift.

Bremerhaven gains significance

Container traffic required entirely new facilities with large gantry cranes and expansive outdoor areas. Neustädter Hafen was quickly replanned and the Bremen Container Terminal came into being. The first gantry crane for containers was acquired in the US in 1967.

Ro-ro discharge in Bremen's Überseehafen, 1974

Unloading containers with shipboard gear in Neustädter Hafen, Bremen, 1967

Because of booming development, a decision was made in Bremen to build up Bremerhaven. There were sufficient outdoor areas there for the expanding traffic. Operations were launched in mid-1968, initially in Nordhafen, after the first cut of the spade for the riverside quay of the Bremerhaven Container Terminal took place at the beginning of the year. It was inaugurated in 1971. After four stages of development up to now the terminal has grown to a length of nearly five kilometers.

New technologies require new know-how. The Bremen port college was founded for this purpose in 1971. The aim was to train multifunctional specialists for diverse assignments. This could not be achieved through in-house further training alone, however. That was the reason for setting up the port college along with a new job profile for skilled port workers. At the beginning of the 1970s Bremen recognized the importance of communication as a "production factor". Modern transport procedures required information more rapidly. This is why dbh (Datenbank Bremische Häfen) was established in 1973 and along with it COMPASS, the first port information system in the world. In the 1980s IT-supported transport procedures and intercontinental data exchange (EDI) became standard in the Ports of Bremen and Bremerhaven. As of the 1990s, PC and Internet opened up completely new opportunities of global communication via IT networking.


Commissioning of Container Terminal I in Bremerhaven, 1971

Beginning of cargo handling for Japanese vehicles in Bremerhaven at the end of the 1970s

When the Japanese automobile industry launched its export offensive at the end of the 1970s, BLG was involved right from the start. The cooperation with manufacturers in the Far East formed the basis for construction of the Auto Terminal. Today Bremerhaven is one of the biggest automobile hubs in the world, handling over two million vehicles annually. Technical centers perform comprehensive automotive services.

Structural change nonstop

The triumphal march of the container and rolling cargo led to a shift in maritime traffic from Bremen to Bremerhaven. The latter had sufficient space for building large specialized facilities to handle modern maritime transport. The terminals are located on the North Sea and thus provide optimum conditions for large seagoing vessels. However, renewed deepening of the shipping channel in the Outer Weser was necessary in view of the current size of container ships. Official plan approval has already been given. The beginning of construction is expected this year.

Because of the shift to Bremerhaven, old port areas in Bremen can be utilized for other purposes. Überseehafen, for instance, has been turned into Überseestadt with attractive commercial and residential space. Neustädter Hafen, with its special terminals for forestry products and for steel, machines and equipment, as well as Holzhafen and Industriehafen remain port facilities.

At the end of the 1980s it became evident that cargo handling and storage were no longer adequate as the basis for operations in the long term. The classic port services constituted a cost variable of substantially less than 10 percent within the transport chain. Another factor was the declining revenue trend under growing competitive pressure.

Backfilling of Bremen's Überseehafen, 1998

The Eastern European markets that were so important for Bremen based on their employment-intensive general cargo volume collapsed. Globalization moved to a new phase.

To increase added value, concepts were developed to improve the vertical range of services. This led to the establishment of modern logistics centers in Bremen and Bremerhaven as well as a freight village. The Bremen freight village was the first of its kind and was regarded as exemplary for Europe. Mainly freight forwarding services are concentrated there.

BLG high-bay warehouse and Neustädter Hafen, Bremen

Globalization through cooperation

Cooperation is a key factor for BLG's strategic development. Progressive globalization with its international division of labor places higher and higher demands on quality and reliability of shipments. This means increasing focus is placed on offering organization and management of intercontinental logistics chains from a single source. Since ports along with their infrastructure are tied to their location, this function is accomplished by means of alliances, cooperation, joint ventures and shareholdings domestically and abroad. BLG is actively involved where customers require services.

The basic conditions for development and growth are good. In the course of globalization the world trade volume is growing faster than international production. 95 percent of all intercontinental shipments take place via maritime routes. Seaports are the interfaces and the Ports of Bremen and Bremerhaven maintain a strong position in a worldwide comparison.

Transshipment of steel pipes for former Soviet Union in Neustädter Hafen, Bremen, 1986

BLG's role

Since its establishment in 1877 BLG has played a major role for the development of the Ports of Bremen and Bremerhaven. In its most successful years as a local port operator BLG had over 4,000 employees. In the 1970s most of the maritime shipments were not yet containerized because international standardization of the container as a transportation system was not completed until the end of the 1970s. Shipments to the former Soviet Union, which traditionally played a major role for Bremen, were not containerized until later. This changed in the 1980s and the opening of Eastern Europe as of autumn 1989 unfolded entirely new dimensions for globalization.

BLG found itself in a crisis due, among other things, to the loss of conventional shipments for the disintegrated Soviet Union and the shift of earlier maritime shipments to overland routes. In spite of increased cargo handling volumes for container and automobile transport, it was not possible to compensate for these losses. Therefore, the company underwent extensive restructuring in 1997. In 1998 the new BLG was ready to take off.

The new BLG was to develop from a local port operating enterprise into an international logistics specialist. This included a completely new corporate structure, the direct and indirect capability of the subsidiaries to acquire shareholdings, a streamlined portfolio and extension of the vertical range of services.

On formation of the Group the company was soon renamed BLG LOGISTICS GROUP AG & Co. KG. BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– is the general partner and manager in this limited partnership. The municipality of Bremen is the limited partner. With a 50.4 percent share it holds the majority of the share capital in the listed stock corporation. The close partnership with the city of Bremen forms a solid basis. BLG's "publicly owned – privately managed" model is the object of great interest even outside Bremen.

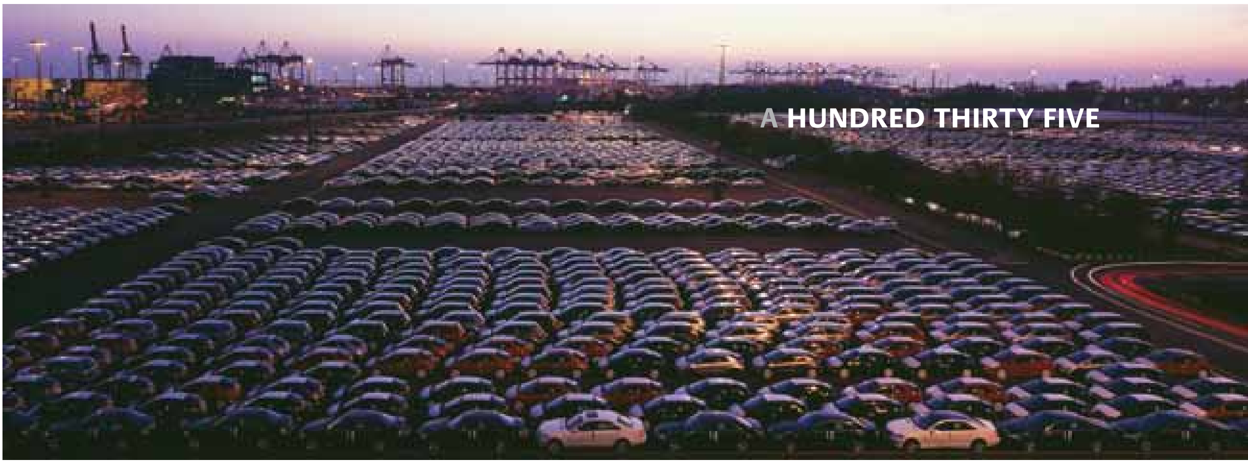
BLG conducts business through three operational divisions, Automobile Logistics, Contract Logistics and Container Logistics. The divisions operate in their respective specific markets, but also complement each other in a number of other business segments and develop complete logistics chains as a joint service. By tapping new segments and extending the vertical range of services as well as the geographic reach, the local port operator became an international logistics group.

BLG overcame the worldwide economic and financial crisis in 2008 and 2009 with a dual strategy of cost-saving measures, to the extent they were feasible and sensible, consistent continuation of investments in the development of new markets as well as through a strategic market offensive. It was thus able to secure the entire core workforce in the Group.

Current development

In 2011 BLG earned sales of over one billion euros for the first time. The earnings before taxes were 48.5 million euros. In 1998, the first year after restructuring, sales amounted to around 250 million euros and pretax earnings came to about five million euros. There are now approx. 15,500 employees in the Group, including shareholdings. In 1998 there were only around 3,000.

In 2002 BLG takes over Bremen automobile freight forwarder E.H. Harms



The Automobile Logistics Division

The AUTOMOBILE Division performs logistics services for finished vehicles and essentially handles worldwide distribution from the manufacturers to the dealers in the countries of destination. With a volume of 6.5 million vehicles this division has maintained its position as a leading automobile logistics specialist in Europe in 2011.

The pillars of the division are terminals on the coast, on large rivers and inland, supplemented by shipments via road, rail and water as well as by in-house technical centers. In addition to PDI (Pre-Delivery Inspection) there, such extras as DVD players, mobile phones, navigation systems and glass roofs are installed. The service profile also includes retrofitting special models. A modern truck fleet comprising over 500 car transporters serves to link the seaport to more than 7,000 dealers. Moreover, 1,300 special railway wagons are employed for vehicle transport via rail.

In addition to the seaport terminals in Bremerhaven, Gioia Tauro, Cuxhaven, Hamburg, Gdansk and St. Petersburg, the division also operates several terminals on the Rhine and Danube. Seven inland vessels are in operation for car transport there. The Danube connection is part of our Eastern European strategy. BLG provides logistics services in Slovakia, the Czech Republic and Slovenia. Furthermore, automobile terminals are operated in Poland, Ukraine and Russia.

Car transport on road, rail and water

Retail trade logistics for Konica Minolta

BLG COLDSTORE

Tripods on OFFSHORE BHV I pontoon on the way to ABC peninsula in Bremerhaven

The Contract Logistics Division

The CONTRACT Division implements comprehensive individual logistics solutions for clients in industry and the distributive trade. The focal points of its services include car parts logistics, industrial and production logistics, retail trade and distribution logistics, seaport logistics for conventional goods in Bremen and the BLG COLDSTORE at the Bremerhaven Container Terminal. Providing logistics services for the offshore wind energy sector is a relatively new business segment.

In the field of contract logistics BLG invests wherever clients need its services. For example, logistics centers and special facilities now operate at over 30 locations in Europe and overseas for such strong brands as adidas, BMW, Mercedes, MAN, VW, Siemens, Konica Minolta, Ikea, Tchibo, Griesson – de Beukelaer, Hansgrohe, Bosch and Automotive Lighting.

Car parts logistics for the automotive industry

Bremerhaven
Container Terminal

The Container Logistics Division

The EUROGATE joint venture, the leading terminal operator in Europe, develops the CONTAINER Division. Its position is based on the continental terminal concept, extended to include all services related to container transport. The network encompasses shipments via rail, road and water as well as logistics services for containerized goods.

The terminal network comprises the Bremerhaven, Hamburg, Lisbon, Gioia Tauro, La Spezia, Ravenna, Salerno, Cagliari, Tangier and Ust-Luga locations. In 2012 it will also include the EUROGATE container terminal in Wilhelmshaven. In 2011 13.3 million standard containers (TEU) were handled in the terminal network. The strongest location is Bremerhaven with 5.9 million TEU last year.

Container handling by means of van carrier

Arrival of first gantry cranes for EUROGATE container terminal in Wilhelmshaven

Josef Hattig at Bremen's Marktplatz talking to his interview partner, Robert von Lucius (F.A.Z.)

Interview with Josef Hattig

"We are headed in the right direction"

Mr. Hattig, you are stepping down from your last "big" office as Chairman of BLG's Supervisory Board in May after 40 years of management responsibility. What are your feelings – wistfulness, gratitude, hope for new things?

Calm and composed. That's the result of many years in management positions, you see others going, too.

Why do you want to step down as Chairman of the Supervisory Board a year before the end of your term?

Detthold Aden will be resigning as Chairman of the Board of Management as of the Annual Shareholders' Meeting in 2013. Otherwise the chairmen of the Board of Management and Supervisory Board would be leaving at nearly the same time. It wouldn't be appropriate if two important management personalities of a company left at the same time. Now the others can find a new chairman of the Supervisory Board who will be in office when the new chairman of the Board of Management takes over.

What drives you as the oldest Supervisory Board Chairman of a large German stock corporation, where do you get the energy?

Age is orientation, not a description of one's situation. It also takes physical condition to keep going. At the age of 80 I still run ten kilometers regularly and play soccer with my old friends from Werder. Physical and mental discipline are related to each other.

Josef Hattig in front of the Bremen Chamber of Commerce

Occasionally a politician goes into industry, even more rarely does a successful entrepreneur enter politics. You are one of the few who accomplished this move – from industry to politics as Bremen Senator for Economics and Ports and then back again. What can politicians learn from companies and what can entrepreneurs learn from the political arena?

Politicians have a greater respect for people from industry than the other way around. It wasn't until I got into politics that I learned what a difficult job it is. However, politicians shouldn't use so many empty words – the overblown language is the actual problem with politics – but should also leave answers open once in a while.

What is more important in a company and what in politics: technical experts, salespersons, encouragers?

Training is not so important, but rather education, the ability to grasp problems from the perspective of the market, to ask why customers are the way they are. What is decisive is: can someone identify the facts and draw conclusions, think in terms of contexts? Most mistakes are made when the facts are not correct. You shouldn't get lost in value judgments or make value judgments about facts – you have to separate the two. Politicians have more difficulty in doing this than entrepreneurs. Someone who has grasped the matter and its structures can also make a judgment. In industry you have to learn how to emotionalize the product. People make their buying decisions with their eyes and do not justify them with their minds until later.

With regard to corporate culture: You were once Chairman of the Supervisory Board at Deutsche Post, at a brewery and at a building materials company as well as Supervisory Board member in a liquor group and at a shipping company. Above all, you were Managing Director of Beck's for a quarter of a century and turned a regional enterprise into a world brand. What is important here: sector know-how, meticulousness, inner values, curiosity, vision, networks, a feel for trends, a spirit of opposition?

You have to be able to survive and deal with facts and circumstances and sort them out. You have to have a personality like the brand and not jump up every time someone asks for a favor – if necessary, you also have to use your elbows. The key question for companies is: how do I differ from the competition, how do I draw a balance from opportunities and risks and then see whether the balance is adequate to make investment decisions. Any investment is an attempt to make the future calculable. I'm not a technician, but I have learned that certain things are imperative for technology.

You are said to have coined the phrase, education is more important than balance sheets. Would you also use this phrase at a Supervisory Board meeting or balance sheet press conference?

Absolutely. Judging means being able to differentiate, not making intellectual challenges dependent on university studies, grasping different facts and circumstances in terms of their essence. This means I have to make an effort. Education is the ability to think comprehensively and arrive at a judgment, but then also take care of the details. Therefore, you have to continue to take education seriously.

In the commemorative publication dedicated to you on your eightieth birthday, and entitled "A citizen of Bremen", you are described as assertive, as a man who doesn't mince his words, but above all as someone who is endowed with indefatigable humor. What role do humor and composure play in a big company, what role should they play?

Without humor life is unbearable. This applies in particular to people in management positions. It is a genetic talent, but also involves training. I can't talk to someone who has no body language. However, humor must not be used as an end in itself. You have to reduce and translate complex issues into imagery. I am against standardized bureaucratic relations.

You have had plenty of honorary posts. Could you imagine, as an "elder statesman", now devoting more of your attention to supposedly softer issues, such as the role of ethics and morals in industry or social inequality in Bremen society?

I will continue to make an active contribution, that's a must for me, a moral must. Anyone who has accomplished a lot also has a great responsibility. I'm going to do something. Moreover, the future needs the past experience. Anyone who wants to change something has to produce evidence – I live on this basis.

The people of Bremen see you as their very own cuckoo's egg that only accidentally hatched in Dortmund. How have you made a contribution in Bremen, what has Bremen given to you, what does it mean to you?

The Beck's brand was more Bremen than many a turgid Bremen speech. I supported Werder Bremen. I articulated the policy of the Chamber of Commerce in my six years as president of the organization. As Senator, I combined Economics and Ports without any problems and made the port administration an independent body. In the course of BLG's restructuring I pushed for an entrepreneurial solution, not a political one.

I like this city and Bremen liked me. You can live well here, it's a city of short distances and with a pronounced Hanseatic self-assurance. I fit in here, where I don't have to climb onto stages – but sometimes people in Bremen have an artificial attitude of modesty. For some Bremen residents I perhaps clench my fingers into a fist too quickly. I have always regarded Bremerhaven as a challenge within the state of Bremen in which the dual structure based on constitutional law is sometimes difficult to understand. In Bremen we shouldn't get into unnecessary negative discussions, we've had enough of them already.

The crisis in 2008/2009 showed that business with automobiles and containers is extremely sensitive to cyclical changes. Are there customer sectors in your most recent and third key segment, contract logistics, in which that is different?

During the crisis we realized how stable business is in retail logistics, for example. We continue to invest in our services there. Tchibo has now assigned us to handle its rapidly developing online business. We recognized that when we bind a partner like Tchibo to us in Bremen, we have a lighthouse project for the entire retail logistics segment and a durable business relationship at the Bremen location with a substantial identification effect. Industrial logistics, too, is significantly less sensitive to cyclical changes – there we will make a more consistent commitment.

In your twelve years on the Supervisory Board BLG has revamped and strengthened participations and its scope of activity. What step do you regard as especially sustainable, what are you proud of?

BLG is global because logistics, the backbone of the world economy, is global. BLG has intensified global networking. Though actually a large medium-sized company, BLG therefore has to operate through shareholdings – we cannot finance everything ourselves. In addition, we get other partners on board that way.

And what decision do you regret when looking back?

That's easy to answer. As Senator for Economics, I set up Space Park, though I didn't want to. Two expertises and the extensive investment offer of a large bank made me give up this resistance. Now Hattig is only associated with Space Park in Bremen, not with the fact that he expanded and combined the ports, opened industrial parks, turned the city inside out. Even today I still get angry that I did it – back then I didn't have the guts to say No. Unfortunately I have to make decisions in a relatively short time. Since the time of Aristotle we know that the shortest words are the most difficult – Yes or No.

BLG is expanding to other fields, from retail logistics to plant logistics. Does it want to make itself indispensable or is it already?

It wants to achieve that and is on the way to doing so. I notice that in the positive reception and in networking. BLG has a high level of service identity that is increasingly gaining weight. It doesn't have to offer a broad range of services, but a specific range. It has to stand out and have a pronounced market orientation. BLG is a logistics specialist that is involved in ports and container handling, cars and car parts and product-oriented procedures – we're headed in the right direction.

Journalists like terms such as market leader. Where has BLG achieved that in the last decade?

Through its EUROGATE joint venture BLG is Europe's market leader as a container terminal operator: with terminals in Russia, Germany, Italy, Portugal and Morocco. BLG is number one in Europe for finished vehicles logistics: with a network of seaport and inland terminals, with its own transport fleets via road, rail and inland vessels on the Rhine and Danube. Then there are the technical workshops at the terminals. Both positions were achieved in the last ten years. BLG is not a global market leader yet, but it has great opportunities of identifying itself in a relatively manageable segment in such way that demand increases. BLG is smart enough to respond to this demand in a qualified manner.

Companies have to be thought through in terms of the market, not their self-satisfaction. The bigger a company, the bigger the role of planned economy aspects, bureaucracy and procedures become an end in themselves. By the way, you mentioned journalists. I have been reading the Frankfurter Allgemeine Zeitung for more than fifty years. It still explains the conservative side of things on a values-oriented basis. If I don't have it on the breakfast table in the morning, I get grumpy.

The salaries of board chairmen and politicians have been the subject of discussion in recent months. Are there reasonable upper and lower limits there that both sides should conform with or is that only a debate based on envy? Like the comparison that board chairmen of DAX companies earn on average more than a hundred times the salary of BLG's Chairman of the Supervisory Board?

If someone earns more than five million, I ask myself whether it is proper or provocative. And if the German Chancellor earns only 250,000 euros, I feel it is something that urgently has to be changed. That's a discrepancy in the public debate that I cannot understand.

In 2011 Bremerhaven surpassed Zeebrügge in Belgium as Europe's biggest automobile shipment port with two million shipped vehicles. 2011 was the most successful year in the history of the Ports of Bremen and Bremerhaven to date. BLG earned annual sales of over a billion euros for the first time and also received large-scale orders from abroad. What is left for your successor in terms of tasks and goals?

Life goes on. We don't know what the challenges of the future will be. However, everything has to be managed entrepreneurially and not in a self-satisfied fashion. The market remains the reference variable, competition lies in the market and identity lies in competition. Thus, I wish my successor a high degree of entrepreneurial strength.

If your successor asked you for two pieces of advice, one for BLG's concrete business policy and one for the "guiding line" – what would they be?

Members of the Supervisory Board have to ask the right questions to get the important information. It's difficult but necessary to think like a chairman of the Board of Management and then take the right action based on the stock corporation law. Never give anyone the opportunity of separating the Supervisory Board from the Board of Management. And be sincere against all temptations – whether political or primarily helpful. Entrepreneurs think on a long-term basis and have to do that to be successful.

How satisfied are the shareholders with the development of the company that you have shared responsibility for as Supervisory Board Chairman for more than eleven years?

To the extent that a state of satisfaction can ever be reached in terms of money, the bare figures have a soothing effect. We have a high degree of continuity as far as the dividends are concerned. In the past years we have constantly ranged between 10 and 15 percent. So perhaps satisfaction is not an unknown state of mind after all.

To our Shareholders : :

of
BREMER LAGERHAUS-GESELLSCHAFT
–Aktiengesellschaft von 1877–

Board of Management and Supervisory Board

The corporate constitution in Germany stipulates a dual board system with clearly defined and separate functions for joint stock corporations: the Board of Management manages the company on its own responsibility while the Supervisory Board is responsible for monitoring and advising the Board of Management.

In the following you will find out more about the composition of the two bodies at BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as well as about the divisional responsibilities of the individual members of the Board of Management and the committees formed by the Supervisory Board.

Board of Management

Name	Town	Function/Department	Other seats[1]
Detthold Aden born in 1948 appointed until 2013	Bremen	Chairman Executive Staff Corporate Strategy Communication Transport Policy	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen Chairman OAS Aktiengesellschaft, Bremen Chairman MAI Mosolf Automotive Industries AG, Heilbronn Chairman (since Feb. 7, 2012)
Manfred Kuhr born in 1949 appointed until 2013	Beverstedt	Deputy Chairman AUTOMOBILE Division	no membership in other bodies
Dr.-Ing. Bernd Lieberoth-Leden born in 1955 appointed until 2013	Bremen	CONTRACT Division Sustainability and New Technologies	no membership in other bodies
Hartmut Mekelburg born in 1952 appointed until 2015	Bremen	Human Resources[2] Occupational Safety Audit Environmental Protection	no membership in other bodies
Hillert Onnen born in 1948 appointed until 2013	Langen-Imsum	Finance Controlling Accounting Tax/Customs Investor Relations IT Purchasing Legal	dbh Logistics IT AG, Bremen Deputy Chairman EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen MAI Mosolf Automotive Industries AG, Heilbronn (since April 1, 2012)
Emanuel Schiffer born in 1951 appointed until 2014	Bremerhaven	CONTAINER Division	EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven Chairman EUROGATE Container Terminal Hamburg GmbH, Hamburg Chairman

[1] The information relates to memberships in legally required Supervisory Boards as well as membership in comparable domestic and foreign control bodies of business enterprises.
[2] Industrial Relations Director

Letter of the Board of Management

from left: Hartmut Mekelburg, Hillert Onnen, Detthold Aden, Emanuel Schiffer, Dr.-Ing. Bernd Lieberoth-Leden, Manfred Kuhr

Dear Shareholders,

A year ago we forecast positive economic developments for 2011 – in spite of existing uncertainties because of the consequential effects of the financial, economic and shipping crisis as well as the developments in Japan and the Arab countries. To this extent we expected moderate sales and earnings growth for the BLG Group and its divisions.

In fact, we significantly surpassed the targets in terms of sales and earnings. For the first time in the history of BLG we report Group sales of more than EUR 1 billion, corresponding to a 12.4 percent increase. Structurally we also made advancements and achieved an approximately equal distribution of sales per segment. The earnings before taxes (EBT) in the BLG Group improved strongly by 42.2 percent to EUR 48.5 million. All divisions recorded positive results in this connection.

We achieved improved earnings mainly through quantitative growth, consistently implemented process optimization and exploitation of savings potential in the face of persistently fierce competition in all segments.

One of the focal points of activities in the AUTOMOBILE Division was further development of the intermodal segment. To secure rail activities on a long-term basis, BLG acquired in the 2011 financial year a freight station in Falkenberg (Brandenburg) that is currently undergoing expansion into a consolidation point for automobile shipments, including related workshops. Likewise the joint venture with the FESCO Transportation Group was established in 2011 in order to develop the market in Russia.

In the CONTRACT Division we were able to acquire several large orders in the Automotive and Retail Logistics segments and are preparing for their launch. Moreover, we attach great importance to development of the Wind Energy Logistics segment.

By means of the extensive maintenance measures and investments in the Hamburg, Wilhelmshaven and Ust-Luga (Russia) locations, which are scheduled to be completed in the coming years, we broaden the basis for sustained successful growth in the CONTAINER Division.

We can live up our promise of an attractive dividend yield for the shareholders of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. At the end of May 2012 we will propose to the Annual Shareholders' Meeting that the dividend be raised by 33.3 percent to EUR 0.40 per share, corresponding to a current dividend yield of around 4.75 percent.

The economic outlook for 2012 is weaker compared to the previous year, but positive overall. High raw materials costs and uncertainties on the financial markets dampen the prospects and make a forecast difficult. Nevertheless, we look ahead to the year 2012 optimistically. Within the scope of our dual strategy we will continue to push forward our acquisition activities in order to tap new markets and win over additional customers. At the same time we will consistently pursue our efficiency enhancement and restructuring programs on the basis of the expected lower margins.

Overall we expect sales of around EUR 1.1 billion and earnings before taxes of more than EUR 40 million for the BLG Group in the 2012 financial year. In view of this background, we want to offer our shareholders an attractive dividend yield.

Our long-term success depends on how we deal with one another and with our partners and the company. The experience and commitment of our employees are especially important to us in this context. For their contribution to the Group's success in 2011 we would like to express our deep gratitude at this juncture.

We look forward to continuing down this road with you and thank you for placing your trust in BLG.

THE BOARD OF MANAGEMENT

Aden	Kuhr	Dr.-Ing. Lieberoth-Leden
Mekelburg	Onnen	Schiffer

Supervisory Board

According to the Memorandum and the Articles of Association, the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– is composed of sixteen members, i.e. eight Supervisory Board mem-

Name	Town	Function / Profession
Josef Hattig appointed since Oct. 21, 1999	Bremen	Chairman Retired senator, lawyer
Erhard Ott appointed since March 2, 2009	Berlin	Deputy Chairman Member of national executive board of the trade union ver.di Vereinte Dienstleistungsgewerkschaft
Uwe Beckmeyer appointed since June 5, 2008	Bremerhaven	Retired senator Member of Deutscher Bundestag
Karl-Heinz Dammann appointed since July 1, 2009	Langen	Chairman of the corporate works council of EUROGATE GmbH & Co. KGaA, KG Chairman of the works council of EUROGATE Container Terminal Bremerhaven GmbH
Melf Grantz appointed since March 1, 2011	Bremerhaven	Mayor of Bremerhaven
Martin Günthner appointed since May 1, 2010	Bremerhaven	Senator for Economics and Ports as well as Senator of Justice and Constitution of the Free Hanseatic City of Bremen
Dr. Stephan-Andreas Kaulvers appointed since June 21, 2006	Bremen	Chairman of the Board of Management of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –
Wolfgang Lemke appointed since June 30, 2003	Langen	Chairman of the corporate works council of BLG LOGISTICS GROUP AG & Co. KG
Karoline Linnert appointed since September 11, 2007	Bremen	Deputy Mayor and Senator of Finance of the Free Hanseatic City of Bremen
Dr. Tim Nesemann appointed since April 1, 2011	Bremen	Chairman of the Board of Management of the financial holding company of Sparkasse in Bremen and of Die Sparkasse Bremen AG
Dirk Reimers appointed since February 1, 2011	Lehrte	Department Manager at ver.di Vereinte Dienstleistungsgewerkschaft, state district Bremen-Lower Saxony
Frank Schäfer appointed since June 5, 2008	Hamburg	Deputy Chairman of the corporate works council of EUROGATE GmbH & Co. KGaA, KG
Gerrit Schützenmeister appointed since June 5, 2008	Bremerhaven	Member of the works council of BLG AutoTec GmbH & Co. KG
Dieter Schumacher appointed since March 28, 2007	Bremen	Human Resources Manager of BLG LOGISTICS GROUP AG & Co. KG
Dieter Strerath appointed since March 1, 2011	Bremen	Chairman of the Bremen works council of BLG LOGISTICS GROUP AG & Co. KG
Dr. Patrick Wendisch appointed since June 5, 2008	Bremen	Managing Director of Lampe & Schwartze KG
Harald Bethge appointed until January 31, 2011	Bremen	Formerly Department Manager at ver.di Vereinte Dienstleistungs-gewerkschaft, state district Bremen-Lower Saxony
Jürgen Oltmann appointed until March 31, 2011	Bremen	Former CEO of the financial holding company of Sparkasse in Bremen and of Die Sparkasse Bremen AG
Jürgen Rolappe appointed until February 28, 2011	Bremen	Former staff member of BLG LOGISTICS GROUP AG & Co. KG

[1] The information relates to memberships in legally required Supervisory Boards as well as memberships in comparable domestic and foreign

bers who are elected according to the provisions of the Stock Corporation Act and eight members from the employees who are elected in accordance with the provisions of the Co-Determination Act of May 4, 1976 (MitbestG).

Committees Audit Committee	Human Resources Committee	Committee acc. to Section 27 (3) MitbestG	Other seats[1)]
	■ Chairman	■ Chairman	BAUKING AG, Hanover, (until 2011-04-13) Deputy Chairman EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
	■	■	E.ON AG, Düsseldorf
			no membership in other bodies
			EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen (since 2011-04-07)
	■ as of 2011-03-22	■ as of 2011-03-22	Klinikum Bremerhaven-Reinkenheide gGmbH, Bremerhaven (since 2011-07-05), Chairman
	■	■	swb AG, Bremen
	■	■	EWE Aktiengesellschaft, Oldenburg GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen DekaBank Deutsche Girozentrale, Frankfurt/Main (until 2011-06-08)
■ as of 2011-03-22	■	■	no membership in other bodies
■			Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen KfW Bankengruppe, Frankfurt/Main
■ as of 2011-04-01			Freie Internationale Sparkasse S.A., Luxembourg, Chairman GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen NRS Norddeutsche Retail-Services AG, Bremen and Hamburg
■ as of 2011-03-22			METRO Cash & Carry Deutschland GmbH, Düsseldorf
■	■	■	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen EUROGATE Container Terminal Bremerhaven GmbH, Hamburg
			no membership in other bodies
			no membership in other bodies
	■ as of 2011-03-22	■ as of 2011-03-22	no membership in other bodies
■ Chairman			Inbev Germany Holding GmbH, Bremen OAS Aktiengesellschaft, Bremen
■ until 2011-01-31			EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen (until 2011-04-07)
■ until 2011-03-31			no membership in other bodies
■ until 2011-02-28	■ until 2011-02-28	■ until 2011-02-28	no membership in other bodies

control bodies of commercial enterprises.

Report of the Supervisory Board

Josef Hattig,
Chairman of the Supervisory Board

The Supervisory Board continuously monitored and supported the work of the Board of Management in the 2011 financial year. The detailed reports of the Board of Management made in written and oral form constituted the basis for this. Furthermore, the chairman of the Supervisory Board carried out a regular exchange of information and ideas with the Board of Management. In this way the Supervisory Board was constantly, promptly and comprehensively informed about the planned business policy, corporate planning, including financial, investment and human resources planning, the current earnings situation, including risk situation and risk management, the course of business as well as the overall situation of the company and the Group.

Whenever approval was necessary for decisions or measures of the management based on law, the Memorandum and Articles of Association or the rules of procedure, the members of the Supervisory Board – prepared by its committees, among others – reviewed the draft resolutions at the meetings or adopted them on the basis of written information. The members of the Board of Management invariably took part in the meetings. The Supervisory Board was intensively involved in decisions of major significance for the Group from an early stage. The economic situation and the development prospects of the Group described in the reports of the Board of Management, the individual divisions, departments and major affiliated companies in Germany and abroad were the subject of detailed discussion.

The Supervisory Board convened at five meetings in 2011. The average attendance at the Supervisory Board meetings in the year under review was 90 percent. Average attendance at committee meetings in 2011 was 93 percent. The members of the Supervisory Board elected by the shareholders and by the employees prepared for the meetings at separate preliminary meetings in some cases. There were no conflicts of interest on the part of members of the Board of Management and Supervisory Board that required immediate disclosure to the Supervisory Board and about which the Annual Shareholders' Meeting had to be informed.

Focal points of consultations on the Supervisory Board

The consultations focused on matters regarding the strategy and business activities of the Group and its divisions. At its individual meetings the Supervisory Board primarily devoted its attention to the current earnings situation, including the risk management system and risk-conscious control of corporate development, the agenda for the Annual Shareholders' Meeting in 2011 as well as matters relating to Board of Management remuneration. All major business activities, the development of the asset, financial and earnings situation as well as the analyses of deviations from corporate planning were promptly and intensively discussed jointly with the Board of Management. Corporate planning, short-term profit and financial planning and the issue of a promissory note loan were discussed in detail at the meeting on December 19, 2011.

At its meeting on September 17, 2010 the Supervisory Board had unanimously approved the pay system for members of the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– adapted to the German Act on the Appropriateness of Management Board Remuneration (VorstAG), which came into force in August 2009, in line with the proposal of the Human Resources Committee. Regardless of the existing terms of contract, new and existing contracts with the Board of Management were changed over to this system uniformly and by mutual agreement for all members of the Board of Management, effective as of January 1, 2011. The pay system was approved by the 2011 Annual Shareholders' Meeting.

The following changes have occurred on the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– since January 1, 2011. As of the court appointment of Mr. Melf Grantz effective on March 1, 2011, the shareholder representatives have again been represented in full on the Supervisory Board. After Mr. Jürgen Oltmann stepped down from his office as a member of the Supervisory Board as of March 31, 2011, Dr. Tim Nesemann was designated as a further member of the Supervisory Board by way of court appointment as of April 1, 2011. Mr. Harald Bethge stepped down from his office as a member of the Supervisory Board as of January 31, 2011. Mr. Dirk Reimers took his place also by way of court appointment as of February 1, 2011. After Mr. Jürgen Rolappe stepped down from his office as a member of the Supervisory Board as of February 28, 2011, Mr. Dieter Strerath took his place on the Supervisory Board as of March 1, 2011. The Supervisory Board thanks all members who have stepped down for their dedicated, constructive services and commitment for the benefit of the company.

Committees of the Supervisory Board

To perform its duties efficiently, the Supervisory Board has additionally set up three committees to which separate rules of procedure apply in each case. These committees of the Supervisory Board are the Audit Committee, the Human Resources Committee and the Mediation Committee.

Audit Committee: The Audit Committee is composed of three representatives of the shareholders and three representatives of the employees. The chairman of the committee in office during the reporting year meets the legal requirements with regard to independence and expertise in the fields of accounting and financial statement auditing. This committee meets regularly twice a year. Its functions include auditing the accounting process as well as questions of company accounting, auditing the annual and consolidated financial statements, the Management Report and Group Management Report and the proposal for appropriation of the balance sheet profit of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. On the basis of the reports of the auditor concerning the audit of the annual financial statement and Management Report as well as of the consolidated financial statement and Group Management Report of the company, the Audit Committee develops proposals for approval of the financial statements by the Supervisory Board. The Audit Committee is also responsible for the relations of the company to the financial statement auditor. The committee submits a proposal for selection of the auditor to the Supervisory Board, organizes the placement of an auditing order to the auditor selected by the Annual Shareholders' Meeting, suggests audit focal points and specifies the remuneration of the auditor. Furthermore, the committee monitors the independence, qualifications, rotation and efficiency of the auditor.

The duties of the Audit Committee also entail preparation of the Supervisory Board's decision on planning for the following financial year, including operating result, balance sheet, financial and investment planning. Furthermore, the Audit Committee deals with the company's internal control system as well as the procedures for risk identification, risk control and risk management. It is additionally responsible for matters of compliance and examines new developments in this field at each of its meetings.

Human Resources Committee: The Human Resources Committee, too, has equal representation and consists of the chairman of the Supervisory Board, the deputy chairman and six other members of the Supervisory Board. The Human Resources Committee prepares the personnel decisions of the Supervisory Board. It submits proposals to the Supervisory Board for adoption by the latter regarding remuneration of the Board of Management, the pay system and regular review of the latter as well as with respect to conclusion, amendment and termination of the employment contracts with members of the Board of Management. In addition, the Human Resources Committee proposes suitable candidates for Board of Management positions to the Supervisory Board.

The Human Resources Committee also performs the tasks of the nomination committee. It carries out preparatory measures for elections of the representatives of the shareholders to the Supervisory Board. It suggests suitable candidates for the election of the Supervisory Board members of the shareholders to the Supervisory Board for the latter's election proposal to the Annual Shareholders' Meeting.

Mediation Committee (in accordance with Section 27 (3) of the Co-Determination Act):
The Supervisory Board forms a committee to perform its duties in accordance with Section 27 (3) of the Co-Determination Act. This committee is composed of the chairman of the Supervisory Board, the deputy chairman as well as three of the Supervisory Board members of the employees and three of the Supervisory Board members of the shareholders elected with the majority of the votes cast.

Work of the committees

In accordance with Section 27 (3) of the Co-Determination Act, the Mediation Committee did not have to hold any meetings.

The Human Resources Committee met on March 22, 2011 and December 5, 2011. It essentially treated matters relating to the remuneration of the Board of Management and the change in generation on the Board of Management and Supervisory Board.

During the year under review the Audit Committee met twice, on April 13 and December 8, 2011. It primarily examined the accounting of the company and the Group. This also included the latest amendments of the IFRS and the Balance Sheet Law Modernization Act and their impacts on both the Group and the company. Other focal points of work were the risk situation, further development of risk management and aspects of compliance. Furthermore, the committee submitted to the Supervisory Board a recommendation for selection of the auditor by the Annual Shareholders' Meeting. Special attention was given to corporate planning, medium-term profit and loss and financial planning. The committee also looked at the issue of a promissory note loan for over EUR 50 million.

The meetings and decisions of the committees were prepared on the basis of reports and other information of the Board of Management. Members of the Board of Management regularly took part in the committee meetings. Reports on the meetings of the committees were made at the plenary session.

Corporate Governance

The Supervisory Board – prepared by the Audit Committee – also examined further development of the Corporate Governance principles in the company on the basis of the German Corporate Governance Code of May 26, 2010. On December 19, 2011 the Board of Management and the Supervisory Board issued the 10th Declaration of Conformity, which has been made permanently available to the public on the website at www.blg.de, in accordance with Section 161 of the Stock Corporation Act.

Annual and consolidated financial statement, financial statement audit

The representatives of FIDES Treuhand GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Bremen, the auditing firm duly selected as auditor, were present at the balance sheet meeting of the Supervisory Board and at the preparatory meeting of the Audit Committee and reported in detail on the results of their audit.

The annual financial statement and the consolidated financial statement as of December 31, 2011 as well as the Management Report and the Group Management Report of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– have been prepared by the Board of Management in accordance with the legal provisions and in compliance with generally accepted accounting principles and have been reviewed by FIDES Treuhand GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Bremen, the auditing company which was selected by the Annual Shareholders' Meeting and which submitted a fundamentally unqualified auditors' report.

A qualified auditors' report was issued for the consolidated financial statement in view of the equity disclosure in accordance with the IAS 32 standard revised in 2008. To avoid contradictory accounting consequences of the new IAS 32, which does not regard the economic substance of the limited liability capital, particularly minority shares, as identical to equity, IAS 32 was applied in the version valid to date. Further details are provided in the auditors' report on page 193 and in particular in the disclosures on equity in the notes to the consolidated financial statement on pages 158 ff.

The balance sheet auditor has reviewed the report on relationships to affiliated companies (dependent company report) prepared by the Board of Management for the 2011 financial year and issued the following auditors' report:

"According to our dutiful audit and evaluation, we confirm that

1. the actual data and statements of the report are correct,
2. the performance of the company was not unreasonably high given the legal transactions indicated in the report or disadvantages were compensated for,
3. the measures described in the report do not involve any circumstances that would support a significantly different evaluation than that given by the Board of Management."

The annual financial statement and Management Report, consolidated financial statement and Group Management Report as well as the audit reports of the financial statement auditor of the company were available to all members of the Supervisory Board.

For its part, the Supervisory Board has reviewed the annual financial statement, the consolidated financial statement, the Management Report and the Group Management Report of the Board of Management as well as the proposal of the Board of Management concerning appropriation of the balance sheet profit. The Supervisory Board agrees with the result of the audit of the annual financial statement and of the consolidated financial statement, including the Management Reports, conducted by the balance sheet auditor. The Supervisory Board has endorsed the annual financial statement prepared by the Board of Management. It is thus adopted. Likewise, the Supervisory Board has approved the consolidated financial statement prepared by the Board of Management. The Supervisory Board agrees with the Management Reports and in particular with the evaluation of further development of the BLG Group. This also applies to the dividend policy and the decisions regarding reserves in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

Furthermore, the Supervisory Board has reviewed the report of the Board of Management on the relationships to affiliated companies and the result of the audit of this report by the balance sheet auditor. The Supervisory Board agrees with the result of the audit of the dependent company report conducted by the balance sheet auditor. According to the final result of the review of the dependent company report by the Supervisory Board, there are no objections to the final statement of the Board of Management in the latter report.

The Supervisory Board expresses its gratitude to the members of the Board of Management and all employees for their commitment and performance in the 2011 financial year.

Bremen, April 2012

For the Supervisory Board

Josef Hattig

Chairman

Advisory Board

A body of renowned external experts advises BLG LOGISTICS GROUP AG & Co. KG in its strategic international development.

Name	Function / Profession
Josef Hattig	Chairman Retired senator Lawyer Chairman of the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–
Dr. Norbert Bensel (until March 23, 2012)	Founding president of University for International Economics and Logistics (HIWL), Bremen
Jens Böhrnsen	Mayor and President of the Senate of the Free Hanseatic City of Bremen
Dr. Dieter Flechsenberger	Managing Director of DVV Media Group GmbH
Dr. Ottmar Gast	Spokesman of the Board of Management of Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft KG
Rainer Genes	Vice President, Production Planning Vehicles Mercedes-Benz Cars, Daimler AG
Prof. Dr. Bernd Gottschalk	Managing Director of AutoValue GmbH
Dr. Hans-Jörg Grundmann	Chief Executive Officer Mobility Division of Siemens AG
Hans-Jörg Hager	President of Unternehmer-Colloquium Spedition (UCS)
Dr. h.c. Michael Kubenz	Managing partner of Kube & Kubenz Unternehmensgruppe Vice President of German Freight Forwarding and Logistics Association (DSLV)
Volker Lange	Retired senator President of the Association of International Motor Vehicle Manufacturers
Dr. Bernd Malmström (until March 23, 2012)	Lawyer
Dr. Karl May (since July 1, 2011)	Senior Vice President, Purchasing and Supplier Network, Divisional Manager Logistics, Design and Operations, Supply Network BMW AG
Dr. Karl-Friedrich Rausch	Chairman of the Board of Transport und Logistik DB Mobility Logistics AG
Jürgen Roggemann (until March 23, 2012)	Managing Director of Enno Roggemann GmbH & Co. KG
Ingar Skaug (until March 23, 2012)	Member of the Board of DFDS ASA
Dr. Karl Sommer (until Nov. 11, 2011)	Head of Value Stream Optimization and Complexity Management, BMW AG
Prof. Dr. Frank Straube	Technical University of Berlin, Managing Director of Logistics Division
Dr. h.c. Klaus Wedemeier (until March 23, 2012)	Former Mayor of Bremen, Chairman of the Executive Board of Business Association “Weser“ e.V.
Prof. Dr. Joachim Zentes	University of Saarland, Institute for Trade and International Marketing
Thomas Zernechel	Head of Group Logistics at Volkswagen AG

Declaration regarding corporate management

Corporate Governance encompasses the entire system of managing and monitoring a corporation, including the organization of the corporation, its business policy principles and guidelines as well as the system of internal and external monitoring and control mechanisms. Corporate Governance structures responsible management and leadership of the company geared to the principles of a social market economy and sustainable value added.

The scope for shaping Corporate Governance on the part of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– is based on German law, in particular the Stock Corporation Act, the Co-Determination Act and capital market law as well as the Memorandum and Articles of Association of the company and the German Corporate Governance Code.

The Board of Management and the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– issued the 10th Declaration of Conformity to the German Corporate Governance Code in the version of May 26, 2010 on December 19, 2011. The declaration has been made publicly available to the shareholders on a permanent basis through its inclusion in the company's website at www.blg.de.

Text of the declaration of conformity

"BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has complied with the recommendations of the Government Commission of the German Corporate Governance Code with the following exceptions and will comply with the recommendations during the declaration period with the following exceptions:"

Number 2.3.1, clause 2

> "The calling of the Annual Shareholders' Meeting as well as the reports and documents required by law for this meeting, including the Annual Report and forms for an absentee ballot, shall be published on the website of the company along with the agenda."

Number 2.3.3, clauses 1 and 2

> "The company shall make it easy for the shareholders to exercise their rights. The company shall also support the shareholders in connection with the absentee ballot and proxy."
>
> The company complies with the provisions of number 2.3.1 of the German Corporate Governance Code and the provisions of Section 124a sent. 1 no. 1 – 4 of the Stock Corporation Act (AktG). Since far more than 85 percent of our shareholders attend the Annual Shareholders' Meetings, the benefit expected from an absentee ballot would be out of all proportion to the costs.

For this reason we have currently decided against the use of an absentee ballot so that support in holding an absentee ballot is not necessary.

The Memorandum and Articles of Association of the company have been amended such that the Board of Management is authorized to make provisions for an absentee ballot.

Number 2.3.4

> "The Company should enable the shareholders to follow the Annual Shareholders' Meeting through modern means of communication (e.g. Internet)."

Far over 85 percent of our shareholders attend the Annual Shareholders' Meetings. The expected benefit and/or acceptance of these media by the shareholders is out of all reasonable proportion to the costs. At present the company has decided against the use of further means of communication.

Number 4.2.3, 4th subsection, clause 1

> "On conclusion of contracts with the Board of Management it should be ensured that in the case of premature termination of the Board of Management position without substantial reason payments to a member of the Board of Management, including additional compensation, do not exceed the amount of two years' remuneration (severance pay cap) and do not provide remuneration for longer than the remaining term of the employment contract."

The code recommends inclusion of an agreement on the upper limit for severance pay in the contracts with members of the Board of Management. The contracts with the members of the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– concluded before this recommendation comes into force do not contain such an arrangement. Such an upper limit for severance pay shall be provided for new contracts as well as for extensions of existing contracts.

Number 5.3.3

> "The Supervisory Board should form a nomination committee that is solely composed of representatives of the shareholders and proposes suitable candidates to the Supervisory Board for the latter's election suggestions to the Annual Shareholders' Meeting."

The Supervisory Board has assigned the powers of a nomination committee to the Human Resources Committee. The Human Resources Committee is composed of representatives of the shareholders and of the employees.

Number 5.4.1, 2nd subsection, 3rd subsection, clause 1

> "The Supervisory Board should stipulate specific goals for its composition that take into account the international activities of the company, potential conflicts of interest, an age limit to be defined for members of the Supervisory Board and diversity while keeping in mind the company's specific situation. These specific goals should, in particular, provide for appropriate participation of women.
>
> Proposals of the Supervisory Board to the responsible election bodies should give consideration to these goals."

The Supervisory Board has defined an age limit for its members in the rules of procedure. In proposals to the responsible election bodies the Supervisory Board takes into account the age limit it has defined and the actual age of the candidate. A static election of candidates according to their age and the defined age limits alone does not take place. The actual age is put in proportion to the professional and personal aptitude of the candidate and further requirements based on the criteria of diversity, among other things. The Board of Management and Supervisory Board ensure diversity in connection with the appointment of management positions and target appropriate participation of women.

Number 5.4.3, clause 2

> "An application for court appointment of a member of the Supervisory Board should be limited in time until the next Annual Shareholders' Meeting."

The Board of Management and Supervisory Board reserve the right not to limit applications for court appointment of Supervisory Board members until the next Annual Shareholders' Meeting. In this way the company wishes to be able to respond flexibly to vacancies on the Supervisory Board. The right of the Annual Shareholders' Meeting to elect Supervisory Board members of the shareholders is not curtailed.

Number 7.1.2, last clause

> "The consolidated financial statement should be publicly accessible within 90 days after the end of the financial year, the interim statements within 45 days after the end of the reporting period."

Currently BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– cannot comply with all recommended deadlines. However, complete compliance with this recommendation is planned for the medium term. The consolidated financial statement will be published within four months after the end of the financial year.

Code of Ethics

Sustainable value added and responsible corporate management are key elements of the corporate policy of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. Dealings with customers, business partners, employees and shareholders based on trust form the foundation for these elements. This involves compliance with laws as well as with the Group's standardized Code of Ethics.

The Code is aimed at avoiding inappropriate behavior and fostering ethical conduct as well as exemplary and responsible action. It is directed at the Board of Management, executives and staff members alike and shall serve as an orientation for proper and consistent behavior.

Working approach of the Board of Management and Supervisory Board

The German corporation law stipulates a dual system of management for BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– based on the two bodies, Board of Management and Supervisory Board. The Board of Management and Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– work closely together on a basis of trust in managing and monitoring the company.

The Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– manages the enterprise on its own responsibility and represents the company in business with third parties. It is composed of six members and is obligated to pursue the goal of achieving a sustainable increase in goodwill in the interest of the company and in line with the stakeholder approach. The divisional responsibilities of the individual members of the Board of Management are listed in the notes to the consolidated financial statement on page 29.

The Board of Management fundamentally makes its decisions based on majority resolutions. In the case of a tie vote, the chairman's vote is decisive.

The Board of Management reports to the Supervisory Board on all matters relevant to the company in terms of planning, business development, the risk situation and risk management promptly and comprehensively within the framework of the legal provisions on a monthly basis and coordinates the strategic alignment of the company with the Supervisory Board. Before deciding on certain transactions specified in the Memorandum and Articles of Association, the Board of Management has to obtain the approval of the Supervisory Board. These transactions include acquisition and sale of companies and corporate divisions as well as bond issues and issuance of comparable financial instruments.

The relevant legal provisions for appointment and dismissal of members of the Board of Management are Sections 84, 85 of the Stock Corporation Act (AktG). Sections 133, 179 of the Stock Corporation Act (AktG) as well as Section 15 of the Memorandum and Articles of Association apply to amendments to the Memorandum and Articles of Association.

The Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– appoints, monitors and advises the Board of Management and is always involved in decisions of fundamental importance.

In the course of successor planning the Supervisory Board appointed Dr.-Ing. Bernd Lieberoth-Leden as another member of the Board of Management on September 17, 2010. Dr.-Ing. Bernd Lieberoth-Leden has been responsible for the CONTRACT Division since January 1, 2011.

In connection with the appointment of Dr.-Ing. Bernd Lieberoth-Leden the Board of Management issued new rules of procedure for itself, effective as of January 1, 2011.

Composition of the Supervisory Board

The Supervisory Board is composed of 16 members. Half of the members of the Supervisory Board are elected by the shareholders at the Annual Shareholders' Meeting. The other half of the Supervisory Board consists of the representatives elected by the employees according to the provisions of the Co-Determination Act of 1976.

After Mr. Jörg Schulz resigned as a member of the Supervisory Board effective as of December 31, 2010, Mr. Melf Grantz was designated as his successor by way of court appointment as of March 1, 2011.

As of January 31, 2011, Mr. Harald Bethge resigned from office. Mr. Dirk Reimers took his place also by way of court appointment as of February 1, 2011. Furthermore, after Mr. Jürgen Rolappe stepped down from his office as of February 28, 2011, Mr. Dieter Strerath took his place on the Supervisory Board as of March 1, 2011. Another change on the Supervisory Board results from Mr. Jürgen Oltmann's resignation from office as of March 31, 2011. Dr. Tim Nesemann was appointed as his successor by way of court appointment as of April 1, 2011.

No former members of the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– are represented on the Supervisory Board. The term of office of all Supervisory Board members at BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– ends on conclusion of the Annual Shareholders' Meeting in 2013.

Committees of the Supervisory Board

In addition to the committee it is required to form in accordance with Section 27 (3) of the Co-Determination Act, the Supervisory Board formed an Audit Committee and a Human Resources Committee. The members of the committees set up by the Supervisory Board are listed in the notes to the consolidated financial statement on page 34 f.

The Audit Committee is composed of three representatives of the shareholders and three employee representatives. The chairman of the Audit Committee holding office in the reporting year complies with the statutory requirements in terms of independence and expertise in the fields of accounting and balance sheet audits that a member of the Supervisory Board and of the Audit Committee has to meet. This committee meets regularly twice a year. Its duties include reviewing the accounting process and matters relating to company reporting as well as auditing the annual and consolidated financial statements prepared by the Board of Management, the Management Report and Group Management Report and the proposal regarding appropriation of the balance sheet profit of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. On the basis of the reports of the balance sheet auditor concerning the audit of the annual financial statement and the Management Report as well as the consolidated financial statement and Group Management Report of the company, the Audit Committee elaborates proposals for approval of the financial statements by the Supervisory Board. The Audit Committee is also responsible for the relations between the company and the balance sheet auditor. The committee prepares awarding of the auditing contract to the balance sheet auditor selected by the Annual Shareholders' Meeting, suggests audit focal points and specifies the remuneration of the balance sheet auditor. Moreover, the committee monitors the independence, qualification, rotation and efficiency of the balance sheet auditor.

The functions of the Audit Committee also entail preparation of decisions made by the Supervisory Board on planning for the following financial year, including operating result, balance sheet, financial and investment planning.

Furthermore, the Audit Committee deals with the company's internal control system and the methods of risk identification, risk control and risk management. It is additionally responsible for matters of compliance and examines new developments in this field at each of its meetings.

The Human Resources Committee has equal representation and consists of the chairman of the Supervisory Board, the deputy chairman and six other members of the Supervisory Board. The Human Resources Committee prepares the personnel decisions. The Supervisory Board plenary session adopts resolutions for appointment and revocation of the appointment of Board of Management members. The Human Resources Committee decides instead of the plenary session on employment contracts with members of the Board of Management. In addition, it provides advice on long-term successor planning for the Board of Management.

The Human Resources Committee also performs the tasks of the nomination committee. It carries out preparatory measures for elections of the representatives of the shareholders to the Supervisory Board. It suggests suitable candidates for the election of the Supervisory Board members of the shareholders to the Supervisory Board for the latter's election proposal to the Annual Shareholders' Meeting.

To perform its duties in accordance with Section 27 (3) of the Co-Determination Act, the Supervisory Board forms a committee comprising the chairman of the Supervisory Board, the deputy chairman as well as three Supervisory Board members of the employees and three of the Supervisory Board members of the shareholders, elected in each case with the majority of the votes cast.

Directors' Dealings

According to Section 15a of the Securities Trading Act (WpHG), the members of the Board of Management and of the Supervisory Board are fundamentally required to disclose their own transactions with shares of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– or related financial instruments.

The shareholdings of all members of the Board of Management and Supervisory Board amount to approx. 0.06 percent of the shares issued by the company. There were no purchases and sales requiring disclosure during the reporting year.

Disclosures relevant to takeovers in accordance with Section 289 (4) HGB

Composition of the subscribed capital, voting rights and transfer of shares

The subscribed capital amounts to EUR 9,984,000.00 and is divided into 3,840,000 registered shares with voting rights. Transfer of shares requires the company's approval in accordance with Section 5 of the Memorandum and Articles of Association.

Every share is accorded one vote. BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– is not aware of any restrictions or agreements between shareholders affecting voting rights. There is no maximum limit for a shareholder's votes and there are no special voting rights. In particular there are no shares with special rights that confer monitoring powers. This means the principle of "one share, one vote" is implemented in full.

The shareholders exercise their co-administration and monitoring rights at the Annual Shareholders' Meeting. Section 19 of the Memorandum and Articles of Association stipulates what requirements have to be met in order to participate in the Annual Shareholders' Meeting as a shareholder and exercise voting rights. Only persons who are entered in the stock record shall be regarded as a shareholder of the company.

Every shareholder entered in the stock record has the right to take part in the Annual Shareholders' Meeting, take the floor there regarding the respective items on the agenda and request information on company matters to the extent this is necessary for proper evaluation of an item on the agenda. The Annual Shareholders' Meeting passes resolutions primarily on formal approval of the Board of Management and Supervisory Board, appropriation of the balance sheet profit, capital measures, authorization for stock buybacks as well as amendments of the Memorandum and Articles of Association.

Shares in capital that exceed 10 percent of the voting rights

Shareholders whose share of the share capital exceeds ten percent are the Free Hanseatic City of Bremen – municipality of Bremen –, Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen and the financial holding company of Sparkasse in Bremen, Bremen. Details on this can be found in the notes to the consolidated financial statement in the section on Shareholders. For further information on shareholder structure we refer you to the report on the earnings, financial and asset situation on page 64.

System of control of any employee share scheme where the control rights are not exercised directly by the employees

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has not set up an employee share scheme. To the extent that employees hold shares in the company, they are not subject to any system of control. These shares represent insignificant portions of the company capital.

Appointment and dismissal of Board of Management members and amendment of the Memorandum and Articles of Association

We refer to the declaration regarding corporate management in the section Working approach of the Board of Management and Supervisory Board on page 41.

Powers of the Board of Management to issue or buy back shares

The Board of Management is currently not authorized by the Annual Shareholders' Meeting to issue or buy back shares.

Significant agreements to which the company is a party and which take effect upon a change of control of the company following a takeover bid and the effects thereof

Agreements on the part of the company subject to the condition of a change of control following a takeover bid have not been made.

No compensation agreements were made by the company with members of the Board of Management or employees for the event of a takeover bid.

Remuneration report

The remuneration report is at the same time part of the Management Report and of the Group Management Report.

Remuneration of the Board of Management

At the proposal of the Human Resources Committee the Supervisory Board deliberates and decides on the remuneration system for the Board of Management, including the main elements of the contract, and reviews it regularly. The criteria for the appropriateness of the remuneration of the Board of Management are the duties and personal performance of the respective member of the Board of Management, the economic and financial situation, the size and global alignment of the company as well as sustainable corporate development. The amount of the remuneration is defined such that it is competitive in an international and national comparison and thus offers an incentive for committed and successful work. The Human Resources Committee regularly reviews whether the remuneration of the Board of Management is appropriate while taking into account the earnings, sector-related and future prospects of the company.

At its meeting on September 17, 2010 the Supervisory Board unanimously approved the pay system for members of the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– adapted to the German Act on the Appropriateness of Management Board Remuneration (VorstAG), which came into force in August 2009, in line with the proposal of the Human Resources Committee. Regardless of the existing terms of contract, new and existing contracts with the Board of Management were changed over to this system uniformly and by mutual agreement for all members of the Board of Management, effective as of January 1, 2011. The new system was approved by the Annual Shareholders' Meeting in 2011 in accordance with Section 120 (4) of the Stock Corporation Act (AktG).

The following statements refer to the remuneration system applying as of January 1, 2011:

The total remuneration of the members of the Board of Management consists of the basic annual salary, the variable annual bonus and variable long-term bonus.

The basic salary is paid on a proportionate monthly basis as non-success-oriented remuneration. Furthermore, the remuneration rules for the members of the Board of Management provide for other customary compensation (fringe benefits), such as provision of a company car or allowances for a preventive health care examination. The other compensation also includes payment of premiums for an appropriate directors and officers liability insurance. Moreover, the members of the Board of Management are able to take out a separate deductible insurance to the amount stipulated in accordance with Section 93 (2) sent. 3 of the Stock Corporation Act (AktG), which is based on the terms and conditions of the main D & O insurance contract. In addition, members of the Board of Management receive remuneration for Supervisory Board seats at affiliated companies.

Aside from the fixed annual salary, the contracts provide for a variable remuneration depending on the Group earnings before taxes, which is limited to a maximum of 3.5 percent of the Group earnings before taxes (EBT). From the disposable bonus budget the members of the Board of Management receive an annual bonus limited by maximum amounts on which the Human Resources Committee decides and makes a recommendation for adoption by the Supervisory Board.

If the bonus budget has not been exhausted after granting of the variable annual bonus, the remaining amount is available for the variable long-term bonus. The latter is granted depending on attainment of the Group earnings before taxes (EBT) in the three following years on the basis of the planning adopted by the Supervisory Board. Another criterion is attainment of the return on capital employed (ROCE) based on the three-year plan agreed upon with the Supervisory Board. This means the criteria for granting the bonuses as a performance incentive correspond to the key control figures used in the Group.

Payment of the variable long-term remuneration is made in the third following year in each case if the criteria for sustainability have been met. The long-term bonus is granted from the disposable bonus budget and is limited by maximum amounts on which the Human Resources Committee decides and makes a recommendation for adoption by the Supervisory Board. If the criteria are not met, the variable long-term bonus can be reduced on a percentage basis accordingly.

All contracts concluded with the Board of Management as of January 1, 2011 provide for severance pay to an amount of two years' remuneration in the case of premature termination of the position on the Board of Management without substantial reason. If the remaining period of the contract is less than two years, the severance pay shall be calculated pro rata temporis. In this case, however, the severance pay amounts to at least one year's remuneration. The amount of the severance pay is fundamentally determined according to the sum of basic salary and variable annual bonus excluding remuneration in kind and other additional compensation for the last full financial year prior to the end of the employment contract. No compensation agreements were made by the company for the case of premature termination of the position on the Board of Management in the event of a takeover bid.

The current remuneration of the individual members of the Board of Management in the year under review and in the previous year were as follows:

Remuneration of the Board of Management (in TEUR)	2011 Fixed remuneration	2011 Other compensation	2011 Variable remuneration [1) 2)]	2011 Total	2010 Fixed remuneration	2010 Other compensation	2010 Variable remuneration [1) 2)]	2010 Total
Detthold Aden	605	41	450	1,096	363	39	453	855
Manfred Kuhr	424	42	300	766	302	51	261	614
Dr.-Ing. Bernd Lieberoth-Leden	330	13	300	643	--	--	--	--
Hartmut Mekelburg	330	71	300	701	233	14	237	484
Hillert Onnen	330	90	300	720	235	37	237	509
Emanuel Schiffer [3)]	458	36	300	794	356	27	240	623
	2,477	**293**	**1,950**	**4,720**	**1,489**	**168**	**1,428**	**3,085**

[1)] The variable remuneration reported is based on the business success in the respective reporting year.

[2)] The variable remuneration does not contain any variable long-term bonus. No amount was set aside for the rules regarding the variable long-term bonus to be taken into account for the first time as of 2011.

[3)] EUROGATE refunds the remuneration in full.

The members of the Board of Management were granted pension claims, some of which are against the companies of the BLG Group (BLG). Otherwise, the claims are against third parties. For purposes of comparability these claims are disclosed here. Pension liabilities to former members of the Board of Management are also directed against third parties.

The current members of the Board of Management are fundamentally entitled to receive pension benefits after leaving the BLG Group, but not before reaching the age of 63. Defined benefit pension commitments from the time before January 1, 1998 exist vis-à-vis third parties. The annual pension claims of defined benefit pension commitments come to between 40 and 60 percent of the pensionable annual income, which is substantially below the respective basic annual salary (fixed remuneration of a member of the Board of Management). The pensionable annual income of the members of the Board of Management is adjusted similarly to the increases in standard pay of the Central Association of German Seaport Operators (ZDS).

A similarly measured defined benefit BLG pension commitment additionally exists for Mr. Mekelburg. For Mr. Aden there are solely defined benefit BLG pension commitments that are comparably structured. There is no pension commitment for Dr.-Ing. Lieberoth-Leden.

Pension commitments[1] (in TEUR)	Present value of pension commitment		Total addition[2]	Market value of reinsurance coverage		Total addition[2]
	11-12-31	10-12-31	2011[2]	11-12-31	10-12-31	2011
Detthold Aden	**2,256**	**2,000**	**256**	**2,219**	**1,808**	**411**
of that, BLG	2,256	2,000	256	2,219	1,808	411
of that, third parties	0	0	0	0	0	0
Manfred Kuhr	**1,620**	**1,408**	**0**	**0**	**0**	**0**
of that, BLG	0	0	0	0	0	0
of that, third parties	1,620	1,408	0	0	0	0
Hartmut Mekelburg	**1,142**	**1,041**	**53**	**389**	**312**	**77**
of that, BLG	587	534	53	389	312	77
of that, third parties	555	507	0	0	0	0
Hillert Onnen	**1,673**	**1,516**	**0**	**0**	**0**	**0**
of that, BLG	0	0	0	0	0	0
of that, third parties	1,673	1,516	0	0	0	0
Emanuel Schiffer	**2,405**	**2,041**	**0**	**0**	**0**	**0**
of that, BLG	659	458	0	0	0	0
of that, third parties	1,746	1,583	0	0	0	0
	9,096	**8,006**	**309**	**2,608**	**2,120**	**488**

[1] The data relate to the values determined according to provisions of commercial law.

[2] The amounts indicated relate exclusively to additions to the liabilities that the BLG Group had to report on the balance sheet and represent their impacts on the income statement.

As of December 31, 2011, members of the Board of Management had not been granted any loans or advance payments, as was the case in the previous year. There were no loan redemptions in the reporting year. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Board of Management.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is stipulated in Section 17 of the Memorandum and Articles of Association of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. Every member of the Supervisory Board receives EUR 5,000, the Chairman receives triple that amount while the Deputy Chairman as well as the chairman of the Audit Committee and the chairman of the Human Resources Committee, provided he is not chairman of the Supervisory Board at the same time, receive double that amount. Members of the Audit Committee and Human Resources Committee receive an additional amount of EUR 1,000 per year.

Members of the Supervisory Board who belong to the Board only for part of the financial year receive remuneration proportionate to the period of service on the Board. Furthermore, the members of the Supervisory Board receive variable remuneration based on company success. This is calculated depending on the Group earnings (EBT) as follows: if the Group earnings exceed an amount of EUR 20 million, the members of the Supervisory Board receive 0.2 percent of the Group earnings. Each individual member of the Supervisory Board receives 1/20 of this amount. The Chairman of the Supervisory Board receives 3/20, the Deputy Chairman as well as the chairman of the Audit Committee and the chairman of the Human Resources Committee, provided he is not chairman of the Supervisory Board at the same time, receive 2/20 of this amount.

In addition, the members of the Supervisory Board receive EUR 500 per meeting, and any expenses going beyond that are refunded to the verified amount.

The members of the Supervisory Board received the following remuneration in the financial year:

Remuneration of the Supervisory Board (in TEUR)	2011					
	Fixed remuneration	Variable remuneration[2)]	Committee work	Meeting allowance	Miscellaneous[3)]	Total
Josef Hattig	15	13	1	4	9	42
Erhard Ott	10	9	1	4	0	24
Uwe Beckmeyer	5	5	0	1	0	11
Harald Bethge	0	0	0	0	3	3
Karl-Heinz Dammann	5	4	0	2	9	20
Melf Grantz	4	4	1	3	0	12
Martin Günthner [1)]	5	4	1	3	0	13
Dr. Stephan-Andreas Kaulvers	5	5	1	3	0	14
Wolfgang Lemke	5	5	2	4	0	16
Karoline Linnert [1)]	5	4	1	3	9	22
Dr. Tim Nesemann	4	3	1	2	0	10
Jürgen Oltmann	1	1	0	1	0	3
Dirk Reimers	5	4	1	3	0	13
Jürgen Rolappe	1	1	0	0	0	2
Frank Schäfer	5	4	2	4	11	26
Gerrit Schützenmeister	5	5	0	2	0	12
Dieter Schumacher	5	5	0	2	0	12
Dieter Strerath	4	4	1	2	0	11
Dr. Patrick Wendisch	10	9	1	4	0	24
	99	**89**	**14**	**47**	**41**	**290**

[1)] In accordance with Section 5a of the Senate law of the state parliament of Bremen, there is a requirement to surrender remuneration received for Supervisory Board work to the state.

[2)] The success-oriented remuneration reported is based on the business success in the respective reporting year.

[3)] in-Group Supervisory Board seats

In the previous year the Supervisory Board received remuneration to a total amount of EUR 253,000, of which EUR 100,000 was accounted for by fixed components and EUR 61,000 by variable components. The meeting allowances came to EUR 47,000, the remuneration for committee work EUR 13,000 and the allowances for in-Group Supervisory Board seats EUR 32,000.

As of December 31, 2011, members of the Supervisory Board had not been granted any loans or advance payments, as was the case in the previous year. There were no loan redemptions in the reporting year. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Supervisory Board. Travel expenses were reimbursed to the customary extent.

Annual Financial Statement and Management Report : :

of

BREMER LAGERHAUS-GESELLSCHAFT

–Aktiengesellschaft von 1877–

Balance Sheet
as of December 31, 2011

Assets	2011-12-31 TEUR	2010-12-31 TEUR
A. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	17,983	16,652
2. Other assets	1	0
	17,984	**16,652**
II. Cash in hand, bank balances	22	21
	18,006	**16,673**

Equity and liabilities	2011-12-31 TEUR	2010-12-31 TEUR
A. Equity		
I. Subscribed capital	9,984	9,984
II. Revenue reserves		
1. Legal reserves	999	999
2. Other revenue reserves	4,588	3,909
III. Balance sheet profit	1,536	1,152
	17,107	**16,044**
B. Provisions		
1. Provisions for taxes	332	80
2. Other provisions	495	471
	827	**551**
C. Liabilities		
1. Trade payables	7	10
2. Liabilities to affiliated companies	1	13
3. Other liabilities	64	55
	72	**78**
	18,006	**16,673**

Income Statement
from January 1 to December 31, 2011

	01-01 - 2011-12-31 TEUR	01-01 - 2010-12-31 TEUR
1. Remuneration of BLG LOGISTICS GROUP AG & Co. KG	2,655	1,615
2. Other operating income	407	363
	3,062	**1,978**
3. Other operating expenses	-963	-949
4. Other interest and similar income	557	539
5. Result from ordinary activities	**2,656**	**1,568**
6. Taxes on income	-440	-268
7. Net income	**2,216**	**1,300**
8. Transfers to other revenue reserves	-680	-148
9. Balance sheet profit	**1,536**	**1,152**

General disclosures

The annual financial statement was prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) in conformity with the provisions of the Memorandum and Articles of Association.

The income statement was prepared according to the total cost method (Section 275 (2) HGB).

Disclosures in respect of accounting and measurement

The receivables and other assets are reported at their nominal value.

Bank balances are recognized at their nominal value.

The provisions are recognized to the settlement amount necessary to cover all uncertain liabilities and imminent losses from pending transactions on the basis of prudent business assessment. The strict principle of the lower of cost or market is applied.

The liabilities are accrued at their settlement amounts.

Deferred tax assets are based on loss carry-forwards related to trade tax. For the measurement the company examined a 5-year period based on the company's extrapolated three-year medium-term planning. The deferred taxes are measured at a tax rate of 15.40 percent. They are not regarded as having sustainable value because of expected losses related to trade tax.

Disclosures in respect of the balance sheet

Accounts receivable from affiliated companies

This item contains short-term loans to BLG LOGISTICS GROUP AG & Co. KG, Bremen amounting to EUR 5,227,000 (previous year: EUR 5,227,000). Receivables regarding cash management from BLG LOGISTICS GROUP AG & Co. KG account for EUR 10,377,000 (previous year: EUR 10,098,000). A further amount of EUR 2,379,000 (previous year: EUR 1,327,000) concerns trade receivables from BLG LOGISTICS GROUP AG & Co. KG.

All receivables have a residual term of up to one year.

Equity

The capital stock amounts to EUR 9,984,000 and is divided into 3,840,000 voting bearer shares. Transfer of the shares requires the approval of the company in accordance with Section 5 of the Memorandum and Articles of Association.

Revenue reserves

The legal reserves are allocated in full to an amount of EUR 998,400.

An amount of EUR 680,000 (previous year: EUR 148,000) was transferred to other revenue reserves from the net income for the year 2011.

Provisions

The recognition of other provisions entailed provisions to an amount of EUR 293,000 (previous year: EUR 293,000) for costs in connection with the Annual Shareholders' Meeting, publication of the annual financial statement and the consolidated financial statement as well as the auditing costs. Additional provisions of EUR 202,000 (previous year: EUR 178,000) were made for fixed and variable Supervisory Board remuneration.

Liabilities

All liabilities have a residual term of up to one year.

As in the previous year, the liabilities to affiliated companies result in full from deliveries and other performances.

Of the other liabilities, EUR 42,000 (previous year: EUR 34,000) relate to taxes.

Contingent liabilities

The company is the general partner of the subsidiary BLG LOGISTICS GROUP AG & Co. KG, Bremen. A capital share does not have to be paid in. No risks of being subject to claims are perceptible on the basis of the equity capitalization and the positive results expected for BLG LOGISTICS GROUP AG & Co. KG in the following years.

Investment holdings

The investment holdings, which must be allocated to the company via its subsidiary BLG LOGISTICS GROUP AG & Co. KG in accordance with Section 285 sentence 1 no. 11 of the German Commercial Code (HGB), are part of the audited annual financial statement, which is published in the electronic Federal Gazette.

A condensed list of the subsidiaries included in the consolidated financial statement, joint ventures, associated enterprises and other participations is contained in the section Further information on page 196 ff.

Disclosures in respect of the income statement

Remuneration of BLG LOGISTICS GROUP AG & Co. KG

This item contains the liability remuneration based on the Articles of Association and the remuneration for work as general partner of BLG LOGISTICS GROUP AG & Co. KG.

Other operating income and expenses

These two items include transmitted payments to the Supervisory Board to an amount of EUR 254,000 (previous year: EUR 223,000). The other operating expenses additionally contain administration costs. Furthermore, the disclosure encompasses expenses not relating to this period to an amount of EUR 0 (previous year: EUR 16,000).

Other operating income contains income not relating to this period amounting to EUR 75,000 (previous year: EUR 56,000), which primarily concerns release of provisions.

Other interest and similar income

Of the interest income, EUR 557,000 (previous year: EUR 540,000) stem from affiliated companies.

Taxes on income

The taxes on income and earnings correspond to the improved result before taxes. Expenses due to taxes on income come to EUR 440,000 (previous year: EUR 268,000).

Other disclosures

Off-balance-sheet transactions

There were no transactions that were not contained in the balance sheet as of December 31, 2011.

Other financial liabilities

There were no other financial liabilities as of December 31, 2011.

Auditor fees

The total remuneration for the auditors' work in the financial year comes to EUR 118,000 (previous year: EUR 115,000). As in the previous year, this amount relates to the annual financial statement audit and the consolidated financial statement audit. The item contains EUR 3,000 (previous year: EUR 0) for expenses not relating to this period. Expenses for consulting or confirmation services were not incurred (previous year: EUR 1,000 for tax-related consulting services).

Disclosures on affiliated companies and parties

Affiliated companies and parties are in particular majority shareholders, subsidiaries that are not included in the consolidated financial statement as a consolidated company or are not directly or indirectly under 100 percent ownership, joint ventures, associated enterprises and persons in key positions, such as Board of Management, Supervisory Board and level 1 executives, as well as their close family members.

The corporate interlacing of the BLG Group with BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as general partner without a capital share and the Free Hanseatic City of Bremen – municipality of Bremen – as sole limited partner of BLG LOGISTICS GROUP AG & Co. KG is explained in the Management Report in the section Organizational integration.

The composition of the Board of Management and Supervisory Board as well as further information on these groups of persons are provided on pages 29, 34 f. and 43 ff.; see also the section Supervisory Board and Board of Management.

Transactions with shareholders

Relationships with the Free Hanseatic City of Bremen – municipality of Bremen –

The Free Hanseatic City of Bremen – municipality of Bremen – is the majority shareholder of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– with a share of the subscribed capital of 50.42 percent and has received a dividend on the basis of the resolution regarding appropriation of the balance sheet profit.

Transactions with affiliated companies, joint ventures and associated enterprises

There were no transactions with affiliated companies, joint ventures and associated enterprises in the reporting year.

Board of Management and Supervisory Board

The disclosures concerning the Supervisory Board and the Board of Management have been examined by the financial statement auditor. To avoid duplication, they will be reported elsewhere in the Annual Report. For the composition of the Supervisory Board and the Board of Management as well as memberships of the Supervisory Board and Board of Management members in other bodies in accordance with Section 125 (1) sentence 5 of the Stock Corporation Act (AktG) see pages 29 and 34 f. The disclosures on individualized remuneration in accordance with Section 285 (1) no. 9 HGB as well as the description of the basic features of the remuneration systems are summarized in the Corporate Governance report, whose remuneration report is at the same time part of the Management Report and the Group Management Report, on pages 47 ff. The expenses for the emoluments of the Board of Management are assumed in full by BLG LOGISTICS GROUP AG & Co. KG.

Directors' Dealings

The disclosures on directors' dealings are shown in the Corporate Governance report on page 46.

Shareholders

In a letter dated April 2, 2002 to us as well as to the Federal Supervisory Office for Securities Trading, Frankfurt/Main, which has since become part of the Federal Supervisory Agency for Financial Services, Frankfurt/Main, (BaFin), Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen, notified us in accordance with Section 41 (2) sentence 1 of the Securities Trading Act (WpHG) that as of April 1, 2002 it is entitled to 12.61 percent of the voting rights in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

In a letter dated April 2, 2002 to us as well as to BaFin, Norddeutsche Landesbank Girozentrale, Hanover, as parent company of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen, notified us in accordance with Section 41 (2) sentence 1 of the Securities Trading Act (WpHG) that as of April 1, 2002 it is entitled to 12.61 percent of the voting rights in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. Of that, 12.61 percent is to be allocated to Norddeutsche Landesbank Girozentrale in accordance with Section 22 (1) sentence 1 no. 1 WpHG.

In a letter dated April 8, 2002 to us as well as to BaFin, the financial holding company of Sparkasse in Bremen, Bremen, notified us in accordance with Section 41 (2) sentence 1 of the Securities Trading Act (WpHG) that as of April 1, 2002 it is entitled to 12.61 percent of the voting rights in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

In a letter dated April 9, 2002 to us as well as to BaFin, the Free Hanseatic City of Bremen – municipality of Bremen – notified us in accordance with Section 41 (2) sentence 1 of the Securities Trading Act (WpHG) that as of April 1, 2002 it is entitled to 50.42 percent of the voting rights in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

The company has published the above mentioned notices in accordance with Section 41 (3) of the Securities Trading Act (WpHG) in connection with Section 25 (1) sentence 1, 2 WpHG and duly informed BaFin, of that.

Appropriation of net profit

The Board of Management in conjunction with the Supervisory Board will submit the following proposal regarding appropriation of net income to the Annual Shareholders' Meeting on May 31, 2012: distribution of a dividend of EUR 0.40 per share (corresponding to around 15 percent per share) for the 2011 financial year, corresponding to the balance sheet profit of EUR 1,536,000.

Consolidated financial statement

The company as the parent enterprise prepared a consolidated financial statement as of December 31, 2011 in accordance with IFRS, as is applicable in the EU, and the provisions based on commercial law to be additionally applied according to Section 315a (1) HGB. The consolidated financial statement is published in the electronic Federal Gazette and is available at the headquarters of the company in Bremen.

Corporate Governance Code

The Board of Management and the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– issued the 10th Declaration of Conformity to the German Corporate Governance Code in the version of May 26, 2010 on December 19, 2011. The declaration has been made publicly available to the shareholders on a permanent basis through its inclusion in the company's website at www.blg.de.

Management Report

Organizational integration

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, Bremen, is exclusively the general partner of BLG LOGISTICS GROUP AG & Co. KG, Bremen. It maintains a branch office in Bremerhaven. The diverse logistics services of BLG LOGISTICS GROUP AG & Co. KG are performed in the three divisions, AUTOMOBILE, CONTRACT and CONTAINER, via the operational subsidiaries and participations.

In accordance with the Articles of Association, BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has not made any capital contribution to BLG LOGISTICS GROUP AG & Co. KG and does not share in its profit. All limited partnership shares in BLG LOGISTICS GROUP AG & Co. KG are held by the Free Hanseatic City of Bremen – municipality of Bremen – and are disclosed in our consolidated financial statement as "Minority interests".

Besides the customary reimbursement of costs, BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– receives from BLG LOGISTICS GROUP AG & Co. KG liability remuneration to an amount of 5 percent of the equity reported in the annual financial statement of the respective previous year in accordance with Sections 266 ff. of the German Commercial Code (HGB). The liability remuneration shall be paid independent of the year-end results of BLG LOGISTICS GROUP AG & Co. KG. In addition, BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– receives remuneration for work to an amount of 5 percent of the net income of BLG LOGISTICS GROUP AG & Co. KG prior to deduction of this remuneration for work. The remuneration for work amounts to at least EUR 256,000 and at most EUR 2,500,000.

Moreover, all expenses directly incurred by our company in connection with management of BLG LOGISTICS GROUP AG & Co. KG shall be reimbursed by the latter.

Further information on transactions with affiliated companies and related parties can be found in the notes to the consolidated financial statement.

For the 2011 financial year a report on the relationships to affiliated companies was prepared by the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. The final statement of the Board of Management is as follows:

"BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– received an appropriate consideration for each legal transaction indicated in the report through relationships to affiliated companies and was not disadvantaged by the measures taken, which were indicated in the report. Action in accordance with Section 312 AktG was not forborne. This assessment is based on the circumstances of which we were aware at the time the legal transactions were conducted."

Report on earnings, financial and asset situation

In accordance with its corporate function, BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– lent all financial facilities available to it to BLG LOGISTICS GROUP AG & Co. KG for pro rata financing of the working capital necessary for performing its services. This essentially takes place via the central cash management of BLG LOGISTICS GROUP AG & Co. KG in which the company has been included since the previous year. The loans existing to date were transferred to cash management with one exception. The interest on the funds provided is based on unchanged customary market terms. This financing holds minimal risk.

For performance of the general partner function in BLG LOGISTICS GROUP AG & Co. KG and for management of the BLG Group BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– received a liability compensation (EUR 802,000) and remuneration for work (EUR 1,850,000) for 2011. In addition, expenses directly incurred by the company in connection with management of BLG LOGISTICS GROUP AG & Co. KG were reimbursed by the latter.

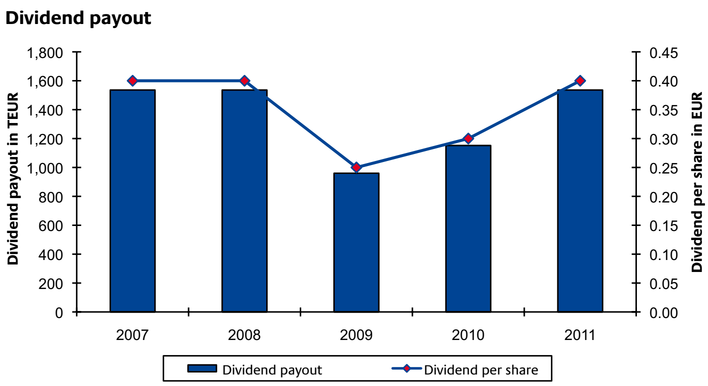
Earnings per share of EUR 0.58

The earnings per share are calculated by dividing the annual net income of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– by the average number of outstanding shares during the financial year. Unchanged from the previous year, there were 3,840,000 registered shares with voting rights outstanding during the financial year. The net income in 2011 climbed to EUR 2.2 million (previous year: EUR 1.3 million). The rise is essentially attributable to the more than doubling of the remuneration for work to EUR 1,850,000 (previous year: EUR 830,000). The primary reason for this was the development of the AUTOMOBILE and CONTAINER Divisions influenced by the positive economic development, which had a corresponding impact on the earnings of BLG LOGISTICS GROUP AG & Co. KG.

Dividend increase to EUR 0.40 per share

The basis for the distribution of profits to the shareholders is the respective annual financial statement of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

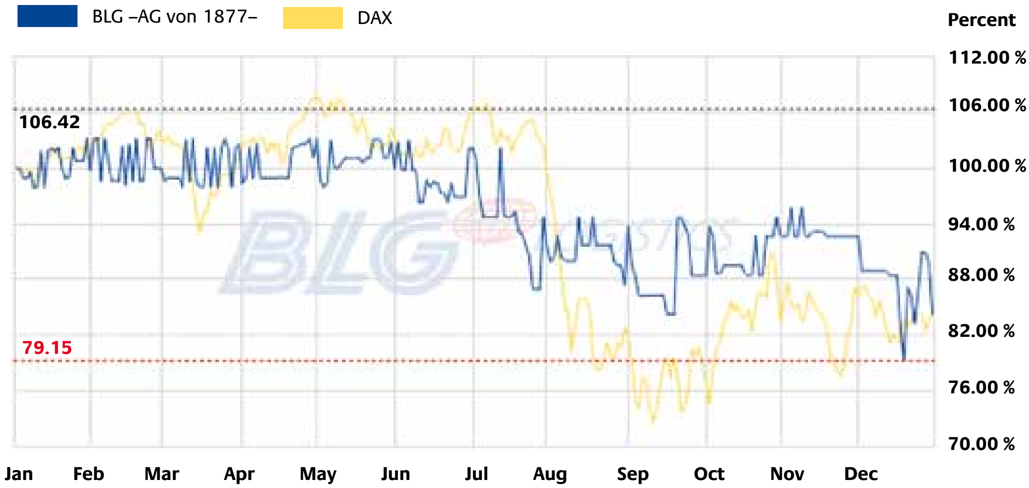
Based on the development of earnings and in accordance with an appropriate dividend policy, the Board of Management, in conjunction with the Supervisory Board, will propose to the Annual Shareholders' Meeting on May 31, 2012 that the available balance sheet profit to an amount of EUR 1,536,000.00 be used for distribution of a dividend of EUR 0.40 per share (previous year: EUR 0. 30 per share). This corresponds to a payout ratio of 69 percent. Based on the year-end price, a dividend yield of 5.0 percent resulted in the 2011 financial year. In relation to the share capital eligible for dividends amounting to EUR 9,984,000.00, the return is around 15 percent. The proposed dividend thus reflects the considerable rise in earnings compared to the previous year.



Difficult stock market year 2011

After the DAX was able to continue its upward trend in 2011 because of the positive economic prospects in the first six months, it reached its low point of 4,966 points in the third quarter in the course of the European public debt crisis. In the last quarter a countertrend set in again against the backdrop of financial policy stabilization measures. At the end of the year the DAX reached a level of 5,898 points and thus lost around 15 percent compared to the previous year.

Share price development



Source: EquityStory AG / Ariva.de AG

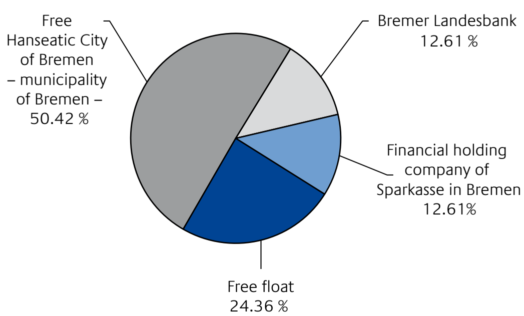
The BLG stock, too, was affected by the development on the stock markets. After a sideways movement in the first six months the price declined significantly in the third quarter. After the lowest level of year (EUR 7.52) reached shortly before that, the year closed with an average price of EUR 8.06 per share on the listed stock markets. In relation to the previous year this means a price drop of about 15 percent.

Shareholder structure

The shareholder structure of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has existed in its current distribution since 2002 and can therefore be regarded as extremely constant. The biggest shareholder is the Free Hanseatic City of Bremen – municipality of Bremen – which holds the majority of the shares, i.e. 50.42 percent.

Other major institutional investors are Bremer Landesbank and the financial holding company of Sparkasse in Bremen. The free float amounts to 24.36 percent, corresponding to around 936,000 shares. The proportion of institutional investors of the latter is about 8 percent while the remaining 16 percent are held by private shareholders.

Shareholder structure



Key figures for BLG stock

		2011	2010	2009	2008	2007
Earnings per share	EUR	**0.58**	**0.34**	0.24	0.77	0.67
Dividend per share	EUR	**0.40**	**0.30**	0.25	0.40	0.40
Dividend	%	**15**	**12**	10	15	15
Dividend yield	%	**5.0**	**3.2**	3.3	4.3	3.8
Market price at end of year[1]	EUR	**8.06**	**9.48**	7.58	9.30	10.60
Highest price[1]	EUR	**9.83**	**9.61**	9.61	10.85	12.95
Lowest price[1]	EUR	**7.52**	**8.20**	6.19	8.22	9.82
Payout amount	TEUR	**1,536**	**1,152**	960	1,536	1,536
Payout ratio	%	**69**	**89**	104	52	62
Price-earnings ratio		**13.9**	**27.9**	31.6	12.1	15.8
Market capitalization	million EUR	**31.0**	**36.4**	29.1	35.7	40.7

[1] Average on listed stock markets

Corporate Governance report

Declaration on corporate management

The disclosures concerning Corporate Governance in accordance with Section 289 of the German Commercial Code (HGB) have been examined by the financial statement auditor. To avoid duplication, they will be reported elsewhere in the Annual Report together with the unreviewed declaration on corporate management in accordance with Section 289a HGB; see page 41 ff. in this connection.

Disclosures relevant to takeovers in accordance with Section 289 (4) HGB

Disclosures relevant to takeovers are provided in the Corporate Governance report on pages 46 f.

Remuneration report

The remuneration report in accordance with Section 289 (2) no. 5 HGB is contained in the Corporate Governance report on pages 47 ff.

Supplementary report

No events of special importance have occurred to date.

Risk report

Risk management

Responsible handling of potential risks is a key element of solid corporate management for BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. At the same time it is important to identify and take advantage of opportunities. Our risk policy pursues the goal of increasing goodwill without taking unreasonably high risks.

The Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– assumes responsibility for formulation of risk policy principles and profit-oriented management of the overall risk. The Board of Management regularly reports to the Supervisory Board on decisions holding potential risk in connection with its dutiful assumption of responsibility based on company law.

Early identification of potential risk takes place within the framework of continuous risk controlling as well as of a risk management and reporting system geared to the corporate structure based on company law. We give special consideration to possible risks to continuity of operations based on strategic decisions.

Our Internal Auditing Department has been integrated into risk communication as a process-independent monitoring body within the BLG Group.

To counteract possible risks that may arise especially from the diverse regulations and laws pertaining to tax, competition, cartels, the capital market and environmental protection, the BLG Group bases its decisions and the shaping of business processes on comprehensive legal consulting by our own experts as well as by qualified external experts. If legal risks relate to past circumstances, we establish the necessary balance sheet provisions for this purpose and review their appropriateness at regular intervals.

Currently no risks to continuity of operations and to the future development of our company can be identified on the basis of an overall analysis. Our financial base in connection with extension of the range of services in all strategic business units of the Group continues to offer good opportunities for stable corporate development on the part of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

Description of the main features of the internal control and risk management system with regard to the accounting process

The description of the main features of the internal control and risk management system with regard to the accounting process in accordance with Section 289 (5) HGB was reviewed by the auditors. To avoid duplication, we refer to the respective disclosures in accordance with Section 315 (2) no. 5 HGB in the Group Management Report on pages 97 ff.

Risks and opportunities of future development

Risks for the company result from its position as general partner of BLG LOGISTICS GROUP AG & Co. KG, Bremen. There is no perceptible risk of being subject to claims. A risk as well as an opportunity arise from the development of earnings of BLG LOGISTICS GROUP AG & Co. KG, on which the amount of the company's remuneration for work depends. A default risk results mainly from the receivables from loans and cash management with respect to BLG LOGISTICS GROUP AG & Co. KG.

Report on forecasts and other statements regarding expected development

As forecast in the previous year, a significantly higher net income of around EUR 2.2 million was achieved in 2011 in view of the quantitative increases thanks to positive earnings impacts in BLG's affiliated companies. In spite of the restrained economic prospects, for the years 2012 and 2013 we assume a continued rise in other operating income from the remuneration for work based on sound planning and further development of the business segments and thus increasing net income. Our objective for the 2012 financial year is continuation of the solid dividend policy, but at least a dividend of EUR 0.40 per share.

Apart from historical financial information, this annual report contains future-oriented statements on the development of business and earnings of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– that are based on assessments, forecasts and expectations and are characterized by such formulations as "assume" or "expect" and similar expressions. These statements may naturally deviate from actual future events or developments. We do not assume any obligation to update the future-oriented statements in view of new information.

Assurance of legal representatives

We declare according to the best of our knowledge and belief that, in accordance with the accounting principles to be applied, the annual financial statement presents a true and fair view of the net worth, financial position and results of the company and the Management Report conveys a true and fair view of the business trend, including the business result, and of the situation of the company and describes the major opportunities and risks in connection with the expected development of the company.

Bremen, March 30, 2012
THE BOARD OF MANAGEMENT

Aden	Kuhr	Dr.-Ing. Lieberoth-Leden
Mekelburg	Onnen	Schiffer

Auditor's Report

We have audited the annual financial statement, consisting of the balance sheet, income statement, and the notes to the financial statement, including the accounting and the Management Report of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, Bremen, for the financial year from January 1 to December 31, 2011. The legal representatives of the company assume responsibility for the accounting and preparation of the annual financial statement and the Management Report in accordance with the provisions of German commercial law. Our function is to submit an evaluation of the annual financial statement, taking into account the accounting, and of the Management Report on the basis of the audit conducted by us.

We have conducted our audit of the annual financial statement in accordance with Section 317 of the German Commercial Code (HGB), taking into consideration the German principles of proper financial statement auditing stipulated by the Institute of Auditors (IDW). According to these principles, the audit is to be planned and conducted such that any incorrectness and violations that have a significant impact on the view of the net worth, financial position and results conveyed by the annual financial statement in conformity with generally accepted accounting principles and by the Management Report are identified with adequate certainty. Knowledge of the business activities, economic environment and legal framework of the company as well as the expectations regarding possible errors are taken into account in the definition of the auditing procedures. The effectiveness of the accounting-related system of internal audits as well as documentary evidence for the data in the accounting, annual financial statement and Management Report are predominantly evaluated on the basis of spot checks within the framework of the audit. The audit encompasses evaluation of the accounting principles applied and of the relevant assessments of the legal representatives as well as an appraisal of the overall presentation of the annual financial statement and the Management Report. We are of the view that our audit forms an adequately reliable basis for our evaluation.

Our audit did not lead to any objections.

In our assessment, the annual financial statement conforms to the legal regulations on the basis of the findings gained through the audit and presents a true and fair view of the net worth, financial position and results of the company in compliance with generally accepted accounting principles. The Management Report is in accordance with the annual financial statement, conveys overall an accurate view of the situation of the company and represents the opportunities and risks of future development accurately.

Bremen, March 30, 2012

FIDES Treuhand GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Bitter Auditor	Kersten Auditor

Group Management Report : :

of

BREMER LAGERHAUS-GESELLSCHAFT
–Aktiengesellschaft von 1877–

Group Management Report

Business model

As general partner for the BLG Group and a listed company, BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has assumed management of BLG LOGISTICS GROUP AG & Co. KG. BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has prepared the consolidated financial statement in this function.

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– does not hold an interest in the share capital of BLG LOGISTICS GROUP AG & Co. KG and it has no right to a proportionate share of the company's profit. It receives remuneration for the liability assumed as well as for its work. All limited partnership shares of BLG LOGISTICS GROUP AG & Co. KG are held by the Free Hanseatic City of Bremen – municipality of Bremen –.

As the holding company, BLG LOGISTICS GROUP AG & Co. KG concentrates on strategic alignment and development of the BLG Group with its three divisions, AUTOMOBILE, CONTRACT and CONTAINER. The divisions in turn are divided into ten business segments. Operational management of the business segments, including profit responsibility, is under the charge of the respective business segment management of the AUTOMOBILE and CONTRACT Divisions as well as the Group Management of EUROGATE GmbH & Co. KGaA, KG for the CONTAINER Division. The central departments and staff units of the holding company perform consulting and other services Group-wide.

BLG – CINKO Auto Logistics in Tianjin, China

The BLG Group (BLG LOGISTICS GROUP) operates externally as BLG LOGISTICS. BLG LOGISTICS is a seaport-oriented logistics provider with international networks in the operational divisions, including over 100 companies and branch offices in Europe, North and South America, Africa and Asia.

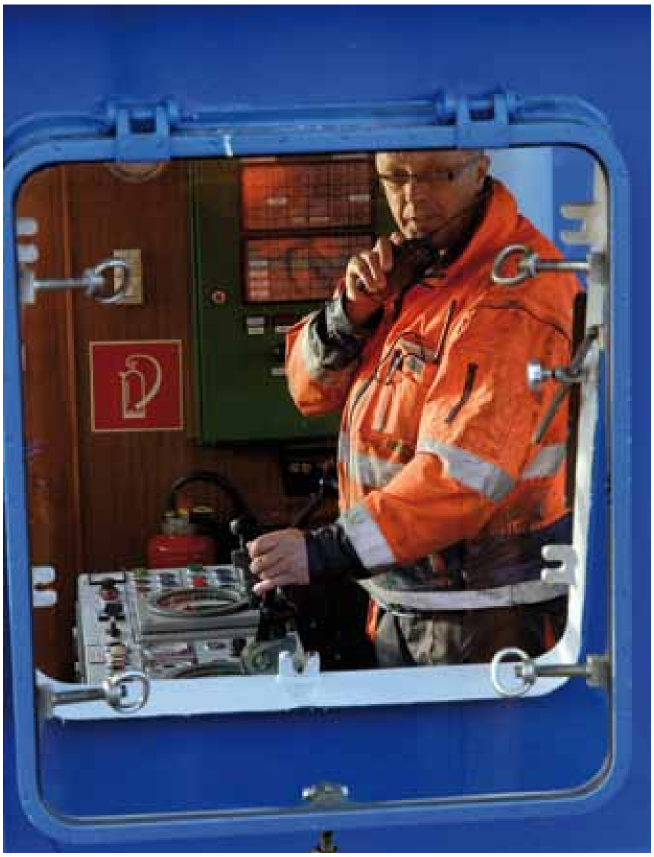
Overall economic situation

After the noticeable economic recovery in 2010 the upswing of the world economy slowed in the 2011 financial year. This applies in particular to the economic performance of the industrialized countries while growth in the newly industrializing countries weakened, but continued at a substantial pace. Positive impetus primarily came from the Asian and Latin American regions. Overall, the performance of the world economy rose by 3.8 percent (previous year: 5.2 percent).

This development also had an impact on the growth of world trade, which at 6.9 percent was down from the previous year (12.7 percent). The major factors for this decline were the impacts of the earthquake in Japan, the strong rise in raw materials prices resulting from the political upheavals in the Arab states and the public debt crises in the euro zone and the USA.

There is general agreement that the restrained growth of the world economy will basically continue in 2012, though an economic recovery is expected, primarily in the second half of the year. Similar developments are forecast for the growth of world trade.

With a 3.0 percent increase (previous year: 3.7 percent) in gross domestic product growth in Germany developed more dynamically than forecast at the beginning of the year, contrary to the trend in other industrial countries. This was mainly due to the more pronounced significance of the domestic economy. However, the public debt crisis in Germany also caused the positive development in the second half of the year to falter considerably. For this reason forecasts call for an average annual growth rate of 0.7 percent for the gross domestic product in 2012.



Employee of BLG Cargo Logistics in Neustädter Hafen, Bremen

Sector development

As a key link between producers, commerce and consumers, the logistics sector is greatly dependent on business activity. As a result of the pronounced networking of logistics processes, local disruptions may lead to global effects.

Among other things, the logistics sector was significantly impaired by the consequences of the natural and environmental disaster in Japan in 2011. Other major adverse factors ensued from the high energy prices, the European public debt crisis, the weak state of the American economy and, particularly in Germany, increasing public charges as well as the sluggish development of infrastructure projects.

Growth impetus mainly comes from East Asia. As a major market for business in Asia, China plays a leading role here. Brazil is seen as another growth market. However, investments in the existing markets are also an important factor.

Tripod transport in Bremerhaven

Sales in Germany's logistics sector reached 220 billion euros in 2011 and thus surpassed the previous record mark in 2008, when sales were 218 billion euros. This makes the German logistics market the biggest segment by far in Europe. Aside from its economic strength and the substantial population, the significance of the German market can be attributed, among other things, to the fact that a large portion of the economic performance is accounted for by industry and commerce. Other reasons are the traditionally high export share, the central location in Europe and the hub function based on that. Moreover, the quality of the transport infrastructure and the high level of logistics competence contribute to the attractiveness of Germany as a logistics location.

This is substantiated by the Logistics Performance Index, which is calculated by the World Bank every two years and in 2010 identified Germany as a leading logistics location for the first time. Six categories on a scale from 1 to 5 are rated to calculate the total value.

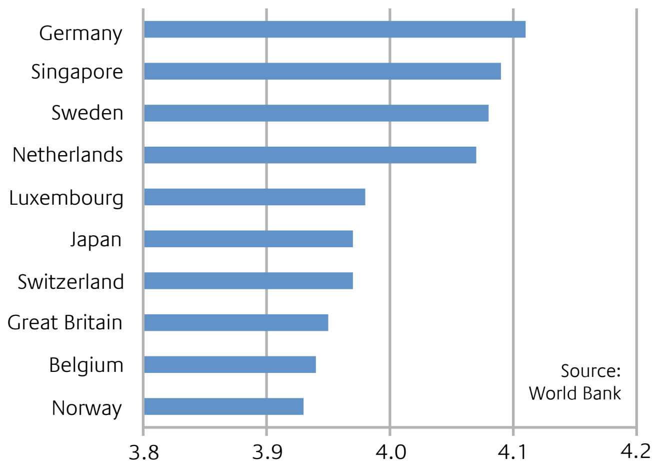
In the categories Infrastructure, Timeliness and Customs Germany is among the top 3 and achieves a total value of 4.11.

For the year 2012 cautious sales growth of up to 230 billion euros is assumed, depending on the overall economic development. In spite of an unfavorable assessment of the current economic situation, expectations regarding business development are rising again. Based on this reversal in trend, we can expect a further increase in the number of employees.

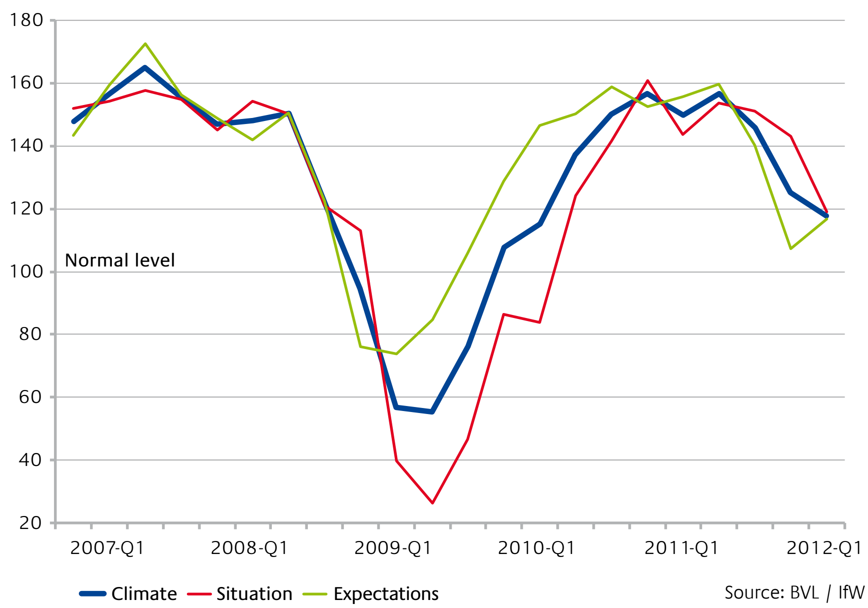
However, the German logistics sector still faces great challenges with respect to the demographic development and in connection with that the availability of well trained human resources, as well as necessary infrastructure investments and the impacts of the change in energy policy.

Increasing performance and quality demands on the part of customers, achievement of sustainability targets, changes in consumer behavior resulting from innovative communication technologies as well as persistent cost and margin pressure coupled with the necessity of further process optimization and cost reductions are considered to be key factors of future sector development. The BLG Group sees itself in a good position within this framework thanks to its clear performance profile as well as a streamlined corporate organization and management structure enabling quick and customer-oriented decisions.

Top 10 Logistics Performance Index, 2010



Business climate for logistics providers



BLG AutoRail in Falkenberg

Business trend and position of the Group

In the 2011 financial year the BLG Group maintained the positive economic development of the previous year with significant growth in all divisions. Against this background it was again able to increase Group earnings before taxes by EUR 14.4 million to EUR 48.5 million. Given the continued fierce price competition, the improved results were primarily attained through increased volumes, consistently implemented process optimization and exploitation of savings potential.

In view of this situation, the BLG Group will continue to pursue its dual strategy of cost reduction and market growth in 2012. We expect to achieve the necessary success in the future in this way.

The **AUTOMOBILE Division** offers all services related to finished vehicle logistics, such as cargo handling, storage, technical services as well as freight forwarding and transport logistics via rail, road, inland and coastal shipping, in the segments comprising seaport terminals, inland terminals, intermodal services and Eastern Europe. This means the range of logistics services from the automobile manufacturers to the end customers is complete. In relation to the previous year the vehicle handling volume climbed substantially to a level of 6.5 million units in the 2011 financial year, thus strengthening the position of the leading automobile logistics specialist in Europe.

Division sales increased by EUR 60.7 million to EUR 381.9 million, resulting in a return on sales based on the operational earnings (EBIT) of 3.9 percent (previous year: 2.9 percent). Despite the rise in the reporting year, the return on sales remains unsatisfactory.

On the basis of economic development in the AUTOMOBILE Division in the 2011 financial year, the earnings before taxes came to EUR 10.8 million. This represents a doubling of the figure for the previous year (EUR 3.9 million) and was primarily volume-related.

Bremerhaven AutoTerminal

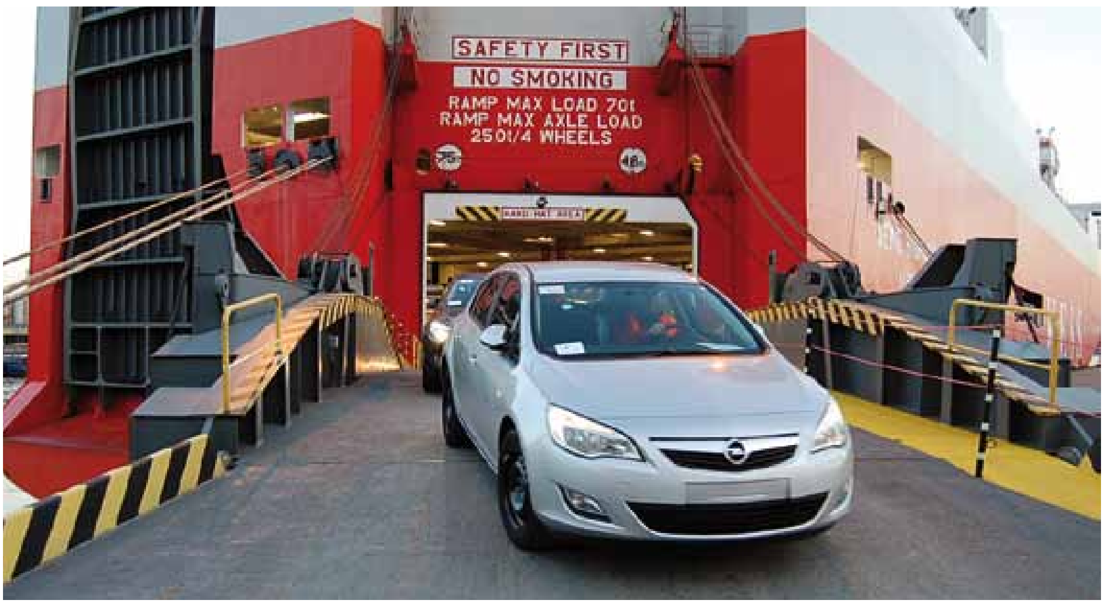
In 2011, too, the domestic automobile production of German manufacturers showed continued growth and recorded a rise of 5.8 percent to a level of 5.9 million new vehicles. At the same time the export rate for passenger cars from Germany expanded by an additional 0.3 million vehicles to a total of 77.0 percent.

BLG's export terminals were able to significantly augment their cargo handling volume thanks to the increased export activities of their key clients. Further growth, though to a considerably lower extent than in exports, was also achieved in the import segment. At the Bremerhaven location automobile handling rose by 30 percent to more than 2 million vehicles. BLG's Bremerhaven AutoTerminal thus surpassed the record level reached in 2007 and 2008 and secured for itself the top position among European automobile handling ports in 2011.

The increasing shift in the production capacities of Korean manufacturers to Eastern Europe results in a sustained reduction in the imports of these vehicles from Asia. This has led to overcapacity at the technical centers in Bremerhaven. The necessary measures for adjusting the technical capacities were initiated in the second half of 2011.

Planning on the part of carmakers assumes that the export volume via Bremerhaven will continue to mount in the following years. To secure cargo handling and safeguard the future of the Bremerhaven location on a long-term basis, BLG is developing new concepts for area use and expansion investments in parking decks and track installations. Implementation has already started.

To complement the Bremerhaven seaport terminal, further expansion of the Cuxhaven seaport terminal was carried out in 2011. Acquisition of a new client in 2011 and provision of new cargo handling areas served to secure the positive development of this location on a long-term basis. We acquired regular ship arrivals for the seaport terminal in Hamburg and will further expand them in the following years.



Imported vehicles in Cuxhaven

In addition to the seaport terminals in Bremerhaven, Cuxhaven and Hamburg as well as the foreign terminals in Gioia Tauro, Gdansk and St. Petersburg, the division also operates several inland terminals on the Rhine and Danube. Because of their more pronounced incorporation into the European new and used car market, the inland terminals depend to a greater degree on the development of the automobile industry in Germany and Europe as compared to the seaport terminals.

In the reporting year the inland terminals recorded 7.9 percent growth in cargo handling and a rise of 10.0 percent in technically processed vehicles. This is considerably above the growth rates for newly registered cars in Germany. In spite of the low market growth in Germany, the inland terminals are increasingly involved in activities through integration into the division's network. For example, the company succeeded in implementing the Duisburg terminal as a railway base for customers. Vehicles from production in Eastern Europe are brought to the terminal via rail, technically processed and stored there, and subsequently distributed to the dealers in western Germany and the Benelux countries by truck. Furthermore, this integration into the network provides a competitive advantage, leading to greater success in acquiring orders from new invitations to tender.

Gioia Tauro automobile terminal in Italy

Car shipment on Rhine and Danube Photo: dpa

A major element of the AUTOMOBILE Division's network is intermodal transport. The shipment volume via truck, rail and inland vessel rose in comparison to the previous year by 20 percent. The division is boosting capacity for special railway wagons for automobile transport. BLG AutoRail GmbH, which was established in 2008, is developing positively. As of December 31, 2011, its rolling stock consisted of 800 railway wagons and will increase to 1,300 in 2013. Wagon capacity is extensively fully utilized through contractually agreed regular shipments. Demand for wagon capacity on the part of carmakers is high and will continue to rise in the following years.

To maintain rail activities on a long-term basis, BLG purchased a railway station in Falkenberg (Brandenburg) in 2011 and has developed it into a consolidation point for rail shipments from the Eastern European production plants to the seaports. This results in a substantial competitive advantage for BLG AutoRail. The company also envisages creating its own workshop facilities in Falkenberg.

Rail transport is turning more and more into an alternative to classic shipments via truck. Besides the problem related to truck loading capacity, rising fuel costs and toll fees for trucks, environmental policy aspects play an increasing role here. BLG extends this portfolio by operating several inland vessels on the Danube and Rhine for the shipment of new vehicles from the production plants to the inland terminals or western ports. As far as transport via inland vessel on the Danube is concerned, our terminal in Kelheim serves as a central point for storage, technical processing and further distribution of the vehicles. The terminals in Wörth, Duisburg and Neuss are utilized for shipments via inland vessel on the Rhine.

Eastern Europe has recorded high growth in new car registrations of nearly 40 percent, particularly in the Russian and Ukrainian markets. Continued two-digit growth rates are expected in these markets in the following years.

Effective as of January 1, 2011, BLG established a joint venture with the FESCO Transportation Group in Russia and sold for this purpose 50 percent of the shares in BLG Automobile St. Petersburg to FESCO. The seaport terminal in St. Petersburg is the basis for the joint venture with FESCO. Automobile handling in St. Petersburg developed positively in 2011. The company aims at tapping the market in Russia together with FESCO as a strategic partner. In 2012 the next step will begin with building up shipments of finished vehicles via truck.

Automobile terminal in St. Petersburg, Russia

The **CONTRACT Division** encompasses different logistics services in the business segments Automotive, Industrial Logistics, Offshore Wind Energy as well as Retail Trade and Seaport Logistics.

In the 2011 financial year the development of the Automotive segment domestically was characterized by implementation of process implementation and quality improvements. Furthermore, the volume for key account Daimler increased significantly. We succeeded in acquiring orders from other manufacturers in the parts logistics segment, such as VW and BMW. In this way we were able to reduce dependence on a few key accounts. Similar to the development of the export volume, car producers also expect high growth in parts logistics for finished vehicles in the following years. Concepts for capacity expansion are being developed and implemented promptly.

Retail trade logistics for adidas / Reebok

In the foreign sector of the Automotive segment the division acquired new large-scale orders for the Mercedes plant in Tuscaloosa in the 2011 financial year. These big orders are in the startup phase and will lead to a considerable boost in business as of 2012. In South Africa BLG succeeded in augmenting business, especially with key accounts BMW and General Motors. In Brazil our BMS joint venture closed a new deal for parts logistics at VW plants. The startup phase has been completed in the meantime.

In the Industrial Logistics segment BLG expanded business at the existing locations with the existing clients in 2011.

BLG high-bay warehouse, Bremen

In the Offshore Wind Energy segment BLG is developing logistics services for the wind energy sector. In the 2011 financial year the company acquired a major order embracing transport, storage and cargo handling for foundation structures in Bremerhaven. In 2011 extensive investments were made in surface paving, cargo handling equipment and a pontoon for this purpose. Operational business started in February 2012 and will lead to positive contributions to results after a startup phase.

In the Retail Trade Logistics segment BLG obtained a new large-scale order with key account Tchibo. It involves logistics services for business via the Internet (Tchibo Direct). This made it possible to extend the contracts for existing business with Tchibo on a long-term basis. The rebuilding work for the new Tchibo Direct business commenced in the 4th quarter of 2011 during running operations.

In the Seaport Logistics segment the cargo handling volume in 2011 dropped by 25 percent compared to the previous year. This was essentially due to the fact that shipments of project cargo to North Africa nearly came to a stop because of the political unrest there. There are signs of a significant pickup in cargo handling volume for 2012. Shipments of project cargo to North Africa are increasing continuously.

In 2011 the division earned total sales of EUR 304.3 million, representing a rise of EUR 22.0 million. Although the return on sales related to the operating result (EBIT) fell to 3.4 percent (previous year: 3.9 percent), the segment has long-term earnings potential.

In view of the development of the segments, earnings for the CONTRACT Division declined to EUR 7.2 million (previous year: EUR 8.4 million).

The **CONTAINER Division** of the BLG Group is represented by half of the shares in the major joint venture EUROGATE GmbH & Co. KGaA, KG along with its participations. The latter – in some cases with partners – operate container terminals in Bremerhaven and Hamburg (both Germany), Gioia Tauro, La Spezia, Salerno, Cagliari and Ravenna (all Italy) as well as in Lisbon (Portugal), Tangier (Morocco) and Ust-Luga (Russia). Furthermore, the EUROGATE Group has an interest in the operator of the German deepwater container terminal in Wilhelmshaven. The EUROGATE Group also has a share in several inland terminals and railway transport companies.

EUROGATE container terminal in Tangier, Morocco

This division is primarily active in container handling business. The secondary services it offers include cargo-modal services like distribution and storage of goods, intermodal services such as shipments of sea containers to and from the terminals as well as repair, warehousing and trading of containers, supplemented by technical services.

Container handling at the container terminals of the EUROGATE Group rose again in 2011 by 5.2 percent. Altogether the container terminals in Germany, Italy, Portugal and Morocco handled a volume of 13.3 million TEU (previous year: 12.6 million TEU). While cargo handling development on the part of companies included on a proportionate basis in Germany achieved the best quantitative result with growth of around 1.0 million TEU, the total cargo handling of the Italian terminals declined by 0.5 million TEU in relation to the previous year. In Portugal the cargo handling level of the previous year was consolidated with slight increases and in Morocco the EUROGATE Group was able to boost cargo handling significantly in the third year of operation, too, and moved a total of 0.8 million TEU.

Aside from sales growth to EUR 656.8 million (previous year: EUR 599.6 million) in the 2011 financial year, the EUROGATE Group also substantially improved the operating result (EBIT) to EUR 99.3 million (previous year: EUR 88.3 million) and achieved earnings before taxes (EBT) of EUR 82.8 million (previous year: EUR 67.2 million). The CONTAINER Division of the BLG Group proportionately accounts for 50 percent of that.

The planning approval procedure for the western expansion of the EUROGATE container terminal in Hamburg commenced at the end of August 2009. Besides complete backfilling of Petroleumhafen, plans call for immediate extension of Predöhlkai by approx. 650 m as well as creation of an additional 400 m of berths at Bubendey-Ufer. The resulting growth in area is approx. 400,000 m². Furthermore, enlargement of the turning basin in Waltershofer Hafen to a turning circle of 600 m is envisaged. The first sections were to be available as of 2014, but as things stand now, the project will presumably not be completed before 2017/2018. The discussion meeting within the framework of the planning approval procedure took place in the 3rd quarter of 2011. The objections and other remarks put forward at the discussion meeting were examined again by the project sponsor in the 4th quarter of 2011 and supplementary statements were prepared and forwarded to the planning approval authority. At the moment we expect issuance of the official plan approval in the first six months of 2012. The commencement of implementation depends on whether any objectors file a suit. The western expansion will lead to an increase of 1.9 million TEU in the cargo handling capacity of the EUROGATE container terminal in Hamburg from currently 4.1 million TEU to around 6.0 million TEU.

Environmental organizations have filed a suit against the official plan approval for deepening the Outer Weser issued in 2011 at the federal administrative court in Leipzig. Discussion dates have been set for May 2012. Work cannot commence until after a decision by the federal administrative court.

The construction work on the terminal-related suprastructure carried out by EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG for the German deepwater port in Wilhelmshaven is running on schedule. To this extent nothing stands in the way of timely commissioning of the container terminal in August 2012 at the moment.

After completion of the construction measures for the first stage of development of the container terminal with an annual cargo handling capacity of approx. 500,000 TEU OJSC Ust-Luga Container Terminal, Ust-Luga, Russia, in which EUROGATE International GmbH holds a 20 percent interest, launched operation in December 2011.

Arrival of first gantry cranes at the EUROGATE container terminal in Wilhelmshaven

Earnings situation	2011 million EUR	%	2010 million EUR	%	Change %
Sales	1,008.5	100.0	897.4	100.0	12.4
Material expenses	-466.2	-46.2	-401.6	-44.8	16.1
Personnel expenses	-326.9	-32.4	-299.4	-33.4	9.2
Depreciation of long-term intangible and tangible assets	-67.8	-6.7	-61.6	-6.9	10.1
Other operating expenses and income	-84.2	-8.3	-84.9	-9.5	-0.8
Operating result (EBIT)	**63.4**	**6.3**	**49.9**	**5.6**	**27.1**
Financial result	-14.9	-1.5	-15.8	-1.8	-5.7
Earnings before taxes (EBT)	**48.5**	**4.8**	**34.1**	**3.8**	**42.2**
Taxes on income	-3.5	-0.3	-1.2	-0.1	191.7
Group net income	**45.0**	**4.5**	**32.9**	**3.7**	**36.8**

Earnings situation

In the 2011 financial year Group sales rose by EUR 111.1 million to EUR 1,008.5 million. More than half of the increase was accounted for by the AUTOMOBILE Division, whose segment sales climbed by 18.9 percent, primarily due to considerable growth in vehicle handling volume in Bremerhaven and in automobile transport via truck and rail. The CONTRACT Division recorded a 7.8 percent increase in sales, particularly because of the positive quantitative development in automotive development. Sales growth in the CONTAINER Division (+9.5 percent) is essentially due to the higher number of containers handled at the German seaport terminals.

In line with the development of sales, the rise in material expenses is also predominantly attributable to the AUTOMOBILE Division (+19.4 percent). The expenses of the CONTRACT and CONTAINER Divisions increased by 12.8 and 13.7 percent respectively. The overproportionate rise in material expenses as compared to sales can be primarily explained by the continued substantial assignment of outside personnel, the necessary employment of service providers and increased energy consumption at higher energy prices.

Both the 5.2 percent increase in the number of workers employed on average and the pay adjustments made in the financial year contributed to the rise in personnel expenses of EUR 27.5 million altogether.

The 10.1 percent increase in depreciation of long-term intangible and tangible assets is exclusively based on exceptional depreciation to an amount of EUR 7.1 million. In spite of the more than doubling of payments for investments (EUR 66.4 million) compared to the previous year, the systematic depreciation remained slightly below the previous year's level. The main reason for this was the investments made in large-scale projects, which were reported as assets on the balance sheet date and were thus not yet subject to depreciation.

The other operating expenses and income come to EUR 84.2 million on balance and thus dropped slightly by EUR 0.7 million in comparison to the previous year.

In relation to the previous year, the Group's operating result (EBIT) climbed significantly again by 27.1 percent to EUR 63.4 million. While the CONTAINER (EUR +7.7 million) and AUTOMOBILE (EUR +5.7 million) Divisions showed improvement over their respective previous year's operating result, the CONTRACT Division (EUR -0.7 million) was not able to achieve the previous year's EBIT level.

The return on sales calculated for the 2011 financial year on the basis of the EBIT was 6.3 percent (previous year: 5.6 percent). Based on the presentation of this key parameter in segment reporting on page 114 f. of the consolidated financial statement, a return on sales of 15.2 percent (previous year: 14.0 percent) results for the CONTAINER Division while the AUTOMOBILE and CONTRACT Divisions show returns on sales of 3.9 percent (previous year: 2.9 percent) and 3.4 percent (previous year: 3.9 percent) respectively.

The financial result improved by EUR +0.9 million in the current year to EUR -14.9 million. Of that, EUR +1.6 million is accounted for by the interest result and EUR -0.7 million by the participation result, taking into consideration the depreciation of financial assets.

At a persistently low interest rate level the Group covered its financing needs in a targeted manner in the reporting year by means of short-term, low-interest current account credit and thus again reduced the interest paid as compared to the previous year. The proceeds from taking out long-term financial loans and promissory note loans were effected for the most part towards the end of last year and the corresponding interest burden will not influence the interest result until the 2012 financial year.

The result from participations is accounted for by the CONTAINER Division to an amount of EUR 1.5 million (previous year: EUR 2.2 million), by the AUTOMOBILE Division to an amount of EUR 1.3 million (previous year: EUR 0.4 million) and by the CONTRACT Division to an amount of EUR 1.2 million (previous year: EUR 2.0 million). You will find further disclosures on the result from participations in point 14 of the notes to the consolidated financial statement.

The earnings before taxes (EBT) rose by 42.2 percent to EUR 48.5 million.

The taxes on income for the year 2011 amounted to EUR 3.5 million (previous year: EUR 1.2 million). Based on the earnings before taxes (EBT), this results in a Group tax rate of 7.2 percent (previous year: 3.3 percent). The tax expenses for the reporting year were essentially influenced by the measurement of deferred tax assets on loss carry-forwards and on temporary differences. You will find further disclosures regarding the taxes on income in point 16 of the notes to the consolidated financial statement.

In comparison to the previous year the Group net income rose again significantly by EUR 12.1 million to EUR 45.0 million.

Asset and capital structure	2011-12-31 million EUR	2011-12-31 %	2010-12-31 million EUR	2010-12-31 %	Change %
Long-term assets	740.0	71.8	739.0	75.7	0.1
Short-term assets	291.0	28.2	237.3	24.3	22.6
Assets	**1,031.0**	**100.0**	**976.3**	**100.0**	**5.6**
Equity	353.2	34.3	330.4	33.8	6.9
Long-term liabilities	393.9	38.2	337.6	34.6	16.7
Short-term liabilities	283.9	27.5	308.3	31.6	-7.9
Equity and liabilities	**1,031.0**	**100.0**	**976.3**	**100.0**	**5.6**

The balance sheet amount topped the billion mark for the first time and is now at a level of EUR 1,031.0 million. With nearly unchanged long-term assets the short-term assets rose by EUR 53.7 million as compared to the previous year.

The slight growth in **long-term assets** is essentially due to an increase in financial assets (EUR 5.7 million) and in deferred taxes (EUR 4.1 million) while at the same time intangible and tangible assets declined (EUR -9.3 million).

Investments amounting to EUR 64.9 million were made in long-term intangible and tangible assets in the financial year. Disinvestments to an amount of EUR 6.8 million were effected and depreciation of EUR 67.8 million carried out. Furthermore, the carrying amounts from currency translation were written up to an amount of EUR 0.4 million. The change applied to the AUTOMOBILE Division to an amount of EUR +1.8 million, the CONTRACT Division to an amount of EUR -6.3 million, the CONTAINER Division to an amount of EUR -4.6 million and the central departments to an amount of EUR -0.2 million.

The additions to intangible assets were for the most part accounted for by new terminal software in the AUTOMOBILE Division. At the same most of the depreciation took place in this division due to valuation allowance for goodwill.

Two thirds of the additions to tangible assets were accounted for by large-scale projects that were reported under assets under construction on the balance sheet date. This includes construction of suprastructure for the container terminal in Wilhelmshaven and refurbishment of outdoor areas for the performance of services related to wind energy business at the Bremerhaven Automobile Terminal.

The financial assets increased essentially due to the write-up of proportionate annual results at the carrying amounts of the associated enterprises amounting to EUR 3.4 million and capital increases of another EUR 3.3 million.

The EUR 3.3 million rise in deferred tax assets relates to the formation of deferred tax assets on loss carry-forwards of subsidiaries based on improved prospects of profit.

101.0 percent (previous year: 90.4 percent) of the long-term assets were financed via long-term capital as of the balance sheet date.

Significant changes occurred in the **short-term assets** only in connection with other assets (EUR +11.9 million) as well as cash and cash equivalents (EUR +36.1 million).

The rise in other assets primarily resulted in the claims to government grants (EUR +5.6 million) and financial receivables from shareholder accounts at joint ventures (EUR +3.3 million) deriving from profit claims of the current year against the EUROGATE GmbH & Co. KGaA, KG, which is included on a proportionate basis. For further details on Other assets see point 26 in the notes to the consolidated financial statement.

The increase in liquid funds reflects the positive liquidity situation of the Group.

Equity rose in the reporting year by EUR 22.8 million to EUR 353.2 million. In this context the equity-reducing dividend payouts (EUR 20.7 million), income and expenses reported directly in equity (EUR 0.9 million) and control-preserving acquisitions of shares (EUR 1.4 million) compared to the capital appreciation from the Group operating result (EUR 45.0 million) and capital contributions (EUR 0.7 million). The development of equity is described in detail in the statement of changes in equity. Further disclosures in this connection are provided in the notes to the consolidated financial statement.

In comparison to the previous year the equity ratio as of December 31, 2011 rose to 34.3 percent (previous year: 33.8 percent).

Long-term liabilities increased fell by EUR 56.3 million compared to the previous year while **short-term liabilities** in the year under review dropped by EUR 24.4 million.

Within the liabilities the long-term loans, including short-term portion, rose by EUR 76.9 million altogether. Details on this are provided in the section on net debt on page 85. An increase of EUR 9.7 million was also recorded in accruals for government grants. The CONTAINER Division accounts in full for the accruals for government grants. See point 32 in the notes to the consolidated financial statement for further details on accruals for government grants.

Particularly the other financial liabilities, which fell by EUR 48.1 million altogether, had a contrary effect. Of that amount, EUR 26.4 million was accounted for by repayment of the current account credit, EUR 5.0 million by the complete repayment of the call and time deposits, EUR 7.2 million by the decline in liabilities from finance leasing as well as EUR 5.9 million by the decrease in other miscellaneous long-term financial liabilities and EUR 3.6 million by other miscellaneous short-term financial liabilities.Other contrary impacts result from the decline in other long-term liabilities of EUR 1.1 million and in other short-term liabilities of EUR 3.3 million, which were essentially influenced by the reduction in liabilities for part-time work arrangements for employees approaching retirement amounting to EUR 1.1 million and the liabilities to employees based on restructuring to an amount of EUR 5.4 million.

With the exception of the long-term loans from banks, other long-term loans of third parties and liabilities from finance leasing, there are no significant differences between the carrying amounts and applicable fair values of the financial instruments.

million EUR	Carrying amount 2011-12-31	Fair value 2011-12-31	Carrying amount 2010-12-31	Fair value 2010-12-31
Long-term loans	268.4	277.8	191.5	196.9
Liabilities from finance leasing	58.7	63.4	65.9	68.6
Total	**327.1**	**341.2**	**257.4**	**265.5**

A detailed list of the applicable fair values of the financial assets and liabilities is contained in point 41 of the notes to the consolidated financial statement.

Financial situation

The following cash flows were realized in the years 2010 and 2011:

	2011 million EUR	2010 million EUR
Inflow of funds from current business operating activities	88.1	110.8
Outflow of funds from investment activities	-57.6	-22.4
Inflow/Outflow of funds from financing activities	37.2	-81.9
Cash-related change in financial resource funds	**67.7**	**6.5**
Changes in financial resource funds due to currency translation influences	-0.2	0.3
Financial resource funds at beginning of financial year	5.0	-1.8
Financial resource funds at end of financial year	**72.5**	**5.0**
Composition of financial resource funds:		
Liquid funds	82.7	46.6
Short-term liabilities to banks	-10.2	-41.6
Financial resource funds at end of financial year	**72.5**	**5.0**

On the basis of the earnings before taxes achieved in 2011 to an amount of EUR 48.5 million, the company earned a cash flow from current business activities of EUR 88.1 million (previous year: EUR 110.8 million).

Outstanding investments were financed using the Group's own capital resources, long-term borrowed capital (loans) as well as by means of leasing, while taking into account the operating cash flows that were earned in the divisions as well as depending on the capital market situation. Besides bank financing, promissory note loans were issued for the first time in the 2011 financial year.

Derivative financial instruments (interest rate swaps) are employed selectively to hedge against the long-term interest level of investment financing.

You will find a detailed cash flow statement in the consolidated financial statement on page 118.

Net debt	2011 million EUR	2010 million EUR
Long-term loans	221.0	157.1
Other long-term financial liabilities	75.7	89.0
Short-term financial liabilities	140.1	161.9
Financial debt	**436.8**	**408.0**
Long-term financial liabilities	-13.5	-12.3
Cash and cash equivalents	-82.7	-46.6
Net debt	**340.6**	**349.1**

In 2011 the net debt of the Group remained at a comparable level to the previous year at EUR 340.6 million.

Financial loans and promissory note loans rose by a total of EUR 76.9 million due to borrowings of EUR 114.3 million and scheduled repayments of EUR 37.4 million. The differential amount was essentially utilized to refinance long-term investments as well as repay short-term bank liabilities.

Aside from outflows of funds for borrowing and repayment of leasing liabilities of EUR 7.2 million net, additional outflows of funds to an amount of EUR 0.4 million net resulted from payment of leasing receivables and their repayment in the course of the year within the framework of finance leasing.

In comparison to the previous year, cash and cash equivalents rose by EUR 36.1 million to EUR 82.7 million as of the balance sheet date. The existing amount serves to secure liquidity and is kept to finance strategic projects in Germany and abroad as well as to ensure distribution of profits to company owners.

As of December 31, 2011, the Group had unused current account credit lines of around EUR 113 million (previous year: around EUR 84 million). Furthermore, there was an unused revolving credit facility to an amount of EUR 20 million (previous year: EUR 20 million). Thus, liquidity bottlenecks neither exist at present nor are they anticipated in the near future.

Key balance sheet and financial figures

			2011 %	2010 %
Return on sales (%)	$\frac{\text{operating result (EBIT)}}{\text{sales}}$	=	**6.3**	**5.6**
Capitalization ratio (%)	$\frac{\text{tangible and intangible assets}}{\text{assets}}$	=	**64.4**	**69.0**
Equity-to-fixed-assets ratio (%) (golden balance sheet rule)	$\frac{\text{equity and long-term liabilities}}{\text{assets}}$	=	**104.6**	**93.1**
Working capital ratio (%)	$\frac{\text{short-term assets}}{\text{short-term liabilities}}$	=	**102.5**	**77.0**
Equity ratio (%)	$\frac{\text{equity}}{\text{balance sheet total}}$	=	**34.3**	**33.8**
Equity ratio (%) (adjusted for hybrid capital)	$\frac{\text{equity - hybrid capital}}{\text{balance sheet total}}$	=	**26.7**	**25.8**
Return on equity (%)	$\frac{\text{earnings before taxes (EBT)}}{\text{avg. equity}}$	=	**14.2**	**10.6**
Total return on equity (%)	$\frac{\text{operating result (EBIT)}}{\text{avg. assets}}$	=	**6.3**	**5.1**
Personnel cost rate (%)	$\frac{\text{personnel expenses and expenses for external personnel}}{\text{sales}}$	=	**44.9**	**45.3**

Appropriation of net income of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–

According to German law, the basis for distribution of a dividend is the balance sheet profit. In its annual financial statement for the 2011 financial year (HGB) BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– reports a balance sheet profit of EUR 1,536,000 (previous year: EUR 1,152,000). The Board of Management, in conjunction with the Supervisory Board, will propose to the Annual Shareholders' Meeting on May 31, 2012 that a dividend of EUR 0.40/ share (previous year: EUR 0.30/share) on the share capital eligible for dividends to an amount of EUR 9,984,000, corresponding to 3,840,000 registered shares, be paid out from the balance sheet profit. The company thus continues its solid dividend policy of the previous years. Based on the year-end closing price of EUR 8.06, the dividend yield is 5.0 percent.

Employees

As an international logistics specialist, the BLG LOGISTICS GROUP not only needs committed and motivated employees, but also qualified staff members in order to operate successfully in the market on a sustained basis and tackle the challenges posed by globalization and demographic change. To be able to recruit, develop and keep the best employees, the BLG Group pursues the goal of consistently maintaining an image as an attractive employer. That is why performance-oriented pay, targeted further training opportunities, structures ensuring the compatibility of career and family as well as the opportunity of participation in a company pension scheme model are elements of our personnel policy.

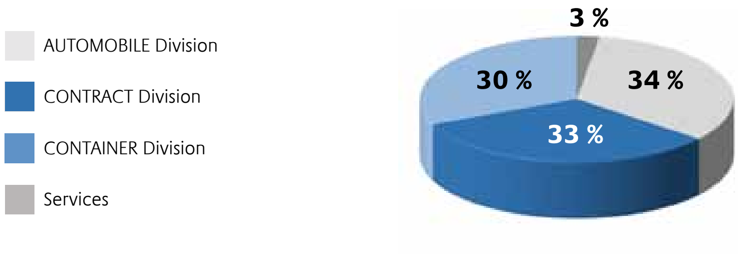
The number of persons employed in the Group – excluding members of the Board of Management – determined in accordance with Section 267 no. 5 HGB (annual average) is shown below:

Division	2011	2010	Change %
AUTOMOBILE	**2,116**	**1,995**	**+6.1**
of those, blue-collar employees	1,720	1,572	
of those, white-collar employees	396	423	
CONTRACT	**2,094**	**1,932**	**+8.4**
of those, blue-collar employees	1,436	1,270	
of those, white-collar employees	658	662	
CONTAINER	**1,871**	**1,883**	**-0.6**
of those, blue-collar employees	1,398	1,383	
of those, white-collar employees	473	500	
Services [1]	**180**	**139**	**+29.5**
of those, blue-collar employees	2	2	
of those, white-collar employees	178	137	
Total [2]	**6,261**	**5,949**	**+5.2**
of those, blue-collar employees	4,556	4,227	
of those, white-collar employees	1,705	1,722	

[1] The increase in 2011 is essentially due to employees who were taken on by the holding company in the course of dissolution of the decentralized Shared Service Center organization.

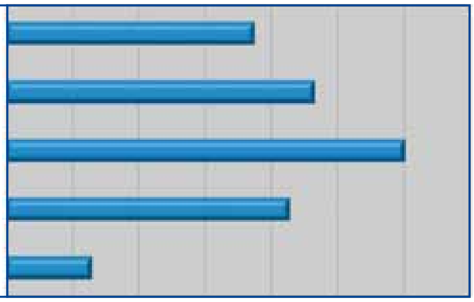
[2] Employees worldwide 15,500 (previous year: 14,700)

Employees according to division



Employees according to age groups

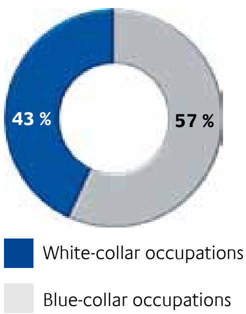
up to 29 years	18 %
from 30 to 39 years	24 %
from 40 to 49 years	30 %
from 50 to 60 years	21 %
over 60 years	7 %



Recruiting junior staff and developing talent

Training occupations

Training holds the potential for a successful future. For this reason BLG trains its own junior staff in 13 white-collar and blue-collar occupations. After successful completion of their training all trainees are fundamentally kept on for at least six months and given support in further developing the skills and know-how they have learned.



In the 2011 financial year the number of trainees in our Group, comprising 338 persons (previous year: 351) in white-collar and blue-collar occupations, was at a similarly high level as in the previous year.

The commitment of the BLG Group in terms of training was given special recognition by the Chamber of Industry and Commerce in the 2010/2011 training year in the form of an award as a company that ensures “quality through training”.

Dual course of study

In-house talent development also takes place in the form of a dual course of study. The Logistics and Process Management program is a practice-oriented and at the same time science-based course of study as an alternative to university studies.

The bachelor's program at Hanse Berufsakademie encompasses six semesters. Each semester is divided into an 11-week study phase at the vocational academy and a 12-week practical phase at BLG LOGISTICS GROUP. During the practical phase the students are involved in operational projects, among other things.

In addition to the science-oriented studies, students have the opportunity of taking the examination for junior freight forwarding and logistics managers at the Oldenburg Chamber of Industry and Commerce.

The aim of the bachelor's program is to prepare students for responsibilities in middle management in the fields of logistics and commerce. The focus of the program is on logistics and process management. By training management skills, furthermore, the students acquire the prerequisites for taking on management positions. Altogether BLG has enabled 31 students to take part in the dual course of study.

Esmail El Mkallak, trainee

Scholarship program

As another building block of human resources development, BLG established an in-company scholarship program for children of employees as well as BLG trainees. The scholarship holders not only receive financial support, but also the opportunity to do internships or write their theses at our affiliated companies. After completion of the studies all graduates are offered a position in the BLG Group. The objective of the program is to bind students of economics + engineering as well as other courses of study to BLG.

Junior manager trainee program

To train specialists and executives in a targeted manner, the BLG Group offers university graduates a junior manager trainee program. The program is divided into an 18-month project phase and a six-month assignment in the possible target position. The project phase is complemented by an extensive seminar package on leadership and social competence.

This program supports both internal and external applicants. In autumn 2011 15 participants completed the 6th junior manager trainee program. Among the graduates there are seven women in accordance with the demand for more women holding management responsibility. We provide detailed information on the junior manager trainee program on our website at www.blg.de.

Further training

Further occupational training is not only necessary to maintain the level of qualification and quality assurance, but is also a tool for employee binding.

Since the 2011 financial year the "Staff development planning 2020" project (PEP 2020) has formed the focal point of the further training programs of the BLG Group, providing employees with future-oriented employment prospects. Moreover, specialists and executives acquire qualifications so BLG can continue to prevail in the increasing competition over the best minds.

For the years 2011, 2012 and 2013 support funds from the European Social Fund amounting to 2 million euros, bolstered through BLG co-financing to the same amount, are available to BLG within the framework of the "Social Partner Guideline" program.

In view of demographic change and the related shortage of skilled labor, PEP 2020 contributes to raising the qualification level of the workforce and enhancing BLG's attractiveness as an employer.

Parent-child room at BLG headquarters at Präsident-Kennedy-Platz

Career and family

The family-conscious personnel policy is another key element of the BLG Group's human resources strategy. It is intended to make a major contribution to enhancement of its attractiveness as an employer and thus to the sustained success of the BLG Group. Particularly the awareness of and sensitivity to compatibility of working and private life should be further intensified and established at all levels. This is also aimed at binding employees to the company and acquiring qualified new staff members.

The already established in-company social counseling service additionally encompasses counseling with regard to family-friendly aspects. Questions concerning the compatibility of career and family, such as parental leave and parental leave allowance, active paternity, opportunities for providing care to children and members of the family in need of care as well as applying for benefits, are focal points of the counseling service.

To further exploit the potential for improving the compatibility of career and family, several companies of the BLG Group again took part in the auditing procedure for the "audit berufundfamilie®" certificate (career and family audit) of the Hertie Foundation.

Health management

The functions of in-house health promotion include maintaining and enhancing the employees' ability to cope with their work. The aim is to optimize the work load of the employees and strengthen personal resources. Good working conditions and quality of life at the workplace serve to promote health and motivation on a long-term basis, on the one hand, and increase productivity, product and service quality as well as the innovativeness of the companies, on the other hand.

Health management focuses on preventive health care. For this purpose the BLG Group has a competent medical team at its disposal that provides the employees with advice and medical care. Together with the doctors, an innovative idea concept was developed for implementation of long-term preventive measures. For example, the company started to modify the meals available at the staff canteen by offering selective options so as to positively influence certain health parameters. Projects related to age-oriented work and involving external experts are also part of the company's prevention efforts.

Within the framework of the Fit & Fun project BLG cooperates with a chain of fitness studios so employees have the opportunity of exercising at regional facilities in immediate proximity to home and the workplace. Studies show that this project continues to meet with acceptance and it can be assumed that a reduction in days of unfitness for work due to illnesses of the muscular and skeletal system as well as of the cardiovascular system will persist among Fit & Fun participants.

Employee pension scheme

At retirement age BLG employees should have adequate pension benefits to allow them to maintain their standard of living. The monthly disposable income in retirement is still mainly provided through the statutory pension insurance fund.

In recent years the level of the statutory pension benefits has undergone enormous change as a consequence of several modifications. To close gaps in the pension scheme, BLG offers an employee-financed system (contingency scheme) as part of its social security for the future and supports this system with profit-based bonus payments and other premiums (bonus plan).

In 2011 a total of 1,786 persons (previous year: 1,782) took part in the pension plan in the CONTRACT and AUTOMOBILE Divisions and the Service departments. This corresponds to a participation rate of 56.6 percent (previous year: 52.9 percent). The CONTAINER Division recorded 2,420 participants (previous year: 2,428). The participation rate was 73.0 percent (previous year: 70.3 percent).

The volume of employee-financed contributions rose to approx. EUR 6.6 million (previous year: EUR 6.4 million). In 2011, as in the previous year, the bonus plan was endowed with approx. EUR 1.7 million. This means the voluntary contribution accounts for about EUR 4.9 million.

Secure future through BLG contingency scheme

Corporate Governance report

Declaration on corporate management

The consolidated financial statement auditor has examined the disclosures concerning Corporate Governance in accordance with Section 315 of the German Commercial Code (HGB). To avoid duplication, they will be reported elsewhere in the Annual Report together with the unreviewed declaration on corporate management in accordance with Section 289a HGB; see page 41 ff. in this connection.

Disclosures relevant to takeovers in accordance with Section 315 (4) HGB

Disclosures relevant to takeovers are provided in the Corporate Governance report on pages 46 f.

Remuneration report

The remuneration report in accordance with Section 315 (2) no. 4 HGB is contained in the Corporate Governance report on pages 47 ff.

Research and development

The company's business model does not require research and development.

Supplementary report

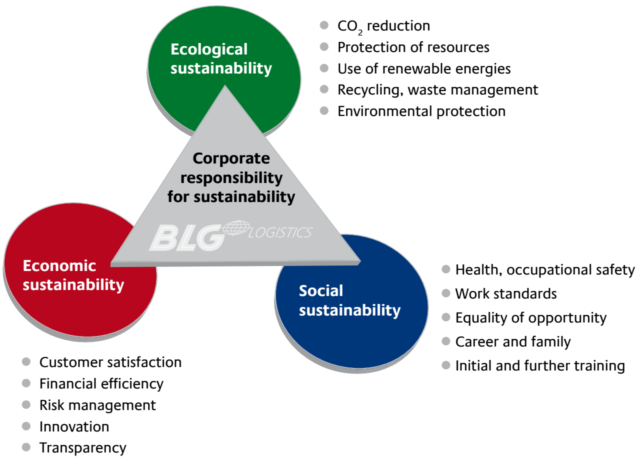
On February 9, 2012 BLG AUTOMOBILE LOGISTICS GmbH & Co. KG together with the Chinese company CINKO SCM established the joint venture BLG – Cinko Auto Logistics (Tianjin) Ltd. Co. The purpose of the joint venture is to operate a PDI center in the port of Tianjin at which export vehicles from Chinese production are cleaned, retrofitted and prepared for shipment and imported vehicles are prepared for the Chinese market. The joint venture partners plan on an annual cargo handling volume of up to 38,000 vehicles.

Sustainability report

For us sustainable action means combining economic success with ecological and social responsibility. We are convinced that sustainable corporate success for all stakeholders can only be achieved in accord with ecology and economy.

The key elements of the BLG Group's sustainability strategy are environmental management (ecological sustainability), ensuring customer satisfaction and financial efficiency, such as by developing innovative services and processes, minimization of risks and transparent communication (economic sustainability), as well as the treatment of our employees, which is reflected, for instance, in a responsible personnel policy as well as occupational safety and health care measures, and our social commitment (social sustainability).

Because of the growing relevance of social responsibility and, in particular, environmental and climate protection as well as the increasing significance of sustainability for growth and added value, which is also reflected in corresponding customer demands, the company instituted the "Sustainability and New Technologies" Department in the 2011 financial year. The focus of interest here is on developments and projects that address all three sustainability aspects in a sensible fashion.



The following examples illustrate how sustainability is integrated into operational processes and logistics services and contributes to corporate success.

Ecological sustainability

As a seaport-oriented logistics specialist, the BLG Group profits from globalization. This not only applies to the ports, but to all operational segments. Growth inevitably involves a rising transport volume. In this connection responsible logistics focuses on protection of the environment and sustainable activities. This includes saving resources and reducing emissions – coupled with systematic recording of resource consumption and CO_2 emissions. Other goals are identification of optimization focal points, use of environmentally sound technology and gradual introduction of energy management.

Data acquisition regarding CO_2-relevant consumption of power and fuels in the AUTOMOBILE and CONTRACT Divisions, which was started in the previous year, will be expanded in the coming months to systematically identify reduction potential. Careful and frugal use of resources (still) available to us is an integral part of everyday work.

In the AUTOMOBILE Division, for example, company-owned trains have been deployed for vehicle transport since 2008. The modern, double-decker railway wagons are equipped with vertically adjustable top decks so that even high and heavy vehicles can be transported on double decks. Currently as many as around 40 percent of the finished vehicles in Europe are transported via rail. Railway shipment offers an ecological and economic alternative to the road since a train transports up to 228 cars and thus replaces 29 truck shipments. This results in a substantial reduction in CO_2 emissions. At the same time the energy costs for railway transport are about 50 percent lower than those for truck shipments. Furthermore, noise emissions are reduced by 35 percent.

In the high racks of the CONTRACT Division the load circuit of the stacker cranes, which are responsible for putting items into storage and taking them out of storage in the three enormous storage blocks, is automatically switched off when there are no transport orders. The electric overhead monorail conveyors in the high-bay warehouse are also switched off during downtimes. The same applies to the conveyor belt for empty cartons that only runs when cartons have to be conveyed. Furthermore, the light in the three warehouse complexes is on only during maintenance and repair work. By means of so-called “three level switching”, moreover, it is possible to illuminate the warehouses solely where it is currently required. Thanks to these and other measures, power consumption is reduced by 17 percent altogether, i.e. around 1 million kilowatt-hours a year. Given an assumed average consumption of 4,000 kilowatt-hours, this corresponds to an annual consumption of about 250 four-person households.

Energy consumption is reduced through numerous measures

The objective of the CONTRACT Division is to develop environmental protection into a key quality feature through maximum efficiency, minimal emissions and maximum safety and precaution. In this context the division has been systematically recording and assessing its energy consumption and CO_2 emissions since 2007. Binding reduction goals were developed on this basis in 2011. By the year 2020 the energy consumption per container is to be reduced by 20 percent and CO_2 emissions by 25 percent compared to the year 2008. To accomplish this, introduction of an energy management system in accordance with DIN EN 16001 was initiated in 2011. In the course of this process all divisions will be examined very carefully with an eye to further improvement potential.

An example of efficient energy and resource use is the Terminal House at the Wilhelmshaven location, which is currently under construction and will meet the highest energy standards. This is achieved, for instance, by means of state-of-the-art heating and ventilation technology, the heart of which is a combined heat and power plant, as well as by integrating photovoltaics into solar power generation. An additional photovoltaic system is planned on the roof of the workshop building. As far as lighting is concerned, energy consumption per square meter for the Wilhelmshaven container terminal will be about 20 percent below the current standard of the CONTAINER Division thanks to sophisticated lighting planning.

Other examples of ecological sustainability can be found in our Green Logistics brochure, which is available for downloading on our website, www.blg.de.

Occupational safety and health care

For the BLG LOGISTICS GROUP the safety and health of its employees at their workplace represent a corporate goal that has the same priority as economic success. A preventive, realigned in-house health policy, measures for improving workplace safety and the working conditions are therefore major elements of our corporate policy. Permanent integration of the Safety – Environmental Protection Department into daily in-company practice underlines the great importance of occupational safety in the BLG Group. The department is incorporated into the company as a staff unit, is certified and has a high level of professional competence that is recognized in the Group.

BLG regards occupational safety as the joint responsibility of everyone concerned in the company. The only way to prevent occupational accidents and minimize downtimes is through planning, coordination and consideration when performing specific duties at work. This applies in particular to service enterprises like BLG, where people play a significantly greater role in the performance of work in relation to the machines used. For this reason it is extremely important for BLG to make the workstations as safe as possible.

BLG's social responsibility for its employees with respect to accident prevention and health protection is practiced actively. The vigorous involvement of the employees in the continuous improvement process is clear evidence of this. Necessary corrections to the work process are thus carried out quickly together. Technical innovations on machines and ergonomic improvements are also a consequence of such activities and make work in the BLG LOGISTICS GROUP safer.

Social commitment

The BLG LOGISTICS GROUP sees itself as part of society and in this role assumes social responsibility through various projects, primarily in the local area around our locations. One of the focal points is education and junior staff development. The following examples provide an insight into these endeavors.

Among other things, cooperation has been expanded further with partner schools in Bremen and Bremerhaven. Apart from the successful application training courses provided for many years at Johann-Gutenberg School in Bremerhaven and Oberschule Roter Sand in Bremen, students at Schulzentrum Koblenzer Strasse, a school in a socially deprived area in the district of Osterholz-Tenever, were also prepared for the application procedure by members of the BLG Human Resources Department.

In addition, the educational project entitled "Maritime Industry and Logistics" was continued. This is an initiative of the BLG LOGISTICS GROUP and bremenports that was implemented in cooperation with the Bremen State Institute for Schools (LIS) and the Institute for Economic Education at the Carl von Ossietzky University in Oldenburg at general education schools and is now supported by all German coastal states.

Ports and logistics are already part of classroom instruction in many schools

The aim is to familiarize students between 14 and 17 with the topic of globalization and, in particular, make them aware of the growing importance of seaports and logistics for coastal regions and Germany in general as a business location.

For this purpose student exercise books as well as the corresponding teachers' handouts were developed for secondary school levels I and II and constantly updated. These efforts also led to creation of the website www.marwilo.de.

“BLG curiositologists” is a project that was carried out in cooperation with Universum® Bremen and the Senator for Education and Science to enable students with a keen interest in the natural sciences to visit the Science Center free of charge. Over 5,000 school students took advantage of this offer, whereas previously it was not possible for the majority of the students to visit Universum® for financial reasons.

Furthermore, various regional institutions are supported within the framework of the junior management program. Social commitment has now been incorporated as a fixed element of this program since social skills are essential for the prospective executives. In cooperation with the Neurological Rehabilitation Center in Friedehorst, for example, a generation garden was set up for the senior citizens living there and for children who are sick or injured due to an accident as well as their families. In addition, the group room in the form of a construction site trailer at the Obervieland farm kindergarten was renovated. The junior managers also collected donations for the colleagues in Tuscaloosa affected by the tornado destruction through campaigns, such as by selling homemade cakes.

The BLG junior manager team in front of the renovated farm kindergarten construction trailer

Opportunity and risk report

Opportunity and risk management

Entrepreneurial action involves opportunities and risks. Responsible handling of potential opportunities and risks is an integral element of solid corporate management in the BLG Group. Our opportunity and risk policy endeavors to increase goodwill without taking unreasonably high risks.

To achieve our goals, such as earnings before taxes (EBT) or return on capital employed (ROCE), the broad spectrum of our logistics service processes requires early identification of opportunities as well as potential risks. The key elements of the opportunity and risk management system are therefore the planning and controlling process, the in-Group rules and code and the reporting system. At the same time we give special consideration to opportunities and risks linked to strategic decisions, markets, operational business, financing and liquidity.

The basic principles of risk management in the BLG Group are documented in a directive. In the divisions and units of the holding company Risk Officers at the management level as well as Risk Management Coordinators were appointed to ensure an efficient risk management system. The Group Controlling Department is responsible for coordinating Group-wide acquisition and documentation of data on fields of risk and for further developing the risk management system.

BLG AutoRail

Our Internal Auditing Department is integrated into risk communication as a process-independent monitoring body within the BLG Group.

Description of the essential features of the internal control and risk management system with respect to the accounting process

Definition of terms and elements of the internal control and risk management system

In terms of accounting, the internal control system of the BLG Group comprises all basic principles, procedures and measures for ensuring correct and proper reporting, processing and presentation of corporate and balance sheet data in the accounting system according to legal provisions. The goal is to avoid major inaccuracies in bookkeeping and external reporting.

Since the internal control system represents an integral part of risk management, it is described in summary form.

Elements of the internal control system form the in-house controlling and monitoring system. The Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has assigned responsibility for the internal control system primarily to the Controlling, Finance and Accounting Departments.

The internal monitoring system encompasses checks integrated into the accounting process as well as process-independent checks. The process-integrated checks mainly include the cross-check principle and IT-aided checks, but also entail incorporation of internal departments, such as the Legal or Tax Department, as well as external experts.

Process-independent checks are carried out by the Internal Auditing and Quality Management Departments as well as by the Supervisory Board, in the latter case primarily by the Audit Committee. The Audit Committee primarily examines company and Group accounting, including reporting. Other focal points of the Audit Committee are the risk situation, further development of risk management and questions of compliance. This also embraces the effectiveness of the internal control system.

Furthermore, external auditing bodies, including the financial statement auditor or the tax auditor, also carry out process-independent auditing activities. With regard to the accounting process, the audit of the annual and consolidated financial statement by the balance sheet auditor constitutes the main element of the process-independent review.

Accounting-related risks

Accounting-related risks may, for example, arise from conclusion of unusual or complex transactions or from processing of non-routine transactions.

Latent risks also result from discretionary powers in connection with recognition and measurement of assets and liabilities or from the influence of estimates on the annual financial statement, such as with provisions or contingent liabilities.

Process of accounting and measures to ensure adequacy

Accounting-related reporting of business transactions in the individual financial statements of the subsidiaries of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– essentially takes place using the standard software SAP R/3. The SAP consolidation module EC-CS is applied to prepare the consolidated financial statement. The individual financial statements of the companies included, after adaptation to the generally accepted international accounting principles as required, are summarized in this process. Foreign subsidiaries are included via standardized, Excel-based reporting packages that are transferred to the EC-CS consolidation system by means of flexible uploads. This involves a standard interface in SAP.

To guarantee consistent accounting and measurement within the Group, BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– has published balance sheet directives for accounting in accordance with the International Financial Reporting Standards (IFRS) in which, apart from general principles, basic accounting and measurement principles and methods as well as rules regarding the income statement, consolidation principles and special topics are treated. To implement consistent, standardized and efficient bookkeeping and accounting, guidelines on consistent allocation to accounts within the Group were drawn up. In addition to that, a manual on the notes to the financial statements and Management Report is available that enables consistent harmonization of the sets of accounting figures.

Impairment tests for the cash-generating units of the Group are conducted centrally. This ensures application of consistent and standardized measurement criteria. The same applies to definition of the parameters to be applied to measurement of provisions for pensions and other provisions based on expert reports.

Export vehicles in Bremerhaven

In preparation for liability consolidation internal balance reconciliations are carried out regularly so as to be able to clarify and eliminate any differences at an early stage. Besides system-based validation of the reporting data from the individual financial statements, the reporting packages are checked for plausibility at the Group level and adjusted as necessary.

The disclosures for the notes to the financial statement are essentially developed from the EC-CS consolidation system and supplemented by further information from the subsidiaries.

A special software developed by one of the large auditing companies is used for tax accounting. The current and deferred taxes are calculated at the level of the individual subsidiaries and the change in value of the deferred tax assets is reviewed. On that basis, the current and deferred taxes to be recognized in the balance sheet as well as in the income statement at the Group level are determined taking into account consolidation effects.

Restrictions

The internal control and risk management system serves to ensure adequacy of accounting as well as compliance with the key legal provisions.

The effectiveness of the internal control and risk management system may, however, be restricted by discretionary decisions, erroneous checks or fraud in such a way that the installed systems cannot ensure absolute security for the identification and control of risks.

ABC peninsula in Bremerhaven with OFFSHORE BHV 1 pontoon

Opportunities and risks of future development

Opportunities

As an international corporate group with three divisions, BLG is subject to diverse developments in the various national and international markets. On the basis of the business development described in this report and the corporate situation, there are various potential opportunities within the given conditional framework. The effects arising from a sustained positive development of the economy are of paramount importance in this context.

We want to continue to take optimum advantage of the opportunities available to us in the different fields of activity in the future.

The basis for this is our unique network as well as the innovative range of intermodal services offered by the AUTOMOBILE Division. Moreover, we expect long-term business success from targeted broadening of our marketing and sales activities in Eastern Europe.

The established business model in the Retail Trade Logistics segment, coupled with creation of a distinctive brand image, opens up extensively noncyclical sales and acquisition opportunities for the CONTRACT Division in Germany and Europe. On the basis of our logistics expertise and the location-based advantage of quay facilities with a water depth adequate for seagoing vessels, we are developing the growth-oriented field of offshore wind energy together with partners.

Particularly through the opening of the Wilhelmshaven container terminal, we anticipate additional opportunities for the CONTAINER Division through further development of the terminal network consisting of seaport and inland terminals in combination with intermodal business activities.

Continuous evaluation of additional potential opportunities takes place in all divisions. It is an elementary part of our dual strategy composed of cost reduction, on the one hand, and market growth, on the other. Projects and measures initiated in this connection are constantly implemented.

Risks

Given positive development, all risks described in the following contrast with corresponding opportunities.

As an international company with a heterogeneous range of services, the BLG Group is exposed to a great number of risks. To minimize the financial impacts of possible damage or loss, insurance shall be taken out whenever it is available and economically justifiable. The scope and amount of these insurance policies are continuously monitored.

To counteract possible risks that may arise, especially from the diverse provisions and regulations of tax, competition, cartel, capital market and environmental law, the BLG Group bases its decisions and the shaping of business processes on comprehensive legal advice provided by in-house experts as well as qualified external experts.

If legal risks are based on past circumstances, the balance sheet provisions necessary for this purpose are established and their appropriateness is reviewed at regular intervals.

Due to the high personnel intensity and capitalization of our logistics services, there are fundamental risks in terms of a high fixed cost burden based on inadequate utilization of equipment and human resources capacity.

To minimize personnel risks in connection with demographic change in society, the age structure as well as the qualifications and fluctuation of the workforce, BLG coordinates and implements recruitment of qualified staff, for instance in close coordination with educational and further training institutions, and pursues a comprehensive staff development policy from initial training for those entering the labor market for the first time to training for long-term unemployed persons.

This necessarily long-term staff development holds certain personnel cost risks in the case that medium-term business development does not proceed as planned. However, flexibility is provided for among blue-collar workers by means of the GHB pool of employees (Gesamt-Hafen-Betriebe in Bremen and Hamburg) and other temporary workers. To a certain extent this makes it possible to adapt personnel needs to business development.

The competition among companies for qualified human resources is intensifying increasingly. To secure and strengthen our position in this context, we emphasize the attractiveness of the BLG Group as an employer through our personnel management activities and strive to bind specialists and executives to the Group on a long-term basis. In addition to performance-oriented pay and progressive social benefits, we place special focus here on the broad prospects in the BLG Group through trainee programs, interdisciplinary career paths, opportunities for assignment in different affiliated companies as well as attractive further training courses. We minimize risks due to staff fluctuation by means of suitable substitute arrangements and early successor planning.

A key factor for the success of our logistics and service processes is information technology. The systems have to be accessible and ready for operation at all times, unauthorized data access and manipulation must be ruled out and we have to ensure that new software is delivered on time without any defects.

Van carriers in Bremerhaven

Our services require the use of constantly updated or even newly developed software. Nonetheless, it is never possible to completely rule out delays and deficient functionality in connection with the creation and initial operation of new, complex applications. Efficient project management – from the concept to introduction – reduces this risk. We expect only minor impacts on individual business segments in this regard.

Deepening of the navigation channel of the Outer Weser and the River Elbe aimed at securing and positioning German ports in the northern range is still urgently necessary so as to ensure that the increasingly bigger container vessels can call at the ports of Bremerhaven and Hamburg without any problem. In the 2011 financial year the nautical problems connected with the constantly growing number of larger and larger container ships intensified further. Should one or the other or both of these measures fail or be delayed significantly, this may have significant negative impacts on the future cargo handling development of the CONTAINER Division.

Furthermore, renewal of the locks and full expansion of the Kiel Canal (consistent deepening by one meter, adjustments to passing places, curves and locks) are extremely important. Because of the geographic proximity of the port of Hamburg to the Baltic Sea region, a large portion of the container flows of the states bordering the Baltic Sea takes place in the form of transshipment traffic via Hamburg. As a rule, this traffic runs through the Kiel Canal based on time, cost and distance advantages. However, the Kiel Canal is approaching its limits because of the mounting size of feeder vessels involved in Baltic Sea traffic. If feeder services can no longer operate via the Kiel Canal, they have to take the significantly longer route via Skagen. This would lead to a loss of the natural competitive advantages of German ports over the western ports. A substantial risk of losses in volume would thus result. To this extent it is urgently necessary to increase the capacity of the Kiel Canal so it can continue to efficiently handle the shipping flows between the North and Baltic Sea in the future. According to current expansion planning, approval for traffic by the beginning of 2018 is feasible. A reinforcing factor in terms of market risks is the fact that additional new port capacity will be available in the northern range in the coming years (Wilhelmshaven, Maasvlakte II Rotterdam, Port 2000 Le Havre). This and other enlargements of terminal capacity may lead to changes in cargo flows and customer structure and thus also negatively influence the rate structure and amount. This applies in particular to feeder traffic.

Consolidation in the container shipping sector will continue to advance in the future. Beginning in the last quarter of 2011, new cooperative ventures and consortiums have already come into being. Since container terminals have available capacity, at least in the medium term, the market power of the remaining consortiums/shipping companies and the related revenue pressure as well as the necessity of implementing sustained costs reductions at the container terminals will increase.

The AUTOMOBILE Division continues to devote its attention to the competition with automobile terminal operators at the west European ports. As a consequence of the take-over of the high-performance terminals Vrasene Dock in Antwerp and Bastenaken Kai/Northern Inlet in Zeebrügge by the world's biggest ro-ro shipping company, NYK from Japan, in the 2006 financial year, a situation arose in this context that may still involve considerable risks. This applies especially to the shifting of import volumes from the Far East and to the price structure at our Bremerhaven seaport terminal. Based on our many years of cooperation with ro-ro shipping company NYK on a foundation of trust as well as our current cooperative ventures in Europe and South Africa, however, we also see opportunities in this connection.

The contractually agreed prices for seaport cargo handling coupled with the continued strong competitive pressure as well as the tremendous change in the ratio between export and import business, with consequential effects on employment at this location, necessitate extensive productivity improvements and cost reductions on a long-term basis.

Due to the increasing shareholdings of shipping companies in seaport terminals on the Baltic Sea in Scandinavia, shifts in transshipment volumes at the expense of the Bremerhaven seaport terminal may occur as a consequence of internal optimization on the part of shipping companies.

Immissions typical of ports, such as paint spray mist and soot particles, result in massive recourse claims on the part of manufacturers and marine insurance companies at the very least. In the future, too, we will continue to make every possible effort to preventively counter such pollution – caused by external parties – without being able to completely rule out this risk.

Furthermore, it is possible that additional costs in the transportation sector due to price rises in the international crude oil markets, tolls and other traffic-regulating charges as well as increased fiscal burdens cannot be passed on directly to our clients, thus affecting income.

Provisions were taken for risks arising from onerous contracts. The amount of the risks may increase considerably in the course of time as a result of a change in the situation. Such a risk is viewed as minimal according to current assessment.

Due to intense customer loyalty, particularly on the part of some major clients, as well as customary but short contract periods, very demanding terms of contract, possible changes in economic developments, in the demand and product lifecycles and in concentration processes in the markets, it is imperative to constantly keep a careful eye on various business segments of the CONTRACT Division.

The risk structure of the BLG Group has not changed significantly during the period under review as compared to the previous year. Currently no strategic or operational risks to continuity of operations and to the future development of our Group can be identified on the basis of an overall analysis.

Computer simulation of JadeWeserPort Wilhelmshaven Photo: JadeWeserPort Realisierungs GmbH & Co. KG

Financial risks

Goals and methods of financial risk management

The primary financial instruments used for financing the Group, with the exception of derivative instruments, encompass long-term loans, finance leasing, including hire purchase agreements, short-term borrowing as well as cash and cash equivalents and short-term contributions at banks. The main purpose of these financial instruments is to finance the operating activities of the Group. The Group has various other financial instruments, such as trade receivables and payables, which arise in direct connection with its operating activities.

Derivatives for interest hedging are only used for the purpose of hedging against open risks. Interest derivatives are exclusively employed to optimize credit terms and minimize interest rate risks within the framework of financing strategies with matching maturities. As a matter of principle, derivatives are not used for trade or speculation purposes.

The significant risks of the Group resulting from the financial instruments consist of default risks, foreign currency risks, liquidity risks and interest rate risks. The company management draws up and reviews risk management guidelines for each of these risks, which will be described in the following.

In addition, the existing market price risk for all financial instruments is observed at the Group level.

Default risk

The default risk of the Group results mainly from the trade receivables.
The amounts reported in the balance sheet include deductions for valuation allowances for expected irrecoverable receivables that were estimated on the basis of past experience and the current economic environment. At present the Group is not exposed to any significant default risk due to constant monitoring of receivables at the management level.

The default risk is limited in connection with liquid funds and derivative financial instruments since the latter are held at banks which international rating agencies have certified as having a high credit standing.

Foreign currency risk

With minor exceptions, the affiliated companies operate in the euro zone and invoice exclusively in euros (EUR). To this extent, a currency risk can only arise in individual cases, e.g. due to foreign dividend revenues or purchase of work and services abroad.

Liquidity risk

Liquidity risks may arise from payment bottlenecks and resulting higher financing costs. The liquidity of the Group is secured through central cash management at the level of BLG LOGISTICS GROUP AG & Co. KG. All major subsidiaries are included in the cash management. The EUROGATE Group has an independent cash management system. Provision of financing funds (loans/leasing/rent) in due time to meet all payment obligations is ensured through central investment control and central credit management.

Customary covenants on the basis of the equity ratio as well as the net indebtedness were secured for loan liabilities to banks. If deviations should arise in this connection, they will be treated proactively with the banks. All covenants were complied with in the 2011 financial year.

Interest rate risk

The interest rate risk to which the Group is exposed arises mainly from the variable loans and other long-term financial liabilities.

The interest rate risks of the Group are managed by means of a combination of loan capital with a fixed and a variable interest rate. The overwhelming majority of the bank liabilities are set up on a long-term basis and/or there are fixed interest agreements up to the end of the financing term, either within the framework of the loan agreements or via interest rate swaps that are concluded within the scope of microhedges for individual loans with a variable interest rate. Furthermore, to a certain extent interest hedging is carried out for loans to be taken out in the future through agreement of forward interest rate swaps.

Interest rate risks are shown by means of sensitivity analyses in accordance with IFRS 7. They represent effects of changes in market interest rates on interest payments, interest income and expenses, other result components as well as on equity. The interest sensitivity analyses are based on the following assumptions.

With regard to primary financial instruments with a fixed interest rate, changes in market interest rates have an effect on the result only if these financial instruments are measured at the applicable fair value. All financial instruments measured at amortized purchase costs with a fixed interest rate are not subject to any interest rate risks in accordance with IFRS 7. This applies to all loan liabilities of the Group with a fixed interest rate, including liabilities from finance leasing.

In the case of interest rate swaps designed to hedge against interest rate risks in the form of cash flow hedges, the changes in cash flows and result contributions of the hedged primary financial instruments and the interest rate swaps induced by changes in the market interest rates compensate for each other almost completely so that, to this extent, no interest rate risk exists.

Neustädter Hafen in Bremen

Measurement of the hedging instruments – without effect on the income statement – at the applicable fair value has impacts on the hedge reserves in the equity and is therefore recognized in the equity-based sensitivity analysis.

Changes in the market interest rate of primary financial instruments with a variable interest rate, whose interest payments are not designed as underlying transactions within the framework of cash flow hedges against interest rate risks, have an effect on the interest result and accordingly are included in the calculation of result-related sensitivities. The same applies to interest payments based on interest rate swaps that, as an exception, are not included in a hedge relationship in accordance with IAS 39. In the case of these interest rate swaps, changes in market interest rates also have an effect on the fair value and thus have impacts on the measurement result from the adjustment of the financial assets to the fair value and are taken into account in the result-based sensitivity analysis.

Bremerhaven Container Terminal

At the moment the probability of the described financial risks arising in the BLG Group is regarded as minimal.

You will find further details on the management of financial risks in the notes to the consolidated financial statement in point 41.

Capital risk management

A key objective of the Group with respect to capital management is to ensure operation according to the going concern concept so the company can continue to provide shareholders with earnings and the other stakeholders with benefits to which they are entitled. A further goal is to maintain an optimum capital structure to reduce capital costs.

The Group monitors its capital in the CONTAINER Division on the basis of the equity ratio and in the AUTOMOBILE und CONTRACT Divisions on the basis of the equity ratio as well as the debt-equity ratio, calculated from the ratio between net indebtedness and EBITDA. The net indebtedness is measured according to covenants negotiated individually with the financing banks. These covenants were complied with in 2011.

Other risks

As a service enterprise, we do not carry out any research and development in the strict sense and thus cannot report on any major risks in this field.

Other risks that may negatively influence the development of the Group in the long run are currently not discernible. Potential risks to continuity of operations, such as overindebtedness, insolvency or other risks with a particular influence on the asset, financial and earnings situation, do not exist at present.

The main risks for the Group result from the persisting public debt crises in the US and Europe and their impacts on the real economy.

No risks, either individually or in their entirety, jeopardizing the continuity of company operation and existence were discernible for the Group in the past financial year. Such risks do not pose a threat in the near future either.

Overall statement on expected development of the Group – assessment from the Management's perspective –

The economic prospects for the 2012 financial year are weaker compared to the previous year, but overall they are positive. We still expect high car exports from German production for overseas markets. For the CONTAINER Division we reckon with a rise in volume of approx. 10 percent. Due to the consequential impacts of the public debt crises in Europe and the US as well as the shipping crisis, however, uncertainty remains. The effects of this uncertainty on the BLG Group currently cannot be estimated reliably, either in detail or on the whole.

Nevertheless, the BLG Group looks ahead to the year 2012 in an optimistic mood. Within the scope of our dual strategy we will continue to boost our acquisition activities in order to tap new markets and win over new customers. At the same time we will consistently maintain our efficiency enhancement and restructuring programs based on expectations of low margins. In view of the economic conditional framework outlined, we assume that our sales in all divisions will grow by 5 to 10 percent in 2012. We expect growth from rising sales figures, primarily in the AUTOMOBILE and CONTAINER Divisions, as well as from expanded business in the CONTRACT Division.

We constantly adapt our investment projects to the current market conditions. Bigger investments are planned in the AUTOMOBILE Division to increase the number of railway wagons and expand the infrastructure of the Bremerhaven AutoTerminal, in the CONTRACT Division to expand retail trade logistics and build up wind energy logistics as well as in the CONTAINER Division for the container terminal in Wilhelmshaven currently under construction. The majority of the investments will be financed through borrowing. Overall we expect sales of around EUR 1.1 billion and earnings before taxes (EBT) of more than EUR 40 million for the BLG Group in the 2012 financial year.

Regarding sales per segment, we assume approximately equal distribution. In contrast to this, we expect significantly higher earnings before taxes (EBT) for the AUTOMOBILE and CONTRACT Divisions and lower results for the CONTAINER Division, primarily because of the startup losses of the Wilhelmshaven terminal, as compared to 2011.

For the year 2013 we expect a positive economic environment, strong growth especially in the automotive, retail trade and wind energy logistics segments of the CONTRACT Division as well as further long-term innovations of our intermodal business activities in the AUTOMOBILE Division. Supplemented by the positive development of the automobile markets in Eastern Europe and the container terminal in Wilhelmshaven as well as cost reduction and restructuring measures that will then take full effect, we assume another rise in sales and earnings before taxes (EBT) for all divisions. We expect Group sales of EUR 1.2 billion and Group EBT of over EUR 50 million.

In this context we want to offer our shareholders an attractive dividend yield. We will continue to target an annual increase in the dividend, but plan at least to maintain it at the level of the previous year.

Apart from historical financial information, this annual report contains future-oriented statements on the development of business and earnings of the BLG Group that are based on assessments, forecasts and expectations and are characterized by formulations such as "assume" or "expect" and similar expressions. These statements are based on knowledge available on the date of the auditors' report, April 3, 2012. They may naturally deviate from actual future events or developments. We do not assume any obligation to update the future-oriented statements in view of new information.

Consolidated Financial Statement : :

of

BREMER LAGERHAUS-GESELLSCHAFT

–Aktiengesellschaft von 1877–

Consolidated Income Statement
from January 1 to December 31, 2011

		Notes	2011 TEUR*	2010 TEUR*
1.	Sales	7	1,008,486	897,409
2.	Other operating income	8	68,715	61,308
3.	Cost of materials	9	-466,239	-401,575
4.	Personnel expenses	10	-326,917	-299,357
5.	Depreciation of long-term intangible fixed assets	11	-67,833	61,560
6.	Other operating expenses	12	-152,818	-146,309
7.	Income from long-term financial receivables	13	598	417
8.	Other interest and similar income	13	2,423	1,894
9.	Interest and similar expenses	13	-22,236	-23,116
10.	Income from long-term equity investments in associated enterprises	14	3,401	3,711
11.	Income from other long-term equity investments and affiliated companies	14	940	1,271
12.	Depreciation of financial assets and long-term financial receivables	15	-2	-5
13.	**Results before taxes**		**48,518**	**34,088**
14.	Taxes on income	16	-3,493	-1,139
15.	**Group net income for the financial year**		**45,025**	**32,949**
The Group net income is allocated as follows:				
	BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–		2,215	1,300
	BLG LOGISTICS GROUP AG & Co. KG		35,272	25,155
	Other minorities		7,538	6,494
			45,025	**32,949**
Earnings per share (diluted and undiluted)		17	**EUR 0.58**	**EUR 0.34**
	of that from continued operations		EUR 0.58	EUR 0.34
Dividend				
of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–		18	**EUR 0.40**	**EUR 0.30**

* TEUR (thousand EUR)

Consolidated Statement of Income and Accumulated Earnings

from January 1 to December 31, 2011

	Notes	2011 TEUR*	2010 TEUR*
1. Group net income		**45,025**	**32,949**
Earnings and expenses reported directly in equity			
2. Currency translation		-221	1,611
3. Change in measurement of derivative financial instruments		-1,133	155
4. Change in measurement of derivative financial instruments of associated enterprises		21	61
5. Income taxes on earnings and expenses reported directly in equity	20	442	-42
6. Total earnings and expenses reported directly in equity	19	**-891**	**1,785**
7. Total result		**44,134**	**34,734**
Of the other income for the year, the following amounts are allocated to:			
BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–		2,215	1,300
BLG LOGISTICS GROUP AG & Co. KG		34,132	26,472
Other minorities		7,787	6,962
		44,134	**34,734**

* TEUR (thousand EUR)

Consolidated Balance Sheet
as of December 31, 2011

Assets	Notes	2011-12-31 TEUR*	2010-12-31 TEUR*
A. Long-term assets			
I. Intangible fixed assets	21		
1. Goodwill		7,167	12,720
2. Other intangible fixed assets		19,244	16,857
3. Prepayments on account of intangible fixed assets		6,375	7,166
		32,786	**36,743**
II. Tangible fixed assets	22		
1. Land, land rights and buildings, including those on third-party land		327,021	347,070
2. Technical equipment and machinery		235,834	258,396
3. Other equipment, operating and office equipment		19,331	20,299
4. Prepayments and assets under construction		49,282	10,932
		631,468	**636,697**
III. Long-term financial assets	23		
1. Shares in affiliated companies		399	642
2. Shares in associated enterprises, reported at equity		47,653	41,762
3. Other financial assets		1,695	1,701
		49,747	**44,105**
IV. Long-term financial receivables	24	13,462	12,312
V. Other long-term assets		375	964
VI. Deferred taxes	16	12,203	8,161
		740,041	**738,982**
B. Short-term assets			
I. Inventories	25	11,064	10,248
II. Trade receivables	26	151,205	146,541
III. Other assets	26	45,538	33,544
IV. Refund claims from taxes on income	27	406	392
V. Cash and cash equivalents	28	82,744	46,617
		290,957	**237,342**
		1,030,998	**976,324**

* TEUR (thousand EUR)

Equity and liabilities	Notes	2011-12-31 TEUR*	2010-12-31 TEUR*
A. Equity	29		
I. Capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– included			
1. Subscribed capital		9,984	9,984
2. Revenue reserves			
a. Legal reserves		998	998
b. Other revenue reserves		4,604	3,925
3. Balance sheet profit		1,521	1,137
		17,107	**16,044**
II. Minority shares			
1. Capital of BLG LOGISTICS GROUP AG & Co. KG included			
a. Limited liability capital		51,000	51,000
b. Capital reserves		50,182	50,182
c. Revenue reserves		161,302	142,430
d. Balance sheet profit		19,497	13,077
e. Foreign currency adjustment items		801	1,157
f. Reserves from fair value measurement of financial instruments		-3,679	-2,743
g. Balance sheet result of companies included		-32,920	-27,414
		246,183	**227,689**
2. Equity of other minorities			
a. Hybrid equity		78,010	78,010
b. Other minorities		11,909	8,703
		336,102	**314,402**
		353,209	**330,446**
B. Long-term liabilities			
I. Long-term loans (excluding short-term share)	30	221,039	157,057
II. Other long-term financial liabilities	31	75,685	89,024
III. Deferred government grants	32	32,906	23,486
IV. Other long-term liabilities	35	8,733	9,840
V. Long-term provisions	33	49,810	52,506
VI. Deferred taxes	16	5,711	5,704
		393,884	**337,617**
C. Short-term liabilities			
I. Trade payables	34	72,173	70,739
II. Short-term financial liabilities	31	140,063	161,909
III. Short-term share for government grants	32	1,889	1,628
IV. Other short-term liabilities	35	46,497	49,790
V. Liabilities on taxes on income	36	7,278	7,439
VI. Short-term provisions	37	16,005	16,756
		283,905	**308,261**
		1,030,998	**976,324**

Segment Reporting

(in TEUR*)	AUTOMOBILE 2011-12-31	AUTOMOBILE 2010-12-31
Sales with external third parties	**381,944**	**321,269**
Inter-segment sales	255	135
EBITDA	32,429	20,893
Depreciation	-17,491	-11,638
Segment result (EBIT)	**14,938**	**9,255**
in % of sales	*3.9 %*	*2.9 %*
Interest income	562	485
Depreciation of financial assets	0	0
Interest expenses	-6,007	-6,252
Result from companies included at equity	1,284	417
Result from other long-term equity investments	11	5
Earnings before taxes (EBT)	**10,788**	**3,910**
Other information		
Other non-cash-related items	234	92
Included in segment result		
Income not relating to this period	9,282	8,469
Expenses not relating to this period	-1,118	-1,198
Impairments	-6,000	0
Shares in associated enterprises and other companies included at equity	10,425	9,690
Goodwill contained in segment assets	6,655	12,208
Segment assets	257,590	258,500
Investments in long-term intangible fixed assets and tangible fixed assets	19,495	13,333
Segment liabilities	151,134	154,453
Equity	68,168	65,335
Employees	2,116	1,995

* TEUR (thousand EUR)
[1)] The number of employees relates to companies included on proportionate basis (50 percent).

CONTRACT		CONTAINER		Reconciliation		GROUP	
2011-12-31	2010-12-31	2011-12-31	2010-12-31	2011-12-31	2010-12-31	2011-12-31	2010-12-31
304,263	282,307	328,406	299,776	-6,127	-5,943	1,008,486	897,409
992	874	4,880	4,934	-6,127	-5,943	0	0
22,962	23,080	86,639	79,073	10,803	11,570	131,227	111,476
-12,732	-12,184	-36,859	-36,990	-751	-748	-67,833	-61,560
10,230	10,896	49,780	42,083	-11,554	-12,318	63,394	49,916
3.4 %	3.9 %	15.2 %	14.0 %	n/a	n/a	6.3 %	5.6 %
1,017	851	966	677	476	298	3,021	2,311
-2	-5	0	0	0	0	-2	-5
-5,269	-5,401	-10,840	-11,407	-120	-56	-22,236	-23,116
1,144	1,383	616	1,633	357	278	3,401	3,711
36	628	882	627	11	11	940	1,271
7,156	8,352	41,404	33,613	-10,830	-11,787	48,518	34,088
-37	-262	-8	2	35	-44	224	-212
6,141	6,589	2,392	2,723	3,275	1,428	21,090	19,209
-2,768	-2,275	-1,193	-967	-59	-494	-5,138	-4,934
0	0	-1,060	-300	0	0	-7,060	-300
4,986	4,086	29,386	25,178	2,856	2,808	47,653	41,762
0	0	512	512	0	0	7,167	12,720
180,209	197,355	492,727	448,686	40,210	21,469	970,736	926,010
6,747	7,830	37,888	12,147	798	311	64,928	33,621
95,597	108,859	167,191	139,973	-93,220	-50,889	320,702	352,396
30,237	19,539	217,620	210,746	37,183	34,826	353,208	330,446
2,094	1,932	1,871[1)]	1,883[1)]	180	139	6,261	5,949

Consolidated Statement of Changes in Equity

(in TEUR*)	I. Capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– included			
	Subscribed capital	Revenue reserves	Balance sheet profit	Total
As of December 31, 2009	**9,984**	**4,775**	**945**	**15,704**
Changes in financial year				
Group net income	0	148	1,152	1,300
Earnings and expenses reported directly in equity	0	0	0	0
Total result	0	148	1,152	1,300
Dividends / withdrawals	0	0	-960	-960
Contribution to capital	0	0	0	0
Control-preserving acquisitions of shares	0	0	0	0
Other changes	0	0	0	0
As of December 31, 2010	**9,984**	**4,923**	**1,137**	**16,044**
Changes in financial year				
Group net income	0	679	1,536	2,215
Earnings and expenses reported directly in equity	0	0	0	0
Total result	0	679	1,536	2,215
Dividends / withdrawals	0	0	-1,152	-1,152
Contribution to capital	0	0	0	0
Control-preserving acquisitions of shares	0	0	0	0
Other changes	0	0	0	0
As of December 31, 2011	**9,984**	**5,602**	**1,521**	**17,107**

* TEUR (thousand EUR)

II. Minority shares

Capital of BLG LOGISTICS GROUP AG & Co. KG included								Equity of the other minorities		
Limited liability capital	Capital reserves	Revenue reserves	Balance sheet profit	Foreign currency adjust-ment items	Reserves from fair value measure-ment of financial instru-ments	Balance sheet result of com-panies included	Total	Hybrid equity	Other minori-ties	Total
51,000	**50,182**	**138,455**	**11,828**	**-55**	**-2,917**	**-35,447**	**213,046**	**78,010**	**5,001**	**311,761**
0	0	-23	13,077	0	0	12,101	25,155	5,063	1,431	32,949
0	0	0	0	1,143	174	0	1,317	0	468	1,785
0	0	-23	13,077	1,143	174	12,101	26,472	5,063	1,899	34,734
0	0	0	-11,828	0	0	0	-11,828	-5,063	-374	-18,225
0	0	0	0	0	0	0	0	0	2,100	2,100
0	0	0	0	0	0	0	0	0	0	0
0	0	3,998	0	69	0	-4,068	-1	0	77	76
51,000	**50,182**	**142,430**	**13,077**	**1,157**	**-2,743**	**-27,414**	**227,689**	**78,010**	**8,703**	**330,446**
0	0	18,875	19,497	0	0	-3,100	35,272	5,063	2,475	45,025
0	0	152	0	-356	-936	0	-1,140	0	249	-891
0	0	19,027	19,497	-356	-936	-3,100	34,132	5,063	2,724	44,134
0	0	0	-13,077	0	0	0	-13,077	-5,063	-1,374	-20,666
0	0	0	0	0	0	0	0	0	700	700
0	0	-16	0	0	0	-2,538	-2,554	0	1,155	-1,399
0	0	-139	0	0	0	132	-7	0	1	-6
51,000	**50,182**	**161,302**	**19,497**	**801**	**-3,679**	**-32,920**	**246,183**	**78,010**	**11,909**	**353,209**

Consolidated Cash Flow Statement

(in TEUR*)	2011	2010
Result before taxes	48,518	34,088
Depreciation of long-term intangible fixed assets, tangible fixed assets, financial assets and long-term financial receivables	67,835	61,565
Additions to long-term financial receivables	0	-434
Result from disposals of fixed assets	-4,283	632
Result from associated enterprises	-3,401	-3,711
Result from other long-term equity investments	-940	-1,271
Interest result	19,215	20,805
Other cash-neutral expenses and income	224	-212
	127,168	**111,462**
Change in trade receivables	-4,664	-15,374
Change in other assets	-11,391	7,100
Change in inventories	-816	1,168
Change in government grants	9,681	3,520
Change in provisions	-4,979	-2,602
Change in trade payables	1,434	8,983
Change in other liabilities	-6,143	19,473
	-16,878	**22,268**
Proceeds from interest	1,959	1,350
Payments for interest	-16,584	-17,541
Payments for taxes on income	-7,527	-6,699
	-22,152	**-22,890**
Cash flow from current operating activities	**88,138**	**110,840**
Proceeds from disposals of fixed tangible assets and intangible fixed assets	6,963	4,880
Payments for investments in fixed tangible assets and intangible fixed assets	-64,904	-31,737
Proceeds from disposals of financial assets	81	92
Proceeds from financial assets	0	707
Payments for investments in financial assets	-490	0
Changes in entities to be consolidated	0	2,069
Payments for granting loans to companies in which long-term equity is held	0	-660
Proceeds from repayment of loans to companies in which long-term equity is held	249	280
Payments for control-preserving acquisitions of shares	-1,400	0
Proceeds from dividends received	1,830	1,939
Cash flow from investment activities	**-57,671**	**-22,430**
Proceeds from repayment of loans to company owners	291	378
Payments for granting loans to company owners	-674	-291
Payments to owners of hybrid capital	-5,063	-5,063
Proceeds from additions to equity from minority companies	700	2,100
Payments to company owners	-15,603	-13,162
Proceeds from issuing promissory note loans	50,000	0
Proceeds from taking out financial loans	64,341	10,099
Payments for repayment of financial loans	-37,438	-60,067
Proceeds from taking out loans from companies in which long-term equity is held	2,750	11,400
Payments for repayment of loans from companies in which long-term equity is held	-8,339	-13,112
Payments for granting other loans	-2,868	0
Change in clearing account for joint venture partners	-3,292	-3,831
Payments to lessees	-478	-3,349
Proceeds from repayment of leasing receivables	104	42
Taking out leasing liabilities	160	304
Payment to repay leasing liabilities	-7,369	-7,325
Cash flow from financial activities	**37,222**	**-81,877**
Net increase/decrease in cash and cash equivalents	67,689	6,533
Change in cash and cash equivalents due to currency translation influences	-155	261
Cash and cash equivalents at beginning of financial year	4,951	-1,843
Cash and cash equivalents at end of financial year	**72,485**	**4,951**
Composition of cash and cash equivalents at end of financial year		
Liquid funds	82,744	46,617
Short-term liabilities to banks	-10,259	-41,666
	72,485	**4,951**

* TEUR (thousand EUR)

Notes to the Consolidated Financial Statement : :

of

BREMER LAGERHAUS-GESELLSCHAFT

–Aktiengesellschaft von 1877–

Notes to the Consolidated Financial Statement

Accounting principles and methods

1 Group accounting and reporting principles

With the exception of the provisions of IAS 32 on accruals and deferrals of equity and borrowed capital (for details see disclosure no. 29), the consolidated financial statement of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, Bremen, (BLG), for the 2011 financial year has been prepared in accordance with the International Financial Reporting Standards (IFRS), which were adopted and published by the International Accounting Standards Board (IASB) and whose application became mandatory on December 31, 2011, and with their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). Apart from the above exception, all IFRS and IFRIC that have been published and adopted by the European Union within the framework of the endorsement procedure and whose application is mandatory have been complied with.

By preparing its consolidated financial statement in accordance with IFRS, BLG meets its obligation according to Section 315a (1) of the German Commercial Code (HGB) in connection with Article 4 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002 regarding the application of international accounting standards in the respectively valid version.

The accounting and measurement methods, as described in disclosure no. 6, have been consistently applied by all affiliated companies for all periods indicated in the consolidated financial statement.

The financial year of BLG and of its subsidiaries included in the consolidated financial statement corresponds to the calendar year. The closing date for the consolidated financial statement corresponds to the closing date of the parent company.

BLG, which is registered in the register of companies of the Bremen Local Court, has its headquarters at Präsident-Kennedy-Platz 1, Bremen, Germany.

The consolidated financial statement is prepared in euros. All figures are given in thousands of euros (TEUR), unless otherwise indicated or TEUR is not specified.

The consolidated financial statement has been fundamentally prepared on the basis of historical purchase costs. Exceptions result solely in the case of derivative financial instruments and financial instruments of the category “available for sale”, provided that the market values for such financial instruments can be determined reliably.

Preparation of the financial statement in accordance with IFRS requires assessments and estimations of individual facts and circumstances by the management that may have impacts on the figures reported in the consolidated financial statement. The estimations and assumptions that pose a significant risk in the form of a major adjustment of the carrying amounts of assets and liabilities within the next financial year apply in particular to the assessment of goodwill (disclosures no. 6 b and no. 21), the reporting of deferred tax assets (disclosures no. 6 q and no. 16), the assessment of the parameters for impairments (disclosure no. 6 m) and long-term provisions (disclosure no. 33) as well as scope of discretion in connection with the assessment of provisions (disclosure no. 37) and uncertain liabilities (disclosure no. 31). The estimations made were extensively carried out on the basis of empirical values and further relevant factors, taking into account the going concern premise. The actual results may differ from the estimations.

Changes in the accounting and measurement methods

The accounting and measurement methods applied correspond in principle to the methods applied in the previous year. Furthermore, the Group applied the following new/revised standards and interpretations which were relevant for the operating activities of the Group and whose application was mandatory for the first time in the 2011 financial year:

- IAS 24 'Related party disclosures' (revised) and amendments to IFRS 8 'Operating segments': The revised standard IAS 24 and the amendment to IFRS 8 were published in November 2009 and must be applied for financial years that begin on or after January 1, 2011. The purpose of the amendments is to simplify the definition of related parties and at the same time eliminate certain discrepancies and exempt companies affiliated to public bodies from making certain disclosures on business transactions with related parties. The exemption provisions of sections 25 to 27 of the revised IAS 24 were already applied in the 2010 financial year.

- Amendment to IAS 32 'Classification of rights issues': The amendment clarifies how to account for certain rights when the issued instruments are denominated in a currency other than the functional currency of the issuer. If such instruments are issued pro rata to the issuer's existing shareholders for a fixed amount of cash, they should be classified as equity even if their exercise price is denominated in a currency other than the issuer's functional currency.

- 'Improvements to IFRS': A standard on 'Improvements to IFRS' was published in May 2010. The changes contained there pertain to non-urgent, but necessary amendments to six standards and one interpretation altogether. Most of the changes have to be applied for financial years that begin on or after January 1, 2011.

Adjustments of previous year's figures

With the exception of additional information in the notes to the financial statement, the new/revised standards and interpretations that are relevant to the Group's business activities did not have any significant impacts. To this extent, there were no adjustments to the previous year's amounts.

To the extent previous year's amounts are not comparable to the amounts for the year under review or were corrected in accordance with IAS 8.42, the data in this connection are contained in the respective disclosures. This applies to the interest result (disclosure no. 13), financial assets (disclosure no. 23) and financial instruments (disclosure no. 41).

Premature application of new or revised standards and interpretations

The following standards and interpretations already adopted, revised or newly issued by the IASB did not have to be applied on a mandatory basis in the 2011 financial year:

Standards/Interpretations	Application requirement for financial years beginning as of	Adoption by EU Commission
Standards:		
Amendments to IFRS 1 'Limited exemption from comparative IFRS 7 disclosure for first-time adopters' and to IFRS 7 'Financial instruments: Disclosures'	July 1, 2011	Yes
Amendments to IFRS 1 'Severe hyper-inflation and removal of fixed dates for first time adopters'	July 1, 2011	No
Amendments to IFRS 7 'Financial instruments: Disclosures' (transfers of financial assets)	July 1, 2011	Yes
Amendments to IFRS 7 'Financial instruments: Disclosures' (offsetting financial assets and financial liabilities)	January 1, 2013	No
IFRS 9 'Financial instruments' and amendments to IFRS 9 'Financial instruments' and to IFRS 7 'Financial instruments: Disclosures'	January 1, 2015	No
IFRS 10 'Consolidated financial statements'	January 1, 2013	No
IFRS 11 'Joint arrangements'	January 1, 2013	No
IFRS 12 'Disclosure of interests in other entities'	January 1, 2013	No
IFRS 13 'Fair value measurement'	January 1, 2013	No
Amendments to IAS 1 'Presentation of items of other comprehensive income'	July 1, 2012	No
Amendments to IAS 12 'Deferred tax: Recovery of underlying assets'	January 1, 2012	No
Amendments to IAS 19 'Employee benefits'	January 1, 2013	No
IAS 27 'Consolidated and separate financial statements' (revised)	January 1, 2013	No
IAS 28 'Investments in associates and joint ventures' (revised)	January 1, 2013	No
Amendments to IAS 32 'Financial instruments: Presentation' (offsetting financial assets and financial liabilities)	January 1, 2014	No
Interpretations:		
IFRIC 20 'Stripping costs in the production phase of a surface mine'	January 1, 2013	No

The Group plans to take the new standards and interpretations into account in the consolidated financial statement as of the date of first required application. The new standards and interpretations relevant for the Group's operating activities will have an influence on the way in which financial information of the Group is published. However, this will not result in significant impacts on the recognition and measurement of assets and liabilities in the consolidated financial statement, with the exception of the elimination of the proportionate consolidation of joint ventures that have to be reported according to the equity method in future. The Group has not conclusively assessed the impacts resulting from IFRS 12.

The Board of Management of BLG released the consolidated financial statement for transmission to the Supervisory Board on April 3, 2012. It is the responsibility of the Supervisory Board to review the consolidated financial statement and state whether the Board approves it.

2 Operating activities of the BLG Group

The BLG Group (BLG LOGISTICS GROUP) performs seaport-oriented logistics services for its customers in industry and commerce through its three operational divisions, AUTOMOBILE, CONTRACT and CONTAINER, and is represented in over 100 companies and branches in Europe, North and South America, Africa and Asia.

The range of services extends from seaport terminals in Europe all the way to complex supply chain management with value added services.

AUTOMOBILE

The services offered by the AUTOMOBILE Division encompass port cargo handling, storage, technical processing, shipment via road, rail and water, supply chain management and freight forwarding services as well as the entire administrative vehicle handling procedure, including documentation and customs clearance. In addition, the division handles heavy or bulky goods, such as agricultural equipment, buses and trucks, transformers, locomotives and railway wagons.

A total of 6.5 million vehicles (previous year: 5.4 million vehicles) were handled, transported and technically processed in 2011. This makes the AUTOMOBILE Division the market leader in Europe.

The European network comprises automobile terminals on the North Sea and Baltic Sea, on the Mediterranean, on the Rhine and Danube as well as inland. BLG is already present with several seaport and inland terminals in Poland, Russia, Ukraine, the Czech Republic, Slovakia and Slovenia. Other locations are planned. Recently a joint venture was established with the Russian partner company FESCO aimed at developing automobile logistics in Russia.

The automobile terminals on coasts and rivers have truck, railway and ship connections. The inland terminals offer short distances to the European highway network and their own sidings. BLG has over 500 trucks of its own as well as 800 railway wagons for car transportation. Through the network the company sets up reliable chains of logistics – from the automobile manufacturers all over the globe to the car dealers in the specific countries of destination. Moreover, technical centers provide pre-delivery inspection (PDI) and individual extras according to the demands of the end customers. The entire range of services is certified.

CONTRACT

The CONTRACT Division develops customized logistics solutions for individual customers. The focal points are car parts and plant logistics for the automotive industry. This includes procurement logistics from the suppliers and supply to the production lines as well as packing and shipment. Complex system services ensure reliable supply to the assembly lines in Germany and abroad. BLG represents the link between manufacturers and suppliers. The Consolidation Center and supplier logistics centers are the hubs of the worldwide services. Through preassembly of vehicle components and production-related work processes BLG acts as an extended workbench for automobile manufacturers.

In the Retail Trade Logistics segment the division designs, implements, manages and carries out complex logistics processes for trading enterprises. Here again BLG stands for transparent and reliable procedures as well as optimization of commodity and information flows. Individual solutions for well-known clients ensure comprehensive information and movements of goods based on in-house IT competence. The Retail Trade Logistics segment also encompasses cargo handling and storage of refrigerated and frozen goods at the Bremerhaven Container Terminal as well as all related services.

Another segment covered by the CONTRACT Division is Industrial and Production Logistics, which involves shaping and optimizing complex commodity flows for the production sector. The range of services additionally includes supply and disposal for production lines, on-site logistics for optimized in-company flows of goods, empties management and complex assembly operations.

The Cargo segment embraces operation of multifunctional terminals in Bremen where tailored logistics solutions are offered for goods with special requirements. This includes in particular transshipment, storage and proper handling of steel, forestry and paper products, pipes, sheet metal and project cargo.

The company is currently developing logistics for offshore wind turbines as a new segment. Customized, holistic logistics systems are developed to coordinate and manage the supply chain of wind turbines and their components from production to installation at sea via all value added stages. 29 wind farms in the German North Sea have already been approved and others are in the planning stage. BLG makes temporary use of areas at the container and automobile terminals in Bremerhaven for storing and handling large offshore components. After completion of the planned offshore terminals existing business can be shifted to the new facility, for the operation of which BLG is submitting an application.

CONTAINER

The joint venture EUROGATE GmbH & Co. KGaA, KG, Bremen, in which BLG holds 50 percent of the shares, is responsible for development of the CONTAINER Division. EUROGATE has its own subsidiaries and affiliated companies. The companies of the EUROGATE Group are included in the consolidated financial statement through proportionate consolidation.

The activities of the EUROGATE Group focus on container handling in Europe. EUROGATE operates – in some cases with partners – terminals on the North Sea, in the Mediterranean region and on the Atlantic and numbers among the biggest container handling enterprises in Europe. There are locations in Bremerhaven, Hamburg (both in Germany), La Spezia, Gioia Tauro, Cagliari, Ravenna and Salerno (all in Italy) as well as in Lisbon (Portugal) and Tangier (Morocco). The EUROGATE will additionally be the main operator of the container terminal currently under construction in Wilhelmshaven (Germany) and operator partner in Ust-Luga (Russia). The company also holds an interest in several inland terminals and railway transportation enterprises.

The secondary services it offers embrace such cargo-modal activities as distribution and storage of goods, intermodal services – transporting sea containers to and from the terminals – repair and warehousing of containers as well as technical services.

3 Entities to be consolidated

BLG is the general partner of BLG LOGISTICS GROUP AG & Co. KG, which holds – directly or indirectly – the shares in the other companies included in the Group. On the basis of its status as general partner, BLG has control of BLG LOGISTICS GROUP AG & Co. KG, but does not own any share in the latter's assets. Apart from BLG and BLG LOGISTICS GROUP AG & Co. KG, the entities to be consolidated encompass 20 domestic subsidiaries and nine foreign subsidiaries (in the previous year 20 domestic and nine foreign enterprises), which are included in the consolidated financial statement through full consolidation.

To gain cost advantages and enhance the real net output ratio in the AutoRail segment, BLG RailTec GmbH, Falkenberg, was established in June 2011. The company will carry out inspections and repairs for its own railway wagons and as a service for other rail enterprises and additionally optimize transport operations by reducing the length of border stops and forming single-destination complete trains. The indirect investment holdings come to 50 percent. Since BLG took over corporate management of this company, it is accounted for by way of full consolidation.

OLB Offshore Logistics GmbH, Bremerhaven, was established jointly with the Bremerhaven companies RVV Vermögensverwaltungsgesellschaft mbH and MVG Möller Verwaltungsgesellschaft mbH in July 2011 within the scope of development of the logistics for offshore wind turbines segment. The company is responsible for acquisition and operation of a special pontoon for transporting foundation structures and large components for offshore wind turbines. BLG's share comes to 42.5 percent. The enterprise is included at equity.

FESCO BLG Automobile Logistics Russia LTD, Nicosia, Cyprus, was established in October 2011. The company will develop logistics solutions for the Russian automotive industry and perform vehicle handling services in St. Petersburg. In this connection the shares in BLG Logistics Automobile St. Petersburg Co. Ltd., which has not been included up to now, were transferred to the new company. Subsequently 50 percent of the shares in FESCO BLG Automobile Logistics Russia LTD were sold to a subsidiary of the Russian FESCO Transportation Group. The joint venture is included at equity.

In the course of partial restructuring of the entities to be consolidated, Automotive Services Beteiligungsgesellschaft mbH, Bremerhaven, left the group of domestic entities to be consolidated due to the merger with E.H. Harms GmbH & Co. KG Automobile-Logistics. The same applies to EUROGATE IT Services GmbH, Bremen, included via proportionate consolidation, which merged with EUROGATE GmbH & Co. KGaA, KG.

Two companies were included in the consolidated financial statement at equity because of immateriality in spite of a majority of the voting rights. Altogether 18 companies in which there is a majority of shares and voting rights were not included through full consolidation because of immateriality. Nine companies in which the BLG Group holds a major interest were not included in the consolidated financial statement at equity because of immateriality.

A listing of the subsidiaries, joint ventures, associated enterprises and other participations in accordance with Section 313 HGB can be found in the section Participations on pages 196 ff.

4 Consolidation principles

All major subsidiaries that are under the legal and/or de facto control of BLG are included in the consolidated financial statement.

As a matter of principle, subsidiaries are included through full consolidation in accordance with IAS 27. As an exception to this rule, certain companies in the Group are not consolidated on the basis of materiality aspects. The cumulative profit for the year of the companies not included in the consolidated financial statement amounts to EUR 176,000.

When subsidiaries are first included in the consolidated financial statement, the purchase values of the participations are balanced against the Group share of the equity of the respective company, which is revaluated in accordance with IFRS 3. At the same time assets and liabilities are recognized at their fair values and intangible assets that were not reported previously and are capable of being shown on the balance sheet according to IFRS as well as contingent liabilities are entered at their applicable fair values on the assets or liabilities side respectively. Within the framework of subsequent consolidation the hidden reserves and liabilities disclosed in this way are amortized, depreciated and/or released according to treatment of the corresponding assets and liabilities. A surplus in the purchase cost of the participation over the proportionate net fair values of the identifiable assets, liabilities and contingent liabilities (positive difference) resulting within the framework of first consolidation is reported on the assets side as goodwill and subjected to an annual impairment test (see disclosure no. 6).

If a negative difference remains, the identification and measurement of the assets, liabilities and contingent liabilities as well as the derivation of the purchase price are checked again. If a negative goodwill still remains after this check, it is reported immediately with effect on the income statement.

The noncontrolling shares in the acquired company are reported on the basis of the proportionate share of the net assets of the acquired company.

The CONTAINER Division with the participation in the operational management company EUROGATE GmbH & Co. KGaA, KG is included in the consolidated financial statement through proportionate consolidation according to the 50 percent share.

Other joint ventures and associated enterprises are reported according to the equity method provided that the Group has joint management with another partner company or can exert significant influence.

The carrying amounts of participations included according to the equity method are increased or decreased annually by the changes in the equity of the joint venture or associated enterprise allocated to the BLG Group. The basic principles valid for full consolidation are applied accordingly to the allocation and adjustment of a difference contained in the carrying amount of the participation between the purchase cost of the participation and the proportionate equity of the company.

Transactions with noncontrolling shares are treated like transactions with equity holders of the Group. A difference between the paid service and the relevant share of the carrying amount of the net asset of the subsidiary resulting from acquisition of a noncontrolling share is reported in equity. Profits and losses arising from sale of noncontrolling shares are also reported in equity.

If the Group loses either control or significant influence over a company, the remaining share is revaluated at the applicable fair value and the resulting difference is reported as a profit or loss. The applicable fair value is the fair value determined on initial recognition of an associated company, joint venture or a financial asset. Furthermore, all amounts disclosed in the other operating result are reported with respect to this company as would have been required if the parent company had sold the related assets and liabilities directly. That means a profit or loss previously reported in the other comprehensive income is transferred from equity to the operating result.

If the participation share in an associated company has declined, but it still remains an associated company, only the proportionate amount of the profits or losses previously reported in other comprehensive income is transferred to profit or loss.

Other participations are recognized at market values according to IAS 39 or, if the market values cannot be determined reliably, at purchase cost.

The date chosen as time of first consolidation is that on which the requirements for the existence of a subsidiary, an associated enterprise or a joint venture are met in accordance with IFRS for the first time based on an economic analysis. By the same token the time of deconsolidation is determined by the date of discontinuation of economic power of disposal, joint management or significant influence.

The effects of intragroup transactions are eliminated.

Accounts receivable and liabilities between the consolidated companies are set off against each other, intragroup profits and losses in the fixed assets and inventories are eliminated. Intragroup income is set off against the corresponding expenses. The tax deferrals necessary according to IAS 12 were carried out for temporary differences resulting from the consolidation.

The consolidation methods were retained unchanged from the previous year.

5 Translation of foreign currency

The annual financial statements of the companies included that were prepared in foreign currency are translated into euros in accordance with IAS 21 according to the concept of functional currencies. The respective national currency is the functional currency in all foreign companies of the BLG Group since the companies conduct their business independently in terms of financial, economic and organizational aspects. Accordingly the assets and liabilities are fundamentally converted at the exchange rates on the reporting date while the expenses and income are converted at the annual average exchange rates. Currency translation differences resulting from this are contained in equity without effect on the income statement.

As of December 31, 2011, currency translation differences of EUR 801,000 (in previous year: EUR 1,157,000) are reported in equity (see also statement of changes in equity in this connection).

The translation of currency is based on the following exchange rates:

Unit/Currency in EUR	Exchange rate 2011-12-31	Average exchange rate 2011	Exchange rate 2010-12-31	Average exchange rate 2010
1 American dollar	0.7723	0.7190	0.7546	0.7549
1 Brazilian real	0.4145	0.4312	0.4530	0.4307
1 British pound	1.1936	1.1528	1.1675	1.1661
1 Indian rupee	0.0142	0.0166	0.0167	0.0165
1 Malaysian ringgit	0.2435	0.2417	0.2451	0.2354
1 Moroccan dirham	0.0901	0.0895	0.0904	0.0904
1 Polish zloty	0.2258	0.2441	0.2523	0.2510
1 Russian ruble	0.0241	0.0245	0.0247	0.0249
1 South African rand	0.0951	0.0997	0.1138	0.1034
1 Czech crown	0.0389	0.0407	0.0396	0.0396
1 Ukrainian grivna	0.0978	0.0912	0.0960	0.0962

In the individual financial statements of the consolidated companies prepared in local currency accounts receivable and liabilities are translated at the exchange rate on the balance sheet date in accordance with IAS 21. Currency translation differences are contained in the other operating expenses and income with effect on the income statement. Non-monetary assets that are measured at purchase cost are measured at the rate of exchange on the date of the transaction.

6 Accounting and measurement methods

a) Recognition of profits and losses

Revenues and other income are recognized in accordance with IAS 18 when the service has been rendered, an economic benefit is sufficiently likely to accrue and the latter can be reliably quantified. Income and expenses from the same transactions or events are reported according to the “matching principle” in the same period.

In the case of service orders, the sales are recognized according to the stage of completion method in accordance with IAS 18 in connection with IAS 11 according to the performance progress. The performance progress is determined on the basis of the hours of work performed in relation to the expected total number of hours for an order.

Interest income is reported pro rata temporis, taking into account the effective interest rate of a financial asset.

Shares in the profits from partnerships are realized immediately at the end of the financial year, unless the Memorandum and Articles of Association make the existence of a claim to withdrawal subject to a separate resolution of the shareholders. Dividends of joint stock companies, by contrast, are not reported with effect on the income statement until after a resolution on the appropriation of profits has been made.

b) Intangible assets

Goodwill represents the surplus of purchase cost of the acquisition above the applicable fair value of the shares of the Group in the net assets of the acquired company at the time of acquisition. Goodwill resulting from an acquisition is reported in intangible assets. The reported goodwill is subjected to an annual impairment test and measured at its original purchase cost minus cumulated impairments. Reversals of impairment losses are not permissible. Profits and losses from the sale of a company encompass the carrying amount of the goodwill allocated to the transferred company.

Acquired intangible assets are reported on the assets side at purchase cost while internally generated intangible assets from which a future benefit is likely to accrue to the Group and which can be measured reliably are reported on the assets side at their production costs and in each case depreciated systematically on a linear basis over the expected useful life. The production costs include all costs directly apportionable to the manufacturing process as well as appropriate portions of the production-related overhead. Financing costs are reported on the assets side to the extent they can be apportioned to qualified assets.

Systematic depreciation is carried out according to the linear method, based on the useful life in the course of ordinary company operations. As a rule, residual values are not taken into account in the determination of the depreciation.

If there are indications of impairment and the recoverable amount is below the amortized purchase or production cost, exceptional depreciation of the intangible assets is carried out. In the case of intangible assets with an indefinite useful life, including capitalized goodwill, an impairment test shall be conducted at least once a year regardless of whether there are indications of impairment (see also disclosure no. 6 m in this connection).

c) Tangible assets

Tangible assets are reported at purchase or production cost minus systematic linear depreciation in accordance with the useful life. The production costs contain the individual costs as well as appropriate portions of the apportionable production overhead. Costs of loan capital are taken into account in the production costs to the extent they relate to qualified assets. Dismantling liabilities are recognized to the amount of the present value as ancillary purchase costs in accordance with IAS 16. The revaluation method is not applied in the BLG Group.

Property is examined to determine whether it is investment property in accordance with IAS 40. The scale of the investment properties is of minor importance and for this reason IAS 40 is not applied at the BLG LOGISTICS GROUP.

If the requirements are met for application of the component approach in accordance with IAS 16 and IFRIC 1, the assets are broken down into their components and the latter are reported individually on the assets side and depreciated over the respective useful life.

Asset-related government grants are reported on the liabilities side and written off through linear depreciation over the useful life of the subsidized asset.

Systematic depreciation is carried out according to the linear method, based on the useful life in the course of ordinary company operations. Expected residual values are taken into account in the determination of the depreciation.

If there are indications of impairment and the recoverable amount is below the amortized purchase or production cost, exceptional depreciation of the tangible assets is carried out (see also disclosure no. 6 m in this connection).

d) Leasing

Finance leasing:

Economic ownership of leased items is assigned to the lessee in accordance with IAS 17 if the latter assumes the major risks and opportunities related to ownership and resulting from the leased item. If the BLG LOGISTICS GROUP is considered to be the economic owner, reporting on the assets side is carried out at the time of conclusion of the agreement either at the fair value or at the present value of the minimum leasing payments if this present value is less than the fair value.

The depreciation methods and useful lives conform with those of comparable acquired assets.

Disclosure is carried out taking into account the asset classes together with the acquired assets.

Operate leases:

All other leasing arrangements in which economic ownership is not assigned to the lessee, but to the lessor, constitute operate leases. The rental and leasing expenses resulting from such agreements are reported spread over the contractual term with effect on the income statement.

e) Financial assets and long-term financial receivables

Financial assets shall fundamentally be recognized as of the time at which the BLG Group becomes a contracting party and is entitled to performance or required to provide consideration. If time differences exist between the date of the order and the date of performance, a financial asset is not reported on the assets side until as of the date of performance.

The participations in associated enterprises and joint ventures (with the exception of the EUROGATE Group, which is consolidated on a proportionate basis) are measured according to the equity method. Based on the purchase cost at the time of the acquisition of the shares, the respective participation carrying amount is increased or decreased by the equity changes provided that they apply to the shares of BLG.

Furthermore, the financial assets and long-term financial receivables include fixed-asset securities, loans and other participations.

In accordance with IAS 39, financial assets are differentiated into those that are available for sale, those that are held to maturity and other loans and receivables.

Provided they can be determined reliably, financial assets of the category “available for sale” are recognized at their market value. Fluctuations in value between the balance sheet dates are fundamentally allocated to the revaluation reserves without effect on the income statement. Release of the reserves with effect on the income statement takes place either on sale or when there is a long-term drop in the market value to a level below the purchase cost (impairment). With regard to exceptional depreciation, see also disclosure no. 6 m.

If the market value cannot be determined reliably either because a public quotation does not exist or because it is not possible on the basis of measurement methods, measurement is carried out at purchase cost.

Financial assets of the category “held to maturity” are measured at amortized purchase cost as of the balance sheet date taking into account the effective interest method. If the recoverable amount falls below the carrying amount, exceptional valuation allowances are made with effect on the income statement (see also disclosure no. 6 m in this connection).

Financial assets of the category “loans and receivables”, which primarily include loans, are measured at amortized purchase cost taking into account the effective interest method. Long-term, low-interest or interest-free loans and receivables are recognized at the present value. If the recoverable amount drops below the carrying amount, valuation allowances are made with effect on the income statement (see also disclosure no. 6 m in this connection).

In principle, financial assets are retired when the BLG Group loses power of disposal, either entirely or in part, over the rights forming the basis due to realization, expiration or transfer to a third party that qualifies for derecognition. Transfer to a third party qualifies for derecognition if the contractual rights to the cash flows from assets are relinquished, no agreements for retention of individual cash flows exist, all risks and opportunities are transferred to the third party and the BLG Group no longer has power of disposal over the asset.

f) Inventories

Inventories encompass raw materials and supplies, work in progress as well as finished goods and merchandise. Initial recognition is carried out at purchase costs that are determined on the basis of average prices or at production cost. The production cost includes all costs directly apportionable to the production process as well as appropriate portions of the production-related overhead and is determined on the basis of normal capacity utilization. Financing costs are not recognized. Balance sheet accounting for services is based on the stage of completion method.

On the one hand, measurement as of the balance sheet date takes place at the lower amount resulting from purchase / production cost in each case and, on the other hand, at the realizable net sale price minus any other costs incurred as well as any other completion costs incurred. The net sale price of the end product is fundamentally taken as the basis here.

g) Trade receivables

In accordance with IAS 39, trade receivables shall be allocated to the category “loans and receivables” and reported as of the date of performance. They are measured accordingly at amortized purchase cost taking into account the effective interest method. If the recoverable amount drops below the carrying amount, exceptional valuation allowances are made with effect on the income statement (see also disclosure no. 6 m in this connection). In addition to any necessary specific valuation allowances, lump-sum specific valuation allowances shall be formed and reported with effect on the income statement in the event that risks discernible on the basis of empirical values result from the general credit risk. Receivables subjected to valuation allowance are retired if cash inflows are improbable.

Derecognition of trade receivables is carried out on realization (expiration) or on transfer of the receivables to a third party that qualifies for derecognition in accordance with IAS 39.

h) Other short-term financial assets

Other short-term financial assets comprise derivative financial instruments (see disclosure no. 6 i), short-term financial receivables and, if applicable, short-term current-asset securities.

In accordance with IAS 39, current-asset securities are differentiated into those that are available for sale and those held for trading and are capitalized as of the date of performance.

Financial assets of the category “available for sale” are recognized at their market value provided that they can be determined reliably. Fluctuations in value between the balance sheet dates are fundamentally allocated to the revaluation reserves without effect on the income statement. Release of the reserves with effect on the income statement takes place either on sale or when there is a long-term drop in the market value to a level below the purchase cost (see disclosure no. 6 m).

If the market value cannot be determined reliably either because a public quotation does not exist or it is not possible on the basis of measurement methods, measurement is carried out at purchase cost.

Financial assets of the category “held for trading” are fundamentally recognized at their market value. Fluctuations in value between the balance sheet dates are reported in the financial result with effect on the income statement.

Other short-term financial receivables are allocated to the category “loans and receivables” and reported in the balance sheet as of the date of performance. They are measured accordingly at amortized purchase cost taking into account the effective interest method. If the recoverable amount drops below the carrying amount, valuation allowances are made with effect on the income statement (see disclosure no. 6 m).

Financial assets are fundamentally retired when the BLG Group loses power of disposal, either entirely or in part, over the rights forming the basis due to realization, expiration or transfer to a third party that qualifies for derecognition.

i) Derivative financial instruments and financial risk management

Derivative financial instruments are reported in the balance sheet as of conclusion of the contract. Measurement in the case of additions is carried out at the applicable fair value. Subsequent measurement is also carried out at the applicable fair value on the respective balance sheet date. If derivative financial instruments are employed as hedging tools and the requirements are met for hedge accounting in accordance with IAS 39, the way they are reported in the balance sheet depends on the type of hedge relationship and the hedged item. In the reporting year and in the previous year hedging operations were exclusively undertaken to hedge against the interest rate risk arising from variable interest payments on loans (cash flow hedges). The credit spread is not part of the hedge relationship. Derivative financial instruments that do not meet the requirements for hedge accounting are classified as "held for trading" in accordance with IAS 39.

To meet the requirements for reporting hedging operations, the hedge relationship between the hedged item and the hedging tool as well as the objective and strategy of risk management are documented at the beginning of the hedging. This also involves a description of how the effectiveness of the hedge relationship is determined. Continuous monitoring of whether the derivative instruments employed compensate for the hedged risks from the hedged item is carried out by means of effectiveness tests conducted at the beginning of the hedge relationship and on every balance sheet date.

The changes in the applicable fair values of the effective portions of the cash flow hedges are reported directly in equity. The changes in the applicable fair values of the ineffective portions of the cash flow hedges and interest rate swaps that are not designated as hedging tools in the framework of hedge relationships are reported in the income statement.

Like other financial assets, derivatives are retired when the BLG Group loses power of disposal, either entirely or in part, over the rights forming the basis due to realization, expiration or transfer to a third party that qualifies for derecognition. The amounts reported in equity are transferred to the income statement in the period in which the hedging operation for the hedged item takes place.

A prerequisite for the use of derivatives is the existence of a risk to be hedged against. Open derivative positions may result at best in connection with hedging operations in which the corresponding hedged item is not applicable or fails to come into being contrary to planning. Interest derivatives are exclusively used to optimize credit terms and minimize risks of changes in the interest rate within the framework of financing strategies with matching maturities. Derivatives are not used for trading or speculation purposes.

j) Other short-term assets

Other short-term assets primarily comprise receivables due from the Tax Office, advance payments and deferrals and accruals. They are reported at nominal values.

k) Balancing out financial instruments

Financial assets and liabilities are balanced out and reported as a net amount in the balance sheet only if a legal claim exists in this regard and the intention is to achieve the balance on a net basis or at the same time to redeem the corresponding liability on realization of the asset concerned.

l) Cash and cash equivalents

All cash and cash equivalents are reported at the nominal value.

m) Exceptional valuation allowances (impairments)

Overview

As of the balance sheet date, all assets of the Group, with the exception of inventories and deferred tax claims, are examined for indications of possible impairments in accordance with IAS 36 or IAS 39. If such indications are identified, the expected recoverable amount is estimated and compared to the carrying amount.

Furthermore, on every balance sheet date the recoverable income is estimated for goodwill, assets with an indefinite useful life and intangible assets not yet completed, regardless of the existence of indications of impairment.

Impairment shall be taken into account with effect on the income statement in accordance with IAS 36 if the carrying amount of an asset or of the corresponding cash-generating unit exceeds the recoverable amount.

If need for a valuation allowance is determined for a cash-generating unit, first the goodwill of the cash-generating unit concerned is reduced. If further need for a valuation allowance remains, the latter is distributed evenly to the carrying amounts of the remaining assets of the cash-generating unit.

Determination of the recoverable amount

The expected recoverable amount is the higher figure from the net sales price minus sales costs and value in use. The value in use is the present value of the future cash flows expected from the asset or the cash-generating unit. The calculations are carried out in the respective local currency. The three-year plan serves as the basis. A current market interest rate is used as the discount rate and taken as the basis while taking into account the fair value of the cash and specific risks involved with the asset or cash-generating unit. The risk-equivalent interest rates were 8.0 percent for the CONTRACT Division (previous year: 9.5 percent) and fundamentally for the companies of the AUTOMOBILE Division 6.5 percent (previous year: 7.5 percent). An interest rate of 12.5 percent (previous year: 12.0 percent) was calculated for an impairment test of a cash-generating unit of the AUTOMOBILE Division in Ukraine. A weighted cost of capital rate of 5.5 percent (previous year: 7.0 percent) was calculated for the CONTAINER Division. The cash flows of this division were extrapolated over a planning horizon of three years using a growth rate of 0.5 percent.

Reversal of impairment losses

If the reasons for the exceptional depreciation no longer apply, there is a need for reversal of impairment losses. The reversal of impairment losses is limited to the purchase or production cost minus the systematically continued depreciation that would have resulted without the exceptional depreciation.

If the exceptional depreciation was spread evenly over assets of a cash-generating unit, the same procedure is applied for the additions.

Reversal of impairment losses for depreciated goodwill is not permissible.

Exceptional depreciation of financial assets of the categories “held to maturity” and “loans and receivables” as well as loan capital instruments of the category “available for sale” shall be withdrawn with effect on the income statement if the reasons for the exceptional depreciation no longer apply. In the case of equity instruments of the category “available for sale”, reversal of impairment losses is carried out via the revaluation reserves without effect on the income statement.

n) Government grants

Investment grants from the public sector are taken into account in the balance sheet if there is reasonable certainty that the related terms and conditions will be met and the grants will be provided. The grants are reported separately under liabilities according to the gross method. The release takes place pro rata temporis in accordance with the depreciation of the subsidized assets.

o) Provisions

Pensions and retirement plans are post-employment benefits in accordance with IAS 19. Provisions for pensions are measured according to the actuarial projected unit credit method stipulated in IAS 19 for defined benefit pension plans. Aside from the pension benefits existing on the balance sheet date, the future remuneration development, the expected pension increases and the presumed fluctuation are taken into account in the measurement with this method. IAS 19 allows application of different methods for treating actuarial profits and losses. To avoid volatility in the equity in connection with the applicable date, the BLG Group applies the so-called corridor method (see disclosure no. 33). The interest portion contained in the pension expenses is shown in the financial result.

Provisions for anniversaries represent other long-term benefits in accordance with IAS 19. Measurement is also carried out according to the actuarial projected unit credit method. The interest portion contained in the anniversary expenses is shown in the financial result.

Provisions for taxes and other provisions are recognized if a liability to third parties resulting from a past event exists, indicates asset outflows and can be determined reliably. They represent uncertain liabilities that are recognized at the amount determined according to the best possible estimate. The amount of the provisions also includes the expected cost increases. Long-term provisions with a remaining term of more than a year are discounted at a capital market interest rate with an appropriate term.

Taking into account future cost increases, dismantling liabilities are capitalized as ancillary purchase costs of the asset concerned at the time they come into being at the present value of the liability and at the same time provisions are accrued to an appropriate amount. The expense is distributed over the periods of use via the depreciation of the capitalized asset and the interest cost of the provisions.

p) Liabilities

Financial liabilities shall be reported on the liabilities side as soon as the BLG Group has become a contracting party. In the case of the other liabilities, the time of recognition is based on the general rules of the IFRS framework.

The liabilities are recognized to the amount of the payment or consideration received. The subsequent measurement is carried out at amortized purchase cost.

Liabilities resulting from finance leasing are reported at the present value of the leasing rates and amortized over the course of the contractual term. To determine the amortization share of the leasing rates, the latter are divided such that a constant interest rate is applied to the remaining liability.

Liabilities resulting from agreements regarding part-time work arrangements for employees approaching retirement are recognized as termination benefits according to the actuarial projected unit credit method.

Liabilities shall be retired after settlement, release or expiration.

The claims of the shareholders for dividend payouts are reported as liabilities in the period in which the corresponding resolution is adopted.

q) Deferred taxes

Deferred taxes are determined in accordance with IAS 12 while applying the liability method. According to this method, deferred tax items are recognized for all accounting and measurement differences between the carrying amount measurements in accordance with IFRS and the tax-related carrying amount measurements provided that they are temporary differences that balance out in the course of time. If assets are valued higher in accordance with IFRS than in the tax balance sheet and temporary differences are involved, a liability is recognized for deferred taxes.

Deferred tax assets from balance sheet differences as well as advantages from the future use of tax loss carry-forwards are capitalized provided it is probable that results which are taxable in future will be achieved.

In accordance with IAS 12, determination of the deferred taxes is based on application of the tax rates expected at the time of realization. The measurement is carried out on the basis of the individual tax rates of the affiliated companies. For domestic partnerships these tax rates comprise only trade tax and vary because of the differing municipal rates between 10.8 percent and 17.1 percent. The tax rate of 31.2 percent applied to German joint stock companies is composed of the corporate tax plus the solidarity surcharge as well as the trade tax rate applying to the major companies included in the consolidated financial statement. The income tax rates applied to foreign companies vary from 15.0 percent to 38.9 percent.

r) Business combinations

Business combinations in accordance with IFRS 3 exist if a company gains control over one or more business operations through acquisition of shares or other events. Business operations according to IFRS 3 are integrated groups of activities and assets that are aimed at obtaining income, cost reductions or other economic benefits for the shareholders or other owners, partners or co-partners. The establishment of joint ventures and the merger of companies under joint control do not represent business combinations in accordance with IFRS 3.

In the case of a successive merger, the previously acquired equity share of the company is redefined at the applicable fair value at the time of acquisition. The resulting profit or loss shall be reported in the income statement.

During the reporting period no business combinations were established.

Summary of selected measurement methods

Balance sheet item	Measurement method
Assets	
Intangible assets	
Goodwill	lower value from purchase cost and recoverable amount
Other intangible assets	(amortized) purchase cost
Tangible assets	(amortized) purchase cost
Financial assets	
Shares in associated enterprises	equity method
Financial receivables	(amortized) purchase cost
Trade receivables	(amortized) purchase cost
Cash and cash equivalents	nominal value
Liabilities	
Provisions for pensions	projected unit credit method
Other provisions	settlement amount
Financial liabilities	
Derivatives	applicable fair value
Other financial liabilities	(amortized) purchase cost
Trade payables	(amortized) purchase cost
Other liabilities	
Liabilities for part-time work arrangements for employees approaching retirement	projected unit credit method
Other miscellaneous liabilities	(amortized) purchase cost

Consolidated income statement disclosures

7 Sales

(in TEUR)	2011	2010
Sales	388,529	354,714
Freight forwarding and transport services	346,853	290,977
Technical services and consulting	71,515	65,544
Logistics services	65,790	64,684
Rental/warehouse income	46,185	40,636
Ship income	23,634	19,362
Material sales	11,915	9,532
Provision of personnel and equipment	7,190	7,393
Container packing	4,696	6,159
Miscellaneous	42,179	38,408
Total	**1,008,486**	**897,409**

Sales increased by a total of EUR 111,077,000 or 12.4 percent compared to the previous year. The rise essentially results from the expansion of business activities. The sales were primarily earned in the areas of container handling, seaport logistics, procurement, production and distribution logistics as well as automobile transport and technical vehicle services.

See disclosure no. 39 and 40 respectively with regard to the breakdown according to segments.

8 Other operating income

(in TEUR)	2011	2010
Income from the release of liabilities	13,503	14,253
Interest on heritable building rights and rents	12,562	10,864
Provision of personnel	11,627	9,192
Neutral earnings	7,268	4,780
Insurance compensation and other reimbursements	6,773	6,520
Income from on-debiting expenses	6,576	6,306
Income from sale of assets	4,385	373
Other income not relating to this period	3,203	4,583
IT and other consulting services	392	294
Miscellaneous	2,426	4,143
Total	**68,715**	**61,308**

The neutral earnings are composed of reimbursement of expenses to an amount of EUR 4,487,000, subsidies from the Employment Agency to an amount of EUR 846,000, income from cash discounts and rebates to an amount of EUR 618,000, public funding to an amount of EUR 341,000 and market gains to an amount of EUR 203,000.

9 Material expenses

(in TEUR)	2011	2010
Expenses for raw materials, consumables and supplies	106,833	91,958
Expenses for outside personnel	125,640	107,585
Expenses for other purchased services	233,775	201,974
Change in amount of work in progress as well as finished goods inventories	-9	58
Total	**466,239**	**401,575**

Material expenses rose by a total of EUR 64,664,000 or 16.1 percent compared to the previous year due to the significant expansion in business activities.

The change in expenses for raw materials, consumables and supplies essentially results from the rise in quantity and price of fuels for the vehicle fleets used for automobile handling and transport as well as the terminal vehicles for container handling.

2011 again saw substantial employment of external workers to cover personnel needs. The main areas of assignment were automobile handling in Bremerhaven as well as car parts and plant logistics in Bremen.

Two thirds of the increase in expenses for purchased services can be attributed to the additional use of subcontractors for road shipment and a significantly higher utilization of traction capacity in transport per railway wagon.

10 Personnel expenses

(in TEUR)	2011	2010
Wages and salaries	271,909	248,689
Statutory social security expenses	50,734	45,597
Expenses for pensions, support and anniversaries	4,812	5,556
Miscellaneous	51	48
	327,506	**299,890**
Own work capitalized relating to internally generated intangible assets	-589	-533
Total	**326,917**	**299,357**

The personnel expenses increased compared to the previous year by a total of EUR 27,560,000 or 9.2 percent. Amounts resulting from the interest cost of the provisions for personnel, particularly provisions for pensions, are not reported as personnel expenses. These amounts are reported as part of the interest result.

The statutory social security expenses contain EUR 23,274,000 (previous year: EUR 21,523,000) for payments of contributions to the statutory pension scheme.

The average number of employees is indicated in the Group Management Report as well as in the Segment Reporting (disclosure no. 39).

11 Depreciation of long-term intangible assets and tangible assets

(in TEUR)	2011	2010
Systematic depreciation		
Depreciation of intangible assets	3,245	2,935
Depreciation of tangible assets	57,528	58,325
	60,773	**61,260**
Exceptional depreciation of tangible assets	7,060	300
Total	**67,833**	**61,560**

A breakdown of the depreciation and impairment into the individual asset classes can be seen in disclosures no. 21 and 22.

12 Other operating expenses

(in TEUR)	2011	2010
Interest on heritable building rights and rents	75,943	69,911
Expenses for cases of damage	9,356	7,268
Expenses for insurance premiums	8,964	10,012
Sales and marketing costs	8,230	6,455
IT costs	8,011	7,408
Security costs and other property expenses	6,343	6,691
Legal, consulting and audit costs	5,890	5,475
Other expenses not relating to this period	5,037	3,929
Other personnel-related expenses	4,502	3,915
Administration expenses and contributions	3,758	3,412
Other taxes	2,825	2,763
On-debited expenses	2,643	6,586
Postal and telephone costs	1,880	1,823
Other neutral expenses	1,144	1,157
Expenses for further training	1,131	880
Expenses from procurement business for third parties	112	658
Bookkeeping losses from sales of fixed assets	101	1,005
Miscellaneous	6,948	6,961
Total	**152,818**	**146,309**

The sales and marketing costs contain travel expenses to an amount of EUR 4,358,000 (previous year: EUR 4,068,000) and marketing expenses to an amount of EUR 3,872,000 (previous year: EUR 2,387,000).

The main items of the administration expenses are fees and contributions and expenses for office supplies.

13 Interest result

(in TEUR)	2011	2010
Miscellaneous interest and similar income		
Interest income from long-term financial receivables	**598**	**417**
Interest income from bank balances	541	261
Interest income from finance leasing	176	90
Interest income from amortization of other assets	1,062	961
Other interest income	644	582
	2,423	**1,894**
Interest and similar expenses		
Interest expenses for long-term loans and other financial liabilities[1]	-8,407	-9,205
Interest expenses for finance leasing[1]	-3,202	-3,541
Interest expenses for provisions and liabilities	-5,652	-5,575
Interest expenses for short-term liabilities to banks	-743	-341
Other interest expenses	-4,232	-4,454
	-22,236	**-23,116**
Total	**-19,215**	**-20,805**

[1] In accordance with IAS 8.42, a change was made in the previous year's figures.

The other interest income includes income from interest swaps to an amount of EUR 560,000 (previous year: EUR 370,000) as compared to the corresponding expenditures from interest swaps contained in the other interest expenses amounting to EUR -2,633,000 (previous year: EUR -2,784,000).

On balance, the CONTAINER Division accounts for EUR -1,148,000 (previous year: EUR -1,333,000) of the income and expenses from interest swaps, the CONTRACT Division for EUR -626,000 (previous year: EUR -810,000) and the central departments for EUR -299,000 (previous year: EUR -271,000).

14 Result from participations

(in TEUR)	2011	2010
Result from associated enterprises		
CONTSHIP Italia S.p.A., Genoa, Italy	686	2,579
dbh Logistics IT AG, Bremen, Germany	357	278
BMS Logistica Ltda., São Paulo, Brazil	351	638
FESCO BLG Automobile Logistics Russia LTD, Nicosia, Cyprus	345	0
NYK Logistics & BLL (NLB) of South Africa Pty. Ltd., Port Elizabeth, South Africa	342	96
TangerMedGate Management S.a.r.l., Tangier, Morocco	264	84
E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine	246	-50
Autoterminal Slask Logistic Sp. z o. o., Dabrowka Gornicza, Poland	230	236
Schultze Stevedoring GmbH & Co. KG, Bremen, Germany	200	377
ZLB Zentrallager Bremen GmbH & Co. KG, Bremen, Germany	182	167
Automobile Logistics Slovakia s.r.o., Bratislava, Slovakia	160	141
AUTOMOBILE LOGISTICS CZECH s.r.o., Nošovice, Czech Republic	148	123
ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy	25	-145
ATN Autoterminal Neuss GmbH & Co. KG, Neuss, Germany	24	175
OJSC Ust-Luga Container Terminal, Ust-Luga, Russia	-337	-955
Others	178	-33
	3,401	**3,711**
Result from other participations and affiliated companies		
Medgate FeederXpress Ltd., Monrovia, Liberia	251	421
LISCONT Operadores de Contentores S.A., Lisbon, Portugal	428	0
BLG Logistics, Inc., Atlanta, USA	--	329
BLG Soluciones Logisticas Integradas España S.L.U., Vitoria, Spain	--	262
Others	261	259
	940	**1,271**
Total	**4,341**	**4,982**

The result from other participations and affiliated companies in the previous year contained one-off effects from first consolidation of BLG Logistics, Inc., Atlanta, USA and BLG Soluciones Logisticas Integradas España S.L.U., Vitoria, Spain to an amount of EUR 591,000.

15 Depreciation of financial assets and long-term financial receivables

(in TEUR)	2011	2010
Depreciation of long-term financial receivables		
Depreciation of loans to affiliated companies	2	5
Total	**2**	**5**

16 Taxes on income

The primary components of the expenses for taxes on income comprise the following:

(in TEUR)	2011	2010
Current taxes		
Tax expenses during the period	6,530	4,374
Tax expenses for previous periods	648	1,140
Income from tax refunds	-28	-1,842
Total current taxes	**7,150**	**3,672**
of that		
Tax expenses, domestic	6,444	4,789
Tax income, domestic	-15	-1,827
Tax expenses, foreign	734	725
Tax income, foreign	-13	-15
	7,150	**3,672**
Deferred taxes		
Deferred taxes on temporary differences	-1,838	216
Deferred taxes on loss carry-forwards	-1,819	-2,749
Total deferred taxes	**-3,657**	**-2,533**
of that		
Deferred taxes, domestic	-3,559	-2,537
Deferred taxes, foreign	-98	4
	-3,657	**-2,533**
Total	**3,493**	**1,139**

The tax expenses include the corporate and trade income tax of the domestic companies as well as comparable taxes on income of the foreign companies.

Taxation is carried out regardless of whether profits are distributed or retained. Implementation of the proposed distribution of BLG's balance sheet profit has no impacts on the tax expenses of the Group.

The deferred taxes result from carrying amounts differing in terms of the period on which they are based between the tax balance sheets of the companies and the carrying amounts in the consolidated balance sheet according to the liability method as well as from the valuation allowance for deferred taxes on temporary differences and loss carry-forwards capitalized in previous years, from the reversal of valuation allowances for temporary differences and loss carry-forwards, from the consumption of loss carry-forwards on the basis of which the deferred taxes were capitalized and from the initial recognition of deferred taxes on loss carry-forwards.

The calculation of the deferred tax claims and liabilities is based on the tax rates that are valid at the time of realization of the asset or at the time of discharge of the liability.

Deferred taxes on income

The items for deferred taxes reported on the various balance sheet dates as well as the movements of deferred tax assets within the reporting year include the following:

Deferred tax assets (in TEUR)	2010	Change Reported in income statement	Change Reported in equity	2011
Goodwill recognized in tax balance sheet	539	-71	0	468
Recognition and measurement of intangible assets	1,939	26	0	1,965
Measurement of tangible fixed assets	5,837	-741	177	5,273
Recognition and measurement of other assets	28	0	0	28
Recognition of liabilities from finance leases	10,510	-1,123	0	9,387
Measurement of personnel-related provisions	6,354	1,215	25	7,594
Measurement of provisions for dismantling liabilities	1,265	-218	0	1,047
Recognition and measurement of other miscellaneous provisions	1,232	-214	0	1,018
Recognition of derivative financial instruments	650	52	176	878
Recognition of accruals and deferred income	788	-175	0	613
Recognition and measurement of other liabilities	620	-56	0	564
Write-down of deferred taxes from temporary differences	-3,468	2,220	0	-1,248
Recognition of tax-related loss and interest carry-forwards	3,103	1,819	0	4,922
Gross deferred taxes	**29,397**	**2,734**	**378**	**32,509**
Balance	-21,236			-20,306
Reported deferred taxes	**8,161**			**12,203**

The reported changes in equity included tax changes to an amount of EUR 442,000 and currency translation differences amounting to EUR -64,000.

Deferred tax liabilities (in TEUR)	2010	Change Reported in income statement	Change Reported in equity	2011
Recognition and measurement of intangible assets	-2,240	-384	0	-2,624
Measurement of tangible fixed assets	-14,188	1,759	0	-12,429
Capitalization of finance leases	-9,958	1,386	0	-8,572
Elimination of tax-related special item with reserve element	-159	0	0	-159
Recognition and measurement of other assets	-168	-191	0	-359
Measurement of personnel-related provisions	-36	-1,621	0	-1,657
Recognition and measurement of other miscellaneous provisions	-16	-52	0	-68
Recognition and measurement of other liabilities	-9	1	0	-8
Elimination of intragroup profits and losses	-166	25	0	-141
Gross deferred taxes	**-26,940**	**923**	**0**	**-26,017**
Balance	21,236			20,306
Reported deferred taxes	**-5,704**			**-5,711**

The following deferred tax credits were not capitalized:

(in TEUR)	2011-12-31	2010-12-31
Deductible temporary differences	1,248	3,468
Loss and interest carry-forwards	36,774	36,231
Total	**38,022**	**39,699**

Measurement of the change in value of deferred tax assets is primarily based on an assessment of the probability of reversal of the measurement differences and the usefulness of the loss carry-forwards that led to deferred tax assets. This depends on the accrual of future taxable profits during the periods in which tax-related measurement differences reverse and tax loss carry-forwards can be applied. The three-year medium-term plan of the respective affiliated companies is the basis of the measurement.

Deferred tax assets to an amount of EUR 3,347,000 were formed for subsidiaries that suffered losses in the reporting year or previous year because of the improved prospects of profit.

As of December 31, 2011, the Group had tax loss carry-forwards of EUR 271,290,000 (previous year: EUR 256,038,000). As of December 31, 2011, no deferred tax receivables were capitalized for tax loss carry-forwards of EUR 238,297,000 (previous year: EUR 235,229,000) from various subsidiaries. No deferred tax claims were recognized for these losses since the latter may not be used for offsetting against the taxable profit of other affiliated companies and the losses arose in subsidiaries that have already been making tax losses for a long time and/or will not make adequate tax gains in the near future.

Deductible differences for which no deferred taxes were capitalized as of December 31, 2011 and as of December 31, 2010 apply to subsidiaries whose expected tax income situation will presumably not enable use of deferred tax assets.

Reconciliation of the effective tax rate and effective expenses for taxes on income:

Reconciliation statement (in TEUR)	2011		2010	
Profit for the year before taxes according to IFRS		48,518		34,088
Group tax rate %		15.40 %		15.40 %
Expected expenses for taxes on income in the financial year		7,472		5,249
Reconciliation items				
Effects of changes in tax rates		-46		263
Tax-free income/curtailments related to trade tax		-524		-1,129
Non-tax-deductible expenses/additions related to trade tax/ effects of tax barrier		2,150		3,310
Use of additional tax-related special operating expenses		-6,042		-6,087
Current tax expenses/income not relating to this period		620		-702
Deferred tax expenses/income not relating to this period		-444		232
Effects due to differing tax rates		1,678		1,168
Effects of non-recognized loss carry-forwards in reporting year		3,281		4,616
Effects of adjustment of recognition of loss carry-forwards in previous years		-2,723		810
Effects of adjustments of tax-related loss carry-forwards in reporting year		210		-3,616
Recognition adjustments of deferred taxes on temporary differences		-2,220		-2,766
Other effects		81		-209
Total reconciliation items	-8.2 %	-3,979	-12.1 %	-4,110
Income tax expenses reported in the Group	**7.2 %**	**3,493**	**3.3 %**	**1,139**

The group tax rate of 15.4 percent (previous year: 15.4 percent) applied to determine the expected expenses for taxes on income includes, as in the previous year, only the trade tax in Germany on the basis of the trade tax rate relevant for BLG LOGISTICS GROUP AG & Co. KG since the latter, as a partnership, is not subject to the corporate tax and solidarity surcharge as an independent taxable entity.

17 Earnings per share of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–

In accordance with IAS 33, the undiluted earnings per share are calculated by dividing the annual Group net income apportioned to the parent company by the average number of shares. The undiluted earnings per share for the 2011 financial year are EUR 0.58 (previous year: EUR 0.34). This calculation is based on the share of the annual Group net income of EUR 2,215,000 (previous year: EUR 1,300,000) accounted for by BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– and the unchanged number of ordinary shares, i.e. 3,840,000.

The average number of issued shares is adjusted by the number of all potentially diluted shares for the calculation of the diluted earnings per share. In the year under review, as in the previous year, there was no difference from the undiluted earnings in terms of amount.

The diluted earnings per share, like the undiluted earnings per share, result in full from amortized activities.

18 Dividend per share

A dividend payout of EUR 1,536,000 (previous year: EUR 1,152,000) is proposed for the 2011 financial year. This corresponds to a dividend per share of EUR 0.40 (previous year: EUR 0.30).

Disclosures regarding consolidated statement of income and accumulated earnings

19 Income and expenses reported directly in equity

(in TEUR)	2011	2010
Currency translation	-438	1,452
Proportion of currency translation of associated enterprises	217	159
	-221	**1,611**
Change in fair value of derivative		
financial instruments (cash flow hedges)	-1,133	155
of that, transferred to the income statement	0	0
	-1,133	**155**
Change in fair value of derivative		
financial instruments of associated enterprises	21	61
of that, realized in the income statement	0	0
	21	**61**
Taxes on other comprehensive income	442	-42
Total	**-891**	**1,785**

20 Taxes on the income and expenses reported directly in equity

(in TEUR)	2011			2010		
	Gross value	Tax expense/ income	Net value	Gross value	Tax expense/ income	Net value
Currency translation	-438	0	-438	1,452	0	1,452
Proportion of currency translation of associated enterprises	217	0	217	159	0	159
Change in fair value of derivative financial instruments (cash flow hedges)	-1,133	176	-957	155	-39	116
Change in fair value of derivative financial instruments of associated enterprises	21	0	21	61	-3	58
Tax rate changes	0	266	0	0	0	0
Total	**-1,333**	**442**	**-1,157**	**1,827**	**-42**	**1,785**

Consolidated balance sheet disclosures

21 Intangible assets

(in TEUR) 2011 financial year	Goodwill	Concessions, industrial property rights and similar rights as well as licenses in such rights and assets	Prepay-ment	Total
Purchase costs				
As of January 1, 2011	12,720	38,190	7,166	58,076
Changes in entities to be consolidated	0	0	0	0
Additions	0	2,156	2,244	4,400
Disposals	0	-1,751	0	-1,751
Transfers	0	3,493	-3,035	458
Currency translation differences	1,312	1	0	1,313
As of December 31, 2011	**14,032**	**42,089**	**6,375**	**62,496**
Depreciation				
As of January 1, 2011	0	21,333	0	21,333
Changes in entities to be consolidated	0	0	0	0
Additions	6,000	3,245	0	9,245
Disposals	0	-1,739	0	-1,739
Transfers	0	0	0	0
Currency translation differences	865	6	0	871
As of December 31, 2011	**6,865**	**22,845**	**0**	**29,710**
Carrying amounts as of 2011-12-31	**7,167**	**19,244**	**6,375**	**32,786**
Carrying amounts as of 2010-12-31	12,720	16,857	7,166	36,743

(in TEUR) 2010 financial year	Goodwill	Concessions, industrial property rights and similar rights as well as licenses in such rights and assets	Prepay-ment	Total
Purchase costs				
As of January 1, 2010	12,720	27,662	13,406	53,788
Changes in entities to be consolidated	0	44	0	44
Additions	0	1,449	3,197	4,646
Disposals	0	-252	0	-252
Transfers	0	9,282	-9,437	-155
Currency translation differences	0	5	0	5
As of December 31, 2010	**12,720**	**38,190**	**7,166**	**58,076**
Depreciation				
As of January 1, 2010	0	18,428	25	18,453
Changes in entities to be consolidated	0	35	0	35
Additions	0	2,982	0	2,982
Disposals	0	-142	0	-142
Transfers	0	27	-25	2
Currency translation differences	0	3	0	3
As of December 31, 2010	**0**	**21,333**	**0**	**21,333**
Carrying amounts as of 2010-12-31	**12,720**	**16,857**	**7,166**	**36,743**
Carrying amounts as of 2009-12-31	12,720	9,234	13,381	35,335

In conformity with the accounting and measurement methods described in disclosure 6 b) and 6 m), the Group examines on an annual basis whether there is an impairment of goodwill. The recoverable amount from cash-generating units was determined on the basis of calculations of the value in use. The following table shows the main goodwill figures examined and the assumptions on which the calculations are based:

Impairmenttest		
Designation of CGU	BLG ViDi LOGISTICS TOW Kiev, Ukraine	BLG AutoRail GmbH, Bremen, Germany
Division	AUTOMOBILE	AUTOMOBILE
Carrying amount of goodwill	UAH 94,395,000	EUR 4,288,000
Exceptional depreciation	UAH 70,198,000	--
Sales growth p.a. (planning period)	10.1 % - 33.1 %	1.4 % - 21.7 %
Other parameters for corporate planning	new car registration figures, market share, real net output ratio	capacity utilization, price per vehicle
Length of planning period	3 years	3 years
Sales growth p.a. after end of planning period	0.00 %	0.00 %
Discount rate	12.50 %	6.50 %

In the 2009 financial year goodwill to an amount of UAH 94.4 million resulted from the acquisition of 50 percent of the shares in BLG ViDi LOGISTICS TOW, Kiev, Ukraine within the framework of purchase price allocation. To determine the value in use of this goodwill, a common cash-generating unit (BLG ViDi LOGISTICS) allocated to the Eastern Europe segment (automobile terminal, shipments) is formed out of the two companies BLG ViDi LOGISTICS TOW and its holding E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine. After exceptional depreciation of UAH 70.2 million goodwill results to an amount of UAH 24.2 million, taking into account the above mentioned assumptions. Converted into euros, this corresponds to exceptional depreciation with effect on the income statement to an amount of EUR 6.0 million. At the same time the translation results in currency translation differences reported in equity without effect on the income statement amounting to EUR 0.9 million.

Based on the assumptions shown in the above table, the recoverable amount for BLG AutoRail GmbH, Bremen, is significantly above the carrying amount of the cash-generating unit. Even in the event of a substantial reduction in the assumptions regarding sales growth and the other parameters or an increase in the discount rate, a recoverable amount greater than the carrying amount would result. The sales expectations on which planning in the AUTOMOBILE Division is based were derived from market forecasts for new car registrations, market shares to date and customer surveys.

The other existing goodwill amounting to EUR 512,000 relates to the container repair segment in the CONTAINER Division. The impairment tests conducted using the expected future cash flows determined on the basis of a 3-year plan did not result in any indications of impairment need. The cash flows were extrapolated beyond the planning period using a growth rate of 0.5 percent.

Systematic depreciation is carried out exclusively on a linear pro rata temporis basis and is reported in the income statement under the item “Depreciation of long-term intangible assets and tangible assets”.

The following periods of useful life were used as the basis here:

Useful life periods of intangible assets	2011	2010
Software licenses	2 - 10 years	2 - 10 years
Internally developed software	3 - 5 years	3 - 5 years
Supply and sluice use rights	20 years	20 years

No impairments arose in the financial year. The impairments in the previous year amounting to EUR 47,000 related in the full amount to software that is no longer used.

The impairments are reported under the item “Depreciation of long-term intangible assets and tangible assets”.

No financing costs were capitalized for qualified assets.

In the 2009 financial year goodwill to an amount of UAH 94.4 million resulted from the acquisition of 50 percent of the shares in BLG ViDi LOGISTICS TOW, Kiev, Ukraine within the framework of purchase price allocation. To determine the value in use of this goodwill, a common cash-generating unit (BLG ViDi LOGISTICS) allocated to the Eastern Europe segment (automobile terminal, shipments) is formed out of the two companies BLG ViDi LOGISTICS TOW and its holding E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine. After exceptional depreciation of UAH 70.2 million goodwill results to an amount of UAH 24.2 million, taking into account the above mentioned assumptions. Converted into euros, this corresponds to exceptional depreciation with effect on the income statement to an amount of EUR 6.0 million. At the same time the translation results in currency translation differences reported in equity without effect on the income statement amounting to EUR 0.9 million.

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The impairments are reported under the item “Depreciation of long-term intangible assets and tangible assets”.

No financing costs were capitalized for qualified assets.

22 Tangible assets

(in TEUR) 2011 financial year	Land, land rights and buildings, including buildings on third-party land	Technical equip-ment and machinery	Other equip-ment, operating and office equipment	Prepay-ments and assets under con-struction	Total
Purchase and manufacturing costs					
As of January 1, 2011	557,624	451,807	62,010	10,932	1,082,373
Changes in entities to be consolidated	0	0	0	0	0
Additions	4,342	9,420	4,734	42,032	60,528
Disposals	-8,858	-9,532	-5,075	0	-23,465
Transfers	-165	3,177	291	-3,761	-458
Currency translation differences	213	-192	-108	79	-8
As of December 31, 2011	**553,156**	**454,680**	**61,852**	**49,282**	**1,118,970**
Depreciation					
As of January 1, 2011	210,554	193,411	41,711	0	445,676
Changes in entities to be consolidated	0	0	0	0	0
Additions	19,781	32,969	5,838	0	58,588
Disposals	-4,020	-7,819	-4,815	0	-16,654
Transfers	-179	337	-158	0	0
Currency translation differences	-1	-52	-55	0	-108
As of December 31, 2011	**226,135**	**218,846**	**42,521**	**0**	**487,502**
Carrying amounts as of 2011-12-31	**327,021**	**235,834**	**19,331**	**49,282**	**631,468**
Carrying amounts as of 2010-12-31	347,070	258,396	20,299	10,932	636,697

(in TEUR) 2010 financial year	Land, land rights and buildings, including buildings on third-party land	Technical equip-ment and machinery	Other equip-ment, operating and office equipment	Prepay-ments and assets under con-struction	Total
Purchase and manufacturing costs					
As of January 1, 2010	553,826	447,720	64,594	23,834	1,089,974
Changes in entities to be consolidated	0	13	1,228	27	1,268
Additions	7,626	11,082	3,819	6,448	28,975
Disposals	-7,892	-21,875	-8,203	-1,267	-39,237
Transfers	3,099	14,840	348	-18,132	155
Currency translation differences	965	27	224	22	1,238
As of December 31, 2010	**557,624**	**451,807**	**62,010**	**10,932**	**1,082,373**
Depreciation					
As of January 1, 2010	196,756	181,407	42,349	-1	420,511
Changes in entities to be consolidated	0	1	349	0	350
Additions	20,449	32,225	5,904	0	58,578
Disposals	-6,652	-20,135	-7,048	0	-33,835
Transfers	0	-93	91	0	-2
Currency translation differences	1	6	66	1	74
As of December 31, 2010	**210,554**	**193,411**	**41,711**	**0**	**445,676**
Carrying amounts as of 2010-12-31	**347,070**	**258,396**	**20,299**	**10,932**	**636,697**
Carrying amounts as of 2009-12-31	357,070	266,313	22,245	23,835	669,463

Systematic depreciation is carried out exclusively on a linear pro rata temporis basis and is reported in the income statement under the item "Depreciation of long-term intangible assets and tangible assets".

The useful life periods of the relevant asset classes serving as the basis are as follows:

Useful life periods of tangible assets	2011	2010
Buildings of lightweight design	10 years	10 years
Buildings of solid design	20 - 40 years	20 - 40 years
Outdoor areas	10 - 25 years	10 - 20 years
Floating cranes	40 years	40 years
Other cargo handling equipment	4 - 34 years	4 - 34 years
Technical equipment and machinery	5 - 20 years	5 - 20 years
Operating and office equipment	3 - 20 years	4 - 20 years
Low-value assets	1 year	1 year

Impairment to an amount of EUR 1,060,000 (previous year: EUR 253,000) arose in the 2011 financial year. The impairment relates to five gantry cranes that were written off to the estimated net sale price. The impairment concerns the CONTAINER Division.

The impairments are reported under the item “Depreciation of long-term intangible assets and tangible assets”.

The prepayments and assets under construction, amounting to EUR 49,282,000 (previous year: EUR 10,932,000), exclusively comprise assets under construction.

Financing costs to an amount of EUR 8,000 (previous year: EUR 0) were capitalized for qualified assets. The average interest rate in this connection was 2.36 percent.

The tangible assets also include rented or leased assets from finance leasing agreements amounting to the carrying amounts shown below.

Finance leasing (carrying amounts in TEUR)	2011-12-31	2010-12-31
Buildings	456	667
Technical equipment and machinery	53,369	65,363
Operating and office equipment	253	292
Total	**54,078**	**66,322**

The rented or leased assets compare with leasing liabilities to an amount of EUR 58,658,000 (previous year: EUR 65,867,000), see disclosure no. 31. The terms of the leasing agreements are up to 15 years.

The assets capitalized within the framework of finance leasing and hire purchase agreements are legally owned by the respective lessor. Reference is made to disclosure no. 30 with respect to the other assets reported under tangible assets and serving as security for long-term loans.

23 Financial assets

(in TEUR) Financial year 2011	Shares in affiliated companies	Financial assets at equity	Other partici-pations	Long-term securities	Total
Purchase costs					
As of January 1, 2011	663	41,901	1,326	628	44,518
Changes in entities to be consolidated	0	0	0	0	0
Additions	2	6,547	0	0	6,549
Disposals	-75	-275	-6	0	-356
Transfers	-168	168	0	0	0
Currency translation differences	0	-549	0	0	-549
As of December 31, 2011	**422**	**47,792**	**1,320**	**628**	**50,162**
Depreciation					
As of January 1, 2011	21	139	253	0	413
Changes in entities to be consolidated	0	0	0	0	0
Additions	2	0	0	0	2
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
Currency translation differences	0	0	0	0	0
As of December 31, 2011	**23**	**139**	**253**	**0**	**415**
Carrying amounts as of 2011-12-31	**399**	**47,653**	**1,067**	**628**	**49,747**
Carrying amounts as of 2010-12-31	642	41,762	1,073	628	44,105

(in TEUR) Financial year 2010	Shares in affiliated companies	Financial assets at equity	Other partici-pations	Long-term securities	Total
Purchase costs					
As of January 1, 2010	958	39,388	1,916	628	42,890
Changes in entities to be consolidated[1]	-468	-163	-263	0	-894
Additions	67	2,754	86	0	2,907
Disposals	-7	-571	-300	0	-878
Transfers[2]	113	0	-113	0	0
Currency translation differences	0	493	0	0	493
As of December 31, 2010	**663**	**41,901**	**1,326**	**628**	**44,518**
Depreciation					
As of January 1, 2010	466	0	620	0	1,086
Changes in entities to be consolidated[1]	-463	139	-139	0	-463
Additions	5	0	0	0	5
Disposals	0	0	-215	0	-215
Transfers[2]	13	0	-13	0	0
Currency translation differences	0	0	0	0	0
As of December 31, 2010	**21**	**139**	**253**	**0**	**413**
Carrying amounts as of 2010-12-31	**642**	**41,762**	**1,073**	**628**	**44,105**
Carrying amounts as of 2009-12-31	492	39,388	1,296	628	41,804

[1] In accordance with IAS 8.42, a change was made in the previous year's figures in the column "Shares in affiliated companies".

[2] In accordance with IAS 8.42, changes were made in the previous year's figures in the columns "Shares in affiliated companies" and "Other participations".

Shares in affiliated companies

The shares in affiliated companies to an amount of EUR 399,000 (previous year: EUR 642,000) primarily contain the non-consolidated general partner enterprises of the fully consolidated operational limited partnerships.

Joint ventures

The joint venture EUROGATE GmbH & Co. KGaA, KG, in which BLG LOGISTICS GROUP AG & Co. KG owns 50 percent of the capital shares, is recorded, including its subsidiaries, in the listing of investment holdings under the item "Companies included through proportionate consolidation".

The share of the assets, liabilities, sales and expenses of this joint venture that are apportionable to the Group is shown in the segment reporting (disclosure no. 39) by the CONTAINER Division. Further information is provided in disclosure no. 47.

Shares in associated enterprises

The shares in associated enterprises that are consolidated at equity relate to the following companies:

	2011-12-31		2010-12-31	
	Share	Carrying amount in TEUR	Share	Carrying amount in TEUR
dbh Logistics IT AG, Bremen, Germany, Germany	26.8 %	1,053	26.8 %	910
ZLB Zentrallager Bremen GmbH & Co. KG, Bremen, Germany	33.3 %	1,803	33.3 %	1,898
NYK Logistics & BLL (NLB) of South Africa Pty. Ltd., Port Elizabeth, South Africa	44.0 %	594	44.0 %	320
BMS Logistica Ltda., São Paulo, Brazil	50.0 %	3,350	50.0 %	3,292
DCP Dettmer Container Packing GmbH & Co. KG, Bremen, Germany	50.0 %	57	50.0 %	0
Hansa Marine Logistics GmbH, Bremen, Germany	100.0 %	96	100.0 %	95
BLG-ESF Warehouse GmbH, Bremen	50.0 %	71	50.0 %	61
Schultze Stevedoring GmbH & Co. KG, Bremen, Germany	50.0 %	250	50.0 %	50
ICC Independent Cargo Control GmbH, Bremen, Germany	33.3 %	23	33.3 %	23
OLB Offshore Logistics Bremerhaven GmbH, Bremerhaven[1], Germany	42.5 %	313	--	--
BLG MILS Logistics Sdn. Bhd., Kuala Lumpur, Malaysia	60.0 %	0	60.0 %	0
BLG Parekh Logistics Pvt. Ltd., Mumbai, India	50.0 %	232	50.0 %	245
ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy	50.0 %	2,847	50.0 %	2,822
Automobile Logistics Slovakia s.r.o., Bratislava, Slovakia	50.0 %	232	50.0 %	312
AUTOMOBILE LOGISTICS CZECH S.r.o., Nošovice, Czech Republic	50.0 %	178	50.0 %	157
BLG CarShipping Koper d.o.o., Koper, Slovenia	100.0 %	84	94.0 %	57
E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine	50.0 %	1,070	47.0 %	792
ATN Autoterminal Neuss GmbH & Co. KG, Neuss, Germany	50.0 %	3,581	47.0 %	3,557
Autoterminal Slask Logistic Sp. z o. o., Dabrowka Gornicza, Poland	50.0 %	1,823	47.0 %	1,803
FESCO BLG Automobile Logistics Russia LTD, Nicosia, Cyprus[1]	50.0 %	434	--	--
BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands	50.0 %	176	47.0 %	191
CONTSHIP Italia S.p.A., Genoa, Italy	16.7 %	20,502	16.7 %	19,789
TangerMedGate Management S.a.r.l., Tangier, Morocco	26.7 %	2,186	26.7 %	1,864
ACOS Holding AG, Bremen, Germany	25.0 %	1,612	25.0 %	1,609
OJSC Ust-Luga Container Terminal, Ust-Luga, Russia	10.0 %	5,082	10.0 %	1,911
FLZ Hamburger Feeder Logistik Zentrale GmbH, Hamburg, Germany	17.0 %	4	17.0 %	4
Total		**47,653**		**41,762**

[1] fully consolidated for first time in 2011

The change in the carrying amount of the shares in associated enterprises is essentially attributable to the increase due to the proportionate profits for the year (EUR 3,401,000) as well as an increase due to waiver of repayment of long-term loans to strengthen the equity position (EUR 3,273,000) of OJSC Ust-Luga Container Terminal, Ust-Luga, Russia, and a reduction due to currency translation differences (EUR -549,000).

CONTSHIP Italia S.p.A., Genoa, Italy, TangerMedGate Management S.a.r.l., Tangier, Morocco, OJSC Ust-Luga Container Terminal, Ust-Luga, Russia, ACOS Holding AG, Bremen and FLZ Hamburger Feeder Logistik Zentrale GmbH, Hamburg, are taken into account on a proportionate basis via the EUROGATE Group. The EUROGATE Group's share in the companies amounts to 33.4 percent (CONTSHIP Italia S.p.A.), 53.4 percent (TangerMedGate Management S.a.r.l.), 20.0 percent (OJSC Ust-Luga Container Terminal), 49.9 percent (ACOS Holding AG) and 34.0 percent (FLZ Hamburger Feeder Logistik Zentrale GmbH).

Goodwill to an amount of EUR 1,368,000, included in the carrying amount of the shares, came into being in connection with acquisition of ACOS Holding AG, Bremen as of December 23, 2008.

Because of preceding losses, proportionate profits of associated enterprises to an amount of EUR 186,000 (previous year: EUR 383,000) were not reported in the Group result in the 2011 financial year. On the closing date the cumulated loss shares not reported in the Group result totaled EUR 205,000 (previous year: EUR 354,000).

The share of the assets, liabilities, income and expenses of the associated enterprises apportionable to the Group is as follows:

(in TEUR)	2011	2010
Assets	126,955	112,269
Liabilities	-78,139	-69,263
Net assets	**48,816**	**43,006**
Income	123,404	116,115
Expenses	-119,979	-109,898
Net result	**3,425**	**6,217**

Other participations

(in TEUR)	2011	2010
Medgate FeederXpress Ldt., Monrovia, Liberia	795	795
Miscellaneous	272	278
Total	**1,067**	**1,073**

Companies with suspended or only minor operating activities in which BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– is directly or indirectly entitled to at least 20 percent of the voting rights and which are only of minor importance for conveying an appropriate view of the net worth, financial position and results of the BLG Group are shown with their respective purchase costs or the lower applicable fair value in the consolidated financial statement.

No impairments were effected in the reporting year.

24 Financial receivables

2011 financial year (in TEUR)	< 1 year	> 1 - 5 years	> 5 years	2011-12-31 Total
Loans to affiliated companies	100	0	0	100
Loans to associated enterprises	0	3,087	3,755	6,842
Loans to shareholders	0	0	0	0
Other loans	0	2,318	550	2,868
Other receivables from shareholders	674	0	0	674
Excess of direct insurance assets over pension liabilities	0	0	4	4
Financial receivables from shareholder accounts at joint ventures	17,680	0	0	17,680
Financial receivables from shareholder accounts at associated enterprises	1,019	0	0	1,019
Financial receivables from finance leasing	90	436	3,155	3,681
Other financial receivables	5,364	98	59	5,521
Total	**24,927**	**5,939**	**7,523**	**38,389**

2010 financial year (in TEUR)	< 1 year	> 1 - 5 years	> 5 years	2010-12-31 Total
Loans to affiliated companies	0	0	0	0
Loans to associated enterprises	0	3,258	5,662	8,920
Loans to shareholders	159	0	0	159
Other loans	0	0	0	0
Other receivables from shareholders	291	0	0	291
Excess of direct insurance assets over pension liabilities	0	0	39	39
Financial receivables from shareholder accounts at joint ventures	14,388	0	0	14,388
Financial receivables from shareholder accounts at associated enterprises	1,418	0	0	1,418
Financial receivables from finance leasing	50	267	2,990	3,307
Other financial receivables	824	33	63	920
Total	**17,130**	**3,558**	**8,754**	**29,442**

The short-term financial receivables are reported under Other assets (disclosure no. 26).

An amount of EUR 4,966,000 of the other short-term financial receivables relate to advance payments for railway wagons that were reported under Other assets in the previous year.

The long-term loans to associated enterprises are granted with interest rates from 3 percent to 12 percent.

Because of the fixed interest rate, the loans are subject to an interest-related market price risk, which, however, is not significant for the BLG Group given the amount and term of the receivables.

The maximum default risk corresponds to the carrying amounts. There are no indications of significant concentrations of the default risk.

With regard to on-schedule performance by the contracting parties and the default risk, the financial receivables on the closing dates are as follows:

Financial receivables (in TEUR)	**2011-12-31**	**2010-12-31**
Neither overdue nor impaired receivables	38,243	29,442
Overdue but not impaired receivables	146	0
Impaired receivables	0	0
Carrying amounts	**38,389**	**29,442**

The impaired financial receivables and the valuation allowances recognized on that basis have developed as follows:

Impaired financial receivables (in TEUR)	**2011-12-31**	**2010-12-31**
Nominal amounts	0	87
Valuation allowances	0	-87
Carrying amounts	**0**	**0**

Valuation allowances for financial receivables (in TEUR)	**2011**	**2010**
As of beginning of financial year	87	4,302
Impairments in financial year		
- Additions	0	0
- Releases	0	0
- Changes in exchange rate	0	-48
- Changes in entities to be consolidated	0	-252
Consumption / derecognition of receivables	-87	-3,915
As of end of financial year	**0**	**87**

Income and expenses from the above shown impairments are reported under Other operating income or Other operating expenses.

25 Inventories

(in TEUR)	**2011-12-31**	**2010-12-31**
Raw materials, consumables and supplies	10,290	9,468
Finished goods and merchandise	406	564
Work in progress	368	211
Prepayments for inventories	0	5
Total	**11,064**	**10,248**

The inventories are not pledged as security for liabilities. Valuation allowances for the inventories were recognized to an amount of EUR 438,000 (previous year: EUR 311,000) as of December 31, 2011.

26 Trade receivables and other assets

Trade receivables (in TEUR)	2011-12-31	2010-12-31
Receivables – third parties	145,852	140,821
Receivables – third parties, stage of completion method	553	631
Receivables – affiliated companies	152	670
Receivables – companies in which a participation is held	4,648	4,419
Total	**151,205**	**146,541**

The trade receivables shall be paid interest-free within a year and do not serve as securities for liabilities. The maximum default risk corresponds to the carrying amounts. There are no indications of significant concentrations of the default risk.

Taking into account punctual performance by the contracting parties and the default risk, the carrying amounts of the trade receivables as of the closing dates can be allocated as follows:

Trade receivables (in TEUR)	2011-12-31	2010-12-31
Neither overdue nor impaired receivables	113,871	112,499
Overdue but not impaired receivables	36,798	33,732
Impaired receivables	536	310
Total	**151,205**	**146,541**

The overdue but not impaired receivables are broken down into the following ranges:

Outline of the trade receivables overdue but not impaired as of the closing dates according to ranges of overdue periods (in TEUR)	2011-12-31	2010-12-31
Less than 30 days	27,184	26,271
Between 30 and 60 days	4,624	4,393
Between 61 and 90 days	1,730	829
Between 91 and 180 days	2,405	1,384
Between 181 and 360 days	531	497
More than 360 days	324	358
Total	**36,798**	**33,732**

Valuation allowances were recognized for impaired trade receivables depending on the respective default risk.

Impaired trade receivables (in TEUR)	2011-12-31	2010-12-31
Nominal amounts	2,196	1,577
Valuation allowances	-1,660	-1,267
Carrying amounts	**536**	**310**

The valuation allowances for trade receivables developed as follows:

Valuation allowances for trade receivables (in TEUR)	2011	2010
As of beginning of financial year	1,267	2,509
Changes in entities to be consolidated	0	0
Impairments in financial year		
- Additions	1,160	351
- Releases	-353	-827
- Changes in exchange rate	-7	0
Consumption/derecognition of receivables	-407	-766
As of end of financial year	**1,660**	**1,267**

Furthermore, direct derecognition of trade receivables amounting to EUR 332,000 (previous year: EUR 394,000) was carried out in the reporting year and reported under Other operating expenses.

Other assets

Other assets in TEUR (excluding long-term)	2011-12-31	2010-12-31
Short-term financial receivables (disclosure no. 24)	24,927	17,130
Receivables from the Tax Office	5,819	2,259
Deferrals/accruals	1,042	1,303
Receivables from employees	175	147
Claims to refund from insurance companies	140	2,297
Receivables from the Employment Office	56	361
Other assets	13,379	10,047
Total	**45,538**	**33,544**

The Other assets relate to advance payments on railway wagons amounting to EUR 0 (previous year: EUR 1,240,000), which were reported under Short-term financial receivables in the reporting year, and claims to public grants to an amount of EUR 11,528,000 (previous year: EUR 5,930,000). The latter results from receivables based on non-repayable construction cost subsidies of Eisenbahn-Bundesamt for further expanding the multimodal terminals in Wilhelmshaven and Hamburg to an amount of EUR 11,217,000 as well as from public funding from the German Federal Office for Freight Transport in connection with initial and further training programs. In addition, the Other assets contain cost refunds of the Free and Hanseatic City of Hamburg/Hamburg Port Authority to an amount of EUR 670,000 (previous year: EUR 1,214,000) and EUR 200,000 from a settlement.

The Other assets excluding short-term financial receivables shall be paid interest-free within a year and do not serve as security for liabilities.

27 Claims for refund from tax on income

The tax claims relate to claims for refunds for the reporting year to an amount of EUR 349,000 (previous year: EUR 71,000) as well as claims for refunds for previous years to an amount of EUR 57,000 (previous year: EUR 321,000).

With regard to claims from deferred taxes, reference is made to disclosure no. 16.

28 Cash and cash equivalents

(in TEUR)	2011-12-31	2010-12-31
Balance on current account	19,659	7,004
Call and short-term time deposits	62,968	39,515
Cash	117	98
Total	**82,744**	**46,617**

Bank balances bear interest at variable interest rates for balances subject to call on a daily basis. Short-term contributions are made for different periods that vary between one day and one month depending on the respective cash needs of the Group. They bear interest at the respectively valid interest rates for short-term contributions.

29 Equity

The breakdown and development of equity in the 2011 and 2010 financial years is shown separately in the statement of changes in equity as an independent part of the consolidated financial statement as of December 31, 2011.

a) Capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– included

The share capital (subscribed capital) amounts to EUR 9,984,000.00 and is divided into 3,840,000 registered shares with voting rights. The approval of the company is required for transfer of the shares in accordance with Section 5 of the Memorandum and Articles of Association. The share capital was paid in, in full, as of December 31, 2011.

The revenue reserves include the legal reserves in accordance with Section 150 of the Stock Corporation Act (AktG) to an amount of EUR 998,000 (previous year: EUR 998,000), which are completely allocated to the revenue reserves, as well as other revenue reserves of EUR 4,604,000 (previous year: EUR 3,925,000). An amount of EUR 679,000 (previous year: EUR 148,000) was transferred from the Group net income to the other revenue reserves in the financial year.

b) Capital of BLG LOGISTICS GROUP AG & Co. KG included

The capital allotted to the limited partner of BLG LOGISTICS GROUP AG & Co. KG is disclosed. The limited partnership capital and the capital reserves were provided nearly exclusively through contribution in kind.

The capital reserves contain offsets of capitalized differences from the time prior to the changeover of the consolidated financial statements to IFRS.

The revenue reserves encompass retained profits from the previous years, dividend payments and other withdrawals, earlier changes in the entities to be consolidated without effect on the income statement as well as other changes and shares in the Group net income for the year. In addition, the revenue reserves contain differences between HGB and IFRS existing on January 1, 2004 (time of transition).

The balance sheet profit of EUR 19,497,000 corresponds to the disclosure in the financial statement as of December 31, 2011 of BLG LOGISTICS GROUP AG & Co. KG.

Dividend payouts are reported as liabilities in the period in which the dividend resolution was adopted.

The foreign currency adjustment item contains translation effects resulting from the translation of annual financial statements of included companies reported in currencies other than the euro.

The reserves from the fair value measurement of financial instruments (hedge reserves) contain net gains or losses from the change in the market value of the effective part of cash flow hedges reported without effect on the income statement. As a rule, the reserves are released on liquidation of the hedged item. Furthermore, the reserves shall be released in the event of expiration, sale, termination or exercise of the hedging instrument, revocation of the designation of the hedge relationship or failure to meet the requirements for hedging in accordance with IAS 39.

Development of the hedge reserves (in TEUR)	2011	2010
As of January 1	**-2,743**	**-2,917**
Change in the reserves	-936	174
As of December 31	**-3,679**	**-2,743**

As of the balance sheet date, the reserves consisted of the fair values of interest rate swaps qualifying as hedging to the amount of EUR -4,309,000 (previous year: EUR -3,174,000), the deferred taxes of EUR 656,000 (previous year: EUR 479,000) without effect on the income statement as well as the fair values of derivative financial instruments for associated enterprises, reported without effect on the income statement, amounting to EUR -26,000 (previous year: EUR -48,000).

The balance sheet result of companies included to an amount of EUR -32,920,000 (previous year: EUR -27,414,000) relates to subsidiaries of BLG LOGISTICS GROUP AG & Co. KG.

c) Other minority shares in equity

The third-party shares in the equity of the other subsidiaries included in the financial statement through full consolidation, besides BLG LOGISTICS GROUP AG & Co. KG, are reported in this item to an amount of EUR 11,909,000 (previous year: EUR 8,703,000).

The disclosure of hybrid equity amounting to EUR 78,010,000 (previous year: EUR 78,010,000) relates to a bond issued by the EUROGATE Group and taken into account on a proportionate basis, including the interest taken into account on a pro rata temporis basis for owners of hybrid capital as profit share for the 2011 financial year.

The subordinated indefinite-term bond having a nominal value of EUR 150,000,000 was issued with a coupon of initially 6.75 percent p.a. by EUROGATE GmbH & Co. KGaA, KG, Bremen, the holding company of the EUROGATE Group ("EUROGATE KG"), effective as of May 30, 2007.

The issuer has the opportunity to redeem the bond for the first time after a period of ten years. If the bond is continued, a variable interest rate with a higher interest margin is then contractually specified. The owners of the hybrid bond do not have a contractual, ordinary right of termination.

This bond is reported as hybrid capital within the equity as of December 31, 2011 because it is an instrument with which, on the one hand, the owners of the bond cannot demand redemption on the basis of the contractual arrangements and, on the other hand, EUROGATE KG cannot be required to make a payment to the owners of this instrument on the basis of the contractually stipulated requirements. This means there are no obligations to surrender liquid funds or other financial assets that may be mandatory for EUROGATE KG on the basis of contractual provisions of owners of the hybrid capital.

The coupons to be paid as compensation to the owners of the hybrid capital are shown as part of the appropriation of profits in the consolidated income statement and in the development of equity.

Pro rata temporis coupon payments of EUR 5,063,000 were taken into account as profit share in equity of the owners of the hybrid capital in the 2011 financial year.

Application of IAS 32

Both BLG LOGISTICS GROUP AG & Co. KG and the other subsidiaries whose minority shares are reported in the Group equity as Other minorities are limited partnerships, with the exception of three companies.

In accordance with IAS 32, in the version to be applied for financial years as of January 1, 2009, the termination options of the limited partners are a key criterion for accruals and deferrals of equity and borrowed capital. Financial instruments that grant the owner (in this case the limited partner) the right to terminate, and thus require in the event of termination that the company transfer liquid funds or other financial assets, may represent equity, if the conditions of IAS 32.16A to IAS 32.16D are met. However, these provisions are not applicable to minority shares in accordance with IAS 32AG.29A. On the basis of the existing rights of termination of the limited partner of BLG LOGISTICS GROUP AG & Co. KG, the proportionate net assets of the limited partner would have to be recognized in borrowed capital. Correspondingly the shares of the result allotted to the limited partner would have to be reported as financing expenses.

To avoid the contradictory accounting consequences of IAS 32 that counteract the economic substance of the limited liability capital as equity, IAS 32 (revised in 2000) shall continue to be applied in this consolidated financial statement with respect to accruals and deferrals of the equity. IAS 32 does not require disclosure of the net assets of the limited partners in the liabilities or recognition of the result portions of the limited partners in the financing expenses. For this reason the net assets of the limited partners are reported as equity and the related reimbursement is reported as part of the Group net income for the year.

Measurement of this item is carried out at the carrying amount of the net assets of the limited partners determined according to IFRS.

Regarding development of the individual equity components, reference is made to the separate consolidated statement of changes in equity on page 116 f.

30 Long-term loans

The long-term loans according to residual term ranges are composed of the following:

2011-12-31 (in TEUR)	**Residual terms**			
Effective interest rate	**< 1 year**	**> 1 to 5 years**	**> 5 years**	**Total**
Long-term loans from banks				
2.103 - 2.999 %	14,519	56,039	25,606	96,164
3.000 - 3.999 %	3,168	8,823	33,125	45,116
4.000 - 4.999 %	24,330	25,900	41,366	91,596
5.000 - 5.999 %	3,265	7,490	0	10,755
6.000 - 6.293 %	2,000	8,000	14,000	24,000
	47,282	**106,252**	**114,097**	**267,631**
Loans of Eisenbahn-Bundesamt				
interest-free	92	317	373	782
Total	**47,374**	**106,569**	**114,470**	**268,413**

2010-12-31 (in TEUR)	Residual Terms			
Effective interest rate	**< 1 year**	**> 1 to 5 years**	**> 5 years**	**Total**
Long-term loans from banks				
1.169 - 1.999 %	8,403	18,633	11,684	38,720
2.000 - 2.999 %	6,094	27,612	10,351	44,057
3.000 - 3.999 %	3,683	9,887	4,230	17,800
4.000 - 4.999 %	10,710	26,910	12,637	50,257
5.000 - 5.999 %	3,456	9,198	1,180	13,834
6.000 - 6.293 %	2,014	7,991	16,000	26,005
	34,360	**100,231**	**56,082**	**190,673**
Loans of Eisenbahn-Bundesamt				
interest-free	92	317	427	836
Total	**34,452**	**100,548**	**56,509**	**191,509**

In December 2011 non-subordinated, non-hedged promissory note loans to an amount of EUR 50 million, contained in the above table, were issued for the first time at the following terms:

Terms of promissory note loans	Tranche 1	Tranche 2
Loan amount	EUR 19 million	EUR 31 million
Interest	fixed	variable
Interest rate	4.028 %	6M-EURIBOR + 1.7 %
Interest period	semiannual	
Term	7 years	
Repayment	100 percent payable when due	
Due date	December 20, 2018	

Of the loans taken out from banks, a total of EUR 142,474,000 (previous year: EUR 110,422,000) was subject to a fixed interest rate while EUR 125,157,000 (previous year: EUR 80,251,000) were subject to a variable interest rate.

As a hedge for liabilities of joint ventures to banks to a proportionate amount of EUR 53,874,000 (previous year: EUR 27,561,000), buildings, operating facilities and mobile items of the fixed assets served as security.

Liabilities to banks are hedged by virtue of real estate mortgages to an amount of EUR 35,111,000 (previous year: EUR 39,871,000). The customary covenants on the basis of the equity ratio as well as the net indebtedness were agreed upon with the banks granting the loans for loan liabilities (including promissory note loans) of EUR 189,512,000 (previous year: EUR 120,900,000).

For the case of failure to comply with the covenants agreed for the promissory note loans the terms provided for interest increases in two steps of 0.5 percent each. After that there is a right to terminate.

All covenants were met in the reporting year.

31 Other financial liabilities

The other financial liabilities comprise the following:

(in TEUR)	2011-12-31		2010-12-31	
	short-term	long-term	short-term	long-term
Short-term portion of long-term loans	47,374	--	34,452	--
Finance leasing	7,279	51,379	7,022	58,845
Current account credit	10,259	--	36,666	--
Loan BLG Unterstützungskasse GmbH	26,090	0	31,679	0
Clearing account EUROKAI KGaA	17,679	0	14,393	0
Time and call deposits	0	--	5,000	--
Derivatives with negative market value	5,785	--	4,331	--
Accruals and deferred income	1,985	5,747	1,681	7,477
Miscellaneous	23,612	18,559	26,685	22,702
Total	**140,063**	**75,685**	**161,909**	**89,024**

The other miscellaneous short-term financial liabilities include liabilities resulting from reductions in sales proceeds to an amount of EUR 12,353,000 (previous year: EUR 13,205,000) and cash management clearing accounts for participations to an amount of EUR 4,008,000 (previous year: EUR 6,065,000).

The other miscellaneous long-term financial liabilities contain liabilities from acquisition of shares in E.H. Harms GmbH & Co. KG Automobile-Logistics to an amount of EUR 13,436,000 (previous year: EUR 14,727,000).

With the exception of the liabilities due to finance leasing, the carrying amounts correspond to the market values of the liabilities.

The average effective interest rates of the major groups of short-term financial liabilities as of the balance sheet date are as follows:

Average effective interest rates	2011-12-31	2010-12-31
Current account liabilities to banks	1.62 %	1.42 %
Call and time deposits taken out	1.92 %	1.15 %

The discounted future cash flows from liabilities due to finance leasing are as follows:

(in TEUR)	2011-12-31			2010-12-31		
	Minimum leasing rates	of that, repayment	of that, interest	Minimum leasing rates	of that, repayment	of that, interest
up to one year	10,138	7,279	2,859	10,240	7,022	3,218
1 - 5 years	31,855	23,931	7,923	37,673	28,430	9,243
more than 5 years	34,227	27,448	6,780	38,726	30,415	8,311
Total	**76,220**	**58,658**	**17,562**	**86,639**	**65,867**	**20,772**

32 Accruals for government grants

(in TEUR)	2011-12-31		2010-12-31	
	short-term	long-term	short-term	long-term
Container terminal in Bremerhaven	663	10,404	684	11,255
Container terminal in Hamburg	955	11,816	944	12,231
Container terminal in Wilhelmshaven	271	10,686	0	0
Total	**1,889**	**32,906**	**1,628**	**23,486**

These are accruals for investment grants that are reported separately according to the gross method. The accruals are released analogously to the depreciation of subsidized assets. Total income from the release of accruals to an amount of EUR 1,585,000 (previous year: EUR 1,587,000) was reported for 2011.

The grants for the Bremerhaven, Hamburg and Wilhelmshaven container terminals apply to the EUROGATE Group and represent the amounts resulting from proportionate consolidation. They were essentially granted by Eisenbahn-Bundesamt for expansion and/or construction of new multimodal terminals in Hamburg-Waltershof, Bremerhaven and Wilhelmshaven.

33 Long-term provisions

(in TEUR)	2011-12-31	2010-12-31
Personnel-related provisions		
Direct commitments	10,296	9,732
BLG company pension	20,059	20,064
Working-life time accounts	25	70
Social future concept	4,905	5,481
Provisions for anniversaries	5,892	5,517
	41,177	**40,864**
Other provisions		
Provisions for dismantling commitments	7,519	10,924
Miscellaneous other long-term provisions	1,114	718
	8,633	**11,642**
Total	**49,810**	**52,506**

Long-term benefits to employees (in TEUR)	As of 2011-01-01	Claiming	Release	Addition	Change in entities to be consolidated	As of 2011-12-31
Direct commitments	9,732	63	30	701	-44	10,296
BLG company pension	20,064	17	0	12	0	20,059
Working-life time accounts	70	0	45	0	0	25
Social future concept	5,481	0	706	0	130	4,905
Provisions for pensions	**35,347**	**80**	**781**	**713**	**86**	**35,285**
Provisions for anniversaries	5,517	0	42	416	1	5,892
Total	**40,864**	**80**	**823**	**1,129**	**87**	**41,177**

Short-term benefits to employees (in TEUR)	As of 2011-01-01	Claiming	Release	Addition	Change in entities to be con-solidated	As of 2011-12-31
Direct commitments	297	273	8	268	0	284
BLG company pension	1,321	1,321	0	1,307	0	1,307
Provisions for pensions	**1,618**	**1,594**	**8**	**1,575**	**0**	**1,591**
Provisions for anniversaries	369	354	0	445	-2	458
Total	**1,987**	**1,948**	**8**	**2,020**	**-2**	**2,049**

Provisions for pensions

The legal framework for granting employee benefits is based, first of all, on individual commitments of the affiliated companies. Moreover, obligations for payment of a disability and old age pension result from the framework wage agreement for the port employees of the German seaport operating companies, including the special provisions for the ports in the federal state of Bremen of May 12, 1992.

As of January 1, 1998, the employee benefit liabilities of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– existing at that time were assumed by the Free Hanseatic City of Bremen – municipality of Bremen –. The legal basis for assessment of the amount of the contributions is the framework wage agreement for the port employees of the German seaport operating companies, including the special provisions for the ports in the federal state of Bremen of May 12, 1992.

Furthermore, there are employee benefit liabilities in accordance with the directives of the Siemens old age welfare scheme for employees who transferred to BLG Logistics Solutions GmbH, Bremen from SRI Radio Systems GmbH, Durach as of October 1, 2001 and from Siemens AG, Berlin, as of May 1, 2003.

Finally, there are commitments for the granting and payment of old age, disability and surviving dependents benefits on the basis of a Group company agreement on future social security of March 15, 2005 (social future concept).

Major portions of this benefit plan are covered by a waiver of pay on the part of the employees taking part in the benefit plan that is agreed upon anew every year. The portions from the bonus plan result annually from employee profit sharing determined after the end of the financial year.

The provisions are calculated according to the projected unit credit method in accordance with IAS 19, taking into account the contractual agreement forming the basis in each case. All plans of the BLG Group are defined benefit plans in accordance with IAS 19. Actuarial gains or losses are recognized in accordance with IAS 19.92 only to the extent they exceed 10 percent of the maximum of the present value of the liabilities prior to deduction of plan assets or of the current market value of the plan assets (corridor method). The excess amount is recognized on a linear basis over the average remaining working life of the employees with effect on the income statement.

In the case of alternatively possible immediate reporting of the actuarial losses with effect on the income statement or reporting in the other operating result without effect on the income statement, the pension liabilities would have increased by EUR 2,712,000 and the equity would have decreased accordingly, taking into account deferred taxes. In the previous year the pension liabilities would have decreased by EUR 2,746,000 and the equity would have increased accordingly, taking into account deferred taxes.

Reconciliation of the present values of the liabilities (DBO = defined benefit obligation) to the provisions for pensions recognized in the balance sheet is as follows:

Development of DBO of pension liabilities (in TEUR)	2011	2010
Status at beginning of reporting year	86,644	73,418
+ Current employment period expenses	2,340	2,764
+ Pay conversion expense	2,801	3,354
+ Interest expense	4,503	4,417
+/- Actuarial gains or losses amortized in the financial year	374	-128
+/- Actuarial gains and losses	5,458	6,580
- Claiming	-3,090	-3,573
+ Employment period expenses to be subsequently set off	76	87
+/- Transfers	-15	-275
+/- Changes in the entities to be consolidated	0	0
Status at end of reporting year	**99,091**	**86,644**

Development of plan assets (in TEUR)	2011	2010
Status at beginning of reporting year	52,370	47,167
+ Expected income	1,947	1,973
+/- Actuarial gains or losses amortized in the financial year	1,782	-367
+ Additions of the employees included in the plan (e.g. pay conversions)	2,801	3,096
+ Contributions of the employer	1,979	2,694
- Claiming	-1,447	-1,913
+/- Transfers	-29	-280
Status at end of reporting year	**59,403**	**52,370**

Reconciliation of the present values from DBO and plan assets to the net liability recognized in the balance sheet (in TEUR)	2011	2010
Present value of liabilities not covered by a fund	32,538	30,055
+ Present value of liabilities from completely or partially covered pension liabilities	66,553	56,589
Total present value of the liabilities	**99,091**	**86,644**
Present value of plan assets	-59,403	-52,370
+ Refund claims capitalized as assets	0	39
Present value of plan assets	**-59,403**	**-52,331**
+/- Actuarial gains and losses not reported in the balance sheet (net)	-2,712	2,746
+/- Other amounts recognized in the balance sheet	-100	-94
Net liabilities/assets	**36,876**	**36,965**

Components of the pension expenses (in TEUR)	2011	2010
Current employment period expenses	2,340	2,764
+ Interest expense	4,503	4,417
- Expected income from plan assets and refund claims	-1,947	-1,973
+/- Actuarial gains or losses amortized in the financial year	-1,408	239
+ Employment period expenses to be subsequently set off and amortized in the financial year	76	87
Total pension expenses	**3,564**	**5,534**

The plan assets include in particular reinsurance coverage taken out for the social future concept as well as individual commitments. The asset values calculated by the insurance companies are recognized as market values.

The employment period expenses, the amortized actuarial gains or losses and the amortized employment period expenses still to be set off are reported in the income statement as personnel expenses while the accrued interest for the expected pension liabilities is reported as an interest expense. The income from plan assets and refund claims reduces the interest expense.

The actuarial measurement of the major pension plans was carried out on the basis of the following parameters:

Actuarial parameters	**2011-12-31**	**2010-12-31**
Discount rate	4.80 - 5.10 %	5.30 - 5.50 %
Expected wage and salary development	2.00 - 2.50 %	2.00 - 2.50 %
Expected pension increases	1.00 - 2.00 %	1.00 - 2.00 %
Expected fluctuation rate	0.00 - 3.00 %	0.00 - 3.00 %
Expected returns from plan assets	4.00 - 4.10 %	4.00 - 4.10 %

In the reporting year the reference tables 2005 G of Prof. Klaus Heubeck are used as the basis for calculation of life expectancy, as in the previous year.

The present value of the pension liabilities depends on numerous factors based on actuarial assumptions. The assumptions used to determine the net expenses (or income) for pensions include the discount rate. Any change in these assumptions will have impacts on the carrying amount of the pension liabilities.

The Group calculates the appropriate discount rate as of the end of each year. This is the interest rate used to determine the present value of the expected cash outflows to pay the liabilities. The basis used by the Group to determine the discount rate is the interest rate for industrial loans with the highest credit rating in the currency in which the services are paid and with terms that correspond to those of the pension liabilities.

Other major assumptions for pension liabilities are based on market conditions in some cases. If the assumptions were based on a discount rate differing from the management estimates by 0.5 percentage points upward or downward, the carrying amount of the pension liabilities would be approx. EUR 5.1 million lower or approx. EUR 5.3 million higher.

Contributions for the current year and the four preceding years of the pension liabilities, the assets shown separately, liabilities exceeding assets and adjustments based on experience are as follows:

As of December 31 in each case (in TEUR)	**2011**	**2010**	**2009**	**2008**	**2007**
Pension liabilities (DBO)	99,091	86,644	73,418	63,575	64,399
Assets shown separately (plan assets)	-59,403	-52,370	-47,167	-38,703	-31,815
Liabilities exceeding assets (funded status)	**39,688**	**34,274**	**26,251**	**24,872**	**32,584**

Adjustments in percent	**2011**	**2010**	**2009**	**2008**
Increase based on experience (+) / reduction (-) in pension liabilities	1.2	0.5	0.5	0.8
Increase based on experience (+) / reduction (-) in assets shown separately	0.0	0.0	0.0	0.0

Provisions for anniversaries

The provisions for anniversaries recognize the claims contractually promised to the employees of the Group for receipt of anniversary grants. Accounting for these provisions is based on actuarial assessments in which calculations were carried out using a discount rate of 4.4 percent (previous year: 4.9 percent). The addition of the reporting year amounting to EUR 861,000 contains the accrued interest to an amount of EUR 270,000.

Other long-term provisions

(in TEUR)	As of 2011-01-01	Claiming	Release	Addition	Reorganization	Amortization	As of 2011-12-31
Other provisions							
Provisions for dismantling commitments	10,924	0	4,143	24	90	624	7,519
Miscellaneous	718	14	289	559	140	0	1,114
Total	**11,642**	**14**	**4,432**	**583**	**230**	**624**	**8,633**

The provisions for dismantling commitments predominantly relate to the CONTAINER Division and were recognized for the restoration of the leased grounds in Hamburg at the time of the expiration of the leases. The affiliated companies are required to remove all buildings and equipment from the leased grounds on expiration of the leases. The estimated dismantling liabilities were discounted at an interest rate of 5.1 percent (previous year: 5.0 percent).

The other long-term provisions primarily relate to impending losses deriving from a non-terminable lease to an amount of EUR 512,000 and noise protection measures in the CONTAINER Division to an amount of EUR 446,000. Another EUR 137,000 were accounted for by restoration liabilities from leases in the CONTRACT Division.

34 Trade payables

(in TEUR)	2011-12-31	2010-12-31
Liabilities – third parties	49,784	50,447
Liabilities from outstanding income	17,918	15,638
Liabilities – companies in which a participation is held	4,340	4,585
Liabilities – affiliated companies	131	69
Total	**72,173**	**70,739**

As a logistics company, the BLG Group does not receive deliveries and services to any significant extent from individual third parties outside the company.

35 Other liabilities

Other long-term liabilities (in TEUR)	2011-12-31	2010-12-31
Liabilities for part-time work arrangements for employees approaching retirement	8,731	9,830
Miscellaneous	2	10
Total	**8,733**	**9,840**

Liabilities for part-time work arrangements for employees approaching retirement are reported on the liabilities side on the basis of collective and individual wage agreements. The disclosure, which includes the arrears in settling obligations in connection with current part-time work arrangements for employees approaching retirement and the amounts of the increase, is based on actuarial assessments. The liabilities were discounted at a rate of 2.4 percent (previous year: 3.1 percent).

Other short-term liabilities (in TEUR)	2011-12-31	2010-12-31
Liabilities on outstanding vacation	12,409	11,298
Liabilities to employees for wages and salaries	9,372	9,191
Liabilities on sales tax	7,134	6,959
Liabilities for part-time work arrangements for employees approaching retirement	3,471	3,056
Miscellaneous taxes	2,823	1,714
Accruals and deferrals	2,056	2,082
Short-term benefits to employees	2,047	1,987
Liabilities to employees based on restructuring	1,272	6,694
Liabilities on social security	664	627
Disbursed customs duties	291	867
Payments received for orders	210	118
Miscellaneous	4,748	5,197
Total	**46,497**	**49,790**

The liabilities to employees based on restructuring relate to severance pay and a social compensation plan as those customary in Germany.

The other short-term liabilities contain a liability from an option for acquisition of shares in EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG, Wilhelmshaven, and in EUROGATE Container Terminal Wilhelmshaven Beteiligungsgesellschaft mbH, Wilhelmshaven, amounting to EUR 3,810,000 (previous year: EUR 3,528,000).

36 Payment obligations resulting from taxes on income

(in TEUR)	2011-12-31	2010-12-31
Corporate and trade tax for reporting year	2,344	2,518
Corporate and trade tax for previous years	4,934	4,921
Liabilities on current taxes, total	**7,278**	**7,439**

Reference is made to disclosure no. 16 with regard to liabilities on deferred taxes.

37 Short-term provisions

Other short-term provisions (in TEUR)	As of 2011-01-01	Claiming	Release	Reorganization	Addition	Accrued interest	As of 2011-12-31
Insurance levies	3,675	1,275	2,398	0	872	0	874
Onerous contracts	1,501	347	1,095	3,000	1,775	0	4,834
Guarantee risks	5,007	0	1,400	0	0	0	3,607
Cases of damage	337	99	153	0	226	0	311
Restructuring	307	0	0	0	746	0	1,053
Miscellaneous other provisions	5,929	1,933	494	-151	1,952	23	5,326
Total	**16,756**	**3,654**	**5,540**	**2,849**	**5,571**	**23**	**16,005**

The insurance levies result in particular from payments connected with the compensation for liability damage of the big cities in Germany.

The provisions for onerous contracts relate to the AUTOMOBILE Division to an amount of EUR 3,000,000, to the CONTRACT Division to an amount of EUR 1,775,000 and to the CONTAINER Division to an amount of EUR 59,000. The provisions correspond to the estimated costs for existing contracts that presumably are not covered by agreed revenues. The amount of the risks from onerous contracts may increase significantly as a result of a change in the situation in the course of time. In our current estimation such a risk can be viewed as minimal.

Provisions from previous years amounting to EUR 3,607,000 were retained for guarantee risks based on possible initial obligations and ex gratia obligations. Overall a large scope of discretion is available for assessment of these provisions since no comparable circumstances or other empirical values exist.

The provisions for restructuring relate to personnel measures in the CONTRACT Division that were essentially begun in previous years and are scheduled to be completed by 2012. The estimate is based on historical empirical figures.

The other miscellaneous provisions contain interest for trade tax (EUR 1,282,000), other operating taxes (EUR 977,000), archiving costs (EUR 666,000), noise protection measures (EUR 550,000) and contractual maintenance measures (EUR 542,000).

The provisions are primarily due to the reported amount in the course of 2012.

Cash flow statement disclosures

38 Cash flow statement disclosures

The cash flow statement has been prepared according to the provisions of IAS 7 and is structured according to cash flows from current operating, investment and financing activities.

The cash flow from current operating activities is shown according to the indirect method. The cash flow from investment activities is disclosed according to the direct method. This cash flow stems from cash flows with which income has been earned on a long-term basis, usually longer than a year, with effect on the income statement. The cash flow from financing activities is also disclosed according to the direct method. As a matter of principle, payments from transactions with company owners, minority shareholders of consolidated subsidiaries as well as from raising or repaying loan capital are allocated to this cash flow.

The financial resource funds are defined as the difference between liquid funds and short-term liabilities to banks. The liquid funds are composed of cash in hand, call deposits due daily as well as short-term, extremely liquid funds that can be converted into legal tender at any time and are subject only to insignificant fluctuations in value.

The change in cash due to currency translation influences is shown separately according to IAS 7.28.

Composition of the financial resource funds (in TEUR)	2011-12-31	2010-12-31
Cash and cash equivalents acc. to balance sheet	82,744	46,617
Short-term liabilities to banks[1]	-10,259	-41,666
Total	**72,485**	**4,951**

[1] Disclosure in balance sheet in the item “Other financial liabilities” (see also disclosure no. 31)

Of the financial resource funds, an amount of EUR 64,425,000 (previous year: EUR 41,083,000) is allocated to companies included on a proportionate basis. The development of the financial resource funds of companies included on a proportionate basis is attributable to the following cash flows:

(in TEUR)	2011-12-31	2010-12-31
Financial resource funds at beginning of financial year	41,083	26,893
Cash flow from current operating activities	61,862	78,277
Cash flow from investment activities	-28,102	75
Cash flow from financing activities	-10,418	-64,162
Cash-related changes in financial resource funds	**23,342**	**14,190**
Financial resource funds at end of financial year	**64,425**	**41,083**

The inflow of funds from current business operating activities dropped by EUR 22,702,000 in comparison with the previous year to a total of EUR 88,138,000. The change is essentially due to the rise in earnings before taxes amounting to EUR 14,430,000 and the increase in depreciation of long-term intangible fixed assets, tangible fixed assets, financial assets and long-term financial receivables to an amount of EUR 6,270,000.

The inflow of funds from investment activities increased by EUR 35,241,000 compared to the previous year to a total of EUR 57,671,000. Of this, net payments for intangible assets and tangible fixed assets of EUR 57,941,000 (previous year: EUR 26,857,000) were made in the financial year. The inflow of funds resulting from changes in the financial assets and long-term financial receivables came to EUR 270,000.

The inflow of funds from financing activities amounted to EUR 37,222,000. The inflow of funds primarily resulted from the issue of promissory note loans to an amount of EUR 50,000,000 and the net inflow of EUR 26,903,000 (previous year: EUR 49,968,000) stemming from the change in financial loans.

Major inflows of funds resulted from the change in leasing receivables and liabilities to an amount of EUR 7,583,000 (previous year: EUR 10,328,000), the change in loan receivables and liabilities with respect to affiliated companies and other third parties to an amount of EUR 8,457,000 (previous year: EUR 1,712,000) and the change in the clearing account of a joint venture to an amount of EUR 3,292,000 (previous year: EUR 3,831,000).

A total amount of EUR 20,666,000 (previous year: EUR 18,225,000) was paid out to company owners and owners of the hybrid equity capital.

Segment reporting

39 Segment reporting

For the detailed presentation see p. 172 f.

40 Segment reporting disclosures

In accordance with IFRS 8, segmenting is geared to the internal control and reporting structure. With regard to the BLG Group, this means that segment reporting is carried out according to the corporate structure, i.e. broken down into divisions. Entire companies are allocated to the AUTOMOBILE, CONTRACT and CONTAINER Divisions respectively. In each case these companies represent operational segments that are combined for segment reporting according to the divisions since they operate in a comparable economic environment and show substantial similarities in terms of their services, processes and clientele. The respective divisional managers who report to the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– are responsible for the success of the divisions.

The AUTOMOBILE Division essentially encompasses BLG AutoTerminal Bremerhaven GmbH & Co. KG, BLG AutoTransport GmbH & Co. KG as well as BLG CarShipping GmbH & Co. KG.

The main enterprises of the CONTRACT Division are BLG Automotive Logistics GmbH & Co. KG, BLG Handelslogistik GmbH & Co. KG and BLG Cargo Logistics GmbH & Co. KG.

The CONTAINER Division encompasses the 50 percent shareholding in the operating management company of the EUROGATE Group, EUROGATE GmbH & Co. KGaA, KG. Through this shareholding the companies of the EUROGATE Group are included in the consolidated financial statement on a proportionate consolidation basis.

The operating activities of the divisions are described in disclosure no. 2.

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– and BLG LOGISTICS GROUP AG & Co. KG as the management and financial holding company of the BLG Group do not form an operational segment in accordance with IFRS 8. These central divisions with their assets, liabilities and net income are contained in the reconciliation column.

The BLG Group operates predominantly in Germany. The domestic portion of Group sales comprises EUR 975,845,000 (previous year: EUR 866,827,000) and the foreign portion EUR 32,641,000 (previous year: EUR 30,582,000). The basis for allocation is the place of performance by the Group. The domestic portion of the Group's long-term intangible assets and tangible assets comprises EUR 645,570,000 (previous year: EUR 655,510,000) and the foreign portion EUR 18,684,000 (previous year: EUR 17,930,000).

Sales of EUR 118,865,000 (previous year: EUR 119,866,000) were earned with the Group's biggest client, representing at least 10 percent of the total Group sales. They were primarily accounted for by the AUTOMOBILE and CONTRACT Divisions.

Management and control of the BLG Group are carried out on the basis of the data of the operational segments determined in accordance with IFRS. The accounting and measurement methods described in disclosure no. 6 apply to the segments in the same way as for the entire Group. The key parameter for the success of the segments is the EBT (earnings before taxes).

The depreciation is based on the segment fixed assets.

The segment assets do not include shares in associated enterprises that are included at equity as well as the deferred and current taxes.

All segment assets are necessary for company operation.

The segment liabilities encompass the short-term liabilities necessary for financing and provisions excluding interest-bearing loans.

The investments comprise additions of tangible assets as well as of long-term intangible assets.

Segment reporting (in TEUR)	AUTOMOBILE 2011-12-31	AUTOMOBILE 2010-12-31
Sales		
with external third parties	**381,944**	**321,269**
Inter-segment sales	255	135
EBITDA	32,429	20,893
Depreciation	-17,491	-11,638
Segment result (EBIT)	**14,938**	**9,255**
in % of sales	*3.9 %*	*2.9 %*
Interest income	562	485
Depreciation of financial assets	0	0
Interest expenses	-6,007	-6,252
Result from companies included at equity	1,284	417
Result from other long-term equity investments	11	5
Earnings before taxes (EBT)	**10,788**	**3,910**
Other information		
Other non-cash-related items	234	92
Included in segment result		
Income not relating to this period	9,282	8,469
Expenses not relating to this period	-1,118	-1,198
Impairments	-6,000	0
Shares in associated enterprises and other companies included at equity	10,425	9,690
Goodwill contained in segment assets	6,655	12,208
Segment assets	257,590	258,500
Investments in long-term intangible fixed assets and tangible fixed assets	19,495	13,333
Segment liabilities	151,134	154,453
Equity	68,168	65,335
Employees	2,116	1,995

[2] The number of employees relates to companies included on proportionate basis (50 percent).

CONTRACT		CONTAINER		Reconciliation		GROUP	
2011-12-31	2010-12-31	2011-12-31	2010-12-31	2011-12-31	2010-12-31	2011-12-31	2010-12-31
304,263	**282,307**	**328,406**	**299,776**	**-6,127**	**-5,943**	**1,008,486**	**897,409**
992	874	4,880	4,934	-6,127	-5,943	**0**	**0**
22,962	23,080	86,639	79,073	10,803	11,570	**131,227**	**111,476**
-12,732	-12,184	-36,859	-36,990	-751	-748	**-67,833**	**-61,560**
10,230	**10,896**	**49,780**	**42,083**	**-11,554**	**-12,318**	**63,394**	**49,916**
3.4 %	*3.9 %*	*15.2 %*	*14.0 %*	*n/a*	*n/a*	***6.3 %***	***5.6 %***
1,017	851	966	677	476	298	**3,021**	**2,311**
-2	-5	0	0	0	0	**-2**	**-5**
-5,269	-5,401	-10,840	-11,407	-120	-56	**-22,236**	**-23,116**
1,144	1,383	616	1,633	357	278	**3,401**	**3,711**
36	628	882	627	11	11	**940**	**1,271**
7,156	**8,352**	**41,404**	**33,613**	**-10,830**	**-11,787**	**48,518**	**34,088**
-37	-262	-8	2	35	-44	**224**	**-212**
6,141	6,589	2,392	2,723	3,275	1,428	**21,090**	**19,209**
-2,768	-2,275	-1,193	-967	-59	-494	**-5,138**	**-4,934**
0	0	-1,060	-300	0	0	**-7,060**	**-300**
4,986	4,086	29,386	25,178	2,856	2,808	**47,653**	**41,762**
0	0	512	512	0	0	**7,167**	**12,720**
180,209	197,355	492,727	448,686	40,210	21,469	**970,736**	**926,010**
6,747	7,830	37,888	12,147	798	311	**64,928**	**33,621**
95,597	108,859	167,191	139,973	-93,220	-50,889	**320,702**	**352,396**
30,237	19,539	217,620	210,746	37,183	34,826	**353,208**	**330,446**
2,094	1,932	1,871[1)]	1,883[1)]	180	139	**6,261**	**5,949**

The reconciliation of the total of the segments subject to reporting requirements to the Group data for the main items of segment reporting is as follows:

Sales with external third parties	**2011-12-31**	**2010-12-31**
Total of segments subject to reporting requirements	1,014,613	903,352
Central divisions/Other sales	0	0
Consolidation	-6,127	-5,943
Group sales	1,008,486	897,409

EBIT	**2011-12-31**	**2010-12-31**
Total of segments subject to reporting requirements	74,948	62,234
Central divisions/Other EBIT	-10,571	-11,222
Consolidation	-983	-1,096
Group EBIT	63,394	49,916

Segment earnings/Earnings before taxes (EBT)	**2011-12-31**	**2010-12-31**
Total of segments subject to reporting requirements	59,348	45,875
Central divisions/Other EBT	37,750	18,381
Consolidation	-48,580	-30,168
Group segment earnings (EBT)	48,518	34,088

Assets	**2011-12-31**	**2010-12-31**
Total of segments subject to reporting requirements	930,526	904,541
Central divisions/Other assets	510,790	484,415
Shares in associated enterprises and other companies included at equity	47,653	41,762
Deferred tax assets	12,203	8,161
Refund claims from taxes on income	406	392
Consolidation	-470,580	-462,947
Group assets	1,030,998	976,324

Liabilities	**2011-12-31**	**2010-12-31**
Total of segments subject to reporting requirements	413,922	403,508
Central divisions/Other liabilities	73,917	120,615
Equity	353,209	330,446
Long-term loans (excluding short-term portion)	221,039	157,057
Other long-term financial liabilities	75,685	89,024
Deferred tax liabilities	5,711	5,704
Short-term portion of long-term loans	47,374	34,452
Short-term portion of finance leasing	7,279	7,022
Consolidation	-167,138	-171,504
Group liabilities	1,030,998	976,324

Other disclosures

41 Financial instruments

Goals and methods of financial risk management

The primary financial instruments used for financing the Group, with the exception of derivative instruments, encompass long-term loans, finance leasing, including hire purchase agreements, short-term borrowing as well as cash and cash equivalents and short-term contributions at banks. The main purpose of these financial instruments is to finance the operating activities of the Group. The Group has various other financial instruments, such as trade receivables and payables, which arise in direct connection with its operating activities.

Derivatives for interest hedging are only used for the purpose of hedging against open risks. Interest derivatives are exclusively employed to optimize credit terms and minimize interest rate risks within the framework of financing strategies with matching maturities. As a matter of principle, derivatives are not used for trade or speculation purposes.

The major risks of the Group resulting from the financial instruments encompass interest rate risks, liquidity risks, foreign currency risks and interest rate risks. The company management draws up and reviews guidelines for risk management for each of these risks, which will be described in the following.

In addition, the existing market price risk for all financial instruments is observed at the Group level. The accounting and measurement methods of the Group for derivatives are shown in disclosure no. 6 i).

Default risk

The default risk of the Group results mainly from the trade receivables. The amounts reported in the balance sheet include deductions for valuation allowances for expected irrecoverable receivables that were estimated on the basis of past experience and the current economic environment. At present the Group is not exposed to any significant default risk due to constant monitoring of receivables at the management level. Allocation of the carrying amounts of the trade receivables taking into account punctual performance by the contracting parties and the default risk is contained in disclosure 26.

The default risk is limited in connection with liquid funds and derivative financial instruments since the latter are held at banks which international rating agencies have certified as having a high credit standing.

The maximum default risk of the Group is reflected, on the one hand, by the carrying amounts of the financial assets recognized in the balance sheet (including derivative financial instruments with a positive market value). As of the closing date, there were no significant agreements or hedges reducing the default risk. On the other hand, the Group is also exposed to a default risk by virtue of assuming financial guarantees. As of the balance sheet date, this risk amounted to a maximum of EUR 11,368,000 (previous year: EUR 2,394,000).

No significant concentrations of default risk exist in the Group.

Carrying amounts and applicable fair values of the financial instruments – broken down into balance sheet item, classes and categories of IAS 39

The financial instruments are compiled according the above mentioned criteria on the following pages.

With the exception of the long-term loans from banks, other long-term loans from third parties and liabilities from finance leasing, there are no significant differences between the carrying amounts and applicable fair values of the financial instruments.

Carrying amounts of the financial instruments broken down into balance sheet item, classes and categories (in TEUR)

	2011-12-31						
	Carrying amount 2011-12-31	Category acc. to IAS 39 *	Amortized purchase costs	Purchase costs	Fair value without effect on income statement	Fair value with effect on income statement	Applicable fair value
ASSETS							
Financial assets							
long-term							
Financial assets							
Shares in affiliated companies and other participations	1,466	afs	0	1,466	0	0	n.r.d.
Other financial assets	628	afs	0	628	0	0	n.r.d.
Long-term financial receivables							
Other long-term financial receivables	13,458	lar	13,458	0	0	0	13,458
Other long-term assets							
Miscellaneous	375	lar	375	0	0	0	375
short-term							
Trade receivables	151,205	lar	151,205	0	0	0	151,205
Other assets							
Short-term financial receivables	24,927	lar	24,927	0	0	0	24,927
Other miscellaneous short-term assets	13,750	lar	13,750	0	0	0	13,750
Cash and cash equivalents	82,744		82,744	0	0	0	82,744
Total financial assets	**288,553**		**286,459**	**2,094**	**0**	**0**	
LIABILITIES							
Financial liabilities							
long-term							
Long-term loans	221,039	flac	221,039	0	0	0	228,719
Other long-term financial liabilities							
Liabilities for finance leasing (lessee)	51,379	flac	51,379	0	0	0	56,140
Miscellaneous long-term financial liabilities	24,306	flac	24,306	0	0	0	24,306
Other long-term liabilities							
Liabilities for part-time work arrangements for employees approaching retirement	8,731	flac	8,731	0	0	0	8,731
Other miscellaneous long-term liabilities	2	flac	2	0	0	0	2
short-term							
Trade payables	72,173	flac	72,173	0	0	0	72,173
Short-term financial liabilities							
Short-term financial liabilities to banks	57,633	flac	57,633	0	0	0	59,387
Derivatives with hedge relationship	4,363	hedging	0	0	4,363	0	4,363
Derivatives without hedge relationship	1,422	hft	0	0	0	1,422	1,422
Other short-term financial liabilities	77,660	flac	77,660	0	0	0	77,660
Other short-term liabilities	18,863	flac	18,863	0	0	0	18,863
Total financial liabilities	**537,571**		**531,786**	**0**	**4,363**	**1,422**	

* afs = available for sale | flac = financial liability at cost | hft = held for trading | lar = loans and receivables | n.r.d. = not reliably determinable

Carrying amounts of the financial instruments broken down into balance sheet item, classes and categories (in TEUR)

	2010-12-31						
	Carrying amount 2010-12-31	**Category acc. to IAS 39 ***	Amortized purchase costs	Purchase costs	Fair value without effect on income statement	Fair value with effect on income statement	Applicable fair value
ASSETS							
Financial assets							
long-term							
Financial assets							
Shares in affiliated companies and other participations	1,715	afs	0	1,715	0	0	n,r,d,
Other financial assets	628	afs	0	628	0	0	n,r,d,
Long-term financial receivables							
Other long-term financial receivables	12,272	lar	12,272	0	0	0	12,272
Other long-term assets							
Miscellaneous	964	lar	964	0	0	0	964
short-term							
Trade receivables	146,541	lar	146,541	0	0	0	146,541
Other assets							
Short-term financial receivables	17,130	lar	17,130	0	0	0	17,130
Other miscellaneous short-term assets	12,852	lar	12,852	0	0	0	12,852
Cash and cash equivalents	46,617		46,617	0	0	0	46,617
Total financial assets	**238,719**		**236,376**	**2,343**	**0**	**0**	
LIABILITIES							
Financial liabilities							
long-term							
Long-term loans	157,057	flac	157,057	0	0	0	161,936
Other long-term financial liabilities							
Liabilities for finance leasing (lessee)	58,845	flac	58,845	0	0	0	61,623
Miscellaneous long-term financial liabilities	30,179	flac	30,179	0	0	0	30,179
Other long-term liabilities							
Liabilities for part-time work arrangements for employees approaching retirement	9,830	flac	9,830	0	0	0	9,830
Other miscellaneous long-term liabilities	10	flac	10	0	0	0	10
short-term							
Trade payables	70,739	flac	70,739	0	0	0	70,739
Short-term financial liabilities							
Short-term financial liabilities to banks	76,118	flac	76,118	0	0	0	76,632
Derivatives with hedge relationship	3,235	hedging	0	0	3,235	0	3,235
Derivatives without hedge relationship	1,096	hft	0	0	0	1,096	1,096
Other short-term financial liabilities	79,779	flac	79,779	0	0	0	79,779
Other short-term liabilities	24,138	flac	24,138	0	0	0	24,138
Total financial liabilities	**511,026**		**506,695**	**0**	**3,235**	**1,096**	

* afs = available for sale | flac = financial liability at cost | hft = held for trading | lar = loans and receivables | n.r.d. = not reliably determinable

The following key methods and assumptions were used as the basis for determining the applicable fair values.

The market values were determined according to the discounted cash flow method on the basis of the expected future cash flows and current interest rates for comparable loan agreements that can be observed directly or indirectly in the market.

The interest curve of risk-free German government bonds plus a company-specific risk surcharge with an appropriate term is used as the market interest rate. In the case of installment payment agreements, the risk surcharge is recognized according to the average term.

Net results according to measurement categories

The following net results are allocated to the individual measurement categories of the financial instruments:

2011 (in TEUR)	from interest	Follow-up measurement Fair Value	Follow-up measurement Valuation allowance	from disposal	Net result
Loans and receivables (lar)	2,461	0	-807	-333	1,321
Available-for-sale financial assets (afs)	0	0	-2	0	-2
Financial instruments held for trading (hft)	-412	18	0	0	-394
Hedging instruments (hedging)	-1,661	0	0	0	-1,661
Financial liabilities at amortized cost (flac)	-19,603	0	0	0	-19,603
Total	**-19,215**	**18**	**-809**	**-333**	**-20,339**

2010 (in TEUR)	from interest	Follow-up measurement Fair Value	Follow-up measurement Valuation allowance	from disposal	Net result
Loans and receivables (lar)	1,941	0	406	-324	2,023
Available-for-sale financial assets (afs)	0	0	-5	0	-5
Financial instruments held for trading (hft)	-194	-218	0	0	-412
Hedging instruments (hedging)	-2,220	0	0	0	-2,220
Financial liabilities at amortized cost (flac)	-20,332	0	0	0	-20,332
Total	**-20,805**	**-218**	**401**	**-324**	**-20,946**

[1)] In accordance with IAS 8.42, changes were made in the previous year's figures for the net result from interest.

Foreign currency risk

With minor exceptions, the affiliated companies operate in the euro zone and invoice exclusively in euros (EUR). To this extent, a currency risk can only arise in individual cases, e.g. due to foreign dividend revenues or purchase of work and services abroad.

No significant currency risks existed in the Group as of December 31, 2011 and as of December 31, 2010.

Capital risk management

A key objective of the Group with respect to capital management is to ensure operation according to the going concern concept so the company can continue to provide shareholders with earnings and the other stakeholders with benefits to which they are entitled. Another goal is to maintain an optimum capital structure to reduce capital costs.

The Group monitors its capital in the CONTAINER Division on the basis of the equity ratio and in the AUTOMOBILE und CONTRACT Divisions on the basis of the equity ratio as well as the debt-equity ratio, calculated from the ratio between net indebtedness and EBITDA. The net indebtedness is measured according to covenants negotiated individually with the financing banks.

The Group strategy pursued in 2011 focused on continuing to secure access to outside funds at reasonable costs by complying with the covenants agreed upon with the banks.

Liquidity risk

Liquidity risks may arise from payment bottlenecks and resulting higher financing costs. The liquidity of the Group is secured through central cash management at the level of BLG LOGISTICS GROUP AG & Co. KG. All major subsidiaries are included in the cash management. The EUROGATE Group has an independent cash management system. Provision of financing funds (loans/leasing/rent) in due time to meet all payment obligations is ensured through central investment control and central credit management. The liquidity needs of the Group are covered by liquid funds and pledged credit lines. As of December 31, 2011, the Group had unused current account credit lines of around EUR 113 million (previous year: EUR 84 million). Furthermore, there was an unused revolving credit facility of EUR 20 million (previous year: EUR 20 million).

The contractually agreed (non-discounted) interest payments and repayments of the long-term primary financial liabilities as well as of the derivative financial instruments (interest rate swaps) are compiled in the following tables.

2011-12-31 (in TEUR)		Cash flows			
		Long-term loans from banks	Other long-term loans	Liabilities from finance leasing	Interest rate swaps
Cash flows 2012	Fixed interest	6,017	0	2,859	2,619
	Variable interest	3,491	0	0	-1,036
	Repayment	47,282	92	7,279	0
Cash flows 2013	Fixed interest	4,545	0	2,495	2,298
	Variable interest	3,251	0	0	-807
	Repayment	31,019	85	7,504	0
Cashf lows 2014 - 2016	Fixed interest	10,096	0	5,428	3,816
	Variable interest	7,465	0	0	-1,268
	Repayment	75,233	232	16,427	0
Cash flows 2017 - 2021	Fixed interest	5,138	0	5,364	773
	Variable interest	4,038	0	0	-487
	Repayment	108,914	319	15,306	0
Cash flows 2022 ff.	Fixed interest	341	0	1,417	0
	Variable interest	0	0	0	0
	Repayment	5,183	54	12,142	0
Total		**312,013**	**782**	**76,221**	**5,908**
Carrying amounts (derivatives balanced out)		**267,631**	**782**	**58,658**	**-5,785**

2010-12-31 (in TEUR)		Cash flows			
		Long-term loans from banks	Other long-term loans	Liabilities from finance leasing	Interest rate swaps
Cash flows 2011	Fixed interest	5,034	0	3,217	2,655
	Variable interest	1,642	0	0	-831
	Repayment	34,360	92	7,022	0
Cash flows 2012	Fixed interest	3,894	0	2,875	2,323
	Variable interest	1,614	0	0	-739
	Repayment	30,147	85	7,333	0
Cash flows 2013 - 2015	Fixed interest	7,386	0	6,368	4,667
	Variable interest	3,267	0	0	-1,480
	Repayment	70,084	232	21,097	0
Cash flows 2016 - 2020	Fixed interest	3,128	0	6,144	1,177
	Variable interest	1,403	0	0	-376
	Repayment	55,697	319	15,419	0
Cash flows 2021 ff.	Fixed interest	0	0	2,167	13
	Variable interest	8	0	0	-4
	Repayment	385	108	14,996	0
Total		**218,049**	**836**	**86,638**	**7,405**
Carrying amounts (derivatives balanced out)		**190,673**	**836**	**65,867**	**-4,331**

All long-term financial instruments that existed on the balance sheet date and for which payments were already contractually agreed were included. Target figures for future new liabilities are not included, and short-term liabilities that are due in up to a year can be found in the disclosures on the individual balance sheet items.

The variable interest payments from the financial instruments were determined on the basis of the interest rates last fixed before the balance sheet date. In cases where the fixed interest rate of the loans expires prior to their final maturity, the market interest rate with matching maturity on the balance sheet date was taken as the basis for the residual term.

Interest rate risk

The interest rate risk to which the Group is exposed arises mainly from the long-term loans and other long-term financial liabilities.

The interest rate risks of the Group are managed by means of a combination of loan capital with a fixed and a variable interest rate. The overwhelming majority of the bank liabilities are set up on a long-term basis. There are fixed interest agreements up to the end of the financing term, either within the framework of the loan agreements or via interest rate swaps, which are concluded within the scope of micro-hedges for individual loans with a variable interest rate. Furthermore, to a certain extent interest hedging is carried out for loans to be taken out in the future through agreement of forward interest rate swaps.

Interest rate risks are shown by means of sensitivity analyses in accordance with IFRS 7. They represent effects of changes in market interest rates on interest payments, interest income and expenses, other result components as well as on equity. The interest sensitivity analyses are based on the following assumptions.

With regard to primary financial instruments with a fixed interest rate, changes in market interest rates have an effect on the result only if these financial instruments are measured at the applicable fair value. All financial instruments measured at amortized purchase costs with a fixed interest rate are not subject to any interest rate risks in accordance with IFRS 7. This applies to all loan liabilities of the Group with a fixed interest rate, including liabilities from finance leasing.

In the case of interest rate swaps designed to hedge against interest rate risks in the form of cash flow hedges, the changes in cash flows and result contributions of the hedged primary financial instruments and the interest rate swaps induced by changes in the market interest rates compensate for each other almost completely so that, to this extent, no interest rate risk exists. Measurement of the hedging instruments – without effect on the income statement – at the applicable fair value has impacts on the hedge reserves in the equity and is therefore recognized in the equity-based sensitivity analysis.

Changes in the market interest rate of primary financial instruments with a variable interest rate, whose interest payments are not designed as underlying transactions within the framework of cash flow hedges against interest rate risks, have an effect on the interest result and accordingly are included in the calculation of result-related sensitivities.

The same applies to interest payments based on interest rate swaps that, as an exception, are not included in a hedge relationship in accordance with IAS 39. In the case of these interest rate swaps, changes in market interest rates also have an effect on the applicable fair value and thus have impacts on the measurement result from the adjustment of the financial assets to the fair value and are taken into account in the result-based sensitivity analysis.

If the market interest rate level on the respective balance sheet date had been 100 base points higher (lower), this would have had the following impacts on the earnings before tax and the equity (before deferred taxes).

Assumed market interest rate level in comparison to actual level, 100 base points higher/lower (in TEUR)	**2011-12-31**		**2010-12-31**	
	higher	**lower**	**higher**	**lower**
Result effects	62	-201	177	-348
Equity effects (excluding result effects)	2,217	-2,256	1,772	-1,865

Fixed-interest financial instruments

Fixed interest rates were agreed upon for the following loans and other financial instruments at carrying amounts. This means the Group is exposed to an interest rate risk for the fair value.

2011-12-31 (in TEUR)	Remaining terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	33,011	51,971	57,491	142,473
Interest rate swaps	10,482	50,536	20,577	81,595
Liabilities from finance leasing	7,279	23,931	27,448	58,658
Total	**50,772**	**126,438**	**105,516**	**282,726**

2010-12-31 (in TEUR)	Remaining terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	20,189	56,186	34,047	110,422
Interest rate swaps	9,727	58,888	11,207	79,822
Liabilities from finance leasing	7,022	28,430	30,415	65,867
Total	**36,938**	**143,504**	**75,669**	**256,111**

The fixed interest rate in the case of fixed-interest liabilities to banks, which had a value of EUR 104,787,000 (previous year: EUR 85,511,000) on the balance sheet date, expires prior to the expiration of the final maturity. The remaining value of these loans after expiration of the fixed interest rate period is as follows:

2011-12-31 (in TEUR)	Remaining terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	21,322	15,543	18,278	55,143
Total	**21,322**	**15,543**	**18,278**	**55,143**

2010-12-31 (in TEUR)	Remaining terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	0	12,902	21,509	34,411
Total	**0**	**12,902**	**21,509**	**34,411**

Floating-rate financial instruments

Floating interest rates were agreed upon for the following financial instruments. As a result, the Group is exposed to an interest rate risk for cash flows. The corresponding interest rate swaps are preceded by a negative sign because the interest rate risk resulting from them has a contrary effect to the interest rate risk arising from loans taken out.

2011-12-31 (in TEUR)	Remaining terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	14,271	54,281	56,606	125,158
Interest rate swaps	-9,148	-45,203	-14,577	-68,928
Total	**5,123**	**9,078**	**42,029**	**56,230**

2010-12-31 (in TEUR)	Remaining terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	14,171	44,045	22,035	80,251
Interest rate swaps	-8,394	-53,555	-3,873	-65,822
Total	**5,777**	**-9,510**	**18,162**	**14,429**

Furthermore, there are running interest rate swaps for nominal amounts totaling EUR 21,167,000 (previous year: EUR 22,250,000), which do not meet the criteria for cash flow hedges due to lack of allocation to floating-rate loans.

The other financial instruments of the Group not included in the above tables are not subject to any significant interest rate risk.

Derivative financial instruments

To reduce the interest rate risk of existing or planned bank liabilities, there were interest rate swaps with a total reference amount of EUR 81,595,000 (previous year: EUR 79,822,000) as of the balance sheet date. These swaps enable long-term hedging of the interest amount at the relatively low interest rate level prevailing at the time of conclusion of the swaps.

Through the interest rate swaps variable interest payments are replaced by fixed interest payments. The Group is the payer of the fixed interest and recipient of the variable interest. The swaps were concluded according to the risk management strategy solely for hedging purposes.

The main terms of the interest rate swaps are as follows:

Nominal amount (reference amount) 2011-12-31 in TEUR	Hedged item	Variable interest rate	Fixed interest rate	Term until	Market value 2011-12-31 in TEUR
50,428	loans	3/6M EURIBOR	2.75 - 4.60 %	2018	-3,416
12,667	planned loans	6M EURIBOR	3.70 %	2021	-1,010
10,000	overnight credit lines	EONIA	3.085 %	2021	-1,147
73,095					**-5,573**
8,500	not allocated	3M EURIBOR	3.26 - 3.74 %	2019	-212
81,595					**-5,785**

Nominal amount (reference amount) 2010-12-31 in TEUR	Hedged item	Variable interest rate	Fixed interest rate	Term until	Market value 2010-12-31 in TEUR
57,572	loans	3/6M EURIBOR	2.75 - 4.60 %	2018	-3,453
14,000	planned loans	6M EURIBOR	3.70 %	2021	-621
71,572					**-4,074**
8,250	not allocated	3M EURIBOR	3.26 - 3.29 %	2013	-257
79,822					**-4,331**

The nominal amounts represent the gross volume of all purchases and sales. This figure is a reference variable for determination of mutually agreed payments, but does not constitute receivables or liabilities that can be included in the balance sheet.

The balance sheet measurement is carried out at the applicable fair value. To determine the fair value of an interest rate swap, the expected cash flows on both sides of the swap are discounted in accordance with the current interest structure curve. The difference between the two calculated amounts results in the net market value of the interest rate swap. This market measurement of the financial derivatives forms the price at which one party would acquire the rights and obligations from the other party based on the existing agreements. The market values were determined on the basis of the market terms existing on the balance sheet date.

The effectiveness of the hedge relationships between interest rate swaps and hedged items is assessed prospectively using the critical terms match method in accordance with IAS 39.AG108. The effectiveness is reviewed retrospectively as of every balance sheet date by means of an effectiveness test according to the hypothetical derivative method.

Of the interest rate swaps existing as of December 31, 2011, swaps having a nominal volume of EUR 60,428,000 (previous year: EUR 57,572,000) meet the criteria for cash flow hedges. The changes in the fair values of the effective portions of the cash flow hedges were recognized directly in the equity while taking into account deferred taxes (EUR -935,000, previous year: EUR 174,000).

The changes in the fair values of the ineffective portions of the cash flow hedges and of the interest rate swaps that were not designated as hedging instruments within the framework of hedge relationships were recognized with effect on expenses taking into account deferred taxes (EUR -271,000, previous year: EUR -305,000).

Since the reference amounts decrease parallel to the loan values in the course of repayment of the loans forming the basis, no gains or losses are realized as long as the financial instruments are not sold. Sale is not planned.

The applicable fair values of the interest rate swaps are disclosed under short-term financial liabilities (EUR 5,785,000, previous year: EUR 4,331,000).

The residual terms of the interest rate swaps are as follows:

2011-12-31 (in TEUR)	Remaining terms			
Nominal amounts of interest rate swaps	< 1 year	> 1 to 5 years	> 5 years	Total
for current loans	7,148	40,203	3,077	50,428
for planned loans	1,334	5,333	6,000	12,667
for overnight credit lines	0	0	10,000	10,000
not allocated	2,000	5,000	1,500	8,500
Total	**10,482**	**50,536**	**20,577**	**81,595**

2010-12-31 (in TEUR)	Remaining terms			
Nominal amounts of interest rate swaps	**< 1 year**	**> 1 to 5 years**	**> 5 years**	**Total**
for current loans	7,144	46,555	3,873	57,572
for planned loans	1,333	5,333	7,334	14,000
not allocated	1,250	7,000	0	8,250
Total	**9,727**	**58,888**	**11,207**	**79,822**

42 Contingent liabilities

In the BLG Group there are contingent liabilities for the benefit of affiliated companies as follows:

Contingent liabilities (in TEUR)	2011	2010
Liabilities from guarantees	10,722	1,325
Liabilities from guarantee agreements	1,684	1,181
Miscellaneous	125	125
Total	**12,531**	**2,631**

The contingent liabilities must be measured at nominal amounts. Maximum amount guarantees are recognized at their maximum amount. According to the situation on the balance sheet date, the actual level of the contingent liabilities on the basis of the liabilities involved comes to EUR 11,368,000 (previous year: EUR 2,394,000) altogether.

The liabilities from guarantees were assumed to a total amount of EUR 1,650,000 (previous year: EUR 0) to secure the business relations and to proportionately hedge against a current account credit line of an affiliated company vis-à-vis a bank. On the balance sheet date the liabilities to the bank came to EUR 7,108,000 net. Recourse to the guarantees is improbable.

Furthermore, in the reporting year an affiliated company in Ukraine submitted guarantees for third parties to a maximum amount of EUR 5,000,000 as security for interest payments and a maximum amount of USD 5,000,000 as security for repayment of the respective due loans to the benefit of the financing bank. Claims from the interest payments amounted to EUR 1,924,000 on the balance sheet date and were reported under the short-term bank liabilities so that the contingent liabilities from the guarantee as of the balance sheet date came to EUR 3,076,000. Further claiming from the guarantee is regarded as minimal.

The other liabilities from guarantees relate to contingent liabilities included on a proportionate basis from the EUROGATE Group to an amount of EUR 2,135,000 (previous year: EUR 1,325,000) to provide security for third-party liabilities.

Of the liabilities from guarantee agreements, an amount of EUR 1,518,000 (previous year: EUR 1,000,000) relates to joint and several liability and EUR 166,000 (previous year: EUR 181,000) to a letter of comfort.

Liabilities from joint and several co-liability to an amount of EUR 1,000,000 exist vis-à-vis a bank to provide security for liabilities of an affiliated company. On the balance sheet date use of the corresponding credit line amounted to EUR 521,000 (previous year: EUR 945,000). A claim from the joint and several liability is not expected because the credit lines from operating activities can be reduced. The bank assumed a guarantee for another affiliated company in connection with granting of a loan. The loan had not been paid out by the balance sheet date so that there is no risk stemming from the joint and several liability.

In a letter of comfort regarding an affiliated company a Group company has undertaken vis-à-vis a bank to ensure fulfillment of existing obligations in connection with a current account credit line of BRL 400,000. As of December 31, 2011, there was a balance on current account at the bank to an amount of BRL 892,000. A risk of implementation of guarantee obligations thus does not exist at present.

Furthermore, contingent liabilities included on a proportionate basis from the EUROGATE Group and stemming from the land transfer tax existed from the collateral assignment of buildings on third-party land to an amount of EUR 125,000 (previous year: EUR 125,000).

It is not expected that significant actual obligations for which no provisions have been formed yet will arise from these contingent liabilities.

43 Other financial liabilities

(in TEUR)	2011-12-31	2010-12-31
Order liabilities	18,379	34,438
Share of order liabilities on the part of joint ventures	70,005	51,475
Minimum leasing payments from operate leases	113,926	96,789
Minimum payment liabilities from leases for areas, buildings and quay walls	1,085,452	1,005,297
Total	**1,287,762**	**1,187,999**

The other financial liabilities have been measured at nominal values.

The order liabilities result from agreements concluded for the acquisition of tangible fixed assets.

The share in the order liabilities of joint ventures is accounted for to the full amount by the EUROGATE Group and also relates to the acquisition of fixed tangible assets. The order liabilities of the EUROGATE Group as of the balance sheet date amounted to EUR 140,009,000 (previous year: EUR 102,949,000).

The net liabilities from the order liabilities are predominantly due within the next two years.

The operate leases relate in particular to industrial trucks, technical conveying equipment, trucks, tractors and railway wagons and have terms between three and ten years. The liabilities from operate leases are shown below according to maturity:

Minimum leasing payments from operate leases (in TEUR)	2011-12-31	2010-12-31
Maturity up to one year after balance sheet date	26,581	22,686
Maturity more than one year and up to five years	57,025	51,898
Maturity more than five years	30,320	22,205
Total	**113,926**	**96,789**

Due to the shorter term of the leases as compared to the useful life in the course of ordinary company operations, there is greater flexibility with respect to an acquisition in terms of the development of the order volume and more rapid adaptation to technical progress. The leasing agreements additionally serve to reduce the capital tie-up and improve the liquidity situation in the medium term.

The minimum payment liabilities from leases for areas, buildings and quay walls also represent operate leases in accordance with IAS 17, but are shown separately because of their great significance for the Group. They relate in particular to leaseholds in the ports of Bremen and Bremerhaven and have terms of up to 37 years. In this way the Group secures long-term rights to use of the property that is necessary for company operation. The liabilities are shown below according to maturity:

Minimum payment liabilities from leases for areas, buildings and quay walls (in TEUR)	2011-12-31	2010-12-31
Maturity up to one year after balance sheet date	41,980	42,165
Maturity more than one year and up to five years	146,319	151,546
Maturity more than five years	897,153	811,586
Total	**1,085,452**	**1,005,297**

Claims from operate leases – Group as lessor

The liabilities from operate leases compare to the following payment liabilities from subtenancy arrangements:

Minimum payment liabilities from leases for areas, buildings, quay walls and operating equipment (in TEUR)	2011-12-31	2010-12-31
Maturity up to one year after balance sheet date	8,222	8,143
Maturity more than one year and up to five years	32,980	32,793
Maturity more than five years	187,380	194,998
Total	**228,582**	**235,934**

The terms of these subtenancy arrangements essentially correspond to those of the main leases.

Payments of EUR 78,059,000 (previous year: EUR 74,642,000) from leases and subtenancy contracts were reported with effect on the income statement in the reporting year.

44 Shareholders

In a letter dated April 2, 2002 to us as well as to the Federal Supervisory Office for Securities Trading, Frankfurt/Main, which has since become part of the Federal Supervisory Agency for Financial Services, Frankfurt/Main, (BaFin), Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen, notified us in accordance with Section 41 (2) sentence 1 of the Securities Trading Act (WpHG) that as of April 1, 2002 it is entitled to 12.61 percent of the voting rights in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

In a letter dated April 2, 2002 to us as well as to the BaFin, Norddeutsche Landesbank Girozentrale, Hanover, as the parent company of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen, notified us in accordance with Section 41 (2) sentence 1 of the Securities Trading Act (WpHG) that as of April 1, 2002 it is entitled to 12.61 percent of the voting rights in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. Of that, 12.61 percent is to be allocated to Norddeutsche Landesbank Girozentrale in accordance with Section 22 (1) sentence 1 no. 1 WpHG.

In a letter dated April 8, 2002 to us as well as to the BaFin, the financial holding company of Sparkasse in Bremen, Bremen, notified us in accordance with Section 41 (2) sentence 1 of the Securities Trading Act (WpHG) that as of April 1, 2002 it is entitled to 12.61 percent of the voting rights in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

In a letter dated April 9, 2002 to us as well as to the BaFin, the Free Hanseatic City of Bremen – municipality of Bremen – notified us in accordance with Section 41 (2) sentence 1 of the Securities Trading Act (WpHG) that as of April 1, 2002 it is entitled to 50.42 percent of the voting rights in BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

The company has published the above mentioned notices in accordance with Section 41 (3) of the Securities Trading Act (WpHG) in connection with Section 25 (1) sentence 1, 2 WpHG and duly informed the BaFin of that.

45 Disclosures on related party relationships

Identification of related parties

In accordance with IAS 24, disclosure is required for relationships to related parties that control the Group of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– or are controlled by the latter or on which the BLG Group can exert significant influence.

Related parties are in particular majority shareholders, subsidiaries, provided they are not already included in the consolidated financial statement of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as a consolidated company, associated enterprises, joint ventures or intermediary companies.

Furthermore, the Board of Management and Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as well as level 1 executives also constitute related parties in accordance with IAS 24. This also includes family members of the above mentioned group of persons. A list of the members of the Board of Management and Supervisory Board as well as additional information on these groups of persons are provided on pages 29 ff. and 34 ff. respectively. In the 2011 financial year there were no business transactions subject to reporting requirements between the Board of Management, Supervisory Board, level 1 executives, members of their families and the BLG Group.

Major transactions with shareholders: Relationships to the Free Hanseatic City of Bremen – municipality of Bremen –

The Free Hanseatic City of Bremen – municipality of Bremen – is the majority shareholder of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– with a 50.4 percent share of the subscribed capital and must accordingly be assessed as a related party in accordance with IAS 24. For BLG LOGISTICS GROUP AG & Co. KG the Free Hanseatic City of Bremen – municipality of Bremen – has ordered leaseholds with an average remaining term of 37 years on the real estate used by the company and its subsidiaries. The BLG Group paid a total of EUR 13.4 million (previous year: EUR 12.1 million) in ground rent for the year 2011.

Legal transactions with affiliated companies of the Free Hanseatic City of Bremen – municipality of Bremen –

Individual companies of the BLG Group maintain day-to-day business relations with companies affiliated to the Free Hanseatic City of Bremen – municipality of Bremen – at customary market terms in each case.

BLG LOGISTICS GROUP AG & Co. KG has taken out various loans from BLG Unterstützungskasse GmbH, Bremen. The loan liabilities amounted to EUR 26,090,000 as of December 31, 2011. In the reporting year loan liabilities to an amount of EUR 8,339,000 were amortized and new loans amounting to EUR 2,750,000 were taken out.

Relationships to non-consolidated affiliated companies, joint ventures and associated enterprises

The transactions of the affiliated companies with joint ventures, associated enterprises and non-consolidated affiliated companies are apportioned without exception to the ordinary operating activities of the respective companies involved. The scope of the business relations of the joint ventures and associated enterprises is shown in the following overview:

Related parties				Balance as of December 31 (in TEUR)	
	Year	Income	Expenses	Receivables	Liabilities
Affiliated companies	2011	21	38	0	383
	2010	706	51	609	432
Joint ventures	2011	5,544	587	17,748	110
(proportionate consolidation)	2010	5,460	431	14,439	95
Associated enterprises	2011	7,971	14,639	2,359	3,200
	2010	6,351	13,256	2,041	3,010

No valuation allowances were recognized for receivables from non-consolidated affiliated companies, as in the previous year. Receivables from associated enterprises to an amount of EUR 12,000 (previous year: EUR 31,000) were retired.

There are provisions of EUR 0 (previous year: EUR 750,000) for penalty payment risks of a non-consolidated affiliated company.

46 Disclosures on the Supervisory Board and Board of Management

The disclosures on the Supervisory Board and Board of Management have been reviewed by the consolidated financial statement auditor. To avoid duplication, they are reported elsewhere in the Annual Report. For the composition of the Board of Management and Supervisory Board as well as memberships of the Board of Management and Supervisory Board members in other bodies in accordance with section 125 sentence 5 of the Stock Corporation Act (AktG) see page 29 ff. and 34 ff.

Transactions with the Board of Management and Supervisory Board

The transactions with the Board of Management and Supervisory Board are limited to the work and services performed within the framework of the position of the executive body within the company and employment contract provisions and the remuneration for such work and services.

For BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as a listed stock corporation the disclosures regarding individualized remuneration and the description of the basic features of the remuneration systems are summarized in the corporate governance report, whose remuneration report is at the same time part of the Management Report and Group Management Report, on page 29 ff. in the interest of clarity and comprehensibility.

47 Disclosures on joint ventures

The subgroup EUROGATE is a joint venture of BLG LOGISTICS GROUP AG & Co. KG, Bremen, and EUROKAI KGaA, Hamburg. The BLG LOGISTICS GROUP has a 50 percent share (previous year: 50 percent) in the joint venture.

The IFRS consolidated subgroup financial statement of the EUROGATE Group is consolidated on a 50 percent proportionate basis. The line-by-line method was selected as the report format.

The proportionately recognized shares of the BLG LOGISTICS GROUP in the assets and liabilities, income and expenses of the EUROGATE Group – according to proportionate consolidation – are as follows:

(in TEUR)	2011	2010
Long-term assets	317,332	319,208
Short-term assets	124,502	73,308
Long-term liabilities	-178,439	-169,180
Short-term liabilities	-129,618	-96,816
Net assets	**133,777**	**126,520**
Income	354,291	321,684
Expenses	-311,940	-287,742
Profit before taxes	**42,351**	**33,942**

48 Exercising of exemption options on the part of subsidiaries

The following subsidiaries, which are included in this consolidated financial statement by way of full consolidation, exercise their option of exemption from the disclosure provisions in accordance with Section 325 of the German Commercial Code (HGB) and their option of exemption from the requirement to prepare a management report in accordance with Section 264 (3) and/or Section 264b HGB:

- BLG LOGISTICS GROUP AG & Co. KG, Bremen
- BLG AUTOMOBILE LOGISTICS GmbH & Co. KG, Bremen
- BLG Automotive Logistics GmbH & Co. KG, Bremen
- BLG AutoRail GmbH, Bremen
- BLG AutoTec GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven
- BLG AutoTerminal Duisburg GmbH & Co. KG, Duisburg
- BLG AutoTerminal Hamburg GmbH & Co. KG, Hamburg
- BLG AutoTerminal Kelheim GmbH & Co. KG, Saal an der Donau
- BLG AutoTerminal Wörth GmbH & Co. KG, Wörth
- BLG AutoTransport GmbH & Co. KG, Bremen
- BLG Cargo Logistics GmbH & Co. KG, Bremen
- BLG CarShipping GmbH & Co. KG, Bremen
- BLG Coldstore Logistics GmbH, Bremerhaven

- BLG CONTRACT LOGISTICS GmbH & Co. KG, Bremen
- BLG Handelslogistik GmbH & Co. KG, Bremen
- BLG Logistics Solutions GmbH, Bremen
- BLG RailTec GmbH, Falkenberg/Elster
- E.H. Harms GmbH & Co. KG Automobile-Logistics, Bremen
- E.H. Harms GmbH & Co. Auto-Terminal Bremerhaven, Bremerhaven

49 Business transactions after the balance sheet date

Effective as of January 1, 2012, BLG LOGISTICS GROUP AG & Co. KG along with the Chinese enterprise CINKO SCM established the joint venture BLG – Cinko Auto Logistics (Tianjin) Ltd. Co. The object of the joint venture is operation of a PDI center in the port of Tianjin where export vehicles from Chinese production are to be cleaned, retrofitted and prepared for shipping as well as import vehicles are to be prepared for the Chinese market. The joint venture partners plan an annual cargo handling volume of up to 38,000 vehicles.

50 Fee of the consolidated financial statement auditor

The fee of the consolidated financial statement auditor for the 2011 financial year in accordance with Section 314 (1) no. 9 of the German Commercial Code (HGB) comes to a total of EUR 563,000. Of that, EUR 462,000 are accounted for by financial statement audits, EUR 73,000 by tax consulting work and EUR 28,000 by other services.

51 Corporate Governance Code

The Board of Management and the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– issued the 10th Declaration of Conformity to the German Corporate Governance Code in the version of May 26, 2010 on December 19, 2011. The declaration has been made available to the public on a permanent basis through its inclusion in our homepage (www.blg.de).

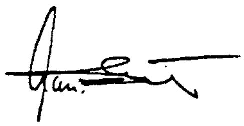
Group Assurance of the Legal Representatives

We declare according to the best of our knowledge and belief that, in accordance with the accounting principles to be applied, the consolidated financial statement presents a true and fair view of the net worth, financial position and results of the Group and the Group Management Report conveys a true and fair view of the business trend, including the business result, and of the situation of the Group and describes the major opportunities and risks in connection with the expected development of the Group.

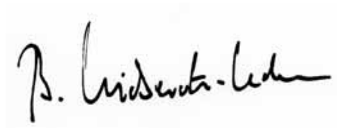
Bremen, April 3, 2012

THE BOARD OF MANAGEMENT

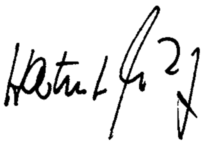
Aden



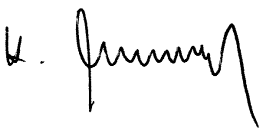
Kuhr



Dr.-Ing. Lieberoth-Leden



Mekelburg



Onnen

Schiffer

Auditors' Report for Consolidated Financial Statement

We have audited the consolidated financial statement, consisting of the balance sheet, income statement, and the notes to the financial statement, including the Group Management Report of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, Bremen, for the financial year from January 1 to December 31, 2011. The legal representatives of the Company assume responsibility for the accounting and preparation of the consolidated financial statement and the Group Management Report in accordance with IFRS, as they have to be applied in the EU, and according to the provisions of German commercial law to be applied additionally in accordance with Section 315a (1) of the German Commercial Code (HGB). Our function is to submit an evaluation of the consolidated financial statement, taking into account the accounting, and of the Group Management Report on the basis of the audit conducted by us.

We have conducted our audit of the consolidated financial statement in accordance with Section 317 of the German Commercial Code (HGB), taking into consideration the German principles of proper financial statement auditing stipulated by the Institute of Auditors (IDW). According to these principles, the audit is to be planned and conducted such that any incorrectness and violations that have a significant impact on the view of the net worth, financial position and results conveyed by the consolidated financial statement in conformity with generally accepted accounting principles and by the Group Management Report are identified with adequate certainty. Knowledge of the business activities, economic environment and legal framework of the Group as well as the expectations regarding possible errors are taken into account in the definition of the auditing procedures. The effectiveness of the accounting-related system of internal audits as well as documentary evidence for the data in the consolidated financial statement and Group Management Report are predominantly evaluated on the basis of spot checks within the framework of the audit. The audit encompasses evaluation of the annual financial statements of the companies included in the consolidated financial statement, of the definition of the entities to be consolidated, of the accounting and consolidation principles applied and of the major assessments of the legal representatives as well as an appraisal of the overall presentation of the consolidated financial statement and the Group Management Report. We are of the view that our audit forms an adequately secure basis for our evaluation.

Our audit did not lead to any objections with the exception of the following restriction:

The Company has reported and measured the shares of minority shareholders to an amount of EUR 246.2 million, which relate to shares of limited partners, as equity although these items must be classified as borrowed capital in accordance with IAS 32. Correspondingly the payment related to these financial instruments amounting to EUR 35.3 million was reported as part of the Group net income for the year and not as a financing expense.

In our assessment, taking into account this restriction, the consolidated financial statement conforms to the IFRS, as they have to be applied in the EU, and to the provisions of German commercial law to be applied additionally in accordance with Section 315a (1) of the German Commercial Code (HGB) on the basis of the findings gained through the audit and presents a true and fair view of the net worth, financial position and results of the Group in compliance with these provisions. The Group Management Report is in accordance with the consolidated financial statement, conveys overall an accurate view of the situation of the Group and presents the opportunities and risks of future development accurately.

Bremen, April 3, 2012

FIDES Treuhand GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Bitter	Kersten
Auditor	Auditor

Further Information ::

On the following pages we have compiled selected further information for you. These facts and figures help to round off your picture of the BLG Group.

If you still have any questions, please refer to our Public Relations or Investor Relations staff. It is also worthwhile paying us a visit on the Internet at www.blg.de.

Participations

Compressed listing of the investment holdings of the Group of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–

Cons. no.	Name, headquarters	Share in %	held through cons. no.
	Companies included on basis of full consolidation		
1	BLG LOGISTICS GROUP AG & Co. KG, Bremen	0.00	
2	BLG Coldstore Logistics GmbH, Bremerhaven	100.00	1
3	BLG CONTRACT LOGISTICS GmbH & Co. KG, Bremen	100.00	1
4	BLG Handelslogistik GmbH & Co. KG, Bremen	100.00	1
5	BLG Logistics (UK) Ltd., Felixstowe, Great Britain	100.00	4
6	BLG Automotive Logistics GmbH & Co. KG, Bremen	100.00	1
7	BLG Automotive Logistics of South America Ltda., São Paulo, Brazil	100.00	6
8	BLG Logistics Solutions GmbH, Bremen	100.00	3
9	BLG Logistics Solutions Italia S.r.l., Milan, Italy	100.00	8
10	BLG Cargo Logistics GmbH & Co. KG, Bremen	100.00	1
11	BLG Logistics, Inc., Atlanta, USA	100.00	6
12	BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa	89.82	6
13	BLG Soluciones Logisticas Integradas España S.L.U., Vitoria, Spain	100.00	6
14	BLG AUTOMOBILE LOGISTICS GmbH & Co. KG, Bremen	100.00	1
15	BLG AutoRail GmbH, Bremen	50.00	14
16	BLG RailTec GmbH, Falkenberg/Elster	50.00	15
17	BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven	100.00	1
18	BLG AutoTec GmbH & Co. KG, Bremerhaven	100.00	17/27
19	BLG Automobile Logistics Italia S.r.l., Gioia Tauro, Italy	98.77	17
20	E.H. Harms GmbH & Co. KG Automobile-Logistics, Bremen	100.00	1
21	BLG AutoTerminal Hamburg GmbH & Co. KG, Hamburg	100.00	20
22	BLG AutoTerminal Kelheim GmbH & Co. KG, Saal an der Donau	100.00	20
23	BLG AutoTerminal Duisburg GmbH & Co. KG, Duisburg	100.00	26
24	BLG AutoTerminal Wörth GmbH & Co. KG, Wörth	100.00	26
25	BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven	100.00	20
26	BLG AutoTransport GmbH & Co. KG, Bremen	100.00	20
27	E.H. Harms GmbH & Co. Auto-Terminal Bremerhaven, Bremerhaven	100.00	20
28	BLG CarShipping GmbH & Co. KG, Bremen	100.00	20
29	BLG AutoTerminal Gdansk Sp. z o.o., Gdansk, Poland	100.00	26
30	BLG ViDi LOGISTICS TOW, Kiev, Ukraine	50.00	20

Cons. no.	Name, headquarters	Share in %	held through cons. no.
	Companies included on basis of proportionate consolidation		
31	EUROGATE GmbH & Co. KGaA, KG, Bremen	50.00	1
32	EUROCARGO Container Freight Station and Warehouse GmbH, Hamburg	50.00	33
33	EUROGATE City Terminal GmbH, Hamburg	50.00	31
34	EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven	50.00	31
35	EUROGATE Container Terminal Hamburg GmbH, Hamburg	50.00	31
36	EUROGATE Container Terminal Wilhelmshaven Beteiligungsgesellschaft mbH, Wilhelmshaven	35.00	31
37	EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG, Wilhelmshaven	35.00	31
38	EUROGATE KV-Anlage Wilhelmshaven GmbH, Wilhelmshaven	50.00	31
39	EUROGATE Container Terminal Wilhelmshaven Administration GmbH, Wilhelmshaven	50.00	31
40	EUROGATE Intermodal GmbH, Hamburg	50.00	31
41	EUROGATE International GmbH, Hamburg	50.00	48
42	EUROGATE Landterminal GmbH, Hamburg	50.00	31
43	EUROGATE Port Systems GmbH & Co. KG, Hamburg	50.00	34/35
44	EUROGATE Port Systems Beteiligungs GmbH, Hamburg	50.00	34/35
45	EUROGATE Technical Services GmbH, Bremerhaven	50.00	31
46	EUROGATE Terminal Services GmbH, Bremen	50.00	31
47	OCEANGATE Distribution GmbH, Hamburg	50.00	31
48	PCO Stauereibetrieb PAETZ & Co. Nfl. GmbH, Hamburg	50.00	31
49	PEUTE Speditions GmbH, Hamburg	50.00	33
50	REMAIN GmbH Container-Depot and Repair, Hamburg	50.00	31
51	SCL Service-Centrum Logistik Bremerhaven GmbH, Bremerhaven	50.00	31
52	SWOP Seaworthy Packing GmbH, Hamburg	50.00	35
53	EUROKOMBI Terminal GmbH, Hamburg	25.00	35
54	North Sea Terminal Bremerhaven GmbH & Co., Bremerhaven	25.00	31
55	North Sea Terminal Bremerhaven Verwaltungsgesellschaft mbH, Bremerhaven	25.00	31
56	MSC Gate Bremerhaven Verwaltungsgesellschaft mbH, Bremerhaven	25.00	31
57	MSC Gate Bremerhaven GmbH & Co. KG, Bremerhaven	25.00	31
58	FLOYD Zrt., Budapest, Hungary	25.50	40
59	Rail Terminal Bremerhaven GmbH, Bremerhaven	25.00	34
60	IPN Inland Port Network GmbH & Co. KG, Hamburg	25.00	40
61	IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg	25.00	40

Cons. no.	Name, headquarters	Share in %	held through cons. no.
	Companies included on basis of equity method		
62	dbh Logistics IT AG, Bremen	26.75	92
63	ZLB Zentrallager Bremen GmbH & Co. KG, Bremen	33.33	1
64	NYK Logistics & BLL (NLB) of South Africa Pty. Ltd., Port Elizabeth, South Africa	44.01	12
65	BMS Logistica Ltda., São Paulo, Brazil	50.00	7
66	DCP Dettmer Container Packing GmbH & Co. KG, Bremen	50.00	10
67	Hansa Marine Logistics GmbH, Bremen	100.00	10
68	BLG-ESF Warehouse GmbH, Bremen	50.00	10
69	Schultze Stevedoring GmbH & Co. KG, Bremen	50.00	10
70	ICC Independent Cargo Control GmbH, Bremen	33.33	10
71	OLB Offshore Logistics Bremerhaven GmbH, Bremerhaven	42.50	8
72	BLG MILS Logistics Sdn. Bhd., Kuala Lumpur, Malaysia	60.00*	6
73	BLG Parekh Logistics Pvt. Ltd., Mumbai, India	50.00	6
74	ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy	49.49	19
75	Automobile Logistics Slovakia s.r.o., Bratislava, Slovakia	50.00	17
76	AUTOMOBILE LOGISTICS CZECH s.r.o., Nošovice, Czech Republic	50.00	17
77	BLG CarShipping Koper d.o.o., Koper, Slovenia	100.00	28
78	E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine	50.00	20
79	ATN Autoterminal Neuss GmbH & Co. KG, Neuss	50.00	20
80	Autoterminal Slask Logistic Sp. z o. o., Dabrowka Gornicza, Poland	50.00	20
81	BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands	50.00	26
82	FESCO BLG Automobile Logistics Russia LTD, Nicosia, Cyprus	50.00	14
83	CONTSHIP Italia S.p.A., Genoa, Italy	16.70	41
84	TangerMedGate Management S.a.r.l., Tangier, Morocco	26.68	41/83
85	ACOS Holding AG, Bremen	24.95	40
86	OJSC Ust-Luga Container Terminal, Ust-Luga, Russia	10.00	41
87	FLZ Hamburger Feeder Logistik Zentrale GmbH, Hamburg	17.00	35

* The share of voting rights is 40 percent and non-voting preference shares are additionally held.

Cons. no.	Name, headquarters	Share in %	held through cons. no.
	Companies not included		
88	BLG CONTRACT LOGISTICS Beteiligungs-GmbH, Bremen	100.00	1
89	BLG Handelslogistik Beteiligungs GmbH, Bremen	100.00	1
90	ZLB Zentrallager Bremen GmbH, Bremen	33.33	1
91	DCP Dettmer Container Packing GmbH, Bremen	50.00	10
92	Interessengemeinschaft Datenbank Umschlagbetriebe GbR, Bremen	94.00	1
93	Ausbildungsverbund Bremerhaven gemeinnützige Gesellschaft mbH, Bremerhaven	33.40	1
94	EUROGATE Beteiligungsgesellschaft mbH, Bremen	50.00	1
95	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen	50.00	1
96	BLG Automotive Logistics Beteiligungs-GmbH, Bremen	100.00	1
97	Paul Günther S.r.l. Italia i. L., Genoa, Italy	90.00	8
98	BLG Cargo Logistics Beteiligungs-GmbH, Bremen	100.00	1
99	Schultze Stevedoring Beteiligungs-GmbH, Bremen	50.00	10
100	BLG AUTOMOBILE LOGISTICS Beteiligungs-GmbH, Bremen	100.00	1
101	BLG AutoTerminal Bremerhaven Beteiligungs-GmbH, Bremerhaven	100.00	1
102	BLG AutoTec Beteiligungs-GmbH, Bremerhaven	100.00	17/27
103	E.H. Harms Auto-Terminal Bremerhaven Beteiligungs-GmbH, Bremerhaven	100.00	20
104	BLG AutoTerminal Kelheim Beteiligungs-GmbH, Saal an der Donau	100.00	20
105	BLG AutoTerminal Duisburg Beteiligungs-GmbH, Duisburg	100.00	20
106	BLG AutoTerminal Wörth Beteiligungs-GmbH, Wörth	100.00	26
107	BLG AutoTerminal Hamburg Beteiligungs-GmbH, Bremen	100.00	20
108	BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven	100.00	26
109	BLG CarShipping Beteiligungs-GmbH, Bremen	100.00	20
110	BLG AutoTransport Beteiligungs-GmbH, Bremen	100.00	20
111	E.H. Harms Automobile-Logistics Beteiligungs-GmbH, Bremen	100.00	1
112	ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss	50.00	79
113	Cuxcargo Hafenbetrieb Verwaltungs-GmbH, Cuxhaven	50.00	26
114	Cuxcargo Hafenbetrieb GmbH & Co. KG, Cuxhaven	50.00	26

Glossary

Commercial glossary

Amortization
Return flow of invested capital by means of sales.

at equity/equity method
Method for recognition of affiliated companies that are not included in the consolidated financial statement on the basis of full consolidation with all assets and liabilities. The carrying amount of the participation is increased or decreased by the development of the proportionate equity of the participation. This change goes into the income statement of the parent company.

Available for sale
Category of financial instruments in accordance with IFRS.

Cash flow
Key figure that describes the addition to cash and cash equivalents within the financial year.

Cash-generating unit
Smallest identifiable group of assets that, by virtue of continued use, generates inflow of liquidity, which, in turn, is extensively independent of the cash inflows of other assets.

Compliance
The totality of measures taken to ensure compliance with all legal obligations, provisions and directives relevant for a company as well as with corporate governance. Another objective of compliance is to achieve a harmonization between corporate actions and social values.

Corporate Governance
Rights and obligations of the various parties involved in the company, in particular the shareholders, Board of Management and Supervisory Board.

Covenant
Special binding commitment of the borrower to the lender.

Current account
Designation for an account on which all transactions of two business partners are conducted and the mutual receivables are set off (balanced) against each other at regular intervals.

Current account credit
Credit limit contractually pledged to a customer by the bank up to which the customer may overdraw beyond his credit balance.

DBO
Defined Benefit Obligation = benefit-oriented pension commitment for pension claims earned and measured as of the applicable date, including probable future increases of pensions and salaries.

Derivative financial instruments
Financial instruments that are classically used to hedge existing investments or liabilities and whose value is derived from a reference investment (e.g. share or bond).

Discounted cash flow method
Measurement method: future payment surpluses or deficits are discounted with the help of capital costs on the measurement date. Taxes due are included in the measurement. The present value determined in this way is the discounted cash flow.

EBIT
Earnings before interest and taxes = operating result.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

EBT
Earnings before taxes.

Finance leasing
Method for financing investments in intangible or tangible assets that involves a series of payments over the entire expected period of use of an investment.

The investment appears on the assets side, the leasing liability on the liabilities side of the balance sheet of the lessee.

Forward interest rate swap
A forward interest rate swap is an agreement on a swap in the future whose terms are defined immediately.

Full consolidation
Method for recognition of subsidiaries that are included in the consolidated financial statement with all assets and liabilities.

Functional currency
The currency in which a company carries out the majority of its business activities and reports its financial results to the parent company.

Hedging
A strategy of protection against interest rate, currency and price risks through derivative financial instruments (options, swaps, forward transactions, etc.).

Held for trading
Category of financial instruments in accordance with IFRS.

Held to maturity
Category of financial instruments in accordance with IFRS.

Hybrid loan
Loan allocated to equity, with above average interest, without a defined term and is the last of all liabilities served in the event of insolvency.

Hypothetical derivative method
Method of measuring the effectiveness of derivative financial instruments by comparing the change in market value of the derivative to that of a hypothetical derivative that perfectly hedges against the risk to be hedged against.

IAS
International Accounting Standards (see also IFRS).

IASB
International Accounting Standards Board: body which develops and publishes international accounting regulations.

IFRIC
International Financial Reporting Interpretations Committee: body which publishes interpretations regarding the IFRS and IAS accounting standards. After approval by the IASB the interpretations are binding for all IFRS users.

IFRS
International Financial Reporting Standards (up to 2001 IAS): international accounting regulations that are published by an international independent body (IASB) with the aim of creating a transparent and comparable accounting system which can be applied by companies and organizations all over the world.

Impairment test
Test to determine change in value in accordance with IFRS.

Interest rate swap
An interest rate swap describes a contractual agreement on the exchange of interest payment flows in the same currency where the cash flows are based on a defined amount of capital.

Investment properties
Land, buildings and parts of buildings that are maintained to earn rental income and/or for the purpose of value enhancement.

Joint venture
Legally and organizationally independent company that is jointly established or acquired by at least two independent partners.

Leasehold
Right of the leaseholder to have a building on third-party land in return for payment of consideration (so-called ground rent).

Liability method
Method of measurement of deferred tax claims and deferred tax liabilities. A measurement is carried out on the basis of the tax rate that is expected at the time when the future tax burden or relief arises.

Line-by-line method
IFRS: Method for recognizing joint ventures on a proportionate consolidation basis.

Matching principle
IFRS: Recognition of income and expenses of the same events in the same period.

Operate leasing
Method of renting intangible or tangible assets for a certain period that is shorter than the expected life of the asset. In the case of operate leasing, neither the asset nor a liability appears in the balance sheet of the lessee.

Other comprehensive income
The totality of all income and expenses that are not contained in the net income for the year. It includes, for example, foreign currency gains and losses from the translation of foreign financial statements that are reported directly in equity in accordance with IAS 21.

Other long-term benefits
Additional long-term benefits to employees that are reported under long-term provisions.

Percentage of completion method (PoC)
IFRS: Allocation of order costs incurred according to degree of completion to order proceeds.

Post-employment benefits
Benefits after termination of employment contract.

Pro rata temporis
Proportionate to the period.

Profit retention
Retention of profits.

Projected unit credit method
Special method for measurement of pension and similar liabilities in accordance with IFRS.

Promissory note loan
Large long-term loan similar to a security.

Proportionate consolidation
Method for recognition of joint ventures that are included in the consolidated financial statement with their assets and liabilities on a proportionate basis.

Recoverable amount
Amount presumed to be achievable through use or sale of an asset.

ROCE
Return on capital employed. Key economic parameter for measuring the effectiveness and profitability of the capital employed by a company, calculated as a quotient of EBIT and total capital minus short-term, non-interest-bearing liabilities and liquid funds.

Sale and leaseback
Special form of leasing in which intangible or tangible assets are sold to a leasing company and at the same time leased back for further use.

Stage of completion method (SoC)
IFRS: Recognition of service orders according to their progress.

Working capital
Difference between short-term assets and short-term liabilities. Used to evaluate the liquidity of the company.

Logistics glossary

Car carriers
Ships specially designed for overseas transport of automobiles.

Cargo-modal services
Services such as storage, customs clearance, distribution logistics and supply chain management.

Distribution
All processes carried out in the sales channel between producers and dealers all the way to the consumer.

Finishing
Formation of units ready for sale.

GHBV
Gesamthafenbetriebsverein im Lande Bremen e.V. / Gesamthafenbetriebs GmbH Hamburg: Special personnel provider for the transport and warehousing sector, particularly for port operation companies. Enterprises that employ GHB staff members pay contributions into the GHB guaranteed wage fund.

Hub port
Seaport with regional distribution function.

Intermodal chain of transport
Use of different means of transportation (air, water, rail, road) for a shipment.

Order picking
Putting together the articles requested according to a customer's order or an equipment order.

Outsourcing
Assignment of logistics functions to external suppliers.

Ro-ro
Roll-on / Roll-off = transport of vehicles (with or without load) on vessels in which the vehicles go on board and leave the vessel on their own power.

TEU
Twenty-foot container equivalent unit. Standardized container unit with a length of 20 feet (1 foot = 30 cm).

Multi-year Overview

Key figures for BLG Group		2011	2010	2009	2008	2007
Sales and earnings						
Sales	million EUR	1,008.5	897.4	818.5	962.6	889.3
Return on sales[1]	%	6.3	5.6	4.3	10.1	10.2
EBITDA	million EUR	131.2	111.5	104.3	156.6	145.8
EBIT	million EUR	63.4	49.9	35.2	96.9	90.8
EBT	million EUR	48.5	34.1	16.5	83.6	78.3
Asset and capital structure						
Balance sheet total	million EUR	1,031.0	976.3	977.0	982.3	837.9
Investments in long-term intangible and tangible assets	million EUR	66.4	33.6	77.8	170.7	122.0
Capitalization ratio[1]	%	64.4	69.0	72.1	70.1	69.9
Equity-to-fixed-assets ratio (golden balance sheet rule)[1]	%	104.6	93.1	90.0	89.3	87.2
Working capital ratio[1]	%	102.5	77.0	70.8	70.9	66.8
Equity	million EUR	353.2	330.4	311.8	353.8	320.2
Equity ratio[1]	%	34.3	33.8	31.9	36.0	38.2
Equity ratio (adjusted for hybrid capital)	%	26.7	25.8	23.9	28.1	29.0
Return on equity[1]	%	14.2	10.6	5.0	24.8	30.1
Net indebtedness[1]	million EUR	340.6	349.1	401.5	366.1	281.3
Return on total assets[1]	%	6.3	5.1	3.6	10.7	11.5
Cash flows[2]						
Cash flow from current operating activities	million EUR	88.1	110.8	83.4	122.1	152.0
Cash flow from investment activities	million EUR	-57.6	-22.4	-100.5	-163.6	-109.3
Cash flow from financing activities	million EUR	37.2	-81.9	35.2	24.1	-11.9
Capital-market-oriented key figures						
BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–						
Earnings per share	EUR	0.58	0.34	0.24	0.77	0.67
Dividend	EUR	0.40	0.30	0.25	0.40	0.40
Human resources						
Employees[3]	Yearly average	6,261	5,949	5,929	6,053	5,402
Personnel cost ratio	%	44.9	45.3	46.3	46.7	46.9
Jobs worldwide		15,500	14,700	13,800	15,000	14,500

[1] For calculation of the key figures we refer to p. 86 in the Group Management Report.

[2] The composition of the cash flows is shown in the cash flow statement on p. 118.

[3] Determination in accordance with Section 267 (5) HGB.

Future-related statements

This Annual Report contains future-related statements that are based on current assessments of the Management on future developments. Such statements are subject to risks and uncertainties that lie outside the scope of control or precise assessment of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, for example in connection with the future market environment and the economic conditional framework, the behavior of other market players, successful integration of new acquisitions and realization of expected synergy effects as well as measures taken by government offices. If one of these or other uncertainty factors and imponderables should arise or should the assumptions on which these statements are based turn out to be incorrect, the actual results may differ significantly from the results explicitly specified or implicitly contained in these statements. BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– neither intends to update future-related statements nor does it assume any specific obligation to update such statements in order to adjust them to events or developments after the date of this report.

Deviations for technical reasons

For technical reasons (e.g. conversion of electronic formats) deviations may arise between the accounting documents contained in this Annual Report and those submitted to the electronic “Bundesanzeiger” (Federal Gazette). In this case the version submitted to the electronic Bundesanzeiger shall be considered to be the binding version.

The Annual Report is also available as the German original. In the case of differences, the German version of the Annual Report shall apply in lieu of the English translation.

The Annual Report is available for downloading in both languages on the Internet at www.blg.de.

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Contacts and Dates

Financial calendar

Reporting Entire year 2011 Balance sheet press conference	May 8, 2012
Publication 2011 Annual Report	May 8, 2012
Reporting 1st quarter 2012	May 11, 2012
Annual Shareholders' Meeting 2012	May 31, 2012
Payment of the dividend for the 2011 financial year	June 1, 2012
Reporting 2nd quarter 2012	August 14, 2012
Reporting 3rd quarter 2012	November 9, 2012
Reporting Entire year 2012 Balance sheet press conference	April 23, 2013
Publication 2012 Annual Report	April 23, 2013
Annual Shareholders' Meeting 2013	May 23, 2013

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