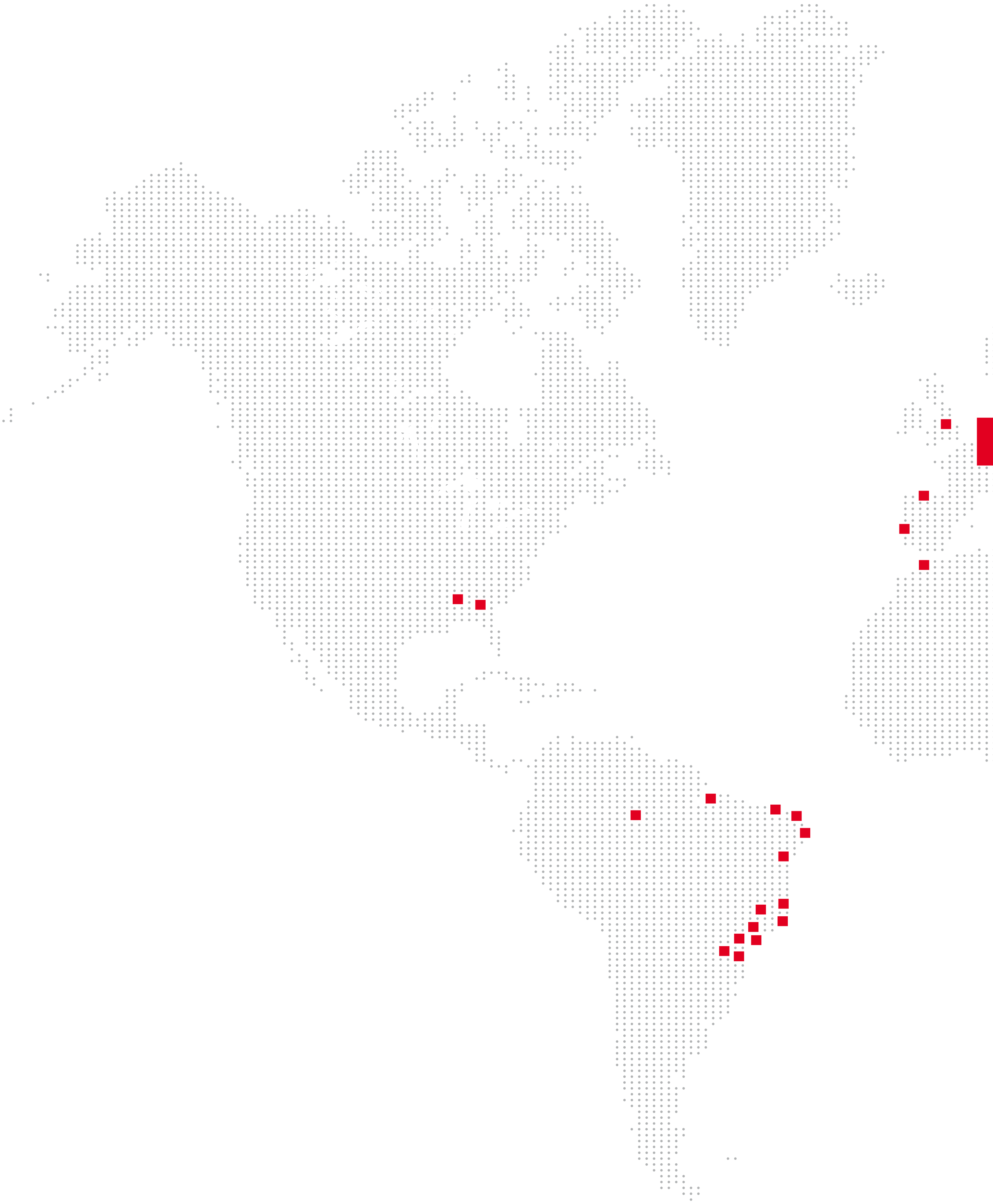
Annual Report 2010

BRAND AWARENESS

BLG LOGISTICS



OUR LOCATIONS

Alhandra | Anchieta | Atlanta | Beijing | Belem | Berlin | Böblingen | Bremen | Bremerhaven | Cagliari | Cape Town | Chennai | Curitiba
Fortaleza | Frankfurt | Fuzhou | Gdansk | Gioia Tauro | Hamburg | Illychevsk | João de Pessoa | Johannesburg | Kahla | Kelheim | Kempe
Marcianise | Melle | Milan | Moscow | Mumbai | Neuss | Nosovice | Offenburg | Paderborn | Paranagua | Pekan | Polch | Port Elizabeth
Santos | São Paulo | Schöps | St. Petersburg | Tangier | Taubate | Tuscaloosa | Uitenhage | Ust-Luga | Vitoria | Wallenhorst | Walldorf | V

| Cuxhaven | Dabrowa Gornicza | Dodendorf | Doncaster | Duisburg | Durban | East London | Eisenach | Erfurt | Emmerich |
n | Kiev | Koblenz | Kölleda | Koper | Krefeld | Kuala Lumpur | Kulim | La Spezia | Lisbon | Ludwigsfelde | Mainz | Manaus |
| Port Klang | Porto Velho | Prague | Pretoria | Pune | Ranjangaon | Ravenna | Ravensburg | Recife | Resende | Salerno | Salvador |
Wilhelmshaven | Wörth | Wurzen | Zilina

BRAND AWARENESS ::

Together with its subsidiaries and shareholdings the BLG LOGISTICS GROUP is a logistics service provider with international commitment. No other logistics specialist in Europe offers a comparable network of coastal and inland terminals as well as numerous other locations for customized logistics services. Thanks to our Automobile Logistics and Container Logistics Divisions, we are the market leader in these segments in Europe. Our Contract Logistics Division numbers among the leading German logistics suppliers.

While 2009 was the year of the crisis, 2010 turned out to be a growth year again with unexpectedly high economic dynamics. All BLG divisions were able to profit from this.

The world economy is on its way out of a profound economic crisis that will also lead to structural changes, however. We respond to this with our medium- and long-term dual strategy aimed at market growth and cost reductions. The developments in the 2010 financial year substantiate our approach.

For many years we have been performing a wide variety of logistics services for well-known brands, such as BMW, Mercedes, VW, MAN, Bosch, Konica Minolta, Siemens, IKEA, Tchibo, adidas/Reebok, Griesson – de Beukelaer, hansgrohe and many others. These brands stand for values, quality and reliability. Like these brands, we also stand for these merits by virtue of our service portfolio. That is why we chose BRAND AWARENESS as the leitmotif for our 2010 Annual Report.

The Board of Management

Key figures BLG Group

		2010	2009	Change
Sales and earnings				
Sales	million EUR	897.4	818.5	9.6 %
Return on sales[1]	%	5.6	4.3	30.2 %
EBITDA	million EUR	111.5	104.3	6.9 %
EBIT	million EUR	49.9	35.2	41.8 %
EBT	million EUR	34.1	16.5	106.7 %
Asset and capital structure				
Balance sheet total	million EUR	976.3	977.0	-0.1 %
Investments in long-term intangible and tangible assets	million EUR	33.6	77.8	-56.8 %
Capitalization ratio[1]	%	69.0	72.1	-4.4 %
Equity-to-fixed-assets ratio (golden balance sheet rule)[1]	%	93.1	90.0	3.4 %
Working capital ratio[1]	%	77.0	70.8	8.7 %
Equity	million EUR	330.4	311.8	6.0 %
Equity ratio[1]	%	33.8	31.9	6.0 %
Equity ratio (adjusted for hybrid capital)[1]	%	25.8	23.9	7.9 %
Return on equity[1]	%	10.6	5.0	112.0 %
Net indebtedness[1]	million EUR	349.1	401.5	-13.1 %
Return on total assets[1]	%	5.1	3.6	41.7 %
Cash flows [2]				
Cash flow from current operating activities	million EUR	110.8	83.4	32.9 %
Cash flow from investment activities	million EUR	-22.4	-100.5	77.7 %
Cash flow from financing activities	million EUR	-81.9	35.2	-332.7 %
Capital-market-oriented key figures				
Dividend BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–	EUR	0.30	0.25	20.0 %
Dividend	%	12	10	
Human resources				
Employees[3]	yearly average	5,949	5,929	0.3 %
Personnel cost ratio[1]	%	45.3	46.3	-2.1 %

[1] For calculation of the key figures we refer to p. 82 in the Group Management Report.
[2] The composition of the cash flows is shown in the cash flow statement on p. 114.
[3] Determination in accordance with Section 267 (5) HGB (consolidated)

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From Bremer Lagerhaus-Gesellschaft to the BLG LOGISTICS GROUP

The service portfolio of the BLG LOGISTICS GROUP has grown in the course of its history and has been repeatedly extended in the course of world economic development. This has resulted in significant expansion of the port business previously restricted to Bremen and Bremerhaven. Since 1998 we have developed the corporate group into an international logistics specialist. Now we are present in Europe, North and South America, Asia and Africa.

In February 1877 65 merchants established "Bremer Lagerhaus-Gesellschaft – Actiengesellschaft von 1877 –" (BLG). They wanted to combine their warehouses, which were spread all over the city, and concentrate them on the waterfront. At first this took place in Sicherheitshafen, later called Hohentorshafen.

Through this first bundling of services in German seaport history Bremen experienced an upswing as a port and trading city. New port capacities were needed quickly. Freihafen I (Europahafen), the largest harbor basin in the world at that time, was finished back in 1888. Complete operation was assigned 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 1960s Neustädter Hafen in Bremen.

The first containers came across the Atlantic to Europe in the mid-1960s. In May 1966 Bremen became the first German container port. Containers required special equipment and expansive outdoor areas. The Bremerhaven container terminal was built for this reason beginning in 1968. Down to today the terminal has grown to about five kilometers in length in the course of several stages of expansion. According to the Guinness Book of Records, Bremerhaven has the longest riverside quay in the world.

Automobile export, Bremen 1959

Grain facility, Bremen 1920

At the beginning of the 1970s BLG viewed electronic data processing as a production factor. This led to creation of the database of the Ports of Bremen and Bremerhaven as the first port information system on the globe in 1973. Cargo handling companies, freight forwarding enterprises, shipbrokers, tally clerks and government agencies set up connections to the system. This laid the foundation for IT networking.

When the Japanese automobile industry launched its export offensive at the end of the 1970s, BLG was involved right from the start and commenced construction of the Bremerhaven Auto Terminal. Today Bremerhaven is one of the biggest automobile hubs in the world, handling over two million vehicles annually in peak years up to now.

Right from its establishment over 100 years ago BLG has demonstrated again and again that it plays a pioneering role in all major developments. The company also brought this innovative strength to bear when it became evident in the 1980s that port operations and storage alone were no longer enough in economic terms. To strengthen value-added activities, BLG extended its vertical range of services. It set up the first logistics centers for seaport-oriented services in Bremen and Bremerhaven.

In the 1990s the eastern markets collapsed. Conventional flows of goods slumped, others sought new channels. Both these phenomena affected BLG's core business. As of 1998, however, BLG gained new strength with a global strategy after its restructuring. It developed into an international seaport-oriented logistics provider.

Überseehafen, Bremen 1980

On formation of the Group the company was renamed BLG LOGISTICS GROUP AG & Co. KG. BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– became the general partner and manager in this limited partnership. The municipality of Bremen is the limited partner.

Today the BLG LOGISTICS GROUP operates through the AUTOMOBILE, CONTRACT and CONTAINER Divisions. By developing new business segments, extending the vertical range of services and geographic reach, what used to be a local port operating company has grown into a logistics group with international operations and complex networks. The close partnership with the city of Bremen as the limited partner and majority shareholder forms a solid foundation for this. The BLG model, "publicly owned – privately managed", meets with great interest in connection with partial privatization of public enterprises in a number of countries around the globe.

The AUTOMOBILE Division

BLG's AUTOMOBILE, CONTRACT and CONTAINER Divisions operate in separate specific markets, but also complement one another in numerous business segments or implement complete chains of logistics as a joint service.

The AUTOMOBILE Division develops the logistics for finished vehicles – essentially handling worldwide distribution from the manufacturers to the dealers in the countries of destination. With a volume of 5.4 million vehicles this division has maintained its position as leading automobile logistics specialist in Europe in 2010.

Automobile transporters at Bremerhaven Auto Terminal

Painting work at BLG AutoTec in Bremerhaven

The pillars of the division are terminals on the coast, on large rivers and inland. The terminal network is supplemented by shipments via road, rail and water as well as by the high degree of competence of the 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 special paintwork and retrofitting special models. A modern truck fleet of over 500 car transporters serves to link the seaport and over 7,000 dealers.

Bremerhaven Auto Terminal

Currently the company is investing in procurement of its own special railway wagons for transporting vehicles. Purchase of a total of 1,275 special wagons is envisaged for the coming years so that 75 block trains will be available. BLG AutoRail has been developing successfully since its entry into the market in autumn 2008. In 2010 it transported around 220,000 vehicles via its environmentally friendly rail operations.

In addition to the seaport terminals in Bremerhaven, Gioia Tauro, Cuxhaven, Hamburg, Gdansk and St. Petersburg, the division operates several terminals on the

Success via rail – BLG AutoRail

Rhine and Danube. Seven barges provide for economical and ecological automobile shipment there.

The Danube connection is part of BLG's Eastern European strategy since the new assembly plants of the manufacturers in

Car transport on Rhine and Danube

southeastern Europe also supply countries in Western Europe. The Kelheim automobile terminal plays a key role for further distribution to the dealers in western European countries.

BLG is also present with its logistics services in Eastern Europe – for example, in Slovakia, the Czech Republic and Slovenia. Moreover, automobile terminals are operated in Poland, the Ukraine and Russia.

In 2010 a total of 2.9 million vehicles were handled and another 740,000 were technically processed at the automobile terminals. In forwarding business the volume amounted to 630,000 units. Shipments via road, rail and water reached a level of 1.1 million vehicles altogether.

The CONTRACT Division

This division implements complex individual logistics solutions for clients in industry and the distributive trade. The focal points of its services include the mainstay, i.e. automotive (car parts logistics), as well as industrial and production logistics, trade and distribution logistics, seaport logistics for conventional goods in Bremen and the BLG Coldstore at the Bremerhaven Container Terminal. BLG is additionally developing logistics processes for the offshore wind energy sector as a new business segment.

Car parts logistics for automobile manufacturers

Loading of offshore tower segments

Not all services can be concentrated in a fixed location network in contract logistics. For this reason the CONTRACT Division invests wherever clients need its services. As a consequence, logistics centers and special facilities now operate at over 30 locations in Europe and overseas for such renowned customers as Mercedes, MAN, VW, Siemens, Konica Minolta, IKEA, Griesson – de Beukelaer and hansgrohe.

An example of car parts logistics: worldwide procurement, production and sales have long become reality in the globalized automobile industry. Automotive logistics integrates the parts production of the manufacturers and all suppliers into system services so as to ensure reliable supply to the producers' assembly lines in Germany and abroad.

Retail trade logistics for Tchibo at the high-bay warehouse in Bremen

Manufacturers also outsource production steps to their logistics specialists. This includes hardening of bonded body parts, preservation of unfinished parts and preassembly of system components. Automotive logistics thus acts as an "extended workbench" for manufacturers.

An example of industrial and production logistics: here the focus is primarily on optimizing production procedures and material flows at the customers' plants. This includes taking over personnel, facilities and equipment. The CONTRACT Division performs these forms of plant logistics services for customers in the automotive industry, telecommunications sector as well as railway construction industry.

An example of trade and distribution logistics: the entire European market and parts of Africa are supplied with office equipment made by Konica Minolta centrally via Emmerich. The basic equipment is configured according to individual customer orders at BLG's European Distribution Center, provided with accessories and operating instructions on a country-specific basis and put on its way directly to the customer.

According to its motto, "Every week a new world", Tchibo contracts BLG to handle the supply of consumer articles to over 50,000 sales outlets in Germany and Europe – centrally via BLG's high-bay warehouse in Bremen. And IKEA, too, makes use of BLG's competence to supply its sales outlets in Germany and England.

Another example of trade and distribution logistics is Griesson – de Beukelaer, one of the leading European producers of cookies and biscuits. The takeover of the distribution center in Koblenz and the plant warehouse marked the launch in October 2008. At the beginning of 2009 BLG took over the entire operational logistics activities at the Polch, Kahla, Ravensburg and Wurzen locations.

Seaport logistics in Bremen

The focal point of seaport logistics for conventional general cargo is in Bremen. It encompasses individual logistics services for project cargo, transport systems, steel products, machines and facilities as well as forestry products. Furthermore, the BLG Coldstore facility at the Bremerhaven Container Terminal offers complete logistics solutions for refrigerated and frozen goods.

The CONTAINER Division

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

The riverside quay at the Bremerhaven Container Terminal – with a length of 4,920 meters it is the longest riverside quay in the world

The terminal network encompasses the Bremerhaven, Hamburg, Lisbon, Gioia Tauro, La Spezia, Ravenna, Salerno, Cagliari and Tangier locations. In 2012 the EUROGATE container terminal in Wilhelmshaven and an operator partnership at the new terminal in Ust-Luga, Russia will also be part of it. In 2010 12.6 million standard containers (TEU) were handled in the terminal network. The strongest locations are Bremerhaven, Hamburg and Gioia Tauro.

Arrival of the world's biggest container ship, MSC DANIELA, in Bremerhaven

Bremerhaven Container Terminal

The next generation: Triple E container vessel with 18,000 TEU

To optimally develop the performance potential of the terminals in Bremerhaven and Hamburg for shipping companies, an application has been submitted to deepen the shipping channel in the Weser and Elbe. The large seaports have to be accessible for container vessels regardless of the tide. There are no shipping channel restrictions at the JadeWeserPort in Wilhelmshaven. The existing depth of 18 meters below chart datum means ideal conditions even for the biggest container ships.

Loading containers in Hamburg

Logistics for strong brands

Together with its subsidiaries and participations the BLG LOGISTICS GROUP is a logistics service provider with international operations. Through our AUTOMOBILE and CONTAINER Divisions we are the market leader in Europe. Our Contract Logistics Division numbers among the leading German suppliers. We perform a wide variety of services for such well-known brands as BMW, Mercedes, VW, MAN, Bosch, Konica Minolta, Siemens, IKEA, Tchibo, adidas/Reebok, Griesson – de Beukelaer, hansgrohe and many others.

Retail trade logistics is currently an extremely growth-oriented segment. That is why we mentioned fields covered by our trade logistics specialists as examples here. More than 1,800 employees work at 14 locations.

Our retail trade logistics staff operates on behalf of large or medium-sized manufacturers and trading companies. Efficient processes customized for the individual customers characterize the logistics for strong brands on the basis of timeless values: progressive, reliable, analytical, measurable and creative. These are qualities demanded by renowned clients, such as in connection with supply for the stationary trade, flexible development of e-commerce concepts or as part of various other services in forward- and backward-looking logistics processes.

In contrast to the openly visible workflows at the port terminals, trade logistics works for all practical purposes behind the scenes at logistics centers and special facilities. While most people primarily associate BLG with ports, cars and containers, the actual logistics operations are extensively invisible and hardly known as the genuinely elementary business activities.

The following examples will provide insights into the world of retail trade logistics at BLG. However, they do not cover the entire range of services in this segment by any means.

European distribution center for Konica Minolta

The core business of the Konica Minolta Group is worldwide distribution and sale of office equipment, particularly multifunctional peripherals, laser printers, digital printing systems and the related consumables. Konica Minolta is the market leader in Europe and North America.

BLG's job is to professionally unpack the containers from Asia, store the products and send them to the customers in the desired configuration and quantity on schedule.

It developed a holistic logistics concept for this purpose. Because of the rapidly rising volumes, the concept has been modified several times, extended and finally implemented in the form of the new European Distribution Center (EDC) in Emmerich on the Lower Rhine, measuring 80,000 square meters.

The logistics concept had to cover everything from planning to operation of an optimized facility. It was necessary to model and establish all technical, information-related and operational structures. Copiers and printers of all sizes and performance categories, supplementary and add-on equipment as well as consumables and accessories, such as operating manuals, handbooks and cables, are stored, consolidated and order picked at the EDC, including value-added services, customs clearance and delivery as required. The EDC serves all European and several African countries.

The Emmerich location is ideal thanks to its trimodal transport connections. The container terminal there forms the foundation of BLG's logistics concept. Containers reach Emmerich via barge up the Rhine and are then taken to the EDC by in-company trucks. A mobile data terminal manages the entire incoming goods as well as order picking and loading process. The individually tailored warehouse management system controls the commodity flows according to customer demands so the goods are provided on schedule. Konica Minolta promises its customers that it will meet their requirements without making use of "wholesale solutions". This promise applies, of course, to BLG, too. The focus is always on the individual product.

The biggest high-bay warehouse on the continent

According to its slogan “Every week a new world”, Tchibo sells diverse consumer articles. The constantly growing business requires a comprehensive logistics concept. In a tendering procedure involving numerous competitive bids, BLG won out with its concept. The basis for the logistics services offered is the fully automatic BLG high-bay warehouse at Neustädter Hafen in Bremen. The biggest high-bay warehouse on the continent was built in 2003 and expanded from 130,000 to 200,000 pallet slots in 2006. Around 5,000 different articles are constantly stored there. About two million pallets move through the warehouse every year. Over 50,000 sales outlets are supplied with these products.

The modern logistics complex consists of three high-bay warehouse blocks, each of which is 146 meters long, 70 meters wide and 42 meters high. Integrated multifunctional buildings with two work levels are located between them. Most of the incoming goods come via containers that are primarily shipped from Asia to Bremen via the container terminals in Bremerhaven and Hamburg. Outgoing goods go by truck directly to the Tchibo sales outlets in northern Germany as well as to regional distribution centers in the south.

In the incoming goods section loose items packed in cardboard boxes are entered in the system electronically, automatically palletized, wrapped with transparent film and fed to the high-bay stores by overhead monorail conveyor. Already palletized goods go directly to the high racks after data acquisition. There automatic stacker cranes take over the pallets and convey them to vacant storage locations. A special warehouse management system provides for IT control of all flows of goods. Once an order to take goods out of stock is entered in the warehouse management system, a stacker crane withdraws the desired pallet and passes it on to the overhead monorail conveyor, which transports it to the outgoing goods section.

Order picking takes place at Distribution Center North (DC Nord) either with the push or pull option. Pull means supplying all Tchibo sales outlets with the goods earmarked for the new week in each case. Push refers to replenishing the sales outlets. Pickmobiles are used for order picking. A display indicates which picks have to

be carried out. The full cartons are taken to the shipping department by means of conveyor equipment and automatically provided with lids and labels. After that they are delivered to the outgoing goods section.

Recently BLG won the contract for Tchibo's online logistics in a new tender. Starting in 2014, the company will additionally deliver around 70,000 shipments a day. Further investments in the logistics complex at Neustädter Hafen in the two-digit million euro range are necessary for the substantial boost in business. At present around 800 employees a day are involved on average. In 2014 this figure will presumably rise to about 1,000.

Retail trade logistics for Griesson – de Beukelaer

Griesson – de Beukelaer numbers among the leading manufacturers of bakery products in Europe and is one of the top 100 suppliers in the German food industry. The product range encompasses brands like Prinzen Rolle, LEICHT&CROSS, Tekrum, Café Musica and TUC. There are production plants at five German locations, each connected to a logistics center.

In 2008 BLG took over the operational logistics processes and consolidated the IT structures at the five production warehouses and at the central European warehouse. The aim was general restructuring of the IT platform with a competent supply chain alignment. Inventories were optimized, utilization of storage and transport capacities was made more efficient and flexible and truck mileage was reduced. A central control station handles planning and coordination of all procedures.

Assuming responsibility for the logistics services entailed personnel-related business transfers in accordance with Section 613a of the German Civil Code (BGB). The tailored IT solution was introduced at all six locations during ongoing operation. The system controls the commodity flows and plans the delivery runs. A partner freight forwarder is connected to the central control station as a carrier. All processes are temperature-controlled and certified in accordance with the International Food Standard (IFS). The scope of performance includes storage, order picking, distribution, customs clearance and value-added services, such as producing and putting together displays. BLG makes over two million sales stands a year for this client.

Central warehouses for IKEA in Germany and England

IKEA operates furniture stores in 26 countries. The product range comprises 9,500 articles.

Over a decade ago BLG had the opportunity of distinguishing itself through operation of the (then) new distribution center in Erfurt. It modeled logistics processes, generated and trained personnel, and provided appropriate equipment. Later the existing warehouse management system was replaced by a new one during ongoing operation. In Doncaster, England, by contrast, an existing distribution center was taken over in 2008. That necessitated business transfers according to British law and realignment of the logistics processes. Erfurt has been IKEA's largest German logistics location since 1997. BLG supplies 45 German and 20 English furniture stores daily from the distribution centers. Over 450 employees work for IKEA at the two locations.

Around 4,000 different IKEA articles are stored at over 350,000 pallet slots in Erfurt. Half of the products are order-picked goods. BLG guarantees the client lead times of 24 to 48 hours. Approx. 2.4 million cubic meters of commodities are moved through the incoming and outgoing goods sections in Erfurt every year. Incoming and outgoing shipments are effected via rail, truck or container. The scope of services also includes import customs clearance, goods inspection, empties management, claims adjustment and distribution. In addition, BLG is a sought-after partner for pilot projects that IKEA carries out within the framework of its supply chain optimization. For example, a forklift control system was introduced in Erfurt for the first time.

When BLG took over the Doncaster location, it optimized the existing processes. As a result, damage reported by the outlets, for instance, declined by nearly 90 percent and at the same time productivity doubled. Furthermore, seven best practices that IKEA is implementing at all distribution centers worldwide were identified in an audit it conducted.

As far as the quality of the BLG services is concerned, the two locations regularly place high in IKEA's internal ranking of service providers. Through integrated, cross-location process management BLG ensures, furthermore, that synergy potential between the two locations is optimally exploited.

Online logistics for adidas and Reebok

The sporting goods manufacturer with the adidas and Reebok brands is a global leader in the sector and offers a broad range of products, including sports shoes, clothing and accessories for many kinds of sport. Retail sales are increasingly generated online. That is why adidas is expanding its Internet sales platform.

E-commerce is recording impressive growth rates, but it also places high demands on logistics. This field required a holistic concept with optimum technology, modeled workflows, mapping of all operational activities, selection and commissioning of an adapted materials management system.

BLG ships around 20,000 different articles to numerous countries around the globe from its European Distribution Center (EDC) in Emmerich. This represents an exceptional challenge for the logistics specialist since the goods are always sent on their way on the same day as the order. Every job is individual and BLG has to guarantee minimum throughput times.

Based on the right of revocation, the customer can try on ordered articles and send them back. Every return is checked for quality and condition. Comments and customer demands are recorded and transmitted to adidas for further processing. The returned articles are packed and put back in stock.

Even if customers order via the Internet, they should have the “shopping experience” associated with buying from a well-known producer of branded goods. BLG has developed suggestions for optimizing the design of the shipping cartons. This shows that a logistics specialist is absolutely capable of becoming a designer as well in certain cases.

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 Coordination Corporate Strategy Communications Transport Policy	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen Chairman OAS Aktiengesellschaft, Bremen Chairman MAI Mosolf Automotive Industries AG, Heilbronn Deputy Chairman
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 on Jan. 1, 2011 until 2013	Bremen	CONTRACT Division	no membership in other bodies
Hartmut Mekelburg born in 1952 appointed until 2015	Bremen	Human Resources[2] Internal Audit Occupational Safety 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
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 memberships in comparable domestic and foreign control bodies of business enterprises.
[2] Industrial Relations Director

Report of the Board of Management

Compared to the substantial collapse in crisis year 2009, the 2010 financial year was characterized overall by unexpectedly positive development. All operational divisions of the Group were able to profit from this. In view of this background, we want to offer our shareholders an attractive dividend yield. Our goal remains to increase the dividend every year, but at least maintain it at the level of the previous year.

We have overcome the global crisis. In general we can say that once again we are clearly headed on a growth course. The dual strategy developed to overcome the crisis is increasingly showing effect. Our pretax earnings have more than doubled in comparison to 2009, rising to EUR 34.1 million. Our sales in 2010 came to around EUR 900 million. This corresponds to about ten percent growth. Each of the three operational divisions accounts for around a third of sales.

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

In the CONTAINER and CONTRACT Divisions the year 2010 turned out better than expected. In the AUTOMOBILE Division we are still feeling the effects of the crisis as well as the structural changes. Due to the “cash for clunkers” scheme in Germany and other countries, broad sections of the west European market are saturated and are taking up substantially fewer imported vehicles from Asia. That has a negative impact on the technical centers and also on car shipments.

Altogether we handled, technically processed and transported 5.4 million vehicles in our automobile network in 2010. In 2009 the figure was only 4.6 million. However, there are also structural factors in addition to the economic effects. Asian manufacturers are producing more and more automobiles in Eastern Europe and thus also supply west European markets. In recent years we have considerably expanded automobile logistics in Eastern Europe so we profit from the structural changes there. However, the vehicles no longer come via Bremerhaven. BLG AutoRail is developing very successfully. In 2009 we transported around 100,000 automobiles by rail. Last year the figure rose to about 220,000 and this year the volume will be approx. 300,000.

In the CONTRACT Division we did not notice the crisis – with the exception of car parts logistics. Most business was generated by domestic demand on the part of major existing clients, i.e. IKEA, Tchibo, Konica Minolta and Griesson – de Beukelaer.

A new contract for car parts logistics was concluded with Volkswagen in 2010. Around 160 new jobs at the GVZ logistics center (freight village) in Bremen are involved in this order.

Apart from that, we are developing a new business segment, logistics for offshore wind farms. A sustained construction boom is in store for us in the coming years. 29 wind farms in the German North Sea have already been approved. Another 40 are in the planning phase. However, the costs for offshore wind energy have to be significantly reduced to be able to stand up to the competition. This is only possible through industrial scale production of the facilities and comprehensive logistics processes. We have developed suitable services for this purpose. Concrete transactions have already been worked out. Others will follow, particularly when the actual construction boom sets in.

In the CONTAINER Division EUROGATE has grown by 5.2 percent in the terminal network to 12.6 million TEU. Based on the absolute cargo handling figures, Bremerhaven was the main growth driver with a 7.4 percent jump to 4.9 million TEU. On a percentage basis, the terminal in Morocco recorded the highest growth at 56 percent. The volume there rose to 0.7 million TEU.

The launch of operation of the EUROGATE container terminal in Wilhelmshaven has been postponed to August 2012. That is an ideal time from the present-day point of view. In 2012 we will probably again reach the 2008 level. Use of the existing terminal sections in Bremerhaven for storage and cargo handling of offshore components is limited in time, but necessary as long as there is no alternative. However, the focal points remain automobile and container handling. The planned offshore platform in Bremerhaven is scheduled to be ready for operation in 2014. It will further strengthen Bremerhaven's position in the offshore wind energy field.

Overall we again expect further growth in this financial year. This applies to our sales and our pretax earnings. We target earnings before taxes of more than EUR 40 million.

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 members whose election is carried out according to the provisions of the Stock

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 Container Terminal Bremerhaven
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	Hatten	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 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	Department Manager at ver.di Vereinte Dienstleistungsgewerkschaft, state district Bremen-Lower Saxony
Jörg Schulz appointed until Dec. 31, 2010	Bremerhaven	Former Mayor of Bremerhaven
Ralf Nagel appointed until April 30, 2010	Bremerhaven	Retired senator General Manager of German Shipowners' Association (VDR)
Jürgen Oltmann appointed until March 31, 2011	Bremen	Former CEO of the financial holding company of Sparkasse in Bremen and of Die Sparkasse in Bremen AG
Jürgen Rolappe appointed until February 28, 2011	Bremen	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

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, Deputy Chairman of EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
	■	■	E.ON AG, Düsseldorf E.ON Energie AG, Munich (until December 31, 2010)
			no membership in other bodies
			EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven
	■ as of 2011-03-22	■ as of 2011-03-22	no membership in other bodies
	■ as of 2010-09-17	■ as of 2010-09-17	swb AG, Bremen
	■	■	EWE Aktiengesellschaft, Oldenburg GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen DekaBank Deutsche Girozentrale, Frankfurt/Main Norddeutsche Landesbank Luxembourg S.A., Luxembourg
■ 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
			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 2010-12-31	■ until 2010-12-31	no membership in other bodies
	■ until 2010-04-30	■ until 2010-04-30	swb AG, Bremen
■ 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 2010 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 on the basis of 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 incorporated into decisions of major significance for the Group at 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 four meetings in 2010. The average attendance at the Supervisory Board meetings in the year under review was 84 percent. Two members of the Supervisory Board took part in less than half of the meetings for health reasons. Average attendance at committee meetings in 2010 was 86 percent. The members of the Supervisory Board elected by the shareholders and by the employees prepared for the meetings in some cases separate preliminary meetings. 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

In view of the consequential impacts of the financial and economic crisis, special focus was placed on the current earnings situation, including the risk management system and risk-conscious control of corporate development, further development of the three divisions, commissioning of the container terminal in Wilhelmshaven and the Eastern Europe strategy of the AUTOMOBILE and CONTAINER Divisions. Another focal point was the consultations on expansion on business in the CONTRACT Division. 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 as well as short-term profit and financial planning were discussed at the meeting on December 16, 2010. Moreover, there was in-depth discussion of the dual strategy pursued by the Board of Management, i.e. further market growth and at the same time cost reduction ("BLG 2010" project).

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.

At the proposal of the Human Resources Committee the Supervisory Board also appointed Dr.-Ing. Bernd Lieberoth-Leden as another member of the Board of Management, effective as of January 1, 2011, at its meeting on September 17, 2010. The contract runs for three years. Through the appointment of Dr.-Ing. Lieberoth-Leden the Supervisory Board initiated the change of generation on the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

At its meeting on December 16, 2010 the Supervisory Board decided, at the recommendation of the Human Resources Committee, to extend the contracts of Mr. Manfred Kuhr and Mr. Hillert Onnen for the period from January 1, 2012 to December 31, 2013 and to May 31, 2013 respectively and to again appoint them as members of the Board of Management.

The following changes have occurred on the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– since January 1, 2010. After Mr. Ralf Nagel stepped down from the Supervisory Board on April 30, 2010, Mr. Martin Günthner was designated as another member of the Supervisory Board by way of court appointment on May 1, 2010. 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. Effective as of December 31, 2010, Mr. Jörg Schulz stepped down from his office as a member of the Supervisory Board. Mr. Melf Grantz was court-appointed as his successor 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. Furthermore, 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 set up three committees altogether. As a result of its annual efficiency review, the Supervisory Board reorganized itself at its meeting on March 19, 2010 and gave itself new rules of procedure effective as of April 1, 2010. The Audit Committee, which among other things assumed the duties of the previous Balance Sheet Committee, was established in this connection. Rules of procedure were also created for the Audit Committee effective as of April 1, 2010. The list on page 28 f. contains the composition of the individual committees. For a description of the responsibility of the committees, which is also part of the report of the Supervisory Board, see the Corporate Governance report on page 35 of the Annual Report.

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 19, 2010, August 30, 2010, September 16, 2010 and December 16, 2010. It essentially treated matters relating to the remuneration of the Board of Management and the change in generation on the Board of Management.

During the year under review the Audit Committee met twice, on April 16 and December 9, 2010. 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. Special attention was given to corporate planning, medium-term profit and loss and financial planning, taking into account the impacts of the worldwide financial and economic crisis on the Group.

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 also examined further development of the Corporate Governance principles in the company while taking into account the amendments of the German Corporate Governance Code of May 26, 2010. On December 16, 2010 the Board of Management and the Supervisory Board issued the 9th Declaration of Conformity, which has been made permanently available to the public on the homepage 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, 2010 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, in particular 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 186 and in particular in the disclosures on equity in the notes to the consolidated financial statement on pages 152 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 2010 financial year and issued the following auditors' report:

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

- the actual data and statements of the report are correct,
- the performance of the company was not unreasonably high given the legal transactions indicated in the report or disadvantages were compensated for,
- 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 and recognition to the members of the Board of Management and the employees of the BLG Group for their personal commitment and the work performed in a difficult environment.

Bremen, April 2011

For the Supervisory Board

Josef Hattig

Chairman

Advisory Board

A body of renowned external experts advises the 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	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. Heinrich Hiesinger (until March 12, 2010)	Member of the Board of Management of Siemens AG as of October 1, 2010, Deputy Chairman of the Board of Management of ThyssenKrupp AG
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	Lawyer
Dr. Karl-Friedrich Rausch	Chairman of the Board of Transport und Logistik DB Mobility Logistics AG
Jürgen Roggemann	Managing Director of Enno Roggemann GmbH & Co. KG
Ingar Skaug	Member of the Board of DFDS ASA
Dr. Karl Sommer	Head of Value Stream Optimization and Complexity Management, BMW Group
Prof. Dr. Frank Straube	Technical University of Berlin, Managing Director of Logistics Division
Dr. h.c. Klaus Wedemeier	Former Mayor of Bremen, Chairman of the Executive Board of Business Association “Weser” e.V.
Hans-Heinrich Weingarten (until December 31, 2010)	Former Executive Vice President Mercedes Car Group – Production of Daimler AG
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 9th Declaration of Conformity to the German Corporate Governance Code in the version of May 26, 2010 on December 16, 2010. The declaration has been made publicly available to the shareholders on a permanent basis through its inclusion in the company's homepage 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 sentence 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' Meeting. 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. 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 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 on page 23.

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.

After Mr. Ralf Nagel stepped down as a member of the Supervisory Board on April 30, 2010, Mr. Martin Günthner was designated as another member of the Supervisory Board by way of court appointment on May 1, 2010. Mr. Harald Bethge resigned from office as of January 31, 2011. Mr. Dirk Reimers took his place on the Supervisory Board also by way of court appointment as of February 1, 2011. Effective as of December 31, 2010, Mr. Jörg Schulz resigned from office. Mr. Melf Grantz was designated as his successor by way of court appointment 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. 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.

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 on page 28.

As a result of its annual efficiency review, the Supervisory Board reorganized itself at its meeting on March 19, 2010 and instituted new rules of procedure for itself, effective as of April 1, 2010. In this connection the Audit Committee was established as of April 1, 2010 and performs, among other things, the functions previously carried out by the Balance Sheet Committee. Rules of procedure were also created for the Audit Committee.

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 meets 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 on 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. It submits proposals 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. The latter 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 315 (4) HGB

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

The share 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 ten 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.

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 on page 35.

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.

FIDES selected as balance sheet auditor

The annual financial statement accounting of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– is carried out according to the provisions of the German Commercial Code (HGB). The company's consolidated financial statement accounting is carried out in accordance with the International Financial Reporting Standards (IFRS). FIDES Treuhand GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (formerly: FIDES Treuhandgesellschaft KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft), Bremen, was selected as the annual financial statement and consolidated financial statement auditor for the 2010 financial year by the Annual Shareholders' Meeting. Before awarding the contract, the Supervisory Board made sure that the existing relations between the auditor and the company or its bodies leave no doubt about the independence of the auditor.

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 is to be submitted to the Annual Shareholders' Meeting for approval in accordance with Section 120 (4) of the Stock Corporation Act (AktG) in 2011.

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. Since July 1, 2010 the members of the Board of Management have been able to take out a separate deductible insurance to the amount stipulated in accordance with Section 93 (2) sentence 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 that is also reported as other compensation.

In addition to 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.

Effective as of January 1, 2011, all contracts with the Board of Management 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 for 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) [1]	**2010**				**2009**			
	Fixed remuneration	**Other compensation**	**Variable remuneration**	**Total**	**Fixed remuneration**	**Other compensation**	**Variable remuneration**	**Total**
Detthold Aden	363	39	453	855	372	46	223	641
Manfred Kuhr	302	51	261	614	310	47	106	463
Hartmut Mekelburg	233	14	237	484	239	14	82	335
Hillert Onnen	235	37	237	509	241	42	82	365
Emanuel Schiffer	356	27	240	623	366	22	220	608
	1,489	**168**	**1,428**	**3,085**	**1,528**	**171**	**713**	**2,412**

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

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 that are disclosed here for purposes of comparability. 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 received 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 are 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.

As of December 31, 2010, 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.

Pension commitments (in TEUR)	Present value of pension commitment[1]		Total addition[1]	Market value of reinsurance coverage		Total addition[2]
	10-12-31	10-01-01[2]	2010[3]	10-12-31	09-12-31	2010
Detthold Aden	**2,000**	**1,781**	**219**	**1,808**	**1,526**	**282**
of that, BLG	2,000	1,781	219	1,808	1,526	282
of that, third parties	0	0	0	0	0	0
Manfred Kuhr	**1,408**	**1,229**	**0**	**0**	**0**	**0**
of that, BLG	0	0	0	0	0	0
of that, third parties	1,408	1,229	0	0	0	0
Hartmut Mekelburg	**1,041**	**934**	**44**	**312**	**248**	**64**
of that, BLG	534	490	44	312	248	64
of that, third parties	507	444	0	0	0	0
Hillert Onnen	**1,516**	**1,386**	**0**	**0**	**0**	**0**
of that, BLG	0	0	0	0	0	0
of that, third parties	1,516	1,386	0	0	0	0
Emanuel Schiffer	**2,041**	**1,818**	**0**	**0**	**0**	**0**
of that, BLG[4]	458	378	80	0	0	0
of that, third parties	1,583	1,440	0	0	0	0
	8,006	**7,148**	**343**	**2,120**	**1,774**	**346**

[1] The data relate to the liabilities determined according to provisions of commercial law.
[2] The values adjusted according to the Accounting Law Modernization Act (BilMoG) constituted comparative values and were used as the basis for better comparability.
[3] 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.
[4] Commitment by company included on a proportionate basis; disclosure is based on 100 percent.

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)	2010					
	Fixed remuneration	Variable remuneration[2]	Committee work	Meeting allowance	Miscellaneous[3]	Total
Josef Hattig	15	10	1	4	8	38
Erhard Ott	10	6	1	4	0	21
Uwe Beckmeyer	5	3	0	1	0	9
Harald Bethge	5	3	1	3	8	20
Karl-Heinz Dammann	5	3	0	2	0	10
Martin Günthner[1]	3	2	0	2	0	7
Dr. Stephan-Andreas Kaulvers	5	3	1	4	0	13
Wolfgang Lemke	5	3	1	4	0	13
Karoline Linnert[1]	5	3	1	3	8	20
Ralf Nagel	2	1	0	1	0	4
Jürgen Oltmann	5	3	1	3	0	12
Jürgen Rolappe	5	3	2	0	0	10
Frank Schäfer	5	3	2	5	8	23
Gerrit Schützenmeister	5	3	0	2	0	10
Jörg Schulz	5	3	1	4	0	13
Dieter Schumacher	5	3	0	2	0	10
Dr. Patrick Wendisch	10	6	1	3	0	20
	100	**61**	**13**	**47**	**32**	**253**

[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 200,000, of which EUR 98,000 was accounted for by fixed components and EUR 0 by variable components. The meeting allowances came to EUR 51,000, the remuneration for committee work to EUR 14,000 and the allowances for in-Group Supervisory Board seats to EUR 37,000.

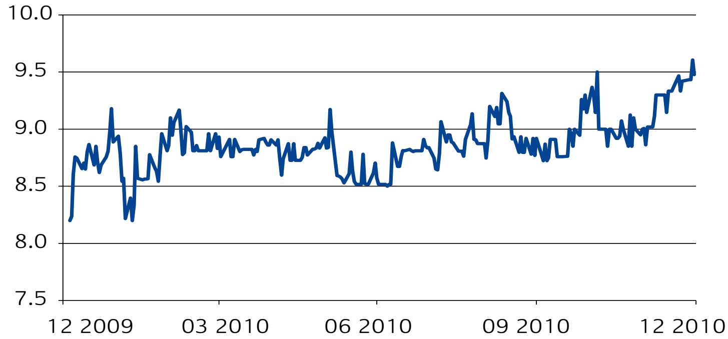
As of December 31, 2010, members of the Supervisory Board had not been granted any loans or advance payments, as was the case in the previous year. There were no loan redemptions in the reporting year. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Supervisory Board. Travel expenses were reimbursed to the customary extent.

Successful stock exchange year 2010

Thanks to the economic recovery, the DAX was able to continue its upward trend in 2010. While development in the first six months was characterized by sideward movement and high volatility in view of the European government debt crisis, the DAX stabilized in the third quarter and recorded a significant rise in the last quarter. At the end of the year the DAX reached a level of 6,914 points, corresponding to an increase of around 16 percent over the previous year.

The BLG stock, too, profited from developments on the stock markets and closed the year at an average price of EUR 9.48 per share on the listed stock markets after reaching a high for the year of EUR 9.61 shortly before the end of the year. This represented a 25.1 percent rise compared to the previous year.

Share price development



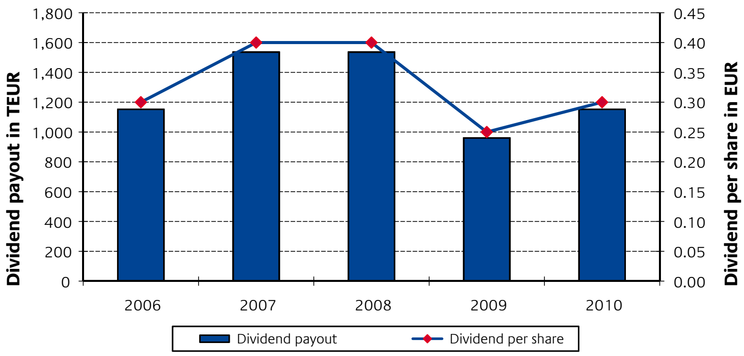
Earnings per share of EUR 0.34

The earnings per share are calculated by dividing the annual Group net income apportioned to 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 2010 climbed to around EUR 1.3 million. The rise is essentially attributable to the more than tripling of the remuneration for work to EUR 830,000 resulting from the increased earnings of BLG LOGISTICS GROUP AG & Co. KG in the course of the pickup in economic activity. As a consequence, the earnings per share improved by around 42 percent in comparison to the previous year.

Proposed dividend of EUR 0.30 per share

The Board of Management and Supervisory Board will propose to the Annual Shareholders' Meeting on June 9, 2011 that a dividend of EUR 0.30 per share be paid out. This means BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– continues its solid dividend policy of the previous years and pays out a total of EUR 1,152,000 to its shareholders. This corresponds to a payout ratio of 89 percent. Based on the year-end price, a dividend yield of 3.2 percent resulted in the 2010 financial year.

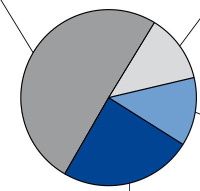
Dividend development



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 ten percent while the remaining 14 percent are held by private shareholders.

Shareholder structure



Key figures for BLG stock

		2010	2009	2008	2007	2006
Earnings per share	EUR	**0.34**	0.24	0.77	0.67	0.37
Dividend per share	EUR	**0.30**	0.25	0.40	0.40	0.30
Dividend	%	**12**	10	15	15	12
Dividend yield	%	**3.2**	3.3	4.3	3.8	2.8
Market price at end of year[1]	EUR	**9.48**	7.58	9.30	10.60	10.70
Highest price[1]	EUR	**9.61**	9.61	10.85	12.95	14.10
Lowest price[1]	EUR	**8.20**	6.19	8.22	9.82	9.10
Payout amount	TEUR	**1,152**	960	1,536	1,536	1,152
Payout ratio	%	**89**	104	52	62	78
Price-earnings ratio		**28.0**	31.6	12.1	15.8	28.9
Market capitalization	million EUR	**36.4**	29.1	35.7	40.7	41.1

[1] Average on listed stock markets

Annual Financial Statement and Management Report : :

of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–

Balance Sheet
as of December 31, 2010

Assets	2010-12-31 TEUR	2009-12-31 TEUR
A. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	16,652	16,150
2. Receivables from companies in which a participation is held	0	0
	16,652	**16,150**
II. Cash in hand, bank balances	21	21
	16,673	**16,171**

Equity and liabilities	2010-12-31 TEUR	2009-12-31 TEUR
A. Equity		
I. Subscribed capital	9,984	9,984
II. Revenue reserves		
1. Legal reserves	999	999
2. Other revenue reserves	3,909	3,761
III. Balance sheet profit	1,152	960
	16,044	**15,704**
B. Provisions		
1. Provisions for taxes	80	2
2. Other provisions	471	408
	551	**410**
C. Liabilities		
1. Trade payables	10	9
2. Liabilities to affiliated companies	13	9
3. Other liabilities	55	39
	78	**57**
	16,673	**16,171**

Income Statement
from January 1 to December 31, 2010

	01-01 - 2010-12-31 TEUR	01-01 - 2009-12-31 TEUR
1. Remuneration of BLG LOGISTICS GROUP AG & Co. KG	1,615	1,072
2. Other operating income	363	287
	1,978	**1,359**
3. Other operating expenses	-949	-878
4. Other interest and similar income	539	627
5. Result from ordinary activities	**1,568**	**1,108**
6. Taxes on income	-268	-188
7. Net income	**1,300**	**920**
8. Withdrawals from other revenue reserves	0	40
9. Transfers to other revenue reserves	-148	0
10. Balance sheet profit	**1,152**	**960**

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).

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– applies the provisions of the Accounting Law Modernization Act (BilMoG), which must be complied with as of January 1, 2010, in full.

The previous year's figures were not adapted to the accounting principles amended by the Accounting Law Modernization Act (BilMoG).

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 principle of the lower of cost or market is applied.

The liabilities are accrued at their settlement amounts.

If there are differences between the carrying amount measurements of assets according to commercial law, liabilities, deferrals and accruals and their tax-related carrying amount measurements that presumably decrease in later financial years, the resulting tax burdens or relief is recognized as deferred taxes. Tax loss carry-forwards are taken into account here.

The decisive factor for the measurement of deferred tax assets is the assessment of 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. For the measurement the company examined a five-year period based on the company's extrapolated three-year medium-term planning.

Deferred taxes are recognized on an offset basis and not discounted.

Disclosures in respect of the balance sheet

Accounts receivable from affiliated companies

This item contains short-terms 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 10,098,000 (previous year: EUR 10,208,000). A further amount of EUR 1,327,000 (previous year: EUR 715,000) 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 148,000 (previous year: withdrawal from the other revenue reserves EUR 40,000) was transferred from the net income for the year 2010.

Provisions

The recognition of other provisions entailed provisions to an amount of EUR 293,000 (previous year: EUR 294,000) 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 178,000 (previous year: EUR 114,000 for fixed remuneration) 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 essentially result from on-debiting of disbursed Supervisory Board ancillary expenses by BLG LOGISTICS GROUP AG & Co. KG.

Of the other liabilities, EUR 34,000 (previous year: EUR 18,000) relate to taxes.

Deferred taxes

The deferred taxes are measured at a tax rate of 15.40 percent.

The deferred tax assets are based on loss carry-forwards related to trade tax. They are not regarded as having sustainable value because of expected losses related to trade tax.

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 188 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 223,000 (previous year: EUR 164,000). The other operating expenses additionally contain administration costs. Furthermore, the disclosure encompasses expenses not relating to this period to an amount of EUR 16,000 (previous year: EUR 0).

Other operating income contains income not relating to this period amounting to EUR 56,000 (previous year: EUR 60,000), which primarily concerns release of provisions.

Other interest and similar income

Of the interest income, EUR 540,000 (previous year: EUR 626,000) 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 268,000 (previous year: EUR 188,000).

Other disclosures

Off-balance-sheet transactions

There were no transactions not contained in the balance sheet as of December 31, 2010.

Other financial liabilities

There were no other financial liabilities as of December 31, 2010.

Auditor fees

The total remuneration for the auditors' work in the financial year comes to EUR 115,000 (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. In addition, the item contains EUR 1,000 (previous year: EUR 0) for tax-related consulting services. Other expenses for consulting or confirmation services were not incurred, as in the previous year.

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 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 23, 28 f. and 37 ff.; see also the section Board of Management and Supervisory Board.

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

The scope of the business relations of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– to affiliated companies, joint ventures and associated enterprises is shown in the following overview.

Affiliated companies	2010 (in TEUR)		2010-12-31 (in TEUR)	
	Income	Expenses	Receivables	Liabilities
Affiliated companies	0	--	--	--
Associated enterprises	0	--	--	--

The transactions with affiliated companies and associated enterprises result in full from deliveries and other performances.

No transactions were carried out with joint ventures in the year under report.

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 page 23 and 28 f. The disclosures on individualized 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 35 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 40.

Shareholders

In a letter dated April 2, 2002 to us as well as to the Federal Supervisory Office for Securities Trading, which has since become part of the Federal Supervisory Agency for Financial

Services, 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 Federal Supervisory Office for Securities Trading, 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 the Federal Supervisory Office for Securities Trading, 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 Federal Supervisory Office for Securities Trading, 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 Federal Supervisory Agency for Financial Services, Frankfurt/Main, 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 June 9, 2011: distribution of a dividend of EUR 0.30 per share (corresponding to around 12 percent per share) for the 2010 financial year, corresponding to the balance sheet profit of EUR 1,152,000.

Consolidated financial statement

The company as the parent enterprise prepared a consolidated financial statement as of December 31, 2010 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 9th Declaration of Conformity to the German Corporate Governance Code in the version of May 26, 2010 on December 16, 2010. The declaration has been made publicly available to the shareholders on a permanent basis through its inclusion in the company's homepage 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 affiliated companies.

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 five 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 five 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 2010 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 785,000) and remuneration for work (EUR 830,000) for 2010. In addition, expenses directly incurred by the company in connection with management of BLG LOGISTICS GROUP AG & Co. KG were reimbursed by the latter.

The net income for 2010 rose to EUR 1.3 million (previous year: EUR 0.9 million).

That corresponds to a plus of 41 percent. The increase is essentially attributable to the more than tripled remuneration for work amounting to EUR 830,000 (previous year: EUR 256,000) resulting from the increased earnings of BLG LOGISTICS GROUP AG & Co. KG in the course of the pickup in economic activity.

Dividend increase to EUR 0.30 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, proposes to the Annual Shareholders' Meeting that the available balance sheet profit to an amount of EUR 1,152,000.00 be used for distribution of a dividend of EUR 0.30 per share (previous year: EUR 0.25 per share), corresponding to a return of around 12 percent on the share capital eligible for dividends amounting to EUR 9,984,000.00. The proposed dividend thus reflects the considerable rise in earnings compared to the previous year.

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 289 HGB; see page 35 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 41 f.

Remuneration report

The remuneration report in accordance with Section 289 (2) no. 5 HGB is contained in the Corporate Governance report on pages 42 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 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 95 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 1.3 million was achieved in 2010 thanks to the economic recovery in connection with savings and positive impetus from intensified sales activities on the part of BLG's affiliated companies. For the years 2011 and 2012 we again assume higher net income figures on the basis of sound planning and in view of expected quantitative increases. Our objective for the 2011 financial year is continuation of the solid dividend policy, but at least a dividend of EUR 0.30 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 formulations such 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 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 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 31, 2011

THE BOARD OF MANAGEMENT

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

Auditors' 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, 2010. 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 31, 2011

FIDES Treuhand GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Bitter	Kersten
Auditor	Auditor

Group Management Report : :

of

BREMER LAGERHAUS-GESELLSCHAFT

–Aktiengesellschaft von 1877–

Group Management Report

Publicly owned – privately managed

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 respectively. All limited partnership shares of BLG LOGISTICS GROUP AG & Co. KG are held by the Free Hanseatic City of Bremen – municipality of Bremen –.

Bremerhaven Container Terminal

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 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 services Group-wide.

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

Economic background

A major factor for the development of the BLG Group is the process of globalization, which continues to bring about an increasing international division of labor with respect to procurement, production and sales of products and commodities. Among other things, this is reflected by the fact that the annual growth rates of the worldwide logistics market are substantially higher than world economic growth as a whole. Studies demonstrate that Germany has the highest level of logistics competence in a Europe that is growing together. This competence as well as the resulting future potential are now recognized in both the business world and the political arena.

The globalization effect in particular results in increasingly complex demands placed on logistics services. The BLG Group sees itself well positioned for this development based on its clear performance profile, a streamlined corporate organization and a management structure that enables quick and customer-oriented decisions.

Retail trade logistics for Tchibo at DC Nord, Bremen

Business trend and situation of the Group

After the severe collapse last year the 2010 financial year was characterized by an economic recovery that was not expected to such a marked extent, particularly in the first six months. Against this background the Group earnings before taxes more than doubled compared to the previous year reaching a level of EUR 34.1 million. The increased volumes along with realization of cost reduction potential at the same time decisively influenced profit development.

The major determining factors for the development of the world economy were the global fiscal policy measures taken and the significant boost in world trade. Development overall was not uniform. Positive impetus stemmed primarily from the Asian and Latin American newly industrializing countries.

In the second half of the year growth weakened due to the expiration of stimulus programs and the necessary consolidation of government budgets in some countries. According to the prevailing view, however, the positive trend will basically continue in 2011.

The logistics sector profited from the upward economic development. Sales in the sector will reach the precrisis level in 2011 according to estimates of the German Logistics Association (BVL). Experts of Deutsche Bank Research assume that the logistics sector in Germany numbers among the industries with good long-term growth prospects. However, the sector also faces challenges, such as in connection with the demographic development and consequently with the availability of well trained staff, necessary infrastructure investments as well as expectations of stricter environmental regulations.

In view of this situation, the BLG Group will press ahead in 2011 with the dual strategy of cost reduction and market growth pursued in the previous year. 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.

On the basis of this network, the leading automobile logistics specialist in Europe was able to consolidate its position in the 2010 financial year.

In line with this situation, the division acquired another 6 percent of the shares in E.H. Harms GmbH & Co. KG Automobile-Logistics so that it now holds 100 percent of the shares.

The domestic car production of German manufacturers recovered in the overall year 2010 with a 12-percent increase to 5.5 million new automobiles. Employment of the seaport terminals profited greatly from this, especially in the export segment. When the "cash for clunkers" ("Abwrackprämie") scheme was phased out at the end of 2009, however, the demand for imported vehicles tumbled drastically in Germany. This had negative impacts in the year under review, predominantly in the production workflows at the seaport terminals in terms of the ratio between import and export as well as with regard to value-added technical services.

St. Petersburg car terminal

In addition to the seaport terminals in Bremerhaven, Gioia Tauro, Cuxhaven, Hamburg, Gdansk and St. Petersburg, the division also runs several terminals on the Rhine and Danube. The development of the inland terminals depends to a great degree on the development of the national German automobile industry. Whereas 3.8 million vehicles were newly registered in the previous year, the number of new registrations according to statistics of the Federal Bureau of Motor Vehicles dropped to 2.9 million vehicles, corresponding to a decline of 23.4 percent. The main reason for the downswing was the expiration of the "cash for clunkers" scheme at the beginning of the year. Car shipments via truck were also affected by this development as well as by declining prices.

Imported vehicles in Bremerhaven

BLG AutoRail

In addition to further expansion in Eastern Europe, the BLG LOGISTICS GROUP targets more environmentally friendly automobile transport. In line with this objective, it successfully transports new vehicles via inland vessel. Seven barges altogether provide for car shipment – five on the Rhine and two on the Danube. In connection with this, inland terminals serve as centers for loading passenger vehicles. Part of the disposal for the new assembly plants of the manufacturers in southeast Europe is thus carried out via the Danube. The Kelheim automobile terminal plays a key role in this context for further distribution to the dealers in west European countries.

As in the previous year, development of in-company rail activities through BLG AutoRail GmbH was very positive. By increasing the number of railway wagons, BLG creates yet another foundation for maintaining its leading market position as an automobile logistics specialist in Europe.

Since 2008 BLG has been investing in procurement of its own special wagons for rail transport of vehicles. Rail shipments were previously purchased from external providers according to need, so the company has now set up a secure basis for acquisition of rail shipments. In the intermodal transport segment our own railway wagons now complement the performance portfolio and constitute the foundation for expanding transport services and strengthening the network by incorporating inland terminals as rail destinations.

Procurement of a total of 1,275 new special wagons is earmarked by the end of 2014. This means 75 block trains will then be available. As of December 31, 2010, 494 special railway wagons had been put into operation and the majority of them were utilized to full capacity thanks to acquisition of scheduled services.

Car shipment on Rhine and Danube

We have expanded our business activities in Eastern Europe on the basis of the previous year's portfolio. Due the financial and economic crisis, new car registrations dipped dramatically in Russia and the Ukraine. After the steep drop in new registrations in the Ukraine from around 550,000 in 2008 to approx. 157,000 in 2009 the market is recovering. About 195,000 vehicles were newly registered in 2010, 25 percent more than in 2009. We expect that the Eastern European markets will substantially recover in comparison to the Central European countries with a two-year delay. The same applies to the automobile market in the Mediterranean countries, which is of significance for the seaport terminal in Gioia Tauro.

Overall, however, the total volume of vehicles processed by the division in 2010 rose to 5.4 million (previous year: 4.7 million vehicles). The main reason for the increase was the high export-driven cargo handling volume in the seaports. Against this background the AUTOMOBILE Division achieved sales growth in 2010 of 7.7 percent to EUR 321.3 million (previous year: EUR 298.4 million). The earnings before taxes (EBT), on the other hand, showed an unsatisfactory development and came to EUR 3.9 million.

Export vehicles in Bremerhaven

Loading steel in Neustädter Hafen, Bremen

The CONTRACT Division encompasses different logistics services in the business segments Automotive, Industrial, Trade and Seaport Logistics. Contract Logistics is a very heterogeneous market in terms of its structure and complexity with correspondingly varying growth and profit prospects. Trade Logistics developed positively according to expectations. The division was able to cover the significant investments in this segment in the medium term thanks to an extended contract with a key account.

The development of the Automotive segment was primarily characterized by great dependence on trends in the automobile industry, dependence on a few major clients and increasing competition. Considerable employment fluctuations as well as cost structures that have yet to be optimized led to results that are still unsatisfactory in spite of rising sales. Fierce competition attributable to overcapacity in conventional general cargo traffic continues to prevail in the Seaport Logistics segment. The division countered these trends in the 2010 financial year with cost savings. The Industrial Logistics segment was affected by the loss of a key account, though there are new promising opportunities for this segment thanks to the already initiated development of wind energy logistics activities.

In 2010 the CONTRACT Division attained sales growth of 22.1 percent to EUR 282.3 million (previous year: EUR 231.2 million). The earnings before taxes (EBT) to an amount of EUR 8.4 million (previous year: EUR 2.0 million) are satisfactory. This applies to the individual segments to a varying degree. The Trade Logistics segment closed the year 2010 with an increase in sales and earnings on the basis of the business obtained in the past two years and the expected boost in business with existing customers. Augmentation of business relations to other automobile manufacturers in the Automotive segment led to reduction of existing dependencies.

Additional impetus is anticipated from increased sales activities and quality optimization.

The Seaport Logistics segment closed the year with sales and earnings increases.

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, Hamburg (both Germany), Gioia Tauro, La Spezia, Salerno, Cagliari and Ravenna (all Italy) as well as in Lisbon (Portugal) and Tangier (Morocco). Furthermore, the EUROGATE Group is involved in terminal projects in Wilhelmshaven (Germany) and Ust-Luga (Russia). Moreover, the EUROGATE Group has an interest in several inland terminals and railway transport companies.

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 and IT services.

The container handling segment is a future-oriented market which, on the one hand, still profits from the restructuring of conventional cargo handling to containerized transshipment and in which, on the other hand, the continued increase in international flows of goods will have a positive impact on the quantities transported and thus handled. The strongest impetus in this regard can be expected from the increasingly intensive integration of the newly industrializing countries in Asia as well as in Central and Eastern Europe into the world economy and the related commodity flows between Asia and Europe.

The port facilities in Bremerhaven

EUROGATE Intermodal GmbH together with HHLA Intermodal GmbH, Hamburg formed IPN Inland Port Network GmbH & Co. KG, Hamburg as a joint venture in March 2010. The aim of this joint venture is to examine and develop terminal concepts and locations for joint development of hinterland terminals and depots. At the same time it will endeavor to improve the chains of transport and logistics in the hinterland.

In May 2010 EUROGATE reached an agreement on postponing the launch of operation of EUROGATE's Wilhelmshaven container terminal by nine months to August 5, 2012 after intensive negotiations with JadeWeserPort Realisierungsgesellschaft mbH & Co. KG.

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 western expansion will lead to an increase of 1.9 million TEU in the cargo handling capacity of the EUROGATE container terminal from currently 4.1 million TEU to around 6.0 million TEU.

The construction work on enlarging berth 3 was completed in the 2010 financial year. Operational use of the first sections was possible at the beginning of the second quarter in 2010 and overall acceptance was concluded in August 2010.

Completion of the modernization work on berths 1 to 3 means that the potential offered by EUROGATE's Hamburg container terminal has been exploited for the time being. To this extent further specific implementation of the western expansion towards Petroleumhafen is now necessary.

The temporarily suspended construction measures regarding OJSC Ust-Luga Container Terminal, Ust-Luga, Russia, in which EUROGATE International GmbH holds a 20 percent interest, were continued in the 2010 financial year.

Commissioning of the first section with an annual cargo handling capacity of approx. 500,000 TEU is now set for the first quarter of 2012.

In Germany, Italy, Morocco and Portugal the container terminals of the EUROGATE Group handled a total of 12.6 million TEU (previous year: 12.0 million TEU), corresponding to a rise of 5.2 percent. At the same time container handling in Germany increased by 4.7 percent whereas the rise at the Italian terminals turned out to be more moderate at 0.8 percent. The cargo handling volumes in Morocco developed extremely satisfactorily in the second full year of operation and amounted to 680,795 TEU in 2010 (previous year: 435,575 TEU). The data was adjusted to take into account the figures for the terminal in Livorno, which was sold in September 2010.

Sales in 2010 rose by 1.4 percent to EUR 599.6 million (previous year: EUR 591.4 million). The sales growth reflects increases in turnover at barely maintained prices. This resulted in earnings before taxes (EBT) of EUR 67.2 million (previous year: EUR 48.0 million). The CONTAINER Division of the BLG Group accounts for 50 percent of that on a proportionate basis. The increased earnings before taxes are attributable to the positive quantitative development as well as extensive cost reduction measures.

Earnings situation	2010 million EUR	%	2009 million EUR	%	Change %
Sales	897.4	100.0	818.5	100.0	9.6
Material expenses	-401.6	-44.8	-326.7	-39.9	22.9
Personnel expenses	-299.4	-33.4	-302.6	-37.0	-1.1
Depreciation of long-term intangible and tangible assets	-61.6	-6.9	-69.1	-8.4	-10.9
Other operating expenses and income	-84.9	-9.5	-84.9	-10.4	0.0
Operating result (EBIT)	**49.9**	**5.6**	**35.2**	**4.3**	**41.8**
Financial result	-15.8	-1.8	-18.7	-2.3	-15.5
Earnings before taxes (EBT)	**34.1**	**3.8**	**16.5**	**2.0**	**106.7**
Taxes on income	-1.2	-0.1	-8.5	-1.0	-85.9
Group net income	**32.9**	**3.7**	**8.0**	**1.0**	**311.3**

On the basis of the economic recovery, Group sales came to EUR 897.4 million, a 9.6 percent increase over the previous year. The predominant share of the increase was accounted for by the CONTRACT Division, whose segment sales again reached the level of the record year 2008 after growth of 22.1 percent. The AUTOMOBILE (+7.7 percent) and CONTAINER (+1.4 percent) Divisions both recorded increases in sales in the reporting period. The rise in sales is essentially due to volume development in all divisions.

As explained in detail in point 7 of the notes to the consolidated financial statement, the changes in sales in the AUTOMOBILE and CONTAINER Divisions are predominantly linked to cargo handling sales while changes in the CONTRACT Division are linked to freight forwarding, transport and technical services. This contrasts with the sales declines in the previous year.

The overproportionate rise of 22.9 percent in material expenses (to EUR 401.6 million) in relation to Group sales is mainly due to the volume of freight forwarding business in the CONTRACT Division and the related purchase of external transport services as well as the increased employment of outside personnel. The increases in material expenses in both the AUTOMOBILE Division (+15.6 percent) and the CONTRACT Division (+46.7 percent) came to double the amount of the rise in sales and largely resulted from the increased expenditures for outside personnel.

In spite of a slight increase in the average number of employees, personnel expenses declined by 1.1 percent to EUR 299.4 million. This is primarily due to provisions formed for liabilities in connection with part-time work arrangements for employees approaching retirement to the debit of personnel expenses and provisions for restructuring as well as cost savings due to flexibilization measures that, overall, led to a positive effect despite contrary developments in residual vacation entitlement and balances on working hour accounts as well as other liabilities to employees. The CONTAINER Division achieved significant savings while personnel expenses in the AUTOMOBILE and CONTRACT Divisions remained nearly the same.

Because of considerably reduced investment activities in comparison to the previous year and, in particular, lower exceptional depreciation, depreciation of long-term intangible and tangible assets dropped by EUR 7.5 million, or 10.9 percent, to EUR 61.6 million. In this context the depreciation, which had risen by 1.8 percent in the AUTOMOBILE Division primarily due to additional investments in terminal software, was compensated for by the reductions in the CONTRACT (-24.7 percent) and CONTAINER (-9.3 percent) Divisions. The decline in the CONTRACT Division essentially resulted from expiration of the useful life of technical facilities set up on behalf of the customer and in the CONTAINER Division from the change in exceptional depreciation.

The other operating income and expenses come to EUR 84.9 million and are again at the previous year's level.

After the marked drop in the earnings before interest and taxes (EBIT) in the previous year the Group achieved a significantly better EBIT of EUR 49.9 million in the year under review, an increase of EUR 14.7 million. While the CONTAINER (EUR +8.0 million) and CONTRACT (EUR +5.5 million) Divisions as well as the central departments (EUR +2.4 million) made a positive contribution to this development, the AUTOMOBILE Division recorded a decline of EUR -1.2 million compared to the previous year, not least of all due to expiration of the so-called "cash for clunkers" scheme at the end of 2009.

The return on sales calculated for the 2010 financial year on the basis of the EBIT was 5.6 percent (previous year: 4.3 percent). Based on the presentation of this key parameter in segment reporting on page 110 f., a return on sales of 14.0 percent (previous year: 11.5 percent) results for the CONTAINER Division while the AUTOMOBILE and CONTRACT Divisions show returns on sales of 2.9 percent (previous year: 3.5 percent) and 3.9 percent (previous year: 2.3 percent) respectively.

The financial result improved by EUR +2.9 million in the current year to EUR -15.8 million. Of that, EUR +3.2 million is accounted for by the participation results, taking into consideration the depreciation of financial assets, and EUR -0.3 million by the interest result.

Similar to the favorable economic development of the Group companies included through full or proportionate consolidation, the results of the companies included at equity showed a predominantly positive development and contributed altogether to an improvement in the participation result to an amount of EUR 3.0 million. Furthermore, an additional result of EUR 0.2 million from the other participations was earned in comparison to the previous year. The CONTAINER Division accounts for EUR 2.2 million (previous year: EUR 0.0 million) of the participation result, the AUTOMOBILE Division for EUR 0.4 million (previous year: EUR -0.2 million) and the CONTRACT Division for EUR 2.0 million (previous year: EUR 1.6 million).

In spite of the continued low interest rate level and the reduction of EUR 52.4 million in net indebtedness in the financial year, the interest result worsened slightly compared to the previous year. The reasons for the negative change include the impacts of the measurement of derivative financial instruments with effect on the income statement (EUR -1.1 million), the result from the interest cost of provisions and liabilities as well as amortization of other assets (EUR -0.7 million). The other financing activities resulted in savings of EUR 1.5 million in the reporting year.

The earnings before taxes (EBT) rose by 106.7 percent to EUR 34.1 million.

The taxes on income for the year 2010 amounted to EUR 1.2 million (previous year: EUR 8.5 million). Based on the EBT, this results in a Group tax rate of 3.3 percent (previous year: 51.4 percent). Corresponding to the previous year, 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 more than quadrupled from EUR 8.0 million to EUR 32.9 million.

Asset and capital structure	2010-12-31 million EUR	%	2009-12-31 million EUR	%	Change %
Long-term assets	739.0	75.7	761.1	77.9	-2.9
Short-term assets	237.3	24.3	215.9	22.1	9.9
Assets	**976.3**	**100.0**	**977.0**	**100.0**	**-0.1**
Equity	330.4	33.8	311.8	31.9	6.0
Long-term liabilities	337.6	34.6	360.3	36.9	-6.3
Short-term liabilities	308.3	31.6	304.9	31.2	1.1
Equity and liabilities	**976.3**	**100.0**	**977.0**	**100.0**	**-0.1**

The balance sheet amount of EUR 976.3 million is at the previous year's level. However, there have been shifts between long-term and short-term assets. Long-term assets, for instance, diminished by EUR 22.1 million compared to the previous year while short-term assets rose by EUR 21.4 million.

The decline in **long-term assets** is essentially due to a reduction in tangible fixed assets of EUR 32.8 million connected with a decrease in investment activities. Altogether the investments in long-term intangible and tangible assets dropped from EUR 77.8 million to EUR 33.6 million. Of that, the AUTOMOBILE Division accounted for EUR 13.3 million (previous year: EUR 21.0 million), the CONTRACT Division for EUR 7.8 million (previous year: EUR 4.7 million) and the CONTAINER Division for EUR 12.1 million (previous year: EUR 48.4 million). It must be taken into account here that the CONTAINER Division has already awarded various contracts related to construction of suprastructure for EUROGATE's Wilhelmshaven container terminal, including one for delivery of eight super post-Panamax gantry cranes, to a total proportionate amount of over EUR 50 million.

The reduction in tangible fixed assets contrasts with a rise in intangible assets of EUR 1.4 million, an increase in the shares in associated companies of EUR 2.4 million, a rise in long-term financial receivables of EUR 3.3 million as well as EUR 3.2 million higher deferred taxes.

The additions to intangible assets essentially relate to investments by the AUTOMOBILE Division in terminal software and investments by the CONTRACT Division in warehouse management software. In the CONTAINER Division, on the other hand, the investments in intangible assets are overcompensated for by the depreciation of the reporting year.

The EUR 3.7 million increase in shares in associated companies resulted from the proportionate annual results of these companies that contrast with reductions in the shares from received dividends to an amount of EUR 1.3 million. Further effects from currency conversion and the reduction in the fair value of an option in the CONTAINER Division nearly balance each other out.

The rise in long-term financial receivables of EUR 3.3 million is predominantly attributable to a finance lease receivable from a contract concluded in 2010.

The EUR 2.2 million increase in deferred taxes relates to the formation of deferred tax assets on loss carry-forwards of subsidiaries based on improved prospects of profit.

90.4 percent (previous year: 88.3 percent) of the long-term assets were financed via long-term capital on the balance sheet date.

Significant changes resulted in the **short-term assets** only in connection with trade receivables (EUR +17.1 million), other assets (EUR -5.6 million) as well as cash and cash equivalents (EUR +10.7 million).

Parallel to sales, trade receivables, adjusted for the value added tax contained in the increase, grew by approx. 10 percent. Trade receivables of EUR 8.2 million (previous year: EUR 3.9 million) are accounted for by fully consolidated foreign companies.

There were no significant changes in the other assets in the year under review in comparison to the previous year.

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

Equity rose in the reporting year by EUR 18.6 million to EUR 330.4 million. In this context the equity-reducing dividend payouts (EUR 18.2 million) compared to the capital appreciation from the total Group operating result (EUR 34.7 million), income and expenses reported directly in equity (EUR 1.8 million), capital contributions (EUR 2.1 million) and other changes (EUR 0.1 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, 2010 rose to 33.8 percent (previous year: 31.9 percent).

Long-term liabilities fell by EUR 22.7 million compared to the previous year while **short-term liabilities** in the year under review rose by EUR 3.4 million.

Within the liabilities the long-term loans, including short-term portion, decreased by EUR 50.0 million altogether and liabilities from finance leasing dropped by EUR 6.4 million. Details on this are provided in the section on net indebtedness on page 81 f. A decline of EUR 3.1 million was also recorded in payment liabilities from taxes on income.

An increase in trade payables of EUR 12.3 million, a rise in long-term provisions of EUR 3.5 million and in short-term provisions of EUR 1.4 million as well as an increase in accruals for government grants of EUR 3.5 million had a contrary effect.

The reduction in payment liabilities of EUR 2.0 million relates to corporate tax and trade tax for previous years.

The increase in trade payables corresponds to the rise in material expenses.

For information on development of the long-term and short-term provisions we refer to the statement of changes in provisions in points 33 and 37 of the notes to the consolidated financial statement.

The CONTAINER Division accounts for the accruals for government grants in full. See point 32 in the notes to the consolidated financial statement for further details on the accruals for government grants.

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 2010-12-31	Fair value 2010-12-31	Carrying amount 2009-12-31	Fair value 2009-12-31
Long-term loans	191.5	196.9	241.5	245.0
Liabilities from finance leasing	65.9	68.6	72.3	74.7
Total	**257.4**	**265.5**	**313.8**	**319.7**

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 instruments

An agreement on transactions involving sales with an option to repurchase in accordance with Section 340b (1), (3) and (5) of the German Commercial Code (HGB) was concluded with a bank with respect to trade receivables amounting to EUR 8.8 million, of which EUR 8.4 million were still outstanding on the balance sheet date. This transaction is reported in the consolidated financial statement to the amount of the outstanding receivables as liabilities to banks under short-term financial liabilities. There were no impacts on the disclosure of trade receivables. The sale and repurchase option agreement served the purpose of short-term improvement of the liquidity situation. By the time the consolidated financial statement was prepared, the receivables had been paid off to the full amount so that no risk resulted afterwards for the Group due to the transaction.

With the exception of this agreement as well as customary operating leases, including the leaseholds and quay use rights granted to the Group, the BLG Group does not employ any off-balance-sheet financial instruments that have a significant impact on the asset, financial and earnings situation of the Group either at present or in the future. In particular, there are no special purpose entities included in the consolidated financial statement.

Further details on the operating leases as well as the leaseholds and quay use rights are provided in points 42 and 46 of the notes to the consolidated financial statement.

Financial situation

The following cash flows were realized in the years 2009 and 2010:

	2010 million EUR	2009 million EUR
Inflow of funds from current business operating activities	110.8	83.4
Outflow of funds from investment activities	-22.4	-100.5
Inflow/Outflow of funds from financing activities	-81.9	35.2
Cash-related change in financial resource funds	6.5	18.1
Changes in financial resource funds due to currency translation influences	0.3	0.1
Financial resource funds at beginning of financial year	-1.8	-20.0
Financial resource funds at end of financial year	5.0	-1.8
Composition of financial resource funds		
Liquid funds	46.6	35.9
Short-term liabilities to banks	-41.6	-37.7
Financial resource funds at end of financial year	5.0	-1.8

On the basis of the earnings before taxes achieved in 2010 to an amount of EUR 34.1 million, a cash flow from current business operating activities of EUR 110.8 million (previous year: EUR 83.4 million) was earned.

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 liquidity needs of the individual companies as well as depending on the capital market situation.

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 114.

Net debt	2010 million EUR	2009 million EUR
Long-term loans	157.1	180.9
Other long-term financial liabilities	89.0	96.0
Short-term financial liabilities	161.9	169.5
Financial debt	**408.0**	**446.4**
Long-term financial liabilities	-12.3	-9.0
Cash and cash equivalents	-46.6	-35.9
Net debt	**349.1**	**401.5**

In 2010 the net debt of the Group was reduced by EUR 52.4 million to EUR 349.1 million. The funds necessary for this were essentially generated from the increased annual consolidated net profit as well as the significantly reduced investment activities.

The financial loans were reduced by a total of EUR 50.0 million in the reporting year through scheduled repayments to an amount of EUR 32.1 million as well as further premature repayments from cash surpluses to an amount of EUR 28.0 million, with a borrowing of EUR 10.1 million. Besides outflows of funds from borrowing and repayment of leasing liabilities of EUR 7.0 million net, additional outflows of funds to an amount of EUR 3.3 million net resulted from payment of leasing receivables and their repayment in the course of the year within the framework of finance leasing. Cash and cash equivalents rose by EUR 10.7 million to EUR 46.6 million.

Furthermore, the Group had unused current account credit lines of around EUR 84 million (previous year: around EUR 73 million) as of December 31, 2010.

Thus liquidity bottlenecks neither exist at present nor are they anticipated in the near future.

Key balance sheet and financial figures

			2010 %	2009 %
Return on sales (%)	operating result (EBIT) / sales	=	**5.6**	4.3
Capitalization ratio (%)	tangible and intangible assets / assets	=	**69.0**	72.1
Equity-to-fixed-assets ratio (%) (golden balance sheet rule)	equity and long-term liabilities / assets	=	**93.1**	90.0
Working capital ratio (%)	short-term assets / short-term liabilities	=	**77.0**	70.8
Equity ratio (%)	equity / balance sheet total	=	**33.8**	31.9
Equity ratio (%) (adjusted for hybrid capital)	equity – hybrid capital / balance sheet total	=	**25.8**	23.9
Return on equity (%)	earnings before taxes (EBT) / avg. equity	=	**10.6**	5.0
Total return on equity (%)	operating result (EBIT) / avg. assets	=	**5.1**	3.6
Personnel cost rate (%)	personnel expenses and expenses for external personnel / sales	=	**45.3**	46.3

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 2010 financial year (HGB) BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– reports a balance sheet profit of EUR 1,152,000 (previous year: EUR 960,000). The Board of Management, in conjunction with the Supervisory Board, will propose to the Annual Shareholders' Meeting on June 9, 2011 that a dividend of EUR 0.30/share (previous year: EUR 0.25/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 9.50, the dividend yield is 3.2 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 win over, develop and keep the best employees, the BLG Group pursues the goal of consistently being perceived as an attractive employer. That is why, besides performance-oriented pay and 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.

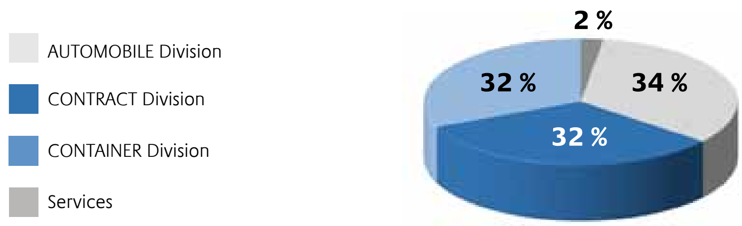
The number of persons employed in the Group – excluding members of the Board of Management – determined in accordance with Section 267 no. 5 HGB (annual average) is shown below:

Division	2010	2009	Change %
AUTOMOBILE	**1,995**	**2,077**	**-3.9**
of those, blue-collar employees	1,572	1,634	
of those, white-collar employees	423	443	
CONTRACT [1]	**1,932**	**1,787**	**+8.1**
of those, blue-collar employees	1,270	1,214	
of those, white-collar employees	662	573	
CONTAINER	**1,883**	**1,939**	**-2.9**
of those, blue-collar employees	1,383	1,427	
of those, white-collar employees	500	512	
Services [2]	**139**	**126**	**+10.3**
of those, blue-collar employees	2	2	
of those, white-collar employees	137	124	
Total	**5,949**	**5,929**	**+0.3**
of those, blue-collar employees	4,227	4,277	
of those, white-collar employees	1,722	1,652	

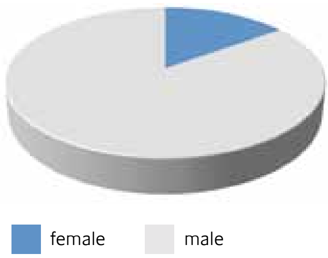
1) The staff in 2010 includes 257 employees (107 white-collar, 150 blue-collar workers) who are attributable to changes in the entities to be consolidated.

2) The staff in 2010 includes 18 white-collar employees who were taken on by the holding company in the course of dissolution of the decentralized Shared Service Center organization.

Employees according to division



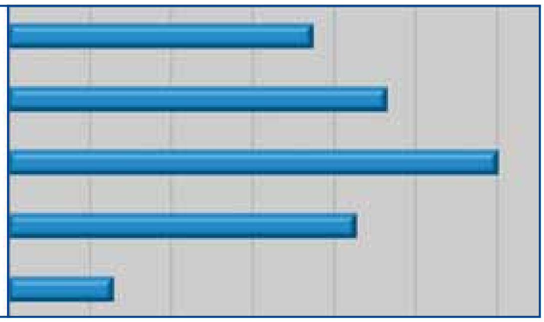
Employee structure



The proportion of women working for the BLG Group is 15 percent. This figure initially appears relatively low compared to other companies and is due to the above-average number of jobs that predominantly involve physically hard work. However, one of our goals is to increase the proportion of women employees. The pilot project aimed at women in part-time employment is a first step in this direction. Regardless of this, women have already been won over for jobs formerly dominated by men, such as operators of port cargo handling cranes.

Employees according to age groups

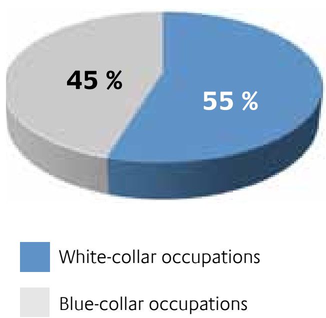
up to 29 years	19 %
from 30 to 39 years	23 %
from 40 to 49 years	30 %
from 50 to 60 years	21 %
over 60 years	7 %



Obtaining junior staff and developing talent

Training occupations

Training holds the potential for a successful future. For this reason the number of trainees in our Group, comprising 351 (previous year: 360) persons in white-collar and blue-collar occupations, was at a similarly high level in the 2010 financial year as in the previous year.



The accomplishments of the BLG Group in terms of training were given special recognition by the Chamber of Industry and Commerce in the 2010 financial 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. Parallel to commercial training as a specialist clerk for freight forwarding and logistics services, it is possible to obtain a bachelor's degree at the vocational academy that offers students a practice-oriented program. Our goal is to develop entry-level employees and jointly shape their further career. In the 2010 financial year the company enabled 26 employees to take part in the dual course of study.

Mary Navaratnaraja, office administrator trainee

Cooperation with universities

Apart from in-house talent development, there are cooperative arrangements with universities for providing particularly good students with scholarships. Furthermore, students are given the opportunity to complete their practical semester or write their thesis at one of our affiliated companies. Often this is the basis for a job start within the BLG Group.

24-month trainee program

To train specialists and executives in a targeted manner, the BLG Group offers university graduates a trainee program lasting 24 months. In addition to project work, seminars on such topics as styles of leadership and soft skills take place. The aim of this program is to find a position in the Group for every candidate and plan and shape his or her career on that basis. The program supports both internal and external applicants. In the 2010 financial year 18 candidates were accepted and started the program in spring 2010.

Further training

In employee talks every year we define the development and further training needs of the staff. Aside from targeted seminars and workshops, such as on the use of IT applications, as well as training programs for personality development, the company offers a variety of other further training activities.

In the CONTRACT Division, for instance, the learning island concept was established as a tool for basic operational training aimed at meeting customer-based quality standards better.

The focus in the AUTOMOBILE Division was on further training activities at the Bremerhaven Auto Terminal. They included training as a skilled port worker parallel to the regular job duties, extensive training courses for newly hired personnel, some of them also in the form of competence passes as well as further training for the High & Heavy segment. These measures were urgently necessary because of the improved employment situation.

The CONTAINER Division continued to take part in the "Training offensive for long-term unemployed persons in port logistics", established jointly by the Central Association of German Seaport Operating Companies, the Federal Employment Agency and the Federal Ministry of Transportation in 2007. The program is aimed at further professionalization of the port occupations through a longer standardized training period (24 months with final examination) so as to meet the future requirements for skilled workers. In this connection the division makes use of the services of the northern German educational institution "ma-co" (maritime competence center) with locations in Hamburg, Bremen, Bremerhaven and Wilhelmshaven.

Opening of parent-child room at BLG headquarters at Präsident-Kennedy-Platz.

Career and family

The focus of the BLG Group's personnel policy is on dealing with demographic change. The family-conscious personnel policy is a key element in this context. It is intended to make a major contribution to enhancement of the attractiveness as an employer and thus to sustained success on the part of the BLG Group. Particularly the awareness of and sensitivity to compatibility of working and private life should be instilled and intensified at all levels. Moreover, it is important to strengthen employee loyalty to the company and acquire qualified new staff members.

The already established in-company social counseling service has further expanded its offerings with regard to family-friendly orientation. 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 other members of the family as well as applying for benefits, are focal points of the counseling service.

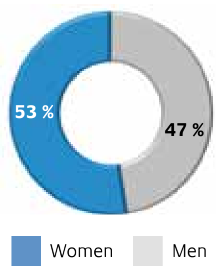
Parental leave

Furthermore, through parental leave the BLG Group supports and fosters development of a family-friendly work and corporate culture and makes it easier for young mothers and fathers to return to their job. Thanks to so-called partner months, not only women, but to an increasing extent men as well take the time to assume family responsibility. It is therefore not surprising that more and more men at the BLG Group take advantage of the opportunity of parental leave.

The parent-child room represents another step on the way to improving the compatibility of career and family. It consists of a fully equipped office with integrated children's room in which parents are able to work with their child at their side.

In the 2010 financial year the BLG Group again received the "audit berufundfamilie®" certificate (career and family audit) issued by Hertie Stiftung. This audit looked at the services offered in connection with compatibility of career and family as well as the definition of more far-reaching goals regarding a family-conscious personnel policy.

Parental leave



Health management

As far as the broad field of health management is concerned, the BLG Group has set itself the goal of protecting its employees against illness and work-related risks. To successfully meet this goal, it took the following measures.

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 equipping its offices with vertically adjustable desks and tables so it is possible to work while standing, thus providing relief for the back.

Mika Müller likes the parent-child room

Within the framework of the Fit & Fun project the BLG Group cooperates with numerous sports facilities that offer the opportunity of inexpensive use of regional facilities for exercise in immediate proximity to home and the workplace. Studies in cooperation with AOK Bremen / Bremerhaven show a significant drop in days of unfitness for work due to illnesses of the muscular and skeletal system as well as of the cardiovascular system 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, 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 2010 a total of 1,782 persons (previous year: 1,716) took part in the pension plan in the CONTRACT and AUTOMOBILE Divisions. This corresponds to a participation rate of 52.9 percent (previous year: 51.0 percent). The CONTAINER Division recorded 2,428 participants (previous year: 2,551). The participation rate was 70.3 percent (previous year: 73.9 percent).

The volume of employee-financed contributions remained nearly constant at approx. EUR 6.4 million (previous year: EUR 6.6 million). In 2010, 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 4.7 million.

Corporate Governance report

Declaration on corporate management

The disclosures concerning Corporate Governance in accordance with Section 315 of the German Commercial Code (HGB) have been examined by the consolidated 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 35 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 41 ff.

Remuneration report

The remuneration report in accordance with Section 315 (2) no. 4 HGB is contained in the Corporate Governance report on pages 42 ff.

Research and development

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

Supplementary report

Effective as of January 1, 2011, BLG LOGISTICS GROUP AG & Co. KG acquired another 6 percent of the shares in E.H. Harms GmbH & Co. KG Automobile-Logistics. As a result, since that time the BLG Group has held 100 percent of the entire shares in this major company of the former Harms Group, which is allocated to the AUTOMOBILE Division.

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.

Sustainability opens up new opportunities and minimizes future risks. For example, every individual profits from preservation of the environment, efficient use of resources, an appropriate working environment as well as assumption of social responsibility. The key elements of the BLG Group's sustainability strategy in this context are environmental management (green logistics), 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.

Green logistics

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 what the concept of green logistics stands for. As far as the transportation sector is concerned, this means, for example, reducing air or noise pollution or making production more energy-efficient. However, improvements are possible in many other logistics services, too. We constantly work on creating and reinforcing an awareness of the successful interplay of economy and ecology. The following examples illustrate our sustainable activities:

Training courses on saving energy and fuel (so-called ECO driver's training) have been conducted in the AUTOMOBILE Division since March 2010. They are aimed at optimizing driving behavior with

Environmentally friendly equipment

respect to energy consumption and environmentally friendly use of trucks. In addition to practical driving instruction, which may lead to fuel savings of 7 to 15 percent depending on the driver, there is also theoretical training providing valuable information on technology, environment and fuel.

In ECO driver's training the focus is not only on fuel consumption, but also on foresighted driving so that, for instance, tire or brake lining wear is reduced. Furthermore, the training covers optimized route planning to avoid unnecessary empty runs. At the same time it is aimed at lowering the proportion of empty kilometers by 2 to 3 percent by means of optimized capacity utilization of the trucks, i.e. adding an additional vehicle to each car transporter.

In the CONTRACT Division the forklifts driven by powerful diesel engines have already been operating with soot particle filters for years. Thanks to the filters used, the particles are burned by the heat of the engine during operation. This minimizes emissions.

Moreover, initial reach stackers (multifunctional transport vehicles that can weigh up to 45 tons) are undergoing conversion of their hydraulic systems, which involves replacing the conventional hydraulic fluid with vegetable Panolin oil. The hydraulic fluid obtained from rape plants is classified in water hazard class zero and is biodegradable. There is thus no risk of groundwater contamination in the event of damage to the hydraulic systems.

This is particularly important in view of the fact that up to 1,600 liters flow through the hydraulic circuit of a reach stacker and up to 600 liters in a forklift.

In the CONTAINER Division van carriers (large straddle stackers), which can stack four containers on top of one another, number among the main energy consumers. To reduce consumption, double-layer capacitors, which enable energy intake and output within a very short time, have been in use since 2009. In this way the energy released when a container is set down and during braking can be temporarily stored in the capacitors and emitted back into system when the vehicle starts up again and lifts. This can reduce fuel consumption by up to 20 percent.

Another way of reducing consumption is to make route planning more efficient. Changes in driving behavior and an optimized route can bring about approx. 8 percent lower fuel consumption by reducing the number of curves and thus the braking and acceleration operations.

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. Creation of a department that is mainly involved in these issues underlines the special importance of occupational safety in the BLG Group. It is integrated into the company as a staff unit, is certified and has a high level of professional competence that is recognized in the Group.

Occupational safety is always the joint responsibility of everyone concerned in the company. The only way to prevent occupational accidents 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 and thus protect the health of its employees. At the same time this minimizes absenteeism.

Efforts are made to prevent occupational accidents among the employees in the Group by means of diverse preventive measures. In addition to appointing safety engineers, specialists for occupational safety and the on-site safety officers who advise the company, BLG sharpens sensitivity to the issue of occupational safety and health prevention through targeted campaigns jointly with the employees.

Employee wearing protective clothing while carrying out cavity sealing work on cars

Knowledge about dangers and risks of accidents in connection with activities at the specific workplace is conveyed to each employee through training or instruction. Both practice and theory are explained by experienced instructors from the respective company. The employees of the BLG Group take part in a number of training courses and instruction sessions on the topic of occupational safety throughout their entire working life.

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 set up with partner schools in Bremen and Bremerhaven. For example, a one-day application training course was conducted with the ninth grade at Johann-Gutenberg School in Bremerhaven in the 2010 financial year within the scope of this cooperation. In individual talks work with the students focused on their application documents and useful pointers were given for application procedures. On the occasion of the 50th anniversary of the Roter Sand secondary school (formerly Butjadinger Strasse) BLG supported purchase of urgently required teaching aids and thus further improved the learning conditions for the students.

At Bremen's Wilhelm-Olbers School ports and logistics are part of classroom instruction.

The educational project entitled “Maritime Sector and Logistics” is an initiative of the BLG LOGISTICS GROUP and bremenports carried out in cooperation with the Bremen State Institute for School (LIS) and the Institute for Economic Education (IÖB) at the Carl von Ossietzky University in Oldenburg. The aim is to make students between 14 and 17 aware of the growing importance of seaports and logistics for the coastal region and the whole of Germany as a business location.

For this purpose exercise books for secondary school levels I and II as well as the related teacher’s handouts were prepared. In addition, the online portal www.arwilo.de was created. All materials are constantly revised and provided to the schools as class sets in return for a small nominal fee. They explain basic economic principles on the basis of examples from the maritime sector and logistics, furnish in-depth knowledge on the economic structures of the companies operating in the sector and information on the wide variety of job, training and educational opportunities.

The initiative of BLG and bremenports quickly found further support from the Bremen-Oldenburg metropolitan region. The German Shipowners’ Association (VDR) has also been an active sponsor since 2010. It is highly likely that in future the Hamburg port sector will also make a financial commitment to the unique project in the entire logistics industry. Mecklenburg-Vorpommern and Schleswig-Holstein also show active interest.

In the meantime around 350 class sets of the material have been requested by schools. That means nearly 14,000 school students have already dealt with the material in the classroom. The focus was on the northwest region, but also schools in other federal states are increasingly incorporating logistics into their teaching units.

Since the subject matter meets with broad interest among teachers, the Institute for Economic Education is currently preparing material for suitable further teacher training. In addition, the student material and teacher handouts will appear in an updated and amended edition for the new school year 2011.

“BLG curiositologists” is another project carried out in cooperation with Universum® Bremen and the Senator for Education and Science. This enables students with a keen interest in the natural sciences to visit the Science Center free of charge. Over 250 school classes have taken advantage of this offer up to now. Previously, however, the majority of the students were not able to visit Universum® for financial reasons.

Curiositologists at Universum® Bremen

Aside from that, various regional institutions are supported within the framework of the junior management program. Every school year has incorporated social commitment as a fixed element of this program since social skills are essential for the prospective executives.

Numerous managers take part in another project, “SeitenWechsel®”, which centers on personality training. In this case the daily work routine is interrupted for a week to provide support at a social institution. This practical and reality-oriented exercise in dealing with various situations is intended to help the participants further develop their social and cultural leadership competencies.

Further development

Due to competition over increasingly scarce natural resources and the resulting consequences as well as in view of the long-term social responsibility vis-à-vis our employees and society, the company will intensify its activities regarding innovation management and sustainability as strategically important topics in future. The BLG LOGISTICS GROUP will set up an organizational unit whose function is to identify development projects for the AUTOMOBILE and CONTRACT Division in a dialog with the operational units and customers of the BLG LOGISTICS GROUP.

In future this organizational unit will also be responsible for managing and evaluating cross-company projects as well as conducting a dialog with logistics research. As a result, we will be even better prepared for the upcoming challenges facing us in the future.

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 the goodwill without taking unreasonably high risks.

To achieve our goals, such as earnings before taxes (EBT) or return on capital employed (ROCE), the diverse 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 were appointed at the management level as well as Risk Management Coordinators to ensure an efficient risk management system. The Group Controlling Department is responsible for coordinating Group-wide acquisition and documentation data on fields of risk and for further developing the risk management system.

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

Retail trade logistics for Griesson – de Beukelaer

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 representation 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-independent 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 examines in particular 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 in connection with 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 upload. 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 opinions.

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 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 level of the Group 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.

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 take optimum advantage of the opportunities available to us in the different fields of activity in the future, too.

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 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/or 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.

Trade logistics for adidas

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 particularly 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 for the case that medium-term business development does not proceed as planned. However, flexibility is achieved 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 the 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. Our services require the use of constantly updated or even newly developed software. Nevertheless, 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 River Elbe is urgently necessary in order to secure and position German ports in the northern range. 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, full expansion of the Kiel Canal (consistent deepening by one meter, including adjustments to passing places, curves and locks) is extremely important. Because of the geographic proximity of the Bremerhaven and Hamburg Ports 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 Bremerhaven/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 the feeder vessels involved in Baltic Sea traffic. If feeder services

Construction work on the EUROGATE container terminal in Wilhelmshaven is proceeding rapidly.

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 quantity would thus result at our container terminals. To this extent it is urgently necessary to enhance the capacity of the Kiel Canal so it can efficiently handle the shipping flows between the North and Baltic Sea in the future, too. According to current expansion planning, approval for traffic by the beginning of 2018 is feasible.

Because of the declining cargo handling volumes during the financial and economic crisis, overcapacity has resulted at the container terminals in the northern range. In connection with the nautical problems posed by bigger and bigger container vessels, this led to changes in cargo flows and customer structure back in 2009.

A reinforcing factor regarding market risks is the fact that additional new port capacity will be available in the northern range in the next few years (JadeWeserPort 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 may continue to advance in the future as well. Since container terminals have available capacity, at least in the medium term, due to the financial and economic crisis, the market power of the remaining consortiums/shipping companies and thus the revenue pressure as well as the necessity of sustained costs reductions will persist at the container terminals in the course of possible consolidations.

It is imperative for the AUTOMOBILE Division to continue targeted observation of competition with automobile terminal operators at the west European ports. As a consequence of the takeover of the high-performance terminals Vrasene Dock in Antwerp and Bastenakken Kai/Northern Inlet in Zeebrügge by the world's biggest ro-ro shipping company, NYK from Japan, in the 2006 financial year, a situation came into being 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 cooperation in Europe and South Africa, however, we also see opportunities in this connection.

The contractually agreed prices coupled with the continued strong competitive pressure as well as the tremendous change in the ratio between export and import business, with corresponding 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.

Loss or shutdown of the Nordschleuse lock facility in the seaport of Bremerhaven may jeopardize the location. To this extent, extremely great importance is attached to specific expansion of the Kaiserschleuse facility as an additional lock for car carriers that is scheduled to launch operation in April 2011.

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.

The development of the AUTOMOBILE Division will depend on diverse market aspects in 2011. Market risks result, for instance, from the overall economic situation, the continuing structural crisis in the European automobile industry and the persistently low level of registrations of new vehicles after the expiration of the "cash for clunkers" scheme in Germany and the bordering countries. The market development in Eastern Europe requires high capital input. Safeguarding this capital invested via long-term contracts with the automobile industry is targeted, but cannot be guaranteed.

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.

The impacts of the natural disaster in Japan in March 2011 on the AUTOMOBILE Division cannot be assessed at the moment.

Due to intense customer loyalty, particularly to 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 trends in the markets, it is imperative to constantly keep a special 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.

Neustädter Hafen Bremen

Financial risks

The disclosures on the management of financial risks were reviewed by the consolidated financial statement auditor. To avoid duplication, they are presented in point 41 of the notes to the consolidated financial statement.

At present no major financial risks are discernible in the BLG Group.

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 special influence on the asset, financial and earnings situation, do not exist at present.

The main risks for the Group result from the worldwide financial crisis, which still persists to some extent, and its impacts on the real economy or from the consequential effects of the natural disaster in Japan on parts of 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.

Attaching hook to steel pipes in Neustädter Hafen, Bremen

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

The economic prospects for the 2011 financial year are positive. We expect consistently high car exports on the basis of a renewed increase in automobile production in Germany to a level of 5.8 million vehicles and rising registrations of new cars in Germany and Eastern Europe. For the CONTAINER Division we expect a rise in volume of approx. 10 percent. Due to the impacts of the financial, economic and shipping crisis as well as the current developments in Japan and the Arab states, however, uncertainty remains. The effects of this uncertainty on the BLG Group currently cannot be estimated reliably, either in detail or on the whole.

The BLG Group looks ahead to the year 2011 positively. Within the scope of our dual strategy we continue to boost our acquisition activities in order to tap new markets and win over new customers. At the same time we will consistently continue our efficiency enhancement and restructuring programs due to expectations of low margins. Against the background of the economic conditional framework outlined we assume that our sales in all divisions will grow by 5 to 10 percent in 2011. We expect the 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, in the CONTRACT Division to 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 billion and earnings before taxes (EBT) of more than EUR 40 million for the BLG Group in the 2011 financial year.

For the year 2012 we expect a positive economic environment, strong growth primarily in the 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, the launch of the container terminal in Wilhelmshaven and Ust-Luga as well as cost reduction and restructuring measures that will then take full effect, we assume another rise in sales and earnings before taxes for all divisions.

In view of this background we want to offer our shareholders an attractive dividend yield. We 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 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, 2010

		Notes	2010 TEUR*	2009 TEUR*
1.	Sales	7	897,409	818,460
2.	Other operating income	8	61,308	67,570
3.	Cost of materials	9	-401,575	-326,718
4.	Personnel expenses	10	-299,357	-302,593
5.	Depreciation of long-term intangible fixed assets and tangible fixed assets	11	-61,560	-69,127
6.	Other operating expenses	12	-146,309	-152,390
7.	Income from long-term financial receivables	13	417	441
8.	Other interest and similar income	13	1,894	1,802
9.	Interest and similar expenses	13	-23,116	-22,737
10.	Income from long-term equity investments in associated enterprises	14	3,711	763
11.	Income from other long-term equity investments and affiliated companies	14	1,271	1,052
12.	Depreciation of financial assets and long-term financial receivables	15	-5	0
13.	**Results before taxes**		**34,088**	**16,523**
14.	Taxes on income	16	-1,139	-8,489
15.	**Group net income for the financial year**		**32,949**	**8,034**
The Group net income is allocated as follows:				
	BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–		1,300	920
	BLG LOGISTICS GROUP AG & Co. KG		25,155	1,739
	Other minorities		6,494	5,375
			32,949	**8,034**
Earnings per share (diluted and undiluted)		17	**EUR 0.34**	**EUR 0.24**
Dividend of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–		18	**EUR 0.30**	**EUR 0.25**

* TEUR (thousand EUR)

Consolidated Statement of Income and Accumulated Earnings

from January 1 to December 31, 2010

		Notes	2010 TEUR*	2009 TEUR*
1.	**Group net income**		**32,949**	**8,034**
Earnings and expenses reported directly in equity				
2.	Currency translation		1,611	863
3.	Change in measurement of derivative financial instruments		155	-179
4.	Change in measurement of derivative financial instruments of associated enterprises		61	-70
5.	Income taxes on other comprehensive income	20	-42	24
6.	**Total earnings and expenses reported directly in equity**	19	**1,785**	**638**
7.	**Total result**		**34,734**	**8,672**
Of the other income for the year, the following amounts are allocated to:				
	BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–		1,300	920
	BLG LOGISTICS GROUP AG & Co. KG		26,472	2,201
	Other minorities		6,962	5,551
			34,734	**8,672**

* TEUR (thousand EUR)

Consolidated Balance Sheet

as of December 31, 2010

Assets	Notes	2010-12-31 TEUR*	2009-12-31 TEUR*
A. Long-term assets			
I. Intangible fixed assets	21		
1. Goodwill		12,720	12,720
2. Other intangible fixed assets		16,857	9,234
3. Prepayments on account of intangible fixed assets		7,166	13,381
		36,743	**35,335**
II. Tangible fixed assets	22		
1. Land, land rights and buildings, including those on third-party land		347,070	357,070
2. Technical equipment and machinery		258,396	266,313
3. Other equipment, operating and office equipment		20,299	22,245
4. Prepayments and assets under construction		10,932	23,835
		636,697	**669,463**
III. Long-term financial assets	23		
1. Shares in affiliated companies		642	492
2. Shares in associated enterprises, reported at equity		41,762	39,388
3. Other financial assets		1,701	1,924
		44,105	**41,804**
IV. Long-term financial receivables	24	12,312	8,978
V. Other long-term assets		964	576
VI. Deferred taxes	16	8,161	4,963
		738,982	**761,119**
B. Short-term assets			
I. Inventories	25	10,248	11,015
II. Trade receivables	26	146,541	129,421
III. Other assets	26	33,544	39,287
IV. Refund claims from taxes on income	27	392	266
V. Cash and cash equivalents	28	46,617	35,933
		237,342	**215,922**
		976,324	**977,041**

* TEUR (thousand EUR)

Equity and liabilities

	Notes	2010-12-31 TEUR*	2009-12-31 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		3,925	3,777
3. Balance sheet profit		1,137	945
		16,044	**15,704**
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		142,430	138,455
d. Balance sheet profit		13,077	11,828
e. Foreign currency adjustment items		1,157	-55
f. Reserves from fair value measurement of financial instruments		-2,743	-2,917
g. Balance sheet result of companies included		-27,414	-35,447
		227,689	**213,046**
2. Equity of other minorities			
a. Hybrid equity		78,010	78,010
b. Other minorities		8,703	5,001
		314,402	**296,057**
		330,446	**311,761**
B. Long-term liabilities			
I. Long-term loans (excluding short-term share)	30	157,057	180,890
II. Other long-term financial liabilities	31	89,024	96,013
III. Deferred government grants	32	23,486	20,215
IV. Other long-term liabilities	35	9,840	9,487
V. Long-term provisions	33	52,506	48,968
VI. Deferred taxes	16	5,704	4,782
		337,617	**360,355**
C. Short-term liabilities			
I. Trade payables	34	70,739	58,467
II. Short-term financial liabilities	31	161,909	169,462
III. Short-term share for government grants	32	1,628	1,379
IV. Other short-term liabilities	35	49,790	49,727
V. Liabilities on taxes on income	36	7,439	10,531
VI. Short-term provisions	37	16,756	15,359
		308,261	**304,925**
		976,324	**977,041**

Segment Reporting

(in TEUR*)	AUTOMOBILE 2010-12-31	AUTOMOBILE 2009-12-31
Sales with external third parties	**321,269**	**298,402**
Inter-segment sales	135	120
EBITDA	20,893	21,909
Depreciation	-11,638	-11,374
Segment result (EBIT)	**9,255**	**10,535**
in % of sales	*2.9 %*	*3.5 %*
Interest income	485	233
Depreciation of financial assets	0	0
Interest expenses	-6,252	-6,437
Result from companies included at equity	417	-204
Result from other long-term equity investments	5	52
Earnings before taxes (EBT)	**3,910**	**4,179**
Other information		
Other non-cash-related items	92	-251
Included in segment result		
Income not relating to this period	8,469	9,147
Expenses not relating to this period	-1,198	-4,011
Impairments	0	-263
Shares in associated enterprises and other companies included at equity	9,690	9,386
Goodwill contained in segment assets	12,208	12,208
Segment assets	258,500	245,990
Investments in long-term intangible fixed assets and tangible fixed assets	13,333	21,032
Segment liabilities	154,453	152,199
Equity	65,335	57,680
Employees	1,995	2,077

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

CONTRACT 2010-12-31	CONTRACT 2009-12-31	CONTAINER 2010-12-31	CONTAINER 2009-12-31	Reconciliation 2010-12-31	Reconciliation 2009-12-31	GROUP 2010-12-31	GROUP 2009-12-31
282,307	**231,200**	**299,776**	**295,699**	**-5,943**	**-6,841**	**897,409**	**818,460**
874	984	4,934	5,737	-5,943	-6,841	**0**	**0**
23,080	21,555	79,073	74,824	-11,570	-13,959	**111,476**	**104,329**
-12,184	-16,161	-36,990	-40,794	-748	-798	**-61,560**	**-69,127**
10,896	**5,394**	**42,083**	**34,030**	**-12,318**	**-14,757**	**49,916**	**35,202**
3.9 %	*2.3 %*	*14.0 %*	*11.5 %*	*n/a*	*n/a*	***5.6 %***	***4.3 %***
851	1,012	677	668	298	330	**2,311**	**2,243**
-5	0	0	0	0	0	**-5**	**0**
-5,401	-6,065	-11,407	-10,742	-56	507	**-23,116**	**-22,737**
1,383	1,579	1,633	-863	278	251	**3,711**	**763**
628	37	627	911	11	52	**1,271**	**1,052**
8,352	**1,957**	**33,613**	**24,004**	**-11,787**	**-13,617**	**34,088**	**16,523**
-262	-126	2	-103	-44	205	**-212**	**-275**
6,589	8,265	2,723	1,273	1,428	3,722	**19,209**	**22,407**
-2,275	-1,460	-967	-541	-494	-855	**-4,934**	**-6,867**
0	-1,447	-300	-4,018	0	0	**-300**	**-5,728**
4,086	3,251	25,178	23,944	2,808	2,807	**41,762**	**39,388**
0	0	512	512	0	0	**12,720**	**12,720**
197,355	189,125	448,686	478,561	21,469	18,748	**926,010**	**932,424**
7,830	4,722	12,147	48,402	311	3,669	**33,621**	**77,825**
108,859	100,094	139,973	128,224	-50,889	-64,384	**352,396**	**316,133**
19,539	13,784	210,746	207,549	34,826	32,748	**330,446**	**311,761**
1,932	1,787	1,883[1)]	1,939[1)]	139	126	**5,949**	**5,929**

Consolidated Statement of Changes in Equity

(in TEUR*)	I. Capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– included			
	Sub-scribed capital	Revenue reserves	Balance sheet profit	Total
As of December 31, 2008	**9,984**	**4,815**	**1,521**	**16,320**
Changes in financial year				
Group net income	0	0	920	920
Earnings and expenses reported directly in equity	0	0	0	0
Total result	0	0	920	920
Dividends/withdrawals	0	0	-1,536	-1,536
Contribution to capital	0	0	0	0
Control-preserving acquisitions of shares	0	0	0	0
Other changes	0	-40	40	0
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**

* 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 adjustment items	Reserves from fair value measurement of financial instruments	Balance sheet result of companies included	Total	Hybrid equity	Other minorities	Total
51,000	**50,182**	**95,390**	**57,542**	**-569**	**-2,692**	**19,158**	**270,011**	**78,010**	**-10,571**	**353,770**
0	0	34,773	0	0	0	-33,034	1,739	5,063	312	8,034
0	0	0	0	687	-225	0	462	0	176	638
0	0	34,773	0	687	-225	-33,034	2,201	5,063	488	8,672
0	0	0	-28,196	0	0	0	-8,196	-5,063	-55	-34,850
0	0	0	0	0	0	97	97	0	0	97
0	0	5,224	0	-173	0	-36,119	-31,068	0	11,133	-19,935
0	0	3,068	-17,518	0	0	14,451	1	0	4,006	4,007
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**

Consolidated Cash Flow Statement

(in TEUR*)	2010	2009
Result before taxes	34,088	16,523
Depreciation of long-term intangible fixed assets, tangible fixed assets, financial assets and long-term financial receivables	61,565	69,127
Additions to long-term financial receivables	-434	-342
Result from disposals of fixed assets	632	-1,380
Result from associated enterprises	-3,711	-763
Result from other long-term equity investments	-1,271	-1,052
Interest result	20,805	20,494
Other cash-neutral expenses and income	-212	-279
	111,462	**102,328**
Change in trade receivables	-15,374	3,431
Change in other assets	7,100	20,533
Change in inventories	1,168	-640
Change in government grants	3,520	6,501
Change in provisions	-2,602	2,119
Change in trade payables	8,983	-26,597
Change in other liabilities	19,473	-3,104
	22,268	**2,243**
Proceeds from interest	1,350	1,719
Payments for interest	-17,541	-18,270
Payments for taxes on income	-6,699	-4,641
	-22,890	**-21,192**
Cash flow from current operating activities	**110,840**	**83,379**
Proceeds from disposals of fixed tangible assets and intangible fixed assets	4,880	4,455
Payments for investments in fixed tangible assets and intangible fixed assets	-31,737	-75,914
Proceeds from disposals of financial assets	92	88
Proceeds from financial assets	707	0
Payments for investments in financial assets	0	-3,218
Changes in entities to be consolidated	2,069	3,278
Payments for granting loans to companies in which long-term equity is held	-660	-125
Proceeds from repayment of loans to companies in which long-term equity is held	280	735
Proceeds from acquisitions of companies minus liquid funds sold	0	207
Payments for acquisitions of companies minus liquid funds acquired	0	-11,908
Payments for control-preserving acquisitions of shares	0	-19,935
Proceeds from dividends received	1,939	1,814
Cash flow from investment activities	**-22,430**	**-100,523**
Proceeds from repayment of loans to company owners	378	312
Payments for granting loans to company owners	-291	-378
Payments to owners of hybrid capital	-5,063	-5,063
Proceeds from additions to equity from minority companies	2,100	4,006
Payments to company owners	-13,162	-29,690
Proceeds from taking out financial loans	10,099	74,176
Payments for repayment of financial loans	-60,067	-43,745
Proceeds from taking out loans from companies in which long-term equity is held	11,400	17,800
Payments for repayment of loans from companies in which long-term equity is held	-13,112	-18,990
Change in clearing account for joint venture partners	-3,831	16,395
Payments to lessee	-3,349	0
Proceeds from repayment of leasing receivables	42	0
Taking out leasing liabilities	304	27,500
Payment to repay leasing liabilities	-7,325	-7,074
Cash flow from financial activities	**-81,877**	**35,249**
Net increase/decrease in cash and cash equivalents	6,533	18,105
Change in cash and cash equivalents due to currency translation influences	261	97
Cash and cash equivalents at beginning of financial year	-1,843	-20,045
Cash and cash equivalents at end of financial year	**4,951**	**-1,843**
Composition of cash and cash equivalents at end of financial year		
Liquid funds	46,617	35,933
Short-term liabilities to banks	-41,666	-37,776
	4,951	**-1,843**

* 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 2010 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, 2010, 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 2010 financial year:

- IFRS 3 'Business combinations' (revised) and amendments to IAS 27 'Consolidated and separate financial statements according to IFRS': The revised standard IFRS 3 and the amendments to IAS 27 were published in January 2008 and must be applied for financial years that begin on or after July 1, 2009. The amendments to IFRS 3 essentially comprise provisions on purchase price components and incidental purchase costs, successive acquisitions, goodwill, minority shares and revaluation of acquired contracts. The amendments to IAS 27 involve treatment of purchases and sales connected with a change of control and having an effect on the income statement as well as depiction (without effect on the income statement) of transactions without a change of control.

- Amendments to IAS 39 'Financial instruments: recognition and measurement' (permissible hedging instruments within framework of hedge accounting relationships): The amendments were published in July 2008 and have to be applied for the first time for financial years that begin on or after July 1, 2009. They relate to the treatment of the inflation portion of financial instruments and of option contracts used as hedging instruments in the reporting of hedging transactions.

- 'Improvements to IFRS': A standard on 'Improvements to IFRS' was published in April 2009. The amendments involved, among other things, the classification of leasing arrangements with regard to real estate and buildings. The previous provisions of IAS 17.14 f. stipulated that leasing arrangements for real estate were normally classified as operating leases unless legal ownership of the asset was transferred to the lessee at the end of the contractual period. In the course of the Improvements Project the IASB came to the conclusion that these provisions were not consistent with the general criteria for classification of leasing arrangements in accordance with IAS 17.7 to 17.13 and for this reason decided to eliminate the special criteria for the classification of leasing arrangements in connection with real estate and buildings in accordance with IAS 17.14 f. No new reclassifications and thus no impacts on the asset, financial and earnings situation of the Group resulted from the contract review. The changes resulting from the "Annual Improvements Project 2007-09" of the IASB involve non-urgent, but necessary minor amendments to ten standards and two interpretations altogether. Most of the changes have to be applied for financial years that begin on or after January 1, 2010.

- IFRIC 16 'Hedges of a net investment in a foreign operation': The interpretation was published in July 2008 and must be applied for the first time for financial years that begin on or after June 30, 2009. IFRIC 16 makes it clear that a risk position can only result from conversion of the functional currency of the subsidiary into the functional currency of the parent company and not from conversion into the presentation currency of the parent company. Furthermore, the interpretation stipulates that the hedging instrument can be held by any company within the group and describes how the amounts that have to be transferred to the income statement in the event of sale of the subsidiary must be determined.

The new/revised standards and interpretations relevant for the operating activities of the Group did not result in any significant impacts with the exception of additional disclosures on the notes.

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 2010 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 7 'Financial instruments: Disclosures' (transfers of financial assets)	July 1, 2011	No
IFRS 9 'Financial instruments: classification and measurement of financial assets'	January 1, 2013	No
IAS 24 'Related party disclosures' (revised)[1] and amendment to IFRS 8 'Operating segments'	January 1, 2011	Yes
Various standards: Annual Improvements Project 2008-10	essentially January 1, 2011	Yes
Amendment to IAS 32 'Classification of rights issues'	February 1, 2010	Yes
Interpretations:		
Amendments to IFRIC 14 'Prepayments of a minimum funding requirement'	January 1, 2011	Yes
IFRIC 19 'Extinguishing financial liabilities with equity instruments' and amendment to IFRS 1 'First-time adoption of IFRSs'	July 1, 2010	Yes

[1] Sections 25 to 27 of the revised IAS 24 are applied prematurely for the 2010 financial year. No impacts on the assets, financial and earnings situation have resulted according to this annual financial statement.

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.

The Board of Management of BLG released the consolidated financial statement for transmission to the Supervisory Board on April 5, 2011. It is the responsibility of the Supervisory Board to review the consolidated financial statement and declare 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 trade through its three divisions, AUTOMOBILE, CONTRACT and CONTAINER, and is represented at around 90 locations in Europe, North and South America, Africa and Asia.

The range of services extends from handling maritime cargo and storage all the way to complete supply chain management with integrated value-added services.

AUTOMOBILE

The services offered by the AUTOMOBILE Division encompass port cargo handling, storage, technical processing, transport, supply chain management, plant logistics, shipping and freight forwarding, individual shipments as well as the entire administrative vehicle transportation procedure, including documentation and customs clearance. In addition, it handles heavy or bulky goods, such as agricultural equipment, buses and trucks, generators and transformers, locomotives and railway wagons.

A total of 5.4 million vehicles (previous year: 4.7 million) were handled, transported and technically processed in 2010. 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. Currently the focal point of investment is Eastern Europe. BLG is already present with several seaport and inland terminals in Poland, Russia, the Ukraine, the Czech Republic, Slovakia and Slovenia. Other locations are planned.

The automobile terminals on coasts and rivers are trimodal, which means they have truck, railway and ship connections. The inland terminals offer short distances to the European highway network and their own rail connections. BLG has over 500 trucks of its own as well as 494 leased railway wagons for car transportation. On the basis of the network, the company has set 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 at the automobile terminals 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 the customers.

The focal points of the Automotive segment are car parts and plant logistics for the automobile 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. By providing for 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 develops concepts and 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 through 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 commodity flows, empties management and complex assembly operations. A relatively new field in the industrial and production logistics segment focuses on logistics for onshore and offshore wind turbine facilities. Customized, holistic logistics systems are developed for customers to coordinate and manage the supply chain of wind turbines and their components from production to installation at sea via all value-added stages.

The Cargo Department operates 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.

CONTAINER

The CONTAINER Division consists of the joint venture EUROGATE GmbH & Co. KGaA, KG, Bremen, in which a company of the BLG Group holds 50 percent of the shares, as well as its 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 on the European continent. The EUROGATE Group operates – in some cases with partners – container terminals on the North Sea, on the Mediterranean and on the Atlantic and is the market leader in Europe. There are locations in Bremerhaven, Hamburg (both in Germany), La Spezia, Gioia Tauro, Cagliari, Livorno, Ravenna and Salerno (all in Italy) as well as in Lisbon (Portugal) and Tangier (Morocco). The EUROGATE Group additionally holds an interest in terminals being set up in Wilhelmshaven (Germany) and Ust-Luga (Russia) as well as 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 – shipments of 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. Besides 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 six foreign enterprises), which are included in the consolidated financial statement through full consolidation.

As a consequence of the expansion of business activities, BLG Soluciones Logisticas Integradas España S.L.U., Vitoria, Spain, established in 2008, BLG Logistics, Inc., Atlanta, USA, established in 2004, and BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa, established in 2000, were included in the consolidated financial statement through full consolidation for the first time in the year under report. In the case of the latter company, the equity method was applied for reasons of immateriality.

In connection with the Asia strategy, which focuses on South East Asia and India, BLG formed the joint venture BLG Parekh Logistics Pvt. Ltd., Mumbai, India together with the Parekh Group in 2008. It also established the joint venture BLG MILS Logistics Sdn. Bhd., Kuala Lumpur, Malaysia with its partner MISC Integrated Logistics in 2007. The share of the voting rights here amounts to 40 percent and BLG additionally holds 20 percent of the nonvoting preferred stock. Both enterprises were previously not included in the consolidated financial statement at equity because of immateriality. In view of the business expansion, they are included at equity for the first time in 2010.

BLL Ikhwezi Logistics Pty. Ltd. i.L., Port Elizabeth, South Africa, included according to the equity method up to now, left the group of entities to be consolidated after conclusion of liquidation.

Four companies were included in the consolidated financial statement on a proportionate basis for the first time: EUROGATE KV-Anlage Wilhelmshaven GmbH, Wilhelmshaven and EUROGATE Container Terminal Wilhelmshaven Administration GmbH, Wilhelmshaven (both established in 2010) as well as the joint venture companies IPN Inland Port Network GmbH & Co. KG, Hamburg and IPN Inland Port Network Verwaltungsgesellschaft mbH, Hamburg, formed by EUROGATE Intermodal GmbH, Hamburg and HHLA Intermodal GmbH, Hamburg.

Two companies were included in the consolidated financial statement at equity because of immateriality in spite of a majority of the voting rights. Altogether 22 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 on Participations on pages 188 ff.

4 Consolidation principles

All major subsidiaries that are under the legal / 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 338,000.

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, 2010, currency translation differences of EUR 1,157,000 (in previous year: EUR -55,000) 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 2010-12-31	Average exchange rate 2010	Exchange rate 2009-12-31	Average exchange rate 2009
1 American dollar	0.7546	0.7549	0.6977	0.7192
1 Brazilian real	0.4530	0.4307	0.4023	0.3635
1 British pound	1.1675	1.1661	1.1113	1.1230
1 Indian rupee	0.0167	0.0165	--	--
1 Malaysian ringgit	0.2451	0.2354	--	--
1 Moroccan dirham	0.0904	0.0904	0.0891	0.0895
1 Polish zloty	0.2523	0.2510	0.2421	0.2322
1 Russian ruble	0.0247	0.0249	0.0231	0.0228
1 South African rand	0.1138	0.1034	0.0944	0.0862
1 Czech crown	0.0396	0.0396	0.0379	0.0379
1 Ukrainian grivna	0.0960	0.0962	0.0881	0.0906

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 creation 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.

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 life 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 the market value cannot be determined reliably 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. 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 the market value cannot be determined reliably 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 and are usually recognized at a value determined by using listed prices of similar financial instruments from active markets or models whose main parameters are based on observed market data. Fluctuations in value between the balance sheet dates are fundamentally reported in the financial result with effect of the income statement. 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.

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.

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 three-year plan served 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 9.5 percent for the CONTRACT Division (previous year: 10 percent) and fundamentally for the companies of the AUTOMOBILE Division 7.5 percent (previous year: 10 percent). An interest rate of 12 percent (previous year: 15 percent) was calculated for an impairment test of a cash-generating unit of the AUTOMOBILE Division in the Ukraine. A weighted cost of capital rate of 7.0 percent (previous year: 8.2 percent) was calculated for the CONTAINER Division. The cash flows of this division were extrapolated over a planning horizon of three years while 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 projected unit credit actuarial method stipulated in IAS 19 for defined benefit pension plans. 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 projected unit credit actuarial 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. Long-term provisions with a remaining term of more than a year are discounted at a capital market interest rate with an appropriate term.

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 liabilities due to the termination benefits according to the projected unit credit actuarial 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. In contrast to the previous year, the measurement was 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 (in the previous year uniformly at 15.4 percent). Application of individual company tax rates has not led to any significant impacts. To this extent, the previous year’s figures were not adjusted. 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 40.0 percent.

r) Business combinations

During the reporting period the following business combinations were established in the AUTOMOBILE Division:

BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia

The company was established jointly together with OOO RoL Trans SPB (RoL), Russia in 2008. Each company had a 50-percent interest in the share capital. The Russian partner sold its share in return for a waiver of repayment of a loan to BLG on June 22, 2010. The company was not included in the consolidated financial statement through full consolidation because of immateriality.

Consolidated income statement disclosures

7 Sales

(in TEUR)	2010	2009
Sales	354,714	327,325
Freight forwarding and transport services	290,977	253,515
Technical services and consulting	65,544	53,254
Logistics services	64,684	61,906
Rental / warehouse income	40,636	47,419
Ship income	19,362	15,211
Material sales	9,532	11,262
Provision of personnel and equipment	7,393	5,026
Container packing	6,159	8,332
Miscellaneous	38,408	35,210
Total	**897,409**	**818,460**

Due to recovery from the impacts of the worldwide financial crisis, sales increased by a total of EUR 78,949,000 or 9.6 percent compared to the previous year. 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)	2010	2009
Income from the release of liabilities	14,253	16,450
Interest on heritable building rights and rents	10,864	10,485
Provision of personnel	9,192	6,910
Insurance compensation and other reimbursements	6,520	6,494
Income from on-debiting expenses	6,306	7,512
Other income not relating to this period	4,583	3,630
Income from sale of assets	373	2,326
IT and other consulting services	294	301
Miscellaneous	8,923	13,462
Total	**61,308**	**67,570**

The other operating income primarily includes neutral earnings of EUR 4,780,000 (previous year: EUR 5,817,000) accounted for by contract penalties received from the CONTAINER Division to an amount of EUR 0 (previous year: EUR 3,377,000), reimbursement of expenses to an amount of EUR 1,971,000, income from cash discounts and rebates to an amount of EUR 1,373,000, subsidies from the Employment Agency to an amount of EUR 563,000 and market gains to an amount of EUR 496,000.

9 Material expenses

(in TEUR)	2010	2009
Expenses for raw materials, consumables and supplies	91,958	74,676
Expenses for outside personnel	107,585	76,571
Expenses for other purchased services	201,974	175,307
Change in amount of work in progress as well as finished goods inventories	58	164
Total	**401,575**	**326,718**

Material expenses rose by a total of EUR 74,857,000 or 22.9 percent compared to the previous year due to the significant expansion in business activities.

To cover personnel needs, more external workers were employed so that in relation to material expenses overall the expenditures for outside personnel increased overproportionately by 40.5 percent.

The expenses for temporarily employed members of the CONTAINER Division staff in the previous year were included in the personnel expenses to an amount of EUR 17,220,000. In the financial year these expenses are disclosed in the expenses for outside personnel and the figure for the previous year was adjusted accordingly.

10 Personnel expenses

(in TEUR)	2010	2009
Wages and salaries	248,689	251,587
Statutory social security expenses	45,597	47,342
Expenses for pensions, support and anniversaries	5,556	3,917
Miscellaneous	48	186
	299,890	**303,032**
Own work capitalized relating to internally generated intangible assets	-533	-439
Total	**299,357**	**302,593**

The personnel expenses dropped compared to the previous year by a total of EUR 3,236,000 or 1.1 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.

In the previous year wages and salaries contained expenditures of EUR 17,220,000 for temporarily employed members of the CONTAINER Division staff. These expenditures are reported in the expenses for outside personnel (disclosure no. 9) in the current financial year and the previous year's figure was adjusted accordingly.

The statutory social security expenses contain EUR 21,523,000 (previous year: EUR 22,344,000) 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)	2010	2009
Systematic depreciation		
Depreciation of intangible assets	2,935	2,371
Depreciation of tangible assets	58,325	61,028
	61,260	**63,399**
Exceptional depreciation of tangible assets	300	5,728
Total	**61,560**	**69,127**

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)	2010	2009
Interest on heritable building rights and rents	69,911	73,294
Expenses for insurance premiums	10,012	10,667
IT costs	7,408	6,218
Expenses for cases of damage	7,268	7,337
Security costs and other property expenses	6,691	5,475
Sales and marketing costs	6,455	6,832
Legal, consulting and audit costs	5,475	5,016
Other expenses not relating to this period	3,929	5,921
Other personnel-related expenses	3,915	3,649
Administration expenses and contributions	3,412	3,179
Other taxes	2,763	963
Postal and telephone costs	1,823	1,920
Other neutral expenses	1,157	10,687
Bookkeeping losses from sales of fixed assets	1,005	946
Expenses for further training	880	802
Expenses from procurement business for third parties	658	148
Miscellaneous	13,547	9,336
Total	**146,309**	**152,390**

The other miscellaneous operating expenses contain expenses amounting to EUR 6,586,000 (previous year: EUR 3,827,000) that were on-debited to customers.

The other neutral expenses of the previous year contained expenses for commitments within the framework of agreements regarding part-time work arrangements for employees approaching retirement and waivers of work performance due from employees to an amount of EUR 7,000,000 as well as additions to short-term provisions for risks in connection with possible guarantee commitments to an amount of EUR 1,700,000.

13 Interest result

(in TEUR)	2010	2009
Miscellaneous interest and similar income		
Interest income from long-term financial receivables	**417**	**441**
Interest income from bank balances	261	248
Interest income from finance leasing	90	0
Interest income from amortization of other assets	961	524
Other interest income	582	1,030
	1,894	**1,802**
Interest and similar expenses		
Interest expenses for long-term loans and other financial liabilities	-12,249	-13,524
Interest expenses for finance leasing	-36	-62
Interest expenses for provisions and liabilities	-5,575	-4,466
Interest expenses for short-term liabilities to banks	-341	-422
Other interest expenses	-4,915	-4,263
	-23,116	**-22,737**
Total	**-20,805**	**-20,494**

The other interest income includes income from interest swaps to an amount of EUR 370,000 (previous year: EUR 863,000) as compared to the corresponding expenditures from interest swaps contained in the other interest expenses amounting to EUR -3,244,000 (previous year: EUR -2,631,000).

On balance, the CONTRACT Division accounts for EUR -1,081,000 (previous year: EUR -791,000) of the income and expenses from interest swaps and the CONTAINER Division for EUR -1,793,000 (previous year: EUR -977,000).

14 Result from participations

(in TEUR)	2010	2009
Result from associated enterprises		
CONTSHIP Italia S.p.A., Genoa, Italy	2,579	958
BMS Logistica Ltda., São Paulo, Brazil	638	794
Schultze Stevedoring GmbH & Co. KG, Bremen	377	493
dbh Logistics IT AG, Bremen	278	251
Autoterminal Slask Logistic Sp. z o. o., Dabrowka Gornicza, Poland	236	226
ATN Autoterminal Neuss GmbH & Co. KG, Neuss	175	-516
ZLB Zentrallager Bremen GmbH & Co. KG, Bremen	167	75
TangerMedGate Management S.a.r.l., Tangier, Morocco	84	-1,105
ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy	-145	68
OJSC Ust-Luga Container Terminal, Ust-Luga, Russia	-955	-716
Others	277	235
	3,711	**763**
Result from other participations and affiliated companies		
Medgate FeederXpress Ltd., Monrovia, Liberia	421	634
BLG Logistics, Inc., Atlanta, USA	329	0
BLG Soluciones Logisticas Integradas España S.L.U., Vitoria, Spain	262	0
Others	259	418
	1,271	**1,052**
Total	**4,982**	**1,815**

The result from other participations and affiliated companies contains 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)	2010	2009
Depreciation of long-term financial receivables		
Depreciation of loans to affiliated companies	5	0
Total	**5**	**0**

16 Taxes on income

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

(in TEUR)	2010	2009
Current taxes		
Tax expenses during the period	4,374	4,802
Tax expenses for previous periods	1,140	515
Income from tax refunds	-1,842	-755
Total current taxes	**3,672**	**4,562**
Deferred taxes		
Deferred taxes on temporary differences	216	1,511
Deferred taxes on loss carry-forwards	-2,749	2,416
Total deferred taxes	**-2,533**	**3,927**
Total	**1,139**	**8,489**

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)	2009[1)]	Change reported in income statement	Change reported in equity	2010
Goodwill recognized in tax balance sheet	622	-83	0	539
Recognition and measurement of intangible assets	2,538	-599	0	1,939
Measurement of tangible fixed assets	6,978	-1,141	0	5,837
Recognition and measurement of other assets	81	-67	14	28
Recognition of liabilities from finance leases	11,603	-1,093	0	10,510
Measurement of personnel-related provisions	6,723	-369	0	6,354
Measurement of provisions for dismantling liabilities	1,049	216	0	1,265
Recognition and measurement of other miscellaneous provisions	1,324	-92	0	1,232
Recognition of derivative financial instruments	598	95	-43	650
Recognition of accruals and deferred income	1,032	-244	0	788
Recognition and measurement of other liabilities	1,131	-511	0	620
Write-down of deferred taxes from temporary differences	-6,234	2,766	0	-3,468
Recognition of tax-related loss and interest carry-forwards	354	2,749	0	3,103
Gross deferred taxes	**27,799**	**1,627**	**-29**	**29,397**
Balance	-22,836			-21,236
Reported deferred taxes	**4,963**			**8,161**

[1)] Due to the use of new software to determine the deferred taxes, the presentation of the data for the previous year was adapted accordingly.

Deferred tax liabilities (in TEUR)	2009[1)]	Change reported in income statement	Change reported in equity	2010
Recognition and measurement of intangible assets	-1,892	-348	0	-2,240
Measurement of tangible fixed assets	-14,065	105	-228	-14,188
Capitalization of finance leases	-11,103	1,145	0	-9,958
Elimination of tax-related special item with reserve element	-187	28	0	-159
Recognition and measurement of other assets	-55	-113	0	-168
Measurement of personnel-related provisions	-39	3	0	-36
Recognition and measurement of other miscellaneous provisions	-2	-14	0	-16
Recognition and measurement of other liabilities	0	-9	0	-9
Elimination of intragroup profits and losses	-275	109	0	-166
Gross deferred taxes	**-27,618**	**906**	**-228**	**-26,940**
Balance	22,836			21,236
Reported deferred taxes	**-4,782**			**-5,704**

[1)] Due to the use of new software to determine the deferred taxes, the presentation of the data for the previous year was adapted accordingly.

The following deferred tax credits were not capitalized:

(in TEUR)	2010-12-31	2009-12-31
Deductible temporary differences	3,468	6,234
Loss and interest carry-forwards	36,231	30,624
Total	**39,699**	**36,858**

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 2,189,000 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, 2010, the Group had tax loss carry-forwards of EUR 256,038,000 (previous year: EUR 200,868,000). As of December 31, 2010, no deferred tax receivables were capitalized for tax loss carry-forwards of EUR 235,229,000 (previous year: EUR 198,569,000) 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, 2010 and as of December 31, 2009 apply to subsidiaries whose expected tax income situation will presumably not enable use of deferred tax assets.

Reconciliation of effective tax rate and effective income tax expenses:

Reconciliation statement (in TEUR)	2010		2009[1)]	
Profit for the year before taxes according to IFRS		34,088		16,523
Group tax rate %		15.40 %		15.40 %
Expected expenses for taxes on income in the financial year		5,249		2,544
Reconciliation items				
Effects of changes in tax rates		263		442
Tax-free income / curtailments related to trade tax		-1,129		-799
Non-tax-deductible expenses / additions related to trade tax / effects of tax barrier		3,310		949
Use of additional tax-related special operating expenses		-6,087		-5,863
Current tax expenses / income not relating to this period		-702		-243
Deferred tax expenses / income not relating to this period		232		-230
Effects due to differing tax rates		1,168		1,062
Effects of non-recognized loss / interest carry-forwards in reporting year		4,616		4,280
Effects of adjustment of non-recognized loss carry-forwards / interest expenses in previous years		810		-1,102
Effects of adjustments of tax-related loss carry-forwards in reporting year		-3,616		2,056
Recognition adjustments of deferred taxes on temporary differences		-2,766		5,624
Other effects		-209		-231
Total reconciliation items	-12.1 %	-4,110	36.0 %	5,945
Income tax expenses reported in the Group	**3.3 %**	**1,139**	**51.4 %**	**8,489**

[1)] Due to the use of new software to determine the deferred taxes, the presentation of the data for the previous year was adapted accordingly.

The applied tax rate of 15.4 percent (previous year: 15.4 percent) includes, as in the previous year, only the trade tax in Germany on the basis of the relevant trade tax rate since BLG LOGISTICS GROUP AG & Co. KG, as a partnership, is not subject to the corporate tax and solidarity surcharge as an independent taxable entity. The low Group tax rate in relation to the previous year essentially results from the valuation allowance of deferred tax assets on temporary differences and loss carry-forwards.

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 2010 financial year are EUR 0.34 (previous year: EUR 0.24). This calculation is based on the share of the annual Group net income of EUR 1,300,000 (previous year: EUR 920,000) 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.

18 Dividend per share

A dividend payout of EUR 1,152,000 (previous year: EUR 960,000) is proposed for the 2010 financial year. This corresponds to a dividend per share of EUR 0.30 (previous year: EUR 0.25).

Disclosures regarding consolidated statement of income and accumulated earnings

19 Income and expenses reported directly in equity

(in TEUR)	2010	2009
Currency translation	1,611	863
Change in fair value of derivative		
financial instruments (cash flow hedges)	155	-179
of those, transferred to the income statement	0	0
	155	**-179**
Change in fair value of derivative		
financial instruments of associated enterprises	61	-70
of those, realized in the income statement	0	0
	61	**-70**
Taxes on other comprehensive income	-42	24
Total	**1,785**	**638**

20 Taxes on the income and expenses reported directly in equity

(in TEUR)	2010 Gross value	2010 Tax expense/ income	2010 Net value	2009 Gross value	2009 Tax expense/ income	2009 Net value
Currency translation	1,611	0	1,611	863	0	863
Change in fair value of derivative financial instruments (cash flow hedges)	155	-39	116	-179	21	-158
Change in fair value of derivative financial instruments of associated enterprises	61	-3	58	-70	3	-67
Total	**1,827**	**-42**	**1,785**	**614**	**24**	**638**

Consolidated balance sheet disclosures

21 Intangible assets

(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 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 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 TEUR) 2009 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, 2009	4,800	32,447	11,820	49,067
Changes in entities to be consolidated	0	-34	0	-34
Additions	7,920	1,495	3,017	12,432
Disposals	0	-6,510	-1,431	-7,941
Transfers	0	263	0	263
Currency differences	0	1	0	1
As of December 31, 2009	12,720	27,662	13,406	53,788
Depreciation				
As of January 1, 2009	0	22,399	0	22,399
Changes in entities to be consolidated	0	-20	0	-20
Additions	0	2,526	1,450	3,976
Disposals	0	-6,477	-1,425	-7,902
Transfers	0	0	0	0
Currency differences	0	0	0	0
As of December 31, 2009	0	18,428	25	18,453
Carrying amounts as of 2009-12-31	**12,720**	**9,234**	**13,381**	**35,335**
Carrying amounts as of 2008-12-31	4,800	10,048	11,820	26,668

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	2010	2009
Software licenses	2 - 10 years	3 - 5 years
Internally developed software	3 - 5 years	3 - 5 years
Supply and sluice use rights	20 years	20 years

Impairments amounting to EUR 47,000 (previous year: EUR 1,605,000) arose. They related in the full amount to software, which 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 conformity with the accounting and measurement methods described in disclosure 6 b), 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. These calculations must be based on assumptions (disclosure 6 m).

In the AUTOMOBILE Division goodwill is reported on the basis of acquisition of 50 percent of the shares in BLG ViDi LOGISTICS TOW, Kiev, Ukraine. There was no need for impairment of the goodwill of EUR 8.0 million in the course of 2010. If the sales budgeted for determination of the value in use in the Ukraine had been 20 percent less, the Group would have had to take into account a need for impairment of goodwill to an amount of EUR 1.0 million.

If the discount factor before taxes estimated by management and taken into account for BLG ViDi LOGISTICS TOW, Kiev, Ukraine had been 3 percent higher (e.g. 15.0 percent instead of 12.0 percent), the Group would have had a need for impairment of goodwill of EUR 1.1 million.

22 Tangible assets

(in TEUR) 2010 financial year	Land, land rights and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	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 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 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

(in TEUR) 2009 financial year	Land, land rights and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	Total
Purchase and manufacturing costs					
As of January 1, 2009	509,288	400,849	58,802	58,927	1,027,866
Changes in entities to be consolidated	10,216	-520	-261	60	9,495
Additions	16,167	29,881	4,909	14,436	65,393
Disposals	-5,027	-6,142	-1,608	-231	-13,008
Transfers	22,671	23,668	2,750	-49,352	-263
Currency differences	511	-16	2	-6	491
As of December 31, 2009	553,826	447,720	64,594	23,834	1,089,974
Depreciation					
As of January 1, 2009	178,647	150,522	36,573	0	365,742
Changes in entities to be consolidated	-1	-211	-194	0	-406
Additions	22,828	35,056	7,267	0	65,151
Disposals	-4,718	-3,958	-1,296	0	-9,972
Transfers	0	0	0	0	0
Currency differences	0	-2	-1	-1	-4
As of December 31, 2009	196,756	181,407	42,349	-1	420,511
Carrying amounts as of 2009-12-31	**357,070**	**266,313**	**22,245**	**23,835**	**669,463**
Carrying amounts as of 2008-12-31	330,641	250,327	22,229	58,927	662,124

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	2010	2009
Buildings of lightweight design	10 years	10 years
Buildings of solid design	20 - 40 years	20 - 40 years
Outdoor areas	10 - 20 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	4 - 20 years	4 - 20 years
Low-value assets	1 year	1 year

Impairments arose to an amount of EUR 253,000 (previous year: EUR 4,123,000). Of that amount, EUR 207,000 were accounted for by the impairment of two gantry cranes whose scheduled useful life was adjusted downward.

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 10,932,000 (previous year: EUR 23,835,000), exclusively comprise assets under construction.

No financing costs were capitalized for qualified assets in the year under review.

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)	2010-12-31	2009-12-31
Buildings	667	480
Technical equipment and machinery	65,363	68,586
Operating and office equipment	292	362
Total	**66,322**	**69,428**

The rented or leased assets compare with leasing liabilities to an amount of EUR 65,867,000 (previous year: EUR 72,269,000), 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) 2010 financial year	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	-5	-163	-263	0	-431
Additions	67	2,754	86	0	2,907
Disposals	-7	-571	-300	0	-878
Transfers	100	0	-100	0	0
Currency translation differences	0	493	0	0	493
As of December 31, 2010	**1,113**	**41,901**	**1,339**	**628**	**44,981**
Depreciation					
As of January 1, 2010	466	0	620	0	1,086
Changes in entities to be consolidated	0	139	-139	0	0
Additions	5	0	0	0	5
Disposals	0	0	-215	0	-215
As of December 31, 2010	**471**	**139**	**266**	**0**	**876**
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

(in TEUR) 2009 financial year	Shares in affiliated companies	Financial assets at equity	Other partici-pations	Long-term securities	Total
Purchase costs					
As of January 1, 2009	872	35,753	2,029	628	39,282
Additions	86	4,135	1	0	4,222
Disposals	0	-1,003	-87	0	-1,090
Transfers	0	27	-27	0	0
Currency translation differences	0	476	0	0	476
As of December 31, 2009	**958**	**39,388**	**1,916**	**628**	**42,890**
Depreciation					
As of January 1, 2009	466	0	620	0	1,086
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
As of December 31, 2009	**466**	**0**	**620**	**0**	**1,086**
Carrying amounts as of 2009-12-31	**492**	**39,388**	**1,296**	**628**	**41,804**
Carrying amounts as of 2008-12-31	406	35,753	1,409	628	38,196

Shares in affiliated companies

The shares in affiliated companies to an amount of EUR 642,000 (previous year: EUR 492,000) 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. 48.

Shares in associated enterprises

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

	2010-12-31		2009-12-31	
	Share	Carrying amount in TEUR	Share	Carrying amount in TEUR
dbh Logistics IT AG, Bremen	26.8 %	910	26.8 %	775
ZLB Zentrallager Bremen GmbH & Co. KG, Bremen	33.3 %	1,898	33.3 %	2,032
BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa[1]	89.8 %	--	89.8 %	675
NYK Logistics & BLL (NLB) of South Africa Pty. Ltd. Port Elizabeth, South Africa[2]	44.0 %	320	44.0 %	--
BMS Logistica Ltda., São Paulo, Brazil	50.0 %	3,292	50.0 %	2,327
DCP Dettmer Container Packing GmbH & Co. KG, Bremen	50.0 %	0	50.0 %	0
Hansa Marine Logistics GmbH, Bremen	100.0 %	95	100.0 %	94
BLG-ESF Warehouse GmbH, Bremen	50.0 %	61	50.0 %	74
Schultze Stevedoring GmbH & Co. KG, Bremen	50.0 %	50	50.0 %	50
ICC Independent Cargo Control GmbH, Bremen	33.3 %	23	33.3 %	30
BLG MILS Logistics Sdn. Bhd., Kuala Lumpur, Malaysia[3]	60.0 %	0	60.0 %	--
BLG Parekh Logistics Pvt. Ltd., Mumbai, India[3]	50.0 %	245	50.0 %	--
ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy	50.0 %	2,822	50.0 %	2,966
Automobile Logistics Slovakia s.r.o., Bratislava, Slovakia	50.0 %	312	50.0 %	271
AUTOMOBILE LOGISTICS CZECH s.r.o., Nošovice, Czech Republic	50.0 %	157	50.0 %	32
BLG CarShipping Koper d.o.o., Koper, Slovenia	94.0 %	57	94.0 %	210
E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine	47.0 %	792	47.0 %	772
ATN Autoterminal Neuss GmbH & Co. KG, Neuss	47.0 %	3,557	47.0 %	3,382
Autoterminal Slask Logistic Sp. z o. o., Dabrowka Gornicza, Poland	47.0 %	1,803	47.0 %	1,492
BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands	47.0 %	191	47.0 %	262
CONTSHIP Italia S.p.A., Genoa, Italy	16.7 %	19,789	16.7 %	17,406
TangerMedGate Management S.a.r.l., Tangier, Morocco	26.7 %	1,864	26.7 %	3,000
ACOS Holding AG, Bremen	25.0 %	1,609	25.0 %	1,684
OJSC Ust-Luga Container Terminal, Ust-Luga, Russia	10.0 %	1,911	10.0 %	1,850
FLZ Hamburger Feeder Logistik Zentrale GmbH, Hamburg	17.0 %	4	17.0 %	4
Total		**41,762**		**39,388**

[1] fully consolidated for first time in 2010 [2] contained in carrying amount of shares in parent company BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa in 2009 [3] consolidated at equity for first time in 2010

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 383,000 (previous year: EUR 83,000) were not reported in the Group result in the 2010 financial year. On the closing date the cumulated loss shares not reported in the Group result totaled EUR 354,000 (previous year: EUR 568,000).

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

(in TEUR)	**2010**	**2009**
Assets	112,269	107,708
Liabilities	-69,263	-67,173
Net assets	**43,006**	**40,535**
Income	116,115	129,809
Expenses	-109,898	-128,371
Net result	**6,217**	**1,438**

Other participations

(in TEUR)	**2010**	**2009**
Medgate FeederXpress Ldt., Monrovia, Liberia	795	795
Miscellaneous	278	501
Total	**1,073**	**1,296**

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

2010 financial year (in TEUR)	< 1 year	> 1 - 5 years	> 5 years	2010-12-31 Total
Loans to affiliated companies	0	0	0	0
Other receivables from affiliated companies	0	0	0	0
Loans to joint ventures	0	0	0	0
Loans to associated enterprises	0	3,258	5,662	8,920
Other receivables from participations	377	0	0	377
Loans to shareholders	159	0	0	159
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	1,041	0	0	1,041
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**

2009 financial year (in TEUR)	< 1 year	> 1 - 5 years	> 5 years	2009-12-31 Total
Loans to affiliated companies	281	647	0	928
Other receivables from affiliated companies	750	0	0	750
Loans to joint ventures	0	0	0	0
Loans to associated enterprises	50	2,588	5,468	8,106
Other receivables from participations	377	0	0	377
Loans to shareholders	385	159	0	544
Other receivables from shareholders	378	0	0	378
Excess of direct insurance assets over pension liabilities	0	0	101	101
Financial receivables from shareholder accounts at joint ventures	10,557	0	0	10,557
Financial receivables from shareholder accounts at associated enterprises	1,087	0	0	1,087
Other financial receivables	2,887	6	9	2,902
Total	**16,752**	**3,400**	**5,578**	**25,730**

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

The long-term loans to associated enterprises are in part interest-free or granted with interest rates from 3.46 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.

Of the total amount, EUR 29,442,000 (previous year: EUR 25,457,000) were neither overdue nor impaired. The impaired financial receivables and the valuation allowances recognized on that basis have developed as follows:

Impaired financial receivables (in TEUR)	2010-12-31	2009-12-31
Nominal amounts	87	4,575
Valuation allowances	-87	-4,302
Carrying amounts	**0**	**273**

Valuation allowances for financial receivables (in TEUR)	2010	2009
As of beginning of financial year	4,302	1,442
Impairments in financial year		
- Additions	0	3,202
- Releases	0	-342
- Changes in exchange rate	-48	0
- Changes in entities to be consolidated	-252	0
Consumption/derecognition of receivables	-3,915	0
As of end of financial year	**87**	**4,302**

Income and expenses from the above shown impairments in the financial year are reported under Other operating income or Other operating expenses.

25 Inventories

(in TEUR)	2010-12-31	2009-12-31
Raw materials, consumables and supplies	9,468	9,785
Finished goods and merchandise	564	905
Work in progress	211	325
Prepayments for inventories	5	0
Total	**10,248**	**11,015**

The inventories are not pledged as security for liabilities. Valuation allowances for the inventories were recognized to an amount of EUR 311,000 (previous year: EUR 84,000) as of December 31, 2010.

26 Trade receivables and other assets

Trade receivables (in TEUR)	2010-12-31	2009-12-31
Receivables – third parties	140,821	123,864
Receivables – third parties, stage of completion method	631	305
Receivables – affiliated companies	670	755
Receivables – companies in which a participation is held	4,419	4,497
Total	**146,541**	**129,421**

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)	2010-12-31	2009-12-31
Neither overdue nor impaired receivables	112,499	98,631
Overdue but not impaired receivables	33,732	30,168
Impaired receivables	310	622
Total	**146,541**	**129,421**

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)	2010-12-31	2009-12-31
Less than 30 days	26,271	23,775
Between 30 and 60 days	4,393	3,622
Between 61 and 90 days	829	1,067
Between 91 and 180 days	1,384	1,053
Between 181 and 360 days	497	159
More than 360 days	358	492
Total	**33,732**	**30,168**

Valuation allowances were recognized for impaired trade receivables depending on the respective default risk.

Impaired trade receivables (in TEUR)	2010-12-31	2009-12-31
Nominal amounts	1,577	3,131
Valuation allowances	-1,267	-2,509
Carrying amounts	**310**	**622**

The valuation allowances for trade receivables developed as follows:

Valuation allowances for trade receivables (in TEUR)	2010	2009
As of beginning of financial year	2,509	3,074
Changes in entities to be consolidated	0	0
Impairments in financial year		
- Additions	351	1,624
- Releases	-827	-1,904
Consumption/derecognition of receivables	-766	-285
As of end of financial year	**1,267**	**2,509**

Furthermore, direct derecognition of trade receivables amounting to EUR 394,000 (previous year: EUR 483,000) was carried out in the reporting year and reported under Other operating expenses.

Other assets

Other assets in TEUR (excluding long-term)	2010-12-31	2009-12-31
Short-term financial receivables (disclosure no. 24)	17,130	16,752
Claims to refund from insurance companies	2,297	2,804
Receivables from the Tax Office	2,259	2,067
Deferrals/accruals	1,303	2,368
Receivables from the Employment Office	361	1,097
Receivables from employees	147	154
Other assets	10,047	14,045
Total	**33,544**	**39,287**

The Other assets relate to advance payments on railway wagons amounting to EUR 1,240,000 (previous year: EUR 4,970,000) and claims to public grants to an amount of EUR 5,930,000 (previous year: EUR 7,724,000). The latter results from receivables based on non-repayable construction cost subsidies of Eisenbahn-Bundesamt for expanding the multimodal terminal in Hamburg-Waltershof as well as for building the new multimodal terminal in Bremerhaven. In addition, the Other assets contain cost refunds of the Free and Hanseatic City of Hamburg/Hamburg Port Authority to an amount of EUR 1,214,000.

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 71,000 (previous year: EUR 190,000) as well as claims for refunds for previous years to an amount of EUR 321,000 (previous year: EUR 76,000).

With regard to claims from deferred taxes, reference is made to disclosure no. 16.

28 Cash and cash equivalents

(in TEUR)	2010-12-31	2009-12-31
Balance on current account	7,004	10,957
Call and short-term time deposits	39,515	24,813
Cash	98	163
Total	**46,617**	**35,933**

Bank balances bear interest at variable interest rates for balances subject to call. 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 2010 and 2009 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, 2010.

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, 2010.

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 3,925,000 (previous year: EUR 3,777,000). An amount of EUR 148,000 was transferred from the Group net income to the other revenue reserves in the financial year. In the previous year an amount of EUR 40,000 was withdrawn from the other revenue reserves and transferred to the balance sheet profit.

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 13,077,000 corresponds to the disclosure in the financial statement as of December 31, 2010 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)	**2010**	**2009**
As of January 1	**-2,917**	**-2,692**
Change in the reserves	174	-225
As of December 31	**-2,743**	**-2,917**

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 -3,174,000 (previous year: EUR -3,329,000), the deferred taxes of EUR 479,000 (previous year: EUR 518,000) 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 -48,000 (previous year: EUR -106,000).

The balance sheet result of companies included to an amount of EUR -27,414,000 (previous year: EUR -35,447,000) relates to subsidiaries of BLG LOGISTICS GROUP AG & Co. KG.

The balance sheet result of the previous year primarily consisted of deficits in the reporting year as well as the purchase price for shares acquired from a minority shareholder and losses taken over from the latter from previous years.

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 8,703,000 (previous year: EUR 5,001,000).

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 2010 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, 2010 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 bond must therefore be classified in itself as equity in accordance with IAS 32. Since the bond is held by an affiliated company of BLG LOGISTICS GROUP AG & Co. KG and, from the point of view of the Group, would thus be affected by the limited partner's exercising of the right of termination, it has to be included in the following examination of IAS 32.

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 2010 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 32.AG.29A. On the basis of the existing rights of termination of the limited partners of BLG LOGISTICS GROUP AG & Co. KG as well as in the case of the other subsidiaries whose minority shares are reported in Group equity, the "net assets of the limited partners" corresponding to the total amount of the minority shares according to the balance sheet would have to be recognized in borrowed capital. Correspondingly the shares of the result allotted to the limited partners would have to be reported as financing expenses.

This also applies to the hybrid equity here since it is held by BLG LOGISTICS GROUP AG & Co. KG and would therefore be affected by its right of termination for limited partners. In view of this background it must be regarded as a part of the "net assets of the limited partners".

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 and borrowed capital components of the limited liability capital. 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 (Annex 3).

30 Long-term loans

The long-term loans according to residual term ranges are composed of the following:

2010-12-31 (in TEUR)	Residual terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	34,360	100,231	56,082	190,673
Loans of Eisenbahn-Bundesamt	92	317	427	836
Total	**34,452**	**100,548**	**56,509**	**191,509**

2009-12-31 (in TEUR)	Residual terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	60,495	103,531	76,538	240,564
Loans of Eisenbahn-Bundesamt	92	326	495	913
Total	**60,587**	**103,857**	**77,033**	**241,477**

Of the loans taken out from banks, a total of EUR 110,422,000 (previous year: EUR 129,530,000) was subject to a fixed interest rate while EUR 80,251,000 (previous year: EUR 111,034,000) were subject to a variable interest rate.

Liabilities to banks are hedged by virtue of real estate mortgages to an amount of EUR 39,871,000 (previous year: EUR 44,512,000) and through a guarantee to an amount of EUR 0 (previous year: EUR 690,000). 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 of EUR 120,900,000 (previous year: EUR 150,457,000).

The financing banks were informed in December 2010 that the negotiated covenants for loans of the CONTRACT and AUTOMOBILE Divisions were not complied with. Negative reactions have not resulted from this to date.

As a hedge for liabilities of joint ventures to banks to a proportionate amount of EUR 28,186,000 (previous year: EUR 39,713,000), buildings, operating facilities and mobile items of the fixed assets served as security.

31 Other financial liabilities

The other financial liabilities comprise the following:

(in TEUR)	2010-12-31		2009-12-31	
	short-term	long-term	short-term	long-term
Short-term portion of long-term loans	34,452	--	60,587	--
Finance leasing	7,022	58,845	6,874	65,395
Current account credit	36,666	--	25,776	--
Loan BLG Unterstützungskasse GmbH	31,679	0	33,391	0
Clearing account EUROKAI KGaA	14,393	0	10,557	0
Time and call deposits	5,000	--	12,000	--
Derivatives with negative market value	4,331	--	4,099	--
Accruals and deferred income	1,681	7,477	1,200	5,500
Miscellaneous	26,685	22,702	14,978	25,118
Total	**161,909**	**89,024**	**169,462**	**96,013**

The other short-term financial liabilities include liabilities resulting from reductions in sales proceeds to an amount of EUR 13,205,000 (previous year: EUR 6,723,000) and cash management clearing accounts for participations to an amount of 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 14,727,000 (previous year: EUR 15,838,000).

The above described liabilities contain EUR 4.3 million for uncertain obligations for which no empirical values were available for their assessment because it was the first occurrence of such circumstances. Consequently there is a considerable scope of discretion regarding assessment of the risk of corresponding claims. A high risk was assumed in the assessment of the obligations.

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	2010-12-31	2009-12-31
Current account liabilities to banks	1.42 %	1.13 %
Call and time deposits taken out	1.15 %	1.10 %

The discounted future cash flows from liabilities due to finance leasing are as follows:

(in TEUR)	2010-12-31			2009-12-31		
	Minimum leasing rates	of that, repayment	of that, interest	Minimum leasing rates	of that, repayment	of that, interest
up to one year	10,240	7,022	3,218	10,411	6,874	3,537
1 - 5 years	37,673	28,430	9,243	38,947	28,287	10,660
more than 5 years	38,726	30,415	8,311	47,158	37,108	10,050
Total	**86,639**	**65,867**	**20,772**	**96,516**	**72,269**	**24,247**

32 Accruals for government grants

(in TEUR)	2010-12-31		2009-12-31	
	short-term	long-term	short-term	long-term
Container terminal in Bremerhaven	684	11,255	674	11,641
Container terminal in Hamburg	944	12,231	705	8,574
Total	**1,628**	**23,486**	**1,379**	**20,215**

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 1,587,000 (previous year: EUR 982,000) was reported for 2010.

The grants for the Bremerhaven and Hamburg 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 respectively in Hamburg-Waltershof and in Bremerhaven.

33 Long-term provisions

(in TEUR)	2010-12-31	2009-12-31
Personnel-related provisions		
Direct commitments	9,732	9,372
BLG company pension	20,064	20,041
Working-life time accounts	70	322
Social future concept	5,481	4,210
Provisions for anniversaries	5,517	5,135
	40,864	**39,080**
Other provisions		
Provisions for dismantling commitments	10,924	9,083
Miscellaneous other long-term provisions	718	805
	11,642	**9,888**
Total	**52,506**	**48,968**

Long-term benefits to employees (in TEUR)	As of 2010-01-01	Claiming	Release	Addition	Transfer	As of 2010-12-31
Direct commitments	9,372	65	0	425	0	9,732
BLG company pension	20,041	0	0	23	0	20,064
Working-life time accounts	322	252	0	0	0	70
Social future concept	4,210	0	0	1,276	-5	5,481
Provisions for pensions	**33,945**	**317**	**0**	**1,724**	**-5**	**35,347**
Provisions for anniversaries	5,135	129	110	648	-27	5,517
Total	**39,080**	**446**	**110**	**2,372**	**-32**	**40,864**

Short-term benefits to employees (in TEUR)	As of 2010-01-01	Claiming	Release	Addition	Transfer	As of 2010-12-31
Direct commitments	303	284	0	278	0	297
BLG company pension	1,333	1,321	0	1,309	0	1,321
Provisions for pensions	**1,636**	**1,605**	**0**	**1,587**	**0**	**1,618**
Provisions for anniversaries	449	449	0	369	0	369
Total	**2,085**	**2,054**	**0**	**1,956**	**0**	**1,987**

Provisions for pensions

The legal framework for granting employee benefits is based, first of all, on individual commitments of the affiliated companies. Moreover, further liabilities 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 dependent's 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.

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)		**2010**	**2009**
Status at beginning of reporting year		73,418	63,575
+	Current employment period expenses	2,764	3,030
+	Pay conversion expense	3,354	5,155
+	Interest expense	4,417	3,918
+/-	Actuarial gains or losses amortized in the financial year	-128	-225
+/-	Actuarial gains and losses	6,580	1,583
-	Claiming	-3,573	-3,021
+	Employment period expenses to be subsequently set off	87	133
+/-	Transfers	-275	-16
+/-	Changes in the entities to be consolidated	0	-714
Status at end of reporting year		**86,644**	**73,418**

Development of plan assets (in TEUR)		2010	2009
Status at beginning of reporting year		47,167	38,703
+	Expected income	1,973	1,769
+/-	Actuarial gains or losses amortized in the financial year	-367	474
+	Additions of the employees included in the plan (e.g. pay conversions)	3,096	4,817
+	Contributions of the employer	2,694	2,809
-	Claiming	-1,913	-1,389
+/-	Transfers	-280	-16
Status at end of reporting year		**52,370**	**47,167**

Reconciliation of the present values from DBO and plan assets to the net liability recognized in the balance sheet (in TEUR)		2010	2009
Present value of liabilities not covered by a fund		30,055	27,191
+	Present value of liabilities from completely or partially covered pension liabilities	56,589	46,227
	Total present value of the liabilities	**86,644**	**73,418**
	Present value of plan assets	-52,370	-47,167
+	Refund claims capitalized as assets	39	102
	Present value of plan assets	**-52,331**	**-47,065**
+/-	Actuarial gains and losses not reported in the balance sheet for previous years (net)	9,311	10,824
+/-	Actuarial gains and losses not reported in the balance sheet for the current year (net)	-6,565	-1,513
+/-	Other amounts recognized in the balance sheet	-94	-83
Net liabilities/assets		**36,965**	**35,581**

Components of the pension expenses (in TEUR)		2010	2009
Current employment period expenses		2,764	3,030
+	Interest expense	4,417	3,918
-	Expected income from plan assets and refund claims	-1,973	-1,769
+/-	Actuarial gains or losses amortized in the financial year	239	-699
+	Employment period expenses to be subsequently set off and amortized in the financial year	87	133
Total pension expenses		**5,534**	**4,613**

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	2010-12-31	2009-12-31
Discount rate	5.30 - 5.50 %	6.10 - 6.45 %
Expected wage and salary development	2.00 - 2.50 %	2.00 %
Expected pension increases	1.00 - 2.00 %	2.00 %
Expected fluctuation rate	0.00 - 3.00 %	0.00 - 3.00 %
Expected returns from plan assets	4.00 - 4.10 %	4.00 - 4.75 %

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 4.8 million lower or approx. EUR 5.0 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)	2010	2009	2008	2007	2006
Pension liabilities (DBO)	86,644	73,418	63,575	64,399	61,850
Assets shown separately (plan assets)	-52,370	-47,167	-38,703	-31,815	-24,420
Liabilities exceeding assets (funded status)	**34,274**	**26,251**	**24,872**	**32,584**	**37,430**

Adjustments in percent	2010	2009	2008	2007
Increase based on experience (+) / reduction (-) in pension liabilities	0.5	0.5	0.8	0.6
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 4.9 percent (previous year: 5.5 percent). The addition of the reporting year amounting to EUR 1,017,000 contains the accrued interest to an amount of EUR 282,000.

Other long-term provisions

(in TEUR)	As of 2010-01-01	Claiming	Release	Addition	Amortization	As of 2010-12-31
Other provisions						
Provisions for dismantling commitments	9,083	447	0	1,911	377	10,924
Miscellaneous	805	321	18	252	0	718
Total	**9,888**	**768**	**18**	**2,163**	**377**	**11,642**

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 in the years 2031 to 2036. 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 5.0 percent (previous year: 5.8 percent).

The other long-term provisions primarily relate to noise protection measures in the CONTAINER Division to an amount of EUR 431,000.

34 Trade payables

(in TEUR)	2010-12-31	2009-12-31
Liabilities – third parties	50,447	34,091
Liabilities from outstanding income	15,638	19,987
Liabilities – companies in which a participation is held	4,585	4,259
Liabilities – affiliated companies	69	130
Total	**70,739**	**58,467**

The liabilities to employees based on restructuring relate to severance pay and a social compensation plan as those customary in Germany.

35 Other liabilities

Other long-term liabilities (in TEUR)	2010-12-31	2009-12-31
Liabilities for part-time work arrangements for employees approaching retirement	9,830	9,466
Miscellaneous	10	21
Total	**9,840**	**9,487**

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 3.1 percent (previous year: 3.25 percent).

Other short-term liabilities (in TEUR)	2010-12-31	2009-12-31
Liabilities on outstanding vacation	11,298	9,809
Liabilities to employees for wages and salaries	9,191	6,569
Liabilities on sales tax	6,959	7,682
Liabilities to employees based on restructuring	6,694	9,407
Liabilities for part-time work arrangements for employees approaching retirement	3,056	2,860
Accruals and deferrals	2,082	2,364
Short-term benefits to employees	1,987	2,084
Liabilities on social security	627	585
Payments received for orders	118	211
Miscellaneous	7,778	8,156
Total	**49,790**	**49,727**

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 other taxes to an amount of EUR 1,714,000 (previous year: EUR 1,591,000). Furthermore, they include a liability from an option for acquisition of shares in EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG, Wilhelmshaven and EUROGATE Container Terminal Wilhelmshaven Beteiligungsgesellschaft mbH, Wilhelmshaven amounting to EUR 3,528,000 (previous year: EUR 3,709,000). Disbursed customs duties account for an additional amount of EUR 867,000 (previous year: EUR 71,000).

36 Payment obligations resulting from taxes on income

(in TEUR)	2010-12-31	2009-12-31
Corporate and trade tax for reporting year	2,518	3,600
Corporate and trade tax for previous years	4,921	6,931
Liabilities on current taxes, total	**7,439**	**10,531**

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 2010-01-01	Claiming	Release	Reorganization	Addition	As of 2010-12-31
Insurance levies	4,519	1,544	928	-45	1,673	3,675
Impending losses	4,024	1,193	2,530	0	1,200	1,501
Guarantee commitments	3,700	0	0	807	500	5,007
Cases of damage	365	69	189	0	230	337
Restructuring	307	0	0	0	0	307
Miscellaneous other provisions	2,444	317	200	-7	4,009	5,929
Total	**15,359**	**3,123**	**3,847**	**755**	**7,612**	**16,756**

The insurance levies result in particular from payments connected with the compensation for liability damage of the big cities in Germany.

The provisions for impending losses contain risks deriving from non-terminable leases that relate to the AUTOMOBILE Division to an amount of EUR 700,000 and to the CONTAINER Division to an amount of EUR 302,000.

Provisions from previous years amounting to EUR 5,700,000 were retained for guarantee risks based on a lawsuit as well as possible initial obligations. Overall a large scope of discretion is available for assessment of 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 2011.

The other miscellaneous provisions contain interest for trade tax (EUR 868,000), other operating taxes (EUR 834,000), a penalty payment to the benefit of a foreign port authority (EUR 750,000), archiving costs (EUR 582,000) and noise protection measures (EUR 550,000).

The provisions are primarily due to the reported amount in the course of 2011.

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.

Of the financial resource funds, an amount of EUR 41,083,000 (previous year: EUR 26,893,000) is

Composition of the financial resource funds (in TEUR)	2010-12-31	2009-12-31
Cash and cash equivalents acc. to balance sheet	46,617	35,933
Short-term liabilities to banks[1)]	-41,666	-37,776
Total	**4,951**	**-1,843**

1) Disclosure in balance sheet in the item "Other financial liabilities" (see also disclosure no. 31)

allocated to companies included on a proportionate basis.

The inflow of funds from current business operating activities dropped by EUR 27,461,000 in comparison with the previous year to a total of EUR 110,840,000. The inflow of funds from the result of EUR 111,462,000 adjusted for non-cash-related expenses and income essentially compares with an inflow of funds of EUR 16,191,000 from paid and received interest.

The inflow of funds from investment activities dropped by EUR 78,093,000 compared to the previous year to a total of EUR 22,430,000. Of this, net payments for intangible assets and tangible fixed assets of EUR 26,857,000 (previous year: EUR 71,459,000) were made in the financial year. The inflow of funds resulting from changes in the entities to be consolidated and changes in financial assets and long-term financial receivables came to EUR 4,427,000.

The inflow of funds from financing activities amounted to EUR 81,877,000. Major inflows of funds resulted from the change in financial loans to an amount of EUR 49,968,000 (previous year: EUR 30,341,000), the change in leasing receivables and liabilities to an amount of EUR 10,328,000

Segment reporting (in TEUR*)	AUTOMOBILE	
	2010-12-31	2009-12-31
Sales with external third parties	**321,269**	**298,402**
Inter-segment sales	135	120
EBITDA	20,893	21,909
Depreciation	-11,638	-11,374
Segment result (EBIT)	**9,255**	**10,535**
in % of sales	*2.9 %*	*3.5 %*
Interest income	485	233
Depreciation of financial assets	0	0
Interest expenses	-6,252	-6,437
Result from companies included at equity	417	-204
Result from other long-term equity investments	5	52
Earnings before taxes (EBT)	**3,910**	**4,179**
Other information		
Other non-cash-related items	92	-251
Included in segment result		
Income not relating to this period	8,469	9,147
Expenses not relating to this period	-1,198	-4,011
Impairments	0	-263
Shares in associated enterprises and other companies included at equity	9,690	9,386
Goodwill contained in segment assets	12,208	12,208
Segment assets	258,500	245,990
Investments in long-term intangible fixed assets and tangible fixed assets	13,333	21,032
Segment liabilities	154,453	152,199
Equity	65,335	57,680
Employees	1,995	2,077

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

(previous year: EUR 20,426,000) and the change in the clearing account of a joint venture to an amount of EUR 3,831,000 (previous year: EUR 16,395,000). A total amount of EUR 18,225,000 (previous year: EUR 34,753,000) was paid out to company owners and owners of the hybrid equity capital.

Segment reporting

39 Segment reporting

CONTRACT		CONTAINER		Reconciliation		GROUP	
2010-12-31	2009-12-31	2010-12-31	2009-12-31	2010-12-31	2009-12-31	2010-12-31	2009-12-31
282,307	**231,200**	**299,776**	**295,699**	**-5,943**	**-6,841**	**897,409**	**818,460**
874	984	4,934	5,737	-5,943	-6,841	**0**	**0**
23,080	21,555	79,073	74,824	-11,570	-13,959	**111,476**	**104,329**
-12,184	-16,161	-36,990	-40,794	-748	-798	**-61,560**	**-69,127**
10,896	**5,394**	**42,083**	**34,030**	**-12,318**	**-14,757**	**49,916**	**35,202**
3.9 %	*2.3 %*	*14.0 %*	*11.5 %*	*n/a*	*n/a*	***5.6 %***	***4.3 %***
851	1,012	677	668	298	330	**2,311**	**2,243**
-5	0	0	0	0	0	**-5**	**0**
-5,401	-6,065	-11,407	-10,742	-56	507	**-23,116**	**-22,737**
1,383	1,579	1,633	-863	278	251	**3,711**	**763**
628	37	627	911	11	52	**1,271**	**1,052**
8,352	**1,957**	**33,613**	**24,004**	**-11,787**	**-13,617**	**34,088**	**16,523**
-262	-126	2	-103	-44	205	**-212**	**-275**
6,589	8,265	2,723	1,273	1,428	3,722	**19,209**	**22,407**
-2,275	-1,460	-967	-541	-494	-855	**-4,934**	**-6,867**
0	-1,447	-300	-4,018	0	0	**-300**	**-5,728**
4,086	3,251	25,178	23,944	2,808	2,807	**41,762**	**39,388**
0	0	512	512	0	0	**12,720**	**12,720**
197,355	189,125	448,686	478,561	21,469	18,748	**926,010**	**932,424**
7,830	4,722	12,147	48,402	311	3,669	**33,621**	**77,825**
108,859	100,094	139,973	128,224	-50,889	-64,384	**352,396**	**316,133**
19,539	13,784	210,746	207,549	34,826	32,748	**330,446**	**311,761**
1,932	1,787	1,883[1)]	1,939[1)]	139	126	**5,949**	**5,929**

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 in 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 866,827,000 (previous year: EUR 798,909,000) and the foreign portion EUR 30,582,000 (previous year: EUR 19,551,000). The basis for allocation is the place of performance by the Group. The domestic portion of the Group's long-term intangible assets and the tangible assets comprises EUR 655,510,000 (previous year: EUR 692,754,000) and the foreign portion EUR 17,930,000 (previous year: EUR 12,044,000).

Sales of EUR 119,866,000 (previous year: EUR 86,316,000) 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 sales between the segments are earned at customary market terms on the basis of business conducted with external third parties.

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.

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	**2010-12-31**	**2009-12-31**
Total of segments subject to reporting requirements	903,352	825,301
Central divisions / Other sales	0	0
Consolidation	-5,943	-6,841
Group sales	897,409	818,460

EBIT	**2010-12-31**	**2009-12-31**
Total of segments subject to reporting requirements	62,234	49,959
Central divisions / Other EBIT	-11,222	-37,333
Consolidation	-1,096	22,576
Group EBIT	49,916	35,202

Segment earnings / EBT	**2010-12-31**	**2009-12-31**
Total of segments subject to reporting requirements	45,875	30,140
Central divisions / Other EBT	18,381	-15,108
Consolidation	-30,168	1,491
Segment earnings (EBT) of the Group	34,088	16,523

Assets	**2010-12-31**	**2009-12-31**
Total of segments subject to reporting requirements	904,541	913,676
Central divisions / Other asset	484,415	469,823
Shares in associated enterprises and other companies included at equity	41,762	39,388
Deferred tax assets	8,161	4,963
Refund claims from taxes on income	392	266
Consolidation	-462,947	-451,075
Group assets	976,324	977,041

Liabilities	**2010-12-31**	**2009-12-31**
Total of segments subject to reporting requirements	403,508	380,517
Central divisions / Other liabilities	120,615	105,773
Equity	330,446	311,761
Long-term loans (excluding short-term portion)	157,057	180,890
Other long-term financial liabilities	89,024	96,013
Deferred tax liabilities	5,704	4,782
Short-term portion of long-term loans	34,452	60,587
Short-term portion of finance leasing	7,022	6,874
Consolidation	-171,504	-170,156
Group liabilities	976,324	977,041

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 significant risks of the Group resulting from the financial instruments encompass interest rate risks, liquidity risks, foreign currency risks and default 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.

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 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. 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.

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)	2010-12-31		2009-12-31	
	higher	lower	higher	lower
Result effects	-1,131	1,164	-993	1,108
Equity effects (excluding result effects)	1,772	-1,865	2,199	-2,270

Foreign currency risk

With minor exceptions, the affiliated companies in the euro zone operate 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, 2010 and as of December 31, 2009.

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.

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 2,394,000 (previous year: EUR 2,368,000).

No significant concentrations of default risk exist in the Group.

Liquidity risk

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 contractually agreed (non-discounted) interest payments and repayments of the long-term primary financial liabilities are compiled in the following tables.

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.

2010-12-31 (in TEUR)		Cash flows		
		Long-term loans from banks	Other long-term loans	Liabilities from finance leasing
Cash flows 2011	Fixed interest	5,034	0	3,217
	Variable interest	1,642	0	0
	Repayment	34,360	92	7,022
Cash flows 2012	Fixed interest	3,894	0	2,875
	Variable interest	1,614	0	0
	Repayment	30,147	85	7,333
Cash flows 2013 - 2015	Fixed interest	7,386	0	6,368
	Variable interest	3,267	0	0
	Repayment	70,084	232	21,097
Cash flows 2016 - 2020	Fixed interest	3,128	0	6,144
	Variable interest	1,403	0	0
	Repayment	55,697	319	15,419
Cash flows 2021 ff.	Fixed interest	0	0	2,167
	Variable interest	8	0	0
	Repayment	385	108	14,996
Total		**218,049**	**836**	**86,638**
Carrying amounts		**190,673**	**836**	**65,867**

2009-12-31 (in TEUR)		Cash flows		
		Long-term loans from banks	Other long-term loans	Liabilities from finance leasing
Cash flows 2010	Fixed interest	5,956	0	3,537
	Variable interest	2,367	0	0
	Repayment	60,495	92	6,874
Cash flows 2011	Fixed interest	5,210	0	3,195
	Variable interest	1,959	0	0
	Repayment	31,300	87	6,940
Cash flows 2012 - 2014	Fixed interest	8,904	0	7,465
	Variable interest	4,672	0	0
	Repayment	72,147	238	21,347
Cash flows 2015 - 2019	Fixed interest	5,074	0	6,973
	Variable interest	2,525	0	0
	Repayment	66,281	327	18,908
Cash flows 2020 ff.	Fixed interest	963	0	3,077
	Variable interest	204	0	0
	Repayment	10,341	169	18,200
Total		**278,398**	**913**	**96,516**
Carrying amounts		**240,564**	**913**	**72,269**

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.

The Group strategy pursued in 2010 focused on continuing to secure access to outside funds at reasonable costs by complying with the covenants agreed upon with the banks.

Credit lines

As of December 31, 2010, the Group had unused current account credit lines of around EUR 84 million (previous year: around EUR 73 million).

Carrying amounts of the financial instruments broken down into balance sheet item, classes and categories

(in TEUR)	2010-12-31						
ASSETS	**Carrying amount 2010-12-31**	**Category acc., to IAS 39[1)]**	Amortized purchase costs	Purchase costs	Fair value without effect on income statement	Fair value with effect on income statement	Applicable fair value
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	26,719	flac	26,719	0	0	0	26,719
Total financial liabilities	**513,607**		**509,276**	**0**	**3,235**	**1,096**	

1) afs = available for sale
flac = financial liability at cost
hft = held for trading
lar = loans and receivables
n.r.d. = not reliably determinable

(in TEUR)	2009-12-31						
ASSETS	**Carrying amount 2009-12-31**	**Category acc. to IAS 39**[1]	Amortized purchase costs	Purchase costs	Fair value without effect on income statement	Fair value with effect on income statement	Applicable fair value
Financial assets							
long-term							
Financial assets							
Shares in affiliated companies and other participations	1,788	afs	0	1,788	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	8,877	lar	8,877	0	0	0	8,877
Other long-term assets							
Miscellaneous	576	lar	576	0	0	0	576
short-term							
Trade receivables	129,421	lar	129,421	0	0	0	129,421
Other assets							
Short-term financial receivables	16,752	lar	16,752	0	0	0	16,752
Other miscellaneous short-term assets	18,100	lar	18,100	0	0	0	18,100
Cash and cash equivalents	35,933		35,933	0	0	0	35,933
Total financial assets	**212,075**		**209,659**	**2,416**	**0**	**0**	
LIABILITIES							
Financial liabilities							
long-term							
Long-term loans	180,890	flac	180,890	0	0	0	184,177
Other long-term financial liabilities							
Liabilities for finance leasing (lessee)	65,395	flac	65,395	0	0	0	67,847
Miscellaneous long-term financial liabilities	30,618	flac	30,618	0	0	0	30,618
Other long-term liabilities							
Liabilities for part-time work arrangements for employees approaching retirement	9,466	flac	9,466	0	0	0	9,466
Other miscellaneous long-term liabilities	21	flac	21	0	0	0	21
short-term							
Trade payables	58,467	flac	58,467	0	0	0	58,467
Short-term financial liabilities							
Short-term financial liabilities to banks	98,363	flac	98,363	0	0	0	98,563
Derivatives with hedge relationship	3,325	hedging	0	0	3,325	0	3,325
Derivatives without hedge relationship	774	hft	0	0	0	774	774
Other short-term financial liabilities	65,800	flac	65,800	0	0	0	65,800
Other short-term liabilities	26,992	flac	26,992	0	0	0	26,992
Total financial liabilities	**540,111**		**536,012**	**0**	**3,325**	**774**	

[1] afs = available for sale
flac = financial liability at cost
hft = held for trading
lar = loans and receivables
n.r.d. = not reliably determinable

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

The following key methods and assumptions were used as the basis for determining the market 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

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)	-104	-218	0	0	-322
Hedging instruments	-2,771	0	0	0	-2,771
Financial liabilities at amortized cost (flac)	-19,871	0	0	0	-19,871
Total	**-20,805**	**-218**	**401**	**-324**	**-20,946**

2009 (in TEUR)	from interest	Follow-up measurement Fair value	Follow-up measurement Valuation allowance	from disposal	Net result
Loans and receivables (lar)	1,380	0	-2,580	-485	-1,685
Available-for-sale financial assets (afs)	0	0	0	0	0
Financial instruments held for trading (hft)	0	-629	0	0	-629
Hedging instruments	-1,140	0	0	0	-1,140
Financial liabilities at amortized cost (flac)	-20,105	0	0	0	-20,105
Total	**-19,865**	**-629**	**-2,580**	**-485**	**-23,559**

Interest rate risk

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.

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
Liabilities from finance leasing	7,022	28,430	30,415	65,867
Total	**27,211**	**84,616**	**64,462**	**176,289**

2009-12-31 (in TEUR)	Remaining terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	20,680	65,690	43,160	129,530
Liabilities from finance leasing	6,874	28,287	37,108	72,269
Total	**27,554**	**93,977**	**80,268**	**201,799**

The fixed interest rate in the case of fixed-interest liabilities to banks, which had a value of EUR 85,511,000 (previous year: EUR 92,962,000) 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:

2010-12-31 (in TEUR)	Remaining value on expiration of fixed interest rate period			
	< 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**

2009-12-31 (in TEUR)	Remaining value on expiration of fixed interest rate period			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	1,278	15,341	19,070	35,689
Total	**1,278**	**15,341**	**19,070**	**35,689**

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 interest rate risk from the corresponding interest rate swaps has the opposite effect.

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
Total	**14,171**	**44,045**	**22,035**	**80,251**

2009-12-31 (in TEUR)	Remaining terms			
	< 1 year	> 1 to 5 years	> 5 years	Total
Long-term loans from banks	39,815	37,841	33,378	111,034
Total	**39,815**	**37,841**	**33,378**	**111,034**

Furthermore, there are running interest rate swaps for nominal amounts totaling EUR 22,250,000 (previous year: EUR 23,584,000), 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 79,822,000 (previous year: EUR 88,589,000) 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) 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**

Nominal amount (reference amount) 2009-12-31 in TEUR	Hedged item	Variable interest rate	Fixed interest rate	Term until	Market value 2009-12-31 in TEUR
65,006	loans	3/6M EURIBOR	2.75 - 4.60 %	2018	-3,325
15,333	planned loans	6M EURIBOR	3.70 %	2021	-498
80,339					**-3,823**
8,250	not allocated	3M EURIBOR	3.26 - 3.29 %	2013	-276
88,589					**-4,099**

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, 2010, swaps having a nominal volume of EUR 57,572,000 (previous year: EUR 65,006,000) 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 174,000, previous year: EUR -225,000).

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 (EUR-305,000, previous year: EUR -629,000).

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 fair values of the interest rate swaps are disclosed under short-term financial liabilities (EUR 4,331,000, previous year: EUR 4,099,000).

42 Disclosures on operate lease agreements

Leasing agreements that represent operate leases in accordance with IAS 17 are structured according to the following maturities:

Minimum leasing payments from operate leases (in TEUR)	2010-12-31	2009-12-31
Maturity up to one year after balance sheet date	22,686	17,103
Maturity more than one year and up to 5 years	51,898	37,541
Maturity more than 5 years	22,205	12,703
Total	**96,789**	**67,347**

The operate leases relate in particular to industrial (warehouse) trucks, technical conveying equipment, trucks, tractors and railway wagons and have terms between three and ten years.

Minimum payment liabilities from leases for areas, buildings and quay walls (in TEUR)	2010-12-31	2009-12-31
Maturity up to one year after balance sheet date	42,165	43,013
Maturity more than one year and up to 5 years	151,546	148,464
Maturity more than 5 years	811,586	774,035
Total	**1,005,297**	**965,512**

The leases relate in particular to leaseholds in the ports of Bremen and Bremerhaven and have terms of up to 38 years.

Claims from operate leases – Group as lessor

Minimum payment liabilities from leases for areas, buildings, quay walls and operating equipment (in TEUR)	2010-12-31	2009-12-31
Maturity up to one year after balance sheet date	8,143	7,966
Maturity more than one year and up to 5 years	32,793	32,353
Maturity more than 5 years	194,998	200,479
Total	**235,934**	**240,798**

The terms of these subtenancy arrangements essentially correspond to those of the main leases.

Payments of EUR 76,627,000 (previous year: EUR 74,061,000) from leases and subtenancy contracts were reported with effect on the income statement in the reporting year.

43 Contingent liabilities

As of the balance sheet date, contingent liabilities included on a proportionate basis from the EUROGATE Group exist from the granting of guarantees to an amount of EUR 1,325,000 (previous year: EUR 1,325,000) to provide security for third-party liabilities.

From the collateral assignment of buildings on third-party land contingent liabilities included on a proportionate basis from the EUROGATE Group existed from the land transfer tax to an amount of EUR 125,000 (previous year: EUR 228,000) as of December 31, 2010.

For liabilities of an affiliated company there is an absolute guaranty to a bank. Use of the corresponding credit line on the balance sheet date amounted to EUR 945,000 (previous year: EUR 815,000).

In a letter of comfort regarding an affiliated company a group company has undertaken vis-à-vis a bank to ensure fulfilment of obligations in connection with a current account credit line of BRL 400,000. As of December 31, 2010 there was a balance on current account and money market investments at the bank to a total amount of BRL 787,000. A risk of implementation of guarantee obligations thus does not exist at present.

It is not expected that significant actual obligations for which no provisions have been formed yet will arise from these contingent liabilities.

44 Other financial liabilities

The order liabilities from agreements concluded for the acquisition of tangible fixed assets amounted to EUR 34,438,000 (previous year: EUR 41,969,000) as of the balance sheet date.

In addition, the share of the BLG LOGISTICS GROUP in the order liabilities for the acquisition of tangible fixed assets of the EUROGATE Group amounts to EUR 51,475,000 (previous year: EUR 7,966,000). The order liabilities of the EUROGATE Group as of the balance sheet date amounted to EUR 102,949,000 (previous year: EUR 15,932,000). The amounts mentioned are nominal values. The net liabilities are predominantly due within the next two years.

45 Shareholders

In a letter dated April 2, 2002 to us as well as to the Federal Supervisory Office for Securities Trading, which has since become part of the Federal Supervisory Agency for Financial Services, 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 Federal Supervisory Office for Securities Trading, 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 Federal Supervisory Office for Securities Trading, 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 Federal Supervisory Office for Securities Trading, 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 Federal Supervisory Agency for Financial Services, Frankfurt/Main of that.

46 Disclosures on related party relationships

Identification of affiliated 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.

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. A list of the members of the Board of Management and Supervisory Board as well as additional information on these groups of persons is provided in disclosure no. 47. In the 2010 financial year there were no business transactions subject to reporting requirements between the Board of Management, Supervisory Board, level 1 executives, members of their family 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 38 years on the real estate used by the company and its subsidiaries. The BLG Group paid a total of EUR 12.1 million (previous year: EUR 11.6 million) in ground rent for the year 2010.

In the Ports of Bremen and Bremerhaven the Free Hanseatic City of Bremen – municipality of Bremen – has granted to the subsidiaries of BLG LOGISTICS GROUP AG & Co. KG, as of January 1, 2007, rights of quay use whose terms are tied to the leasehold contracts of the adjoining lots. The BLG Group paid a total of EUR 2.5 million (previous year: EUR 2.4 million) in quay use fees for the year 2010.

As of December 31, 2010, BLG LOGISTICS GROUP AG & Co. KG had receivables from the Free Hanseatic City of Bremen – municipality of Bremen – to an amount of EUR 291,000 (previous year: EUR 378,000) resulting from allowable capital gains tax and solidarity surcharge.

Furthermore, BLG LOGISTICS GROUP AG & Co. KG assigned automobile handling areas in Bremerhaven to two companies on behalf of the Free Hanseatic City of Bremen – municipality of Bremen –. BLG LOGISTICS GROUP AG & Co. KG performed and prefinanced maintenance measures for the legal owner of these cargo handling areas, i.e. the Free Hanseatic City of Bremen – municipality of Bremen –. Prefinancing was carried out through a loan agreement in 1996. This loan represents a receivable of BLG LOGISTICS GROUP AG & Co. KG from the Free Hanseatic City of Bremen – municipality of Bremen – and has a value of EUR 159,000 as of December 31, 2010. Repayment of the loan is carried out through ground rent, rental income and use fees due to the Free Hanseatic City of Bremen – municipality of Bremen – for assignment of the automobile handling areas to two companies in Bremerhaven.

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 Bremer Aufbau Bank GmbH. The loan liabilities amounted to EUR 2,470,000 (previous year: EUR 3,611,000) as of December 31, 2010. In the reporting year loan liabilities to an amount of EUR 1,141,000 were amortized.

BLG Handelslogistik GmbH & Co. KG (formerly BLG in.add.out. LOGISTICS GmbH & Co. KG) has taken out a loan from Bremer Aufbau Bank GmbH. The loan liabilities amounted to EUR 2,723,000 as of December 31, 2010. In the reporting year loan liabilities to an amount of EUR 340,000 were amortized.

BLG LOGISTICS GROUP AG & Co. KG has taken out various loans from BLG Unterstützungskasse GmbH, Bremen. The loan liabilities amounted to EUR 31,679,000 as of December 31, 2010. In the reporting year loan liabilities to an amount of EUR 13,112,000 were amortized and new loans amounting to EUR 11,400,000 were taken out.

BLG LOGISTICS GROUP AG & Co. KG performs services for administration, accounting, human resources management and payroll accounting as well as IT services for BLG Unterstützungskasse GmbH on the basis of an agency agreement. The payment for this in 2010 was EUR 225,000.

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 and were concluded at customary market terms. The scope of the business relations to 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	2010	706	51	609	432
	2009	849	211	1,223	516
Joint ventures	2010	5,460	431	14,439	95
(proportionate consolidation)	2009	5,632	414	10,689	35
Associated enterprises	2010	6,351	13,256	2,041	3,010
	2009	6,514	10,594	2,441	2,522

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 31,000 (previous year: EUR 0) were retired.

There are provisions of EUR 750,000 (previous year: EUR 0) for penalty payment risks of a non-consolidated affiliated company.

47 Disclosures on the Supervisory Board and Board of Management

The disclosures concerning the Supervisory Board and the Board of Management have been examined by the consolidated 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 page 23 and 28 f.

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 joint stock company the disclosures on the individually itemized remuneration and the description of the basic features of the pay systems are summarized in the Corporate Governance report on page 35 ff. for the sake of clarity. The remuneration report in the Corporate Governance report is at the same time part of the Management Report and Group Management Report.

48 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)	2010	2009
Long-term assets	319,208	344,776
Short-term assets	73,308	76,986
Long-term liabilities	-169,180	-181,538
Short-term liabilities	-96,816	-106,022
Net assets	**126,520**	**134,202**
Income	321,684	316,827
Expenses	-287,742	-293,289
Profit before taxes	**33,942**	**23,538**

49 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 Automotive Logistics GmbH & Co. KG, Bremen
- 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 AUTOMOBILE LOGISTICS GmbH & Co. KG, Bremen
- BLG AutoTec GmbH & Co. KG, Bremerhaven
- BLG AutoTransport GmbH & Co. KG, Bremen
- BLG AutoRail GmbH, 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
- E.H. Harms GmbH & Co. KG Automobile-Logistics, Bremen
- E.H. Harms GmbH & Co. Auto-Terminal Bremerhaven, Bremerhaven

50 Business transactions after the balance sheet date

Effective as of January 1, 2011, BLG LOGISTICS GROUP AG & Co. KG acquired an additional 6 percent of the shares in E.H. Harms GmbH & Co. KG Automobile-Logistics. As a result, since that time the BLG Group has held 100 percent of the entire shares in this major company of the former Harms Group, which is allocated to the AUTOMOBILE Division.

51 Fee of the consolidated financial statement auditor

The fee of the consolidated financial statement auditor for the 2010 financial year in accordance with Section 314 (1) no. 9 of the German Commercial Code (HGB) comes to a total of EUR 597,000. Of that, EUR 495,000 are accounted for by financial statement audits, EUR 94,000 by tax consulting work (of that, EUR 26,000 in other periods) and EUR 8,000 by other services.

52 Corporate Governance Code

The Board of Management and the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– issued the 9th Declaration of Conformity to the German Corporate Governance Code in the version of May 26, 2010 on December 16, 2010. 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 5, 2011

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, 2010. 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, the definition of the entities to be consolidated, 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 314.4 million (previous year: EUR 296.1 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 31.6 million (previous year: EUR 7.1 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 generally accepted accounting principles. The Group Management Report is in accordance with the consolidated financial statement, conveys overall an accurate view of the situation of the Group and represents the opportunities and risks of future development accurately.

Bremen, April 5, 2011

FIDES Treuhand GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Bitter
Auditor

Kersten
Auditor

Further Information : :

der
BREMER LAGERHAUS-GESELLSCHAFT
–Aktiengesellschaft von 1877–

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, talk to our staff members on the Public Relations or Investor Relations team. 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 (formerly BLG in.add.out. LOGISTICS GmbH & Co. KG, Bremen)	100.00	1
5	BLG Automotive Logistics GmbH & Co. KG, Bremen	100.00	1
6	BLG Automotive Logistics of South America Ltda., São Paulo, Brazil	100.00	5
7	BLG Logistics Solutions GmbH, Bremen	100.00	3
8	BLG Logistics (UK) Ltd., Felixstowe, Great Britain	100.00	7
9	BLG Logistics Solutions Italia S.r.l., Milan, Italy	100.00	7
10	BLG Cargo Logistics GmbH & Co. KG, Bremen	100.00	1
11	BLG Logistics, Inc., Atlanta, USA	100.00	5
12	BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa	89.82	5
13	BLG Soluciones Logisticas Integradas España S.L.U., Vitoria, Spain	100.00	5
14	BLG AUTOMOBILE LOGISTICS GmbH & Co. KG, Bremen	100.00	1
15	BLG AutoRail GmbH, Bremen	50.00	14
16	BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven	100.00	1
17	BLG AutoTec GmbH & Co. KG, Bremerhaven	97.00	16/26
18	BLG Automobile Logistics Italia S.r.l., Gioia Tauro, Italy	98.77	16
19	E.H. Harms GmbH & Co. KG Automobile-Logistics, Bremen	94.00	1
20	BLG AutoTerminal Hamburg GmbH & Co. KG, Hamburg	94.00	19
21	BLG AutoTerminal Kelheim GmbH & Co. KG, Saal an der Donau	94.00	19
22	BLG AutoTerminal Duisburg GmbH & Co. KG, Duisburg	94.00	25
23	BLG AutoTerminal Wörth GmbH & Co. KG, Wörth	94.00	25
24	BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven	94.00	19
25	BLG AutoTransport GmbH & Co. KG, Bremen	94.00	19
26	E.H. Harms GmbH & Co. Auto-Terminal Bremerhaven, Bremerhaven	94.00	19
27	BLG CarShipping GmbH & Co. KG, Bremen	94.00	19
28	BLG Auto-Terminal Gdansk Sp. z o. o., Gdansk, Poland	94.00	25
29	Automotive Services Beteiligungsgesellschaft mbH, Bremerhaven	94.00	19
30	BLG ViDi LOGISTICS TOW, Kiev, Ukraine	47.00	19

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	49
42	EUROGATE IT Services GmbH, Bremen	50.00	31
43	EUROGATE Landterminal GmbH, Hamburg	50.00	31
44	EUROGATE Port Systems GmbH & Co. KG, Hamburg	50.00	34/35
45	EUROGATE Port Systems Beteiligungs GmbH, Hamburg	50.00	34/35
46	EUROGATE Technical Services GmbH, Bremerhaven	50.00	31
47	EUROGATE Terminal Services GmbH, Bremen	50.00	31
48	OCEANGATE Distribution GmbH, Hamburg	50.00	31
49	PCO Stauereibetrieb PAETZ & Co. Nfl. GmbH, Hamburg	50.00	31
50	PEUTE Speditions GmbH, Hamburg	50.00	33
51	REMAIN GmbH Container-Depot and Repair, Hamburg	50.00	31
52	SCL Service-Centrum Logistik Bremerhaven GmbH, Bremerhaven	50.00	31
53	SWOP Seaworthy Packing GmbH, Hamburg	50.00	35
54	EUROKOMBI Terminal GmbH, Hamburg	25.00	35
55	North Sea Terminal Bremerhaven GmbH & Co., Bremerhaven	25.00	31
56	North Sea Terminal Bremerhaven Verwaltungsgesellschaft mbH, Bremerhaven	25.00	31
57	MSC Gate Bremerhaven Verwaltungsgesellschaft mbH, Bremerhaven	25.00	31
58	MSC Gate Bremerhaven GmbH & Co. KG, Bremerhaven	25.00	31
59	FLOYD Zrt., Budapest, Hungary	25.50	40
60	Rail Terminal Bremerhaven GmbH, Bremerhaven	25.00	34
61	IPN Inland Port Network GmbH & Co. KG, Hamburg	25.00	40
62	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		
63	dbh Logistics IT AG, Bremen	26.75	91
64	ZLB Zentrallager Bremen GmbH & Co. KG, Bremen	33.33	1
65	NYK Logistics & BLL (NLB) of South Africa Pty. Ltd., Port Elizabeth, South Africa	44.01	12
66	BMS Logistica Ltda., São Paulo, Brazil	50.00	6
67	DCP Dettmer Container Packing GmbH & Co. KG, Bremen	50.00	10
68	Hansa Marine Logistics GmbH, Bremen	100.00	10
69	BLG-ESF Warehouse GmbH, Bremen	50.00	10
70	Schultze Stevedoring GmbH & Co. KG, Bremen	50.00	10
71	ICC Independent Cargo Control GmbH, Bremen	33.33	10
72	BLG MILS Logistics Sdn. Bhd., Kuala Lumpur, Malaysia	60.00*	5
73	BLG Parekh Logistics Pvt. Ltd., Mumbai, India	50.00	5
74	ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy	50.00	18
75	Automobile Logistics Slovakia s.r.o., Bratislava, Slovakia	50.00	16
76	AUTOMOBILE LOGISTICS CZECH s.r.o., Nošovice, Czech Republic	50.00	16
77	BLG CarShipping Koper d.o.o., Koper, Slovenia	94.00	27
78	E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine	47.00	19
79	ATN Autoterminal Neuss GmbH & Co. KG, Neuss	47.00	29
80	Autoterminal Slask Logistic Sp. z o. o., Dabrowka Gornicza, Poland	47.00	19
81	BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands	47.00	25
82	CONTSHIP Italia S.p.A., Genoa, Italy	16.70	41
83	TangerMedGate Management S.a.r.l., Tangier, Morocco	26.68	41/82
84	ACOS Holding AG, Bremen	24.95	40
85	OJSC Ust-Luga Container Terminal, Ust-Luga, Russia	10.00	41
86	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		
87	BLG CONTRACT LOGISTICS Beteiligungs-GmbH, Bremen	100.00	1
88	BLG Handelslogistik Beteiligungs GmbH, Bremen (formerly BLG in.add.out. LOGISTICS Beteiligungs GmbH, Bremen)	100.00	1
89	ZLB Zentrallager Bremen GmbH, Bremen	33.33	1
90	DCP Dettmer Container Packing GmbH, Bremen	50.00	10
91	Interessengemeinschaft Datenbank Umschlagbetriebe GbR, Bremen	94.00	1
92	Ausbildungsverbund Bremerhaven gemeinnützige Gesellschaft mbH, Bremerhaven	33.40	1
93	EUROGATE Beteiligungsgesellschaft mbH, Bremen	50.00	1
94	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen	50.00	1
95	BLG Automotive Logistics Beteiligungs-GmbH, Bremen	100.00	1
96	Paul Günther S.r.l. Italia i. L., Genoa, Italy	90.00	7
97	BLG InTime s.r.o. i.L., Žiar nad Hronom, Slovakia	100.00	5/7
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 Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia	100.00	16/14
103	BLG AutoTec Beteiligungs-GmbH, Bremerhaven	97.00	16/26
104	E.H. Harms Auto-Terminal Bremerhaven Beteiligungs-GmbH, Bremerhaven	94.00	19
105	BLG AutoTerminal Kelheim Beteiligungs-GmbH, Saal an der Donau	94.00	19
106	BLG AutoTerminal Duisburg Beteiligungs-GmbH, Duisburg	94.00	19
107	BLG AutoTerminal Wörth Beteiligungs-GmbH, Wörth	94.00	25
108	BLG AutoTerminal Hamburg Beteiligungs-GmbH, Bremen	94.00	19
109	BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven	94.00	25
110	BLG CarShipping Beteiligungs-GmbH, Bremen	94.00	19
111	BLG AutoTransport Beteiligungs-GmbH, Bremen	94.00	19
112	E.H. Harms Automobile-Logistics Beteiligungs-GmbH, Bremen	94.00	1
113	ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss	47.00	79
114	Cuxcargo Hafenbetrieb Verwaltungs-GmbH, Cuxhaven	47.00	25
115	Cuxcargo Hafenbetrieb GmbH & Co. KG, Cuxhaven	47.00	25

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, 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.

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.

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.

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 storage 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 BLG Group		2010	2009	2008	2007	2006
Sales and earnings						
Sales	million EUR	897.4	818.5	962.6	889.3	759.8
Return on sales[1]	%	5.6	4.3	10.1	10.2	9.1
EBITDA	million EUR	111.5	104.3	156.6	145.8	114.3
EBIT	million EUR	49.9	35.2	96.9	90.8	69.3
EBT	million EUR	34.1	16.5	83.6	78.3	55.0
Asset and capital structure						
Balance sheet total	million EUR	976.3	977.0	982.3	837.9	741.2
Investments in long-term intangible and tangible assets	million EUR	33.6	77.8	170.7	122.0	96.3
Capitalization ratio[1]	%	69.0	72.1	70.1	69.9	71.0
Equity-to-fixed-assets ratio (golden balance sheet rule)[1]	%	93.1	90.0	89.3	87.2	80.7
Working capital ratio[1]	%	77.0	70.8	70.9	66.8	57.9
Equity	million EUR	330.4	311.8	353.8	320.2	199.3
Equity ratio[1]	%	33.8	31.9	36.0	38.2	26.9
Equity ratio (adjusted for hybrid capital)[1]	%	25.8	23.9	28.1	29.0	26.9
Return on equity[1]	%	10.6	5.0	24.8	30.1	29.5
Net indebtedness[1]	million EUR	349.1	401.5	366.1	281.3	346.9
Return on total assets[1]	%	5.1	3.6	10.7	11.5	9.7
Cash flows[2]						
Cash flow from current operating activities	million EUR	110.8	83.4	122.1	152.0	76.3
Cash flow from investment activities	million EUR	-22.4	-100.5	-163.6	-109.3	-80.8
Cash flow from financing activities	million EUR	-81.9	35.2	24.1	-11.9	-13.6
Capital-market-oriented key figures						
Dividend BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–	EUR	0.30	0.25	0.40	0.40	0.30
Dividend	%	12	10	15	15	12
Human resources						
Employees[3]	Yearly average	5,949	5,929	6,053	5,402	5,298
Personnel cost ratio[1]	%	45.3	46.3	46.7	46.9	46.8

[1] For calculation of the key figures we refer to p. 82 in the Group Management Report.

[2] The composition of the cash flows is shown in the cash flow statement on p. 114.

[3] Determination in accordance with Section 267 (5) HGB (consolidated).

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 or separate 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 Federal Gazette. In this case the version submitted to the electronic Federal Gazette shall be considered to be the binding version.

The Annual Report is also provided as a German original. In the case of differences, the German version of the Annual Report shall apply instead of the English translation.

The Annual Report is available for downloading in both languages on the Internet at www.blg.de.

Contacts and Dates

Financial calendar

Reporting for entire year 2010 Balance sheet press conference	May 3, 2011
Reporting 1st quarter 2011	May 6, 2011
Annual Shareholders' Meeting 2011	June 9, 2011
Payment of the dividend for the 2010 financial year	June 10, 2011
Reporting 1st six months 2011	August 12, 2011
Reporting 3rd quarter 2011	November 11, 2011
Annual Shareholders' Meeting 2012	May 31, 2012

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AUSGEWÄHLT VON
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BEISPIELHAFTE GESCHÄFTSBERICHTE 2010
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ANNUAL REPORT OUTSTANDING ONCE AGAIN ::

The publishing house Deutsche Standards Editionen regularly analyzes the annual reports of German companies. Every year the best ones are presented in the standard work “BEISPIELHAFTE GESCHÄFTSBERICHTE” (EXEMPLARY ANNUAL REPORTS). In 2009 BLG’s annual report for the 2008 financial year was included in the publication for the first time. In 2010 the annual report again achieved distinction. The four-page description gives the layout, design and content a positive rating.

The Board of Management

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