Financial Report 2015

BLG LOGISTICS

SHORT PROFILE

BLG LOGISTICS is a seaport and logistics provider with an international network. The experience we have gathered in the 139-year history of our company is a source of strength. Today we have a presence in all the world's growth markets, with more than 100 locations and branches in Europe, North and South America, Africa and Asia. We offer our clients from trade and industry fully integrated logistics system services. Our AUTOMOBILE and CONTAINER divisions are market leaders in Europe. Our CONTRACT division is among the leading German providers. Around 8,700 BLG employees take daily responsibility for providing seamless logistics services for high-quality products. This makes us an important interface for the performance of our clients. Including all investments, BLG LOGISTICS currently provides around 16,000 jobs.

OUR GOAL IS TO BE PROFITABLE IN ALL SEGMENTS AND TO CONTINUE TO GROW.

INHALT

WE REGULARLY AND RELIABLY OFFER OUR SHAREHOLDERS ATTRACTIVE DIVIDENDS.

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To our shareholders

KEY FIGURES FOR THE BLG GROUP[1]

		2015	2014	Change absolute	Change percentage
Sales and earnings					
Sales	EUR million	938.6	882.8	55.8	6.3 %
Return on sales²	%	3.8	4.2	-0.4	-9.5 %
EBITDA	EUR million	68.1	69.5	-1.4	-2.0 %
EBIT	EUR million	35.3	37.4	-2.1	-5.6 %
EBT	EUR million	29.7	30.1	-0.4	-1.3 %
Asset and capital structure					
Balance sheet total	EUR million	730.1	675.3	54.8	8.1 %
Investments in long-term intangible and tangible assets	EUR million	37.3	26.2	11.1	42.4 %
Capitalization ratio[2]	%	46.7	44.0	2.7	6.1 %
Equity-to-fixed-assets ratio (golden balance sheet rule)[2]	%	106.8	100.8	6.0	6.0 %
Working Capital Ratio	%	110.2	97.9	12.3	12.6 %
Equity	EUR million	214.0	202.6	11.4	5.6 %
Equity ratio[2]	%	29.3	30.0	-0.7	-2.3 %
Return on equity[2]	%	14.3	13.6	0.7	5.1 %
Net indebtedness	EUR million	299.4	260.6	38.8	14.9 %
Return on total assets[2]	%	5.0	5.5	-0.5	-9.1 %
Cash flow[3]					
Cash flow from current operating activities	EUR million	10.7	34.5	-23.8	-69.0 %
Cash flow from investment activities	EUR million	-6.6	10.1	-16.7	-165.3 %
Cash flow from financing activities	EUR million	17.2	-51.4	68.6	133.5 %
Capital-market-oriented key figures					
Dividend of BREMER LAGERHAUS-GESELLSCHAFT – Aktiengesellschaft von 1877 –	EUR	0.40	0.40	0.00	0.0 %
Dividend	%	15	15	0	0.0 %
Human Resources					
Employees[4]	Yearly average	8.738	8.027	711	8.9 %
Personnel cost ratio	%	50.7	49.4	1.3	2.6 %
Jobs worldwide		16,150	16,000	150	0.9 %

[1] Indicators after reconcilation. The reconcilation is shown in the segment reporting on p. 76 f.

[2] For calculation of the key figures we refer to p. 41 in the management report.

[3] The composition of the cash flows is shown in the cash flow statement on p. 80.

[4] Determination in accordance with section 267 (5) HGB.

OVERVIEW OF THE DIVISIONS[5]

AUTOMOBILE

The AUTOMOBILE division includes complete worldwide logistics for finished vehicles from the manufacturer to the dealer. This includes handling, storage, technical processing, and forwarding and transport logistics by rail, road and inland waterway.

		2015	2014	Change in %
Sales	EUR million	461.6	448.4	2.9
Return on sales	%	4.0	3.4	17.6
EBIT	EUR million	18.5	15.3	20.9
Employees	number	2,638	2,431	8.5

2015 SALES

461.6

EUR million

CONTRACT

The CONTRACT division comprises car parts, industrial, retail and seaport logistics as well as logistics for the offshore wind industry. We have a high level of IT expertise and offer our customers individualized service packages with global coverage for a wide variety of goods.

		2015	2014	Change in %
Sales	EUR million	478.8	436.9	9.6
Return on sales	%	0.4	1.7	-76.5
EBIT	EUR million	1.7	7.2	-76.4
Employees	number	4,280	3,771	13.5

478.8

EUR million

CONTAINER

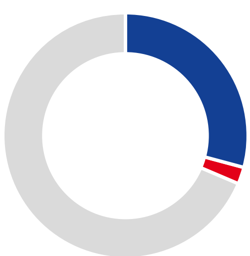
EUROGATE, in which BLG has a 50 percent stake, has a European network which currently includes 11 container terminals as well as intermodal transport and cargo modal services. The focus of this division is on handling containers.

		2015	2014	Change in %
Sales	EUR million	295.7	283.0	4.5
Return on sales	%	14.7	13.6	8.1
EBIT	EUR million	43.4	38.4	13.0
Employees	number	1,571	1,602	-1.9

295.7

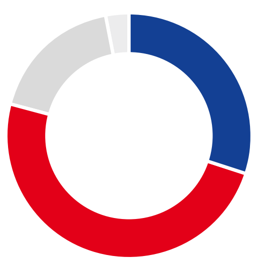
EUR million

EBIT 2015 (in EUR million)



- 18.5 AUTOMOBILE
- 1.7 CONTRACT
- 43.4 CONTAINER

EMPLOYEES 2015 (Yearly average)



- 2,638 AUTOMOBILE
- 4,280 CONTRACT
- 1,571 CONTAINER
- 249 SERVICES

[5] According to segment reporting on p. 76 f.

LETTER OF THE BOARD OF MANAGEMENT

Dear Shareholders,

Stable, but room for improvement – that is our assessment of the economic situation of the BLG Group when looking back on the 2015 financial year. Growing revenues in all three divisions make it clear that we have managed to weather the difficult political conditions in many places and the generally uncertain economic conditions. Of course, the economic crisis in Russia, the explosive domestic political situation in Brazil and the noticeable slow-down of the domestic economy in China took their toll. But we can confirm that we were able to continue to grow at our targeted rate.

We did this by focusing our energy and commitment on creating more efficient processes. Technical innovations and continuous process improvements are high priorities for us. Last year, we were even awarded the German Logistics Prize for our efforts. We continued to work with our customer engelbert strauss to establish a robot-assisted warehouse concept in our Frankfurt logistics center. Intelligent vehicles transport the picking shelves to our employees. This project, "Meeting point Stargate – Logistics at the interface between humans and robots", also won the European Logistics Award in 2016. We can thus proudly state that we have brought the future of logistics to Europe.

We have given our annual report the title "Trying new ideas – showing courage" this year. In the last financial year, we acted to implement the idea behind this motto in a variety of places, for example, in the creation of our new fashion logistics division. More than 500 employees working in a space of more than 160,000 square meters now process 40 million units annually at our location in Hörsel in Thuringia alone. We make use of forward-looking technologies to organize Germany's largest closet.

In Bremerhaven, we built another parking deck in the car terminal with an additional 7,000 parking spaces. An investment of EUR 20 million that sends a signal to the German car industry that Bremerhaven is prepared for the future that we can even process even more than the 2.3 million vehicles we handled there in 2015 if the market requires it.

But the company has always been ready to try new things. 50 years ago, BREMER LAGERHAUS-GESELLSCHAFT was the first German port operation that was willing and able to unload a container ship. On May 5, 1966, the MS Fairland from the US Sea-Land Corporation moored at the Bremen international port. This courageous step and the vision to see that the introduction of the container would result in a massive upheaval in freight transport that marked the birth of our CONTAINER division and its successful terminals on the Baltic Sea, the North Sea, the Mediterranean and the Atlantic.

At the beginning of this letter we wrote that the economic position of the BLG Group was stable, but with room for improvement. In particular, we want to increase earnings, as they declined slightly compared with the previous year, despite growing revenues. Among other factors, this is the result of missing orders and projects in conventional general cargo handling and in offshore wind energy. For example, uncovered fixed costs were a significant drag on the results of the CONTRACT division.

However, our stated goal has been and remains to provide our shareholders a constant, reliable and attractive dividend yield. Consequently, the Managing Board and Supervisory Board are proposing that the Shareholders Meeting approve a dividend of EUR 0.40 per share for 2015, the same as for the previous year.

We would like to thank our shareholders for the trust they have placed in us.

Frank Dreeke | Jens Bieniek | Michael Blach | Emanuel Schiffer | Dieter Schumacher

(01)

(01) Frank Dreeke / *Chairman of the Board* /
(02) Jens Bieniek / *Chief Financial Officer* /
(03) Dieter Schumacher / *Industrial Relations Director* /
(04) Emanuel Schiffer / *CONTAINER Division* /
(05) Michael Blach / *AUTOMOBILE Division* /

(02)

(03)

(04)

(05)

REPORT OF THE SUPERVISORY BOARD 2015

Dr. Stephan-Andreas Kaulvers,
Chairman of the Supervisory Board

Ladies and Gentlemen,

In the 2015 financial year, the Supervisory Board of BREMER LAGER-HAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– (BLG AG) focused regularly and in detail on the Company's situation and development. The Supervisory Board continuously monitored and supported the work of the Board of Management. The detailed reports of the Board of Management made in written and oral form constituted the basis for this. The Chairman of the Supervisory Board also regularly exchanged 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 the risk situation and risk management, as well as the overall situation of the Company and the BLG Group.

In accordance with the legal requirements and the recommendations and suggestions of the German Corporate Governance Code (DCGK), the Supervisory Board supported the Board of Management in the management of the Company and advised it on matters of corporate governance.

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

The Supervisory Board met a total of five times in 2015. The average attendance rate was 95 percent; no member of the Supervisory Board took part in fewer than half of the meetings. The average attendance rate at committee meetings in 2015 was 99 percent. The members of the Supervisory Board elected by the shareholders and by the employees prepared for the meetings at separate preliminary meetings in some cases. In addition, urgent matters were decided upon in writing.

Items consulted on in the Supervisory Board

The consultations of the Supervisory Board focused on matters regarding the strategy and business activities of the BLG Group and its divisions. At its individual meetings the Supervisory Board primarily devoted its attention to strategic topics, the annual and group financial statements, the current earnings situation of the company, including the risk management system and risk-conscious control of corporate development as well as the agenda for the Annual Shareholders' Meeting in 2015, and the composition of the Board of Management.

All major business activities, 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 in detail at the meeting on December 17, 2015.

There was a change in the composition of the Supervisory Board of BLG AG, effective as of January 1, 2015. Effective December 31, 2015, Mr. Dieter Schumacher resigned from the Supervisory Board due to his move to the Board of Management. He was replaced by Ms. Birgit Holtmann, Director of Personnel at EUROGATE GmbH & Co. KGaA, KG. The Supervisory Board is satisfied that Ms. Birgit Holtmann can spend the time expected as a member of the Supervisory Board. No former members of the Board of Management of BLG AG are on the Supervisory Board.

The following changes were made in the composition of the Board of Management. Mr. Dieter Schumacher was appointed to the Board of Management in the meeting on May 27, 2015. Mr. Schumacher succeeded Mr. Hartmut Mekelburg in his role as Industrial Relations Director on January 1, 2016; Mr. Mekelburg left the company at the end of 2015. The Supervisory Board would like to thank Mr. Mekelburg for the forward-looking, committed and constructive work carried out by the department under his leadership.

At its meeting on September 17, 2015, the Supervisory Board also decided to extend the contracts with Board of Management members Mr. Jens Bieniek (Chief Financial Officer) and Mr. Michael Blach (AUTOMOBILE division) by five years. Mr. Andreas Wellbrock (CONTRACT division) decided not to extend his contract and resigned his position effective December 31, 2015.

At its meeting on December 17, 2015, the Supervisory Board appointed Mr. Jens Wollesen as a fully authorized representative member of the Board of Management of BLG AG. Effective July 1, 2016, Mr. Jens Wollesen will assume responsibility for the CONTRACT division and will thus be the successor of Mr. Andreas Wellbrock.

Work of the committees

To perform its duties efficiently, the Supervisory Board has additionally set up four committees to which separate rules of procedure apply in each case. These committees of the Supervisory Board are the Audit Committee, Human Resources Committee, Investment Committee and Mediation Committee in accordance with Section 27 (3) of the German Codetermination Act (MitbestG). They prepare the decisions of the Supervisory Board at the plenary sessions and decide, where permitted, on individual cases in its place. All committees have equal representation.

The **Audit Committee** met twice in the 2015 financial year. The subject of the meeting on April 14, 2015 was primarily the extensive discussion and review of the financial statements, the consolidated financial statements and the management reports for the 2014 financial year and the committee submitted a recommendation to the Supervisory Board on the selection of the auditor by the Annual Shareholders’ Meeting for the 2015 financial year. The auditors were present during the discussion of the annual financial statements and reported on the results of their audit. The Audit Committee also discussed the appropriation of the balance sheet profit, the convening of the annual shareholders’ meeting and made recommendations on resolutions to the Supervisory Board. In the second meeting on December 15, 2015, the Audit Committee dealt with changes to the DCGK and prepared the Declaration of Conformity. Another focal point of the committee’s work was the risk situation and the setting up of a risk management system. Special attention was given to corporate planning, medium-term earnings and financial planning.

The **Human Resources Committee** held five meetings in the reporting year. In its meeting on April 16, 2015, it addressed issues of the remuneration of the Board of Management and remuneration regulations. The appointment of a new Industrial Relations Director was discussed at the meeting on May 27, 2015. In the third meeting on September 17, 2015, the Human Resources Committee dealt mainly with personnel issues and then provided the Supervisory Board with recommendations on resolutions on the topics of contract extension, salary adjustment and pension plans. In the meetings on December 14 and 17, 2015, the Human Resources Committee dealt with issues of succession for the Board of Management of the CONTRACT division and in its role as Nominating Committee proposed suitable candidates to the Supervisory Board.

The **Investment Committee** and the **Mediation Committee** did not meet in the reporting year.

The meetings and decisions of the committees were prepared on the basis of reports and other information from the Board of Management. Members of the Board of Management regularly took part in the committee meetings. Following the meetings of the committees, the chairmen of the committees reported to the Supervisory Board on the activities and their results and made recommendations for resolutions.

Conflicts of interest

There were no conflicts of interest on the part of members of the Board of Management that required immediate disclosure to the Supervisory Board and about which the Annual Shareholders' Meeting had to be informed.

Conflicts of interest on the part of members of the Supervisory Board that required disclosure to the Annual Shareholders' Meeting arose in connection with two members, Senator Günthner and Mayor Linnert. The Free Hanseatic City of Bremen intends to grant a service concession for operation of a heavy-lift terminal for the wind energy sector in Bremerhaven at the Blexer Bogen location for an operating period of 30 years. BLG LOGISTICS GROUP AG & Co. KG has applied for this service concession.

Mayor Linnert has indicated to the chairman of the Supervisory Board a conflict of interest, on the one hand, by virtue of her position as Senator of Finance and, on the other hand, as a member of the Supervisory Board of BLG AG. Furthermore, Mayor Linnert disclosed that she issued an administrative decree in her department. As a result of this, Mayor Linnert has assigned her decision-making powers in all areas affected by the conflict of interest to the responsible state councilor. Senator Günthner has indicated to the chairman of the Supervisory Board a conflict of interest, on the one hand, by virtue of his position as Senator of Economics, Labor and Ports and Senator of Justice and Constitution and, on the other hand, as a member of the Supervisory Board of BLG AG. Moreover, Senator Günthner disclosed that he had issued an administrative decree in the department concerned. As a result of this, Senator Günthner has assigned his decision-making powers in all areas affected by the conflict of interest to the responsible state councilor.

Corporate Governance and Declaration of Conformity

Having been prepared by the Audit Committee, the Supervisory Board addressed the application of the DCGK in the Company. We discussed in detail the May 5, 2015 version of the DCGK published by the responsible Government Commission on June 12, 2015 and, together with the Board of Management, submitted the 14th Declaration of Conformity pursuant to Section 161 AktG for the recommendations of the DCGK. The joint Declaration of Conformity can be accessed at any time at the website of BLG LOGISTICS: **www.blg-logistics.com/ir**.

http://www.blg-logistics.com/ir

Audit of the Annual and Consolidated Financial Statements

The representatives of Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, 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 statements and the Management Report of BLG AG as well as the group financial statements and the Group Management Report of BLG LOGISTICS 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 audited by Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, the auditing company which was selected by the Annual Shareholders' Meeting, and given an unqualified auditors' report.

The balance sheet auditor has reviewed the report on relationships to affiliated companies (dependent company report) prepared by the Board of Management for the 2015 financial year and issued the following auditors' report:

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

1. the actual data and statements of the report are correct,
2. the payments made by the Company in the legal transactions listed in the report were not unreasonably high,
3. the measures described in the report do not involve any circumstances that would support a significantly different evaluation than that given by the Board of Management."

The annual financial statements and Management Report, group financial statements and Group Management Report as well as the audit reports of the company's financial statement auditor were available to all members of the Supervisory Board in due time.

For its part, the Supervisory Board has reviewed the annual financial statements, the group financial statements, 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 statements and of the group financial statements, including the Management Reports, conducted by the balance sheet auditor. The Supervisory Board has endorsed the annual financial statements prepared by the Board of Management. It is thus adopted. Likewise, the Supervisory Board has approved the group financial statements 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 at BLG AG.

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 auditors. The Supervisory Board agrees with the result of the audit of the dependent company report conducted by the auditor. According to the final result of the review of the dependent company report by the Supervisory Board, there are no objections to the final statement of the Board of Management in the latter report.

The Supervisory Board expresses its gratitude to the members of the Board of Management and all employees for their great commitment and performance and their consistent efforts to keep our company on a course to success. The Supervisory Board is convinced that BLG LOGISTICS will achieve its defined goals for the 2016 financial year and can secure its earnings power on a long-term basis.

Bremen, April 2016

For the Supervisory Board

Dr. Stephan-Andreas Kaulvers
Chairman

CORPORATE GOVERNANCE REPORT

Corporate governance declaration

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 control 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– (BLG AG) 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 (DCGK).

The Board of Management (on November 17, 2015) and the Supervisory Board of BLG AG (on December 17, 2015) issued the 14th Declaration of Conformity with the German Corporate Governance Code as amended on May 5, 2015. The declaration has been made permanently available to the shareholders on the website at **www.blg-logistics.com/ir.**

http://www.blg-logistics.com/ir in section on Corporate Governance under Declaration of Conformity

Code of Ethics

Sustainable value added and responsible corporate management are key elements of the corporate policy of BLG AG. 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

BLG AG is a company under Germany law, which also serves as the basis for the DCGK. A basic principle of German corporate law is the dual management system involving a board of management and a supervisory board; there is a strict separation in terms of personnel between the board of management as the management body and the supervisory board as the supervisory body and each of the two bodies has its own areas of authority. The Board of Management and the Supervisory Board of BLG AG work closely together in an atmosphere of mutual trust in managing and monitoring the Company.

The Board of Management

The Board of Management of BLG AG is responsible for the management of BLG LOGISTICS GROUP AG & Co. KG, is therefore responsible for the management of both companies and represents the Company in transactions with third parties. The Board of Management is obligated to pursue the goal of achieving a sustainable increase in the enterprise value in the interest of BLG LOGISTICS and in line with the stakeholder approach. The divisional responsibilities of the individual members of the Board of Management are specified on page 160.

The Board of Management fundamentally makes its decisions based on majority resolutions. In the case of a tied 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, including risk management, and compliance, 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 of BLG AG, 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.

In the 2015 financial year, the Board of Management of BLG AG consisted of six members. The following changes were made in the composition of the Board of Management. Mr. Dieter Schumacher was appointed to the Board of Management in the meeting on May 27, 2015. Mr. Schumacher succeeded Mr. Hartmut Mekelburg in his role as Industrial Relations Director on January 1, 2016. At its meeting on September 17, 2015, the Supervisory Board also decided to extend the contracts with Board of Management members Mr. Jens Bieniek (Chief Financial Officer) and Mr. Michael Blach (AUTOMOBILE division) by five years. Mr. Andreas Wellbrock (CONTRACT division) decided not to extend his contract and resigned his position effective December 31, 2015.

At its meeting on December 17, 2015, the Supervisory Board appointed Mr. Jens Wollesen as a fully authorized representative member of the Board of Management of BLG AG. Effective July 1, 2016, Mr. Jens Wollesen will assume responsibility for the CONTRACT division and will thus be the successor of Mr. Andreas Wellbrock.

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.

Within the framework of the law on the equal participation of men and women in management positions in the private and public sectors, on September 15, 2015, the Board of Management established targets for increasing the proportion of women for the first two management levels below the Board of Management. Given the fact that BLG AG, besides the Board of Management as a representative body, does not have any employees, the target of 0 percent was established for the period until June 30, 2017.

The Supervisory Board

The Supervisory Board of BLG AG advises and monitors the Board of Management in managing the Company. It appoints and dismisses the members of the Board of Management, determines the remuneration system for the members of the Board of Management and establishes their total remuneration. The Supervisory Board is involved in strategy and planning and in all matters of fundamental significance to the Company.

The Supervisory Board takes diversity within the meaning of Section 5.1.2 of the DCGK into account in the composition of the Board of Management. On September 17, 2015, the Supervisory Board established a target for the proportion of women in the Board of Management of 16.7 percent. The statutory provisions for the proportion of the genders will be followed for the Supervisory Board itself. The Supervisory Board has established a target of 30 percent. Furthermore, the Supervisory Board decided to establish a deadline for achieving these levels of June 30, 2017. On December 31, 2015, the proportion of women in the Board of Management was 0 percent and in the Supervisory Board it was 12.5 percent.

http://www.blg-logistics.com/ir
in section on IR calendar
and events under Annual
Shareholders' Meeting

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.

The composition of the Supervisory Board is unchanged from December 31, 2014, with the following exception: Mr. Dieter Schumacher resigned from the Supervisory Board effective December 31, 2015. He was replaced by Ms. Birgit Holtmann, Director of Personnel at EUROGATE GmbH & Co. KGaA, KG, Bremen. The Supervisory Board is satisfied that Ms. Birgit Holtmann can spend the time expected as a member of the Supervisory Board. No former members of the Board of Management of BLG AG are on the Supervisory Board.

Committees of the Supervisory Board

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

The Audit Committee is composed of three representatives of the shareholders and three employee representatives. The chairman of the Audit Committee holding office in the reporting year complies with the statutory requirements in terms of independence and expertise in the fields of accounting and balance sheet audits that a member of the Supervisory Board and of the Audit Committee has to meet. This committee meets regularly twice a year. Its duties include reviewing the accounting process and matters relating to company reporting as well as auditing the annual and group 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 BLG AG. Its duties also include reviewing the consolidated financial statements and Group Management Report of BLG LOGISTICS.

On the basis of the reports of the auditor concerning the audit of the annual financial statements and the Management Report of the company as well as of the group financial statements and Group Management Report of BLG LOGISTICS, 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 auditor. The committee prepares the auditing contract award to the auditor selected by the Annual Shareholders' Meeting, suggests audit focal points and specifies the remuneration of the auditor.

Moreover, the committee monitors the independence, qualifications, rotation and efficiency of the 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 Group'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 is composed of the chairman of the Supervisory Board, the deputy chairman and six other members of the Supervisory Board. The Human Resources Committee prepares the personnel decisions. The Supervisory Board plenary session adopts resolutions for appointment and revocation of the appointment of Board of Management members. The Human Resources Committee, in lieu of the plenary session, decides on employment contracts with members of the Board of Management. It also provides advice on long-term successor planning for the Board of Management.

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

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

The Supervisory Board has also formed an Investment Committee. It has six members, three of them representatives of the shareholders and three employee representatives of the Supervisory Board. The chairman of the Supervisory Board is also chairman of this committee. The committee meets according to need. The Investment Committee is involved in making preparatory decisions and resolutions for specifically defined and urgent investment projects.

Director's Dealings

Pursuant to Section 15a of the German Securities Trading Act (WpHG), members of the Board of Management and the Supervisory Board are legally obliged to disclose their transactions with shares of BLG AG or related financial instruments.

The shareholdings of all members of the Board of Management and Supervisory Board amount to less than 1 percent of the shares issued by BLG AG. There were no purchases and sales requiring disclosure during the reporting year.

SHARES

3.84

milion

Takeover-related disclosures in accordance with Section 315(4) HGB

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

The subscribed capital amounts to EUR 9,984,000.00 and is divided into 3,840,000 registered shares with voting rights. Pursuant to Section 5 of the Articles of Association, any transfer of shares requires the Company's consent.

Every share is accorded one vote. The Board of Management of BLG AG is not aware of any restrictions or agreements between shareholders affecting voting rights. There is no maximum limit for a shareholder's votes and there are no special voting rights. In particular there are no shares with special rights that confer monitoring powers. This means the principle of "one share, one vote" is implemented in full.

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

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

Shares in capital that exceed 10 percent of the voting rights

Shareholders holding more than 10 percent of the share capital 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 financial statements in the section on disclosures of voting rights on page 151. For further information on shareholder structure we refer you to the basic features of the Group on page 36.

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

BLG AG has not introduced an employee share program. To the extent that employees of the Group hold shares, they are not subject to any control of their voting rights. 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 12.

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

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

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

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

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

Remuneration report

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 April 16, 2015, on the recommendation of the Human Resources Committee the Supervisory Board unanimously approved the adjusted remuneration system for the members of the Board of Management of BLG AG. The remuneration system was adjusted to take into account the effects of the changes in the accounting principles. New and existing contracts with Board of Management members were changed over to this system by mutual agreement and uniformly for all Board of Management members, regardless of the existing contract periods, effective as of January 1, 2015. The new system will be presented to the next Annual Shareholders' Meeting in accordance with Section 120 (4) of the Stock Corporation Act (AktG).

The following statements are based on the remuneration system that has applied since January 1, 2015:

The total remuneration of the members of the Board of Management consists of a basic salary, a three-year EBT participation and a sustainability bonus.

The basic salary is paid on a proportionate monthly basis as remuneration unrelated to performance. Furthermore, the remuneration rules for the members of the Board of Management provide for other customary benefits, such as provision of a company car and allowances for a preventive health care examination. Members of the Board of Management additionally receive remuneration for Supervisory Board seats at affiliated companies.

The three-year EBT participation is calculated based on the individual participation rate of respective members of the Board of Management as measured by the average EBT (Group earnings before taxes) for the financial year and the two previous financial years. The Chairman of the Board of Management participated in the average EBT at a rate of 1.0875 percent, the rate for the other members of the Board of Management was 0.725 percent. The Supervisory Board has the option of adjusting the participation rate on the recommendation of the Human Resources Committee. In the introductory phase, the basis for calculation in 2015 will be the average EBT for the year 2015, and the basis in 2016 will be the EBT for the years 2015 and 2016. Beginning in the 2017 financial year, a three-year measurement basis is then required.

The sustainability bonus is calculated based on the current financial year and the next two financial years. The target bonus amounts to EUR 100,000 for the Chairman of the Board of Management and EUR 66,700 for the other members of the Board of Management. The measurement is based on the comparison of the planned average EBT over the three years with the average EBT actually achieved (target achievement). A minimum of 90 percent of the target must be achieved. The maximum target achievement is 110 percent. Between 90 percent and 100 percent of target achievement a pro rata amount of the target bonus of between 75 percent and 100 percent is granted; between 100 percent and 110 percent, the pro rata amount of the target bonus is 100 percent to 150 percent. Payment is made in the financial year following the last plan year, assuming the threshold is reached.

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

The tables **(01) (02) (03)** show the remuneration granted to each member of the Board of Management for the 2014 and 2015 financial years, including other benefits, and, in the case of variable remuneration portions, additionally the attainable maximum and minimum remuneration (according to sample table 1 in connection with Section 4.2.5 par. 3 (1st bullet point) of the DCGK).

Mr. Wellbrock resigned from the Board of Management effective December 31, 2015. In this context, Mr. Wellbrock was granted benefits of EUR 250,000 based on a termination agreement, which was disbursed in 2016.

The tables **(04) (05) (06)** show the inflow for each member of the Board of Management in the 2014 and 2015 financial years, consisting of fixed remuneration, EBT participation and sustainability bonus with differentiation according to the respective reference years (in accordance with sample table 2 in connection with Section 4.2.5 par. 3 (2nd bullet point) of the DCGK).

(01) Remuneration granted TEUR	**Frank Dreeke** Chairman of the Board of Management Date of joining Board: January 1, 2013 (Chairman since June 1, 2013)				**Jens Bieniek** Member of the Board of Management Date of joining Board: June 6, 2013			
	2014	**2015**	**2015 (min.)**	**2015 (max.)**	2014	**2015**	**2015 (min.)**	**2015 (max.)**
Fixed remuneration	605	605	605	605	330	330	330	330
Other benefits	43	43	43	43	29	29	29	29
Total	**648**	**648**	**648**	**648**	**359**	**359**	**359**	**359**
EBT participation	373	323	0	450	249	216	0	300
Sustainability bonus	0	33	0	50	0	22	0	33
Total	**1,021**	**1,004**	**648**	**1,148**	**608**	**597**	**359**	**692**
Pension-related expenses	0	436	436	436	9	148	148	148
Total remuneration	**1,021**	**1,440**	**1,084**	**1,584**	**617**	**745**	**507**	**840**

(02) Remuneration granted TEUR	**Michael Blach** Member of the Board of Management Date of joining Board: June 1, 2013				**Hartmut Mekelburg** Member of the Board of Management Date of joining Board: January 1, 2006			
	2014	**2015**	**2015 (min.)**	**2015 (max.)**	2014	**2015**	**2015 (min.)**	**2015 (max.)**
Fixed remuneration	330	330	330	330	363	363	363	363
Other benefits	24	24	24	24	23	23	23	23
Total	**354**	**354**	**354**	**354**	**386**	**386**	**386**	**386**
EBT participation	249	216	0	300	249	216	0	300
Sustainability bonus	0	22	0	33	0	0	0	0
Total	**603**	**592**	**354**	**687**	**635**	**602**	**386**	**686**
Pension-related expenses	0	189	189	189	12	20	20	20
Total remuneration	**603**	**781**	**543**	**876**	**647**	**622**	**406**	**706**

(03) Remuneration granted TEUR	**Emanuel Schiffer[1]** Member of the Board of Management Date of joining Board: January 1, 1995				**Andreas Wellbrock** Member of the Board of Management Date of joining Board: June 1, 2013			
	2014	**2015**	**2015 (min.)**	**2015 (max.)**	2014	**2015**	**2015 (min.)**	**2015 (max.)**
Fixed remuneration	550	550	550	550	330	330	330	330
Other benefits	44	47	47	47	20	18	18	18
Total	**594**	**597**	**597**	**597**	**350**	**348**	**348**	**348**
EBT participation	340	320	0	320	249	216	0	300
Sustainability bonus	0	0	0	0	0	0	0	0
Total	**934**	**917**	**597**	**917**	**599**	**564**	**348**	**648**
Pension-related expenses	0	0	0	0	7	13	13	13
Total remuneration	**934**	**917**	**597**	**917**	**606**	**577**	**361**	**661**

[1] The amounts for Mr. Schiffer are reimbursed in part by EUROGATE GmbH & Co. KGaA, KG.

(04) Inflow
TEUR

	Frank Dreeke Chairman of the Board of Management Date of joining Board: January 1, 2013 (Chairman since June 1, 2013)		**Jens Bieniek** Member of the Board of Management Date of joining Board: June 6, 2013	
	2015	2014	**2015**	2014
Fixed remuneration	605	605	330	330
Other benefits	43	43	29	29
Total	**648**	**648**	**359**	**359**
EBT participation	373	225	249	102
Sustainability bonus	0	0	0	0
Miscellaneous	0	0	0	0
Total	**1,021**	**873**	**608**	**461**
Pension-related expenses	436	0	148	9
Total remuneration	**1,457**	**873**	**756**	**470**

(05) Inflow
TEUR

	Michael Blach Member of the Board of Management Date of joining Board: June 6, 2013		**Hartmut Mekelburg** Member of the Board of Management Date of joining Board: January 1, 2006	
	2015	2014	**2015**	2014
Fixed remuneration	330	330	363	363
Other benefits	24	24	23	23
Total	**354**	**354**	**386**	**386**
EBT participation	249	102	249	175
Sustainability bonus	0	0	0	0
Miscellaneous	0	0	0	0
Total	**603**	**456**	**635**	**561**
Pension-related expenses	189	0	20	12
Total remuneration	**792**	**456**	**655**	**573**

(06) Inflow
TEUR

	Emanuel Schiffer[1] Member of the Board of Management Date of joining Board: January 1, 1995		**Andreas Wellbrock** Member of the Board of Management Date of joining Board: June 6, 2013	
	2015	2014	**2015**	2014
Fixed remuneration	550	550	330	330
Other benefits	47	44	18	20
Total	**597**	**594**	**348**	**350**
EBT participation	340	282	249	102
Sustainability bonus	0	0	0	0
Miscellaneous	0	0	0	0
Total	**937**	**876**	**597**	**452**
Pension-related expenses	0	0	13	7
Total remuneration	**937**	**876**	**610**	**459**

[1] The amounts for Mr. Schiffer are reimbursed in part by EUROGATE GmbH & Co. KGaA, KG.

Some of the members of the Board of Management were granted pension claims, some of which are against the companies of the BLG Group. Otherwise, the claims are against third parties. For purposes of comparability these claims are disclosed here.

The current members of the Board of Management are fundamentally entitled to receive pension benefits after leaving the BLG Group, but not before reaching the age of 63. Defined benefit pension commitments from the time before January 1, 1998 exist vis-à-vis third parties. The annual pension claims from 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). Among the current members of the Board of Management, this regulation relates to Mr. Schiffer.

In 2015, a similarly measured defined benefit pension commitment of the BLG Group existed for Mr. Mekelburg. New pension commitments were pledged for Mr. Dreeke, Mr. Bieniek and Mr. Blach in December 2015. The pension commitments provide for a monthly retirement and disability pension of 10 percent of the basic salary. A survivors' pension of 60 percent of the agreed retirement pension is still provided for. If the retirement pension is claimed before age 65, the pension is reduced by 0.5 percentage points for each full month of the early retirement, with a maximum of 18 percent. No waiting period is provided for. **(07)**.

Furthermore, it is possible for Board of Management members to acquire defined benefit pension commitments through deferred compensation.

As was the case in the previous year, members of the Board of Management were not granted any loans or advance payments as of December 31, 2015. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Board of Management.

(07) Pension commitments[1] **TEUR**	**Present value of defined benefit obligations**		**Market value of reinsurance coverage**		**Total addition**
	12/31/2015	12/31/2014	**12/31/2015**	12/31/2014	**2015**
Frank Dreeke	436	0	0	0	0
of which, BLG	436	0	0	0	0
of which, third parties	0	0	0	0	0
Jens Bieniek	372	249	78	70	8
of which, BLG	372	249	78	70	8
of which, third parties	0	0	0	0	0
Michael Blach	189	0	0	0	0
of which, BLG	189	0	0	0	0
of which, third parties	0	0	0	0	0
Hartmut Mekelburg	1,985	1,939	745	648	97
of which, BLG	1,138	1,168	745	648	97
of which, third parties	847	771	0	0	0
Emanuel Schiffer	4,736	4,508	0	0	0
of which, EUROGATE	2,057	2,078	0	0	0
of which, third parties	2,679	2,430	0	0	0
Andreas Wellbrock	193	200	65	57	8
of which, BLG	193	200	65	57	8
of which, third parties	0	0	0	0	0
	7,911	**6,896**	**888**	**775**	**113**

[1] The data relate to the present and market values determined in accordance with IAS 19.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is stipulated in Section 17 of the Memorandum and Articles of Association of BLG AG. Every member of the Supervisory Board receives EUR 5,000 per year, 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 beyond that are refunded in the verified amount.

The members of the Supervisory Board received the following remuneration in the 2015 financial year **(08)**.

In the previous year the Supervisory Board received remuneration to a total amount of EUR 257,000, of which EUR 98,000 was accounted for by fixed components and EUR 59,000 by variable components. The meeting allowances came to EUR 47,000, the remuneration for committee work EUR 14,000 and the allowances for in-Group Supervisory Board seats EUR 39,000.

The Board of Management and the Supervisory Board will propose to the next General Shareholders' Meeting an adjusted remuneration system for the Supervisory Board, which provides for remuneration completely unrelated to performance. BLG AG considers a fair fixed salary is better suited to take account of the Supervisory Board's control function, which is unrelated to the Company's performance.

As of December 31, 2015, 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.

(08) Allowances of the Supervisory Board TEUR

	2015					
	Fixed Allowances	Variable Allowances[2]	Committee-activity	Meeting	other[3]	Total
Dr. Stephan-Andreas Kaulvers	15	9	1	5	9	39
Christine Behle	10	6	1	5	0	22
Karl-Heinz Dammann	5	3	2	6	9	25
Melf Grantz[1]	5	3	1	5	0	14
Martin Günthner[1]	5	3	1	5	0	14
Wolfgang Lemke	5	3	2	6	0	16
Karoline Linnert[1]	5	3	1	3	7	19
Dr. Klaus Meier	5	3	1	5	0	14
Dr. Tim Nesemann	5	3	1	3	0	12
Dirk Reimers	5	3	1	3	0	12
Dieter Schumacher	5	3	0	3	0	11
Gerrit Schützenmeister	5	3	0	3	0	11
Dieter Strerath	5	3	1	4	0	13
Reiner Thau	5	3	0	3	10	21
Dr. h. c. Klaus Wedemeier	5	3	0	2	0	10
Dr. Patrick Wendisch	10	6	1	3	0	20
	100	**60**	**14**	**64**	**35**	**273**

[1] In accordance with Section 5a of the Senate Law and Sections 6 and 6a of the Bremen Ancillary Activities Ordinance, there is a requirement to surrender remuneration received for Supervisory Board work to the state.

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

[3] In-Group Supervisory Board seats

THE BLG SHARE

_ The BLG share increases in value by more than 22 percent
_ Earnings per share of EUR 0.44
_ Dividend continuity maintained

High volatility in the equity markets

Prices in the equity markets were volatile in the 2015 financial year. After a slow start on the capital markets, measures introduced by the European central banks, positive expectations for the global economy and the prospect of interest-rate hikes by the US Federal Reserve Bank led to price increases in the major indices. As a result, the Germany share index (DAX) rose to a high for the year of 12,375 in April 2015. Uncertainty among market participants about the solution to the Greek debt crisis, fears of an economic downturn in China and the consequences of the VW emissions scandal then pushed the share indices down significantly in the following months.

Due to worldwide economic stimulus measures and the low oil price, the mood in the share markets brightened somewhat again at year-end, despite the base rate increases in the US. Thus, the DAX recorded a gain for the 2015 financial year and closed at 10,743, an increase of 8.9 percent, on the last trading day of the year.

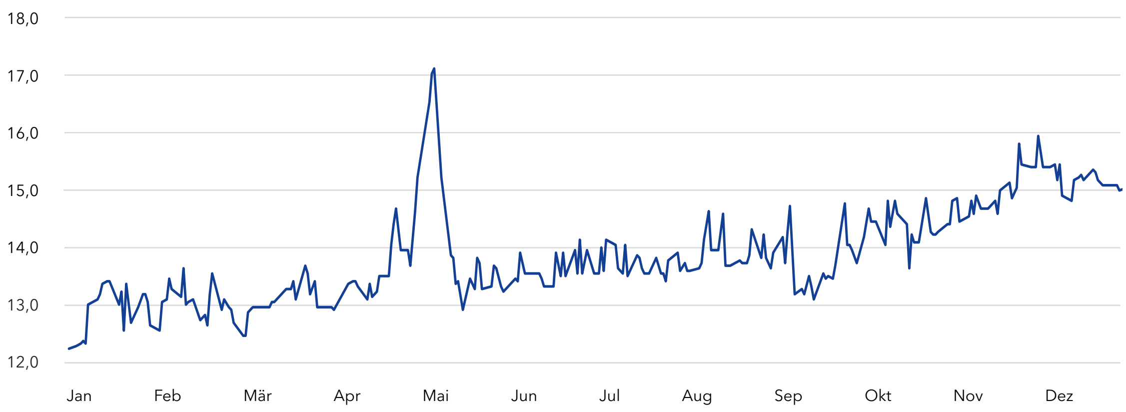
The BLG share[1] increases by more than 22 percent

The BLG share recorded a very positive performance throughout the 2015 financial year. On the first trading day of the financial year it opened at a price of EUR 12.29. This was also the annual low for the share. Thereafter, the share price increased and decreased. After the announcement of the good corporate results for the 2014 financial year, the BLG share reached its high for the year at EUR 17.39 on May 6, 2015. It then lost some ground due to the volatility in the share markets. Despite the difficult market environment, the share price recovered by the end of the financial year and closed at a price of EUR 15.08 on the last trading day of the year, December 30, 2015, an increase in value of more than 22 percent in the reporting year.

GROWTH IN VALUE

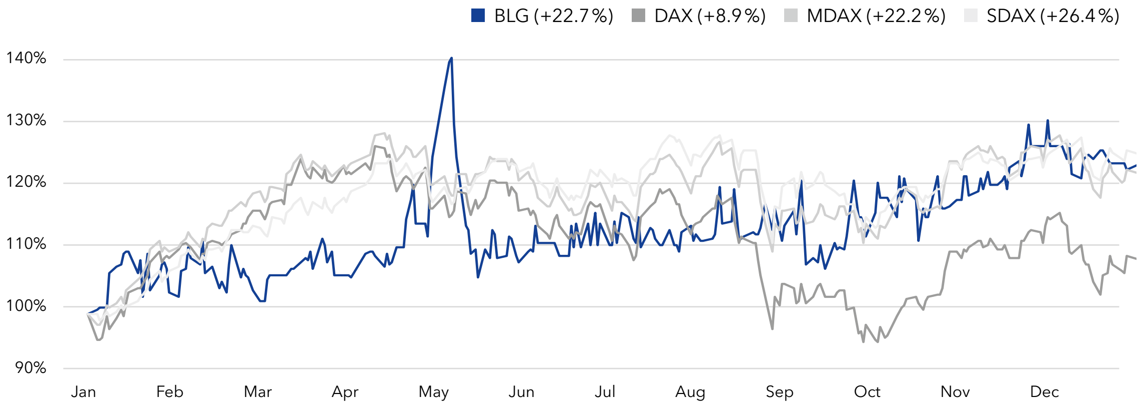
+ 22.7 %

BLG SHARE PRICE PERFORMANCE (FOR THE PERIOD FROM JANUARY 1, 2015 TO DECEMBER 31, 2015)



[1] All market prices indicated as average on the listed stock markets.

RELATIVE BLG SHARE PERFORMANCE COMPARED TO THE DAX, MDAX AND SDAX



Key figures for the BLG share

Financial ratios for the BLG share		**2015**	2014	2013	2012	2011
Earnings per share	EUR	0.44	0.44	0.59	0.69	0.58
Dividend per share	EUR	0.40	0.40	0.40	0.40	0.40
Dividend	%	15	15	15	15	15
Dividend yield	%	2.7	3.1	4.2	4.5	5.0
Share price at year-end[1]	EUR	15.08	12.78	9.48	8.93	8.06
Highest price[1]	EUR	17.39	13.18	9.70	9.25	9.83
Lowest price[1]	EUR	12.29	9.32	8.33	7.89	7.52
Dividend total	EUR million	1.5	1.5	1.5	1.5	1.5
Dividend ratio	%	90.2	91.9	68.3	57.6	69.3
Price/Earnings ratio		34.3	29.1	16.1	12.9	13.9
Market capitalization	EUR million	57.9	49.1	36.4	34.3	31.0

[1] All market prices indicated as average on the listed stock markets.

DIVIDEND PER SHARE

EUR 0.40

Dividend continuity maintained

We aim to achieve an earnings-related and consistent dividend policy. Our plan is to continue with this strategy in the future and to let our shareholders participate appropriately in the company's success.

The Board of Management and the Supervisory Board of BLG AG decided at their discretion to allocate a partial amount of EUR 166,115.71 from the annual surplus of EUR 1,702,115.71 to retained earnings. Thus, BLG AG's annual financial statements for the 2015 financial year recognize net earnings of EUR 1,536,000.00 (previous year: EUR 1,536,000.00). According to German law, this amount forms the basis for the dividend distribution.

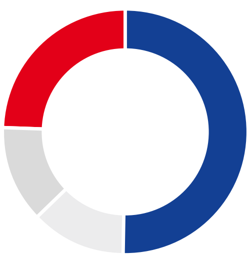
Based on the performance and a dividend policy focused on sustainability, the Board of Management will, in agreement with the Supervisory Board, propose to the Annual General Meeting on May 24, 2016 the distribution of a dividend of EUR 0.40 per share (previous year: EUR 0.40 per share) for the share capital bearing dividend rights of EUR 9,984,000.00, corresponding to 3,840,000 units (registered shares). This represents a payout ratio of 90.2 percent. Based on the year-end price of EUR 15.08, this results in a dividend yield of 2.7 percent for the 2015 financial year.

Shareholder structure unchanged

The capital stock of BLG AG 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.

Shareholder structure of BREMER LAGERHAUS-GESELLSCHAFT Aktiengesellschaft von 1877 as of December 31, 2015
The Free Hanseatic City of Bremen (municipality) is the main shareholder of our company with a share of 50.4 percent. Further large institutional investors include the bank Bremer Landesbank Kreditanstalt Oldenburg Girozentrale and Finanzholding der Sparkasse Bremen. 24.4 percent of shares are in free float, corresponding to 936,000 shares. About 5 percent of the free float is held by institutional investors; the remaining 19 percent is held by private investors.

SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2015



Investor relations continued intensively

In the 2015 financial year, our investor relations work continued to focus on providing comprehensive information regarding our company performance as well as our investor relations activities. To this end, we focused on dialogue with institutional investors, analysts and private shareholders. However, we also provide information regarding our company to all interested parties and strive to provide as much transparency as possible. Our IR calendar, financial statements, reports and information regarding the BLG share can be found at **www.blg-logistics.com/ir**.

ANNUAL FINANCIAL STATEMENTS BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–

INCOME STATEMENT

TEUR	01/01 – 12/31/2015	01/01 – 12/31/2014
1. Remuneration of BLG LOGISTICS GROUP AG & Co. KG	2,394	2,219
2. Other operating income	4,506	4,104
	6,900	**6,323**
3. Personnel expenses		
a) Wages and salaries	-3,844	-3,591
b) Social security contributions and expenses for pension scheme and support	-39	-39
	-3,883	**-3,630**
4. Other operating expenses	-1,576	-1,273
5. Other interest receivable and similar income	585	587
6. Profit on ordinary activities	**2,026**	**2,007**
7. Taxes on income and profit	-324	-334
8. Profit for the year	**1,702**	**1,673**
9. Transfers to other revenue reserves	-166	-137
10. Net profit	**1,536**	**1,536**

STATEMENT OF FINANCIAL POSITION

TEUR Assets	12/31/2015	12/31/2014
A. Current assets		
I. Receivables and other assets		
1. Receivables from associates	21,965	20,891
2. Other assets	18	3
	21,983	**20,894**
II. Bank balances	29	27
	22,012	**20,921**

TEUR Liabilities	12/31/2015	12/31/2014
A. Equity		
I. Subscribed capital	9,984	9,984
II. Revenue reserves		
1. Statutory reserves	999	999
2. Other revenue reserves	6,733	6,567
III. Net profit	1,536	1,536
	19,252	**19,086**
B. Provisions		
1. Provisions for taxes	0	229
2. Other provisions	2,021	585
	2,021	**814**
C. Liabilities		
1. Trade payables	111	20
2. Other liabilities	628	1,001
	739	**1,021**
	22,012	**20,921**

NOTES

General disclosures

The annual financial statements were prepared in accordance with the provisions of Sections 242 ff. and 264 ff. of the German Commercial Code and the relevant provisions of the German Stock Corporation Act. The income statement was prepared according to the total cost method (Section 275 (2) HGB). To improve the clarity of the presentation, disclosures on entries relating to more than one time were made with explanatory notes on a separate line.

Disclosures in respect of accounting and measurement

The receivables and other assets are reported at their nominal value. Default risks are taken into account, wherever necessary, by means of specific valuation allowances. Bank balances are recognized at their nominal value. The provisions are recognized at the settlement amount necessary to cover all uncertain liabilities and imminent losses from pending transactions on the basis of a prudent business assessment. The liabilities are shown at their settlement amounts.

Disclosures in respect of the balance sheet

Receivables and other assets

The accounts receivable from affiliated companies apply in their full amount to BLG LOGISTICS GROUP AG & Co. KG, Bremen (BLG KG). They include short-term loans amounting to EUR 5,227,000 (previous year: EUR 5,227,000). Receivables from cash management amount to EUR 13,012,000 (previous year: EUR 12,805,000). Another EUR 3,727,000 (previous year: EUR 2,859,000) relates to trade receivables. As in the previous year, all receivables have a residual term of up to one year.

Equity

The share capital amounts to EUR 9,984,000 and is divided into 3,840,000 registered shares with voting rights. 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 166,000 (previous year: EUR 137,000) was transferred to other revenue reserves from the net income for the year 2015.

Other provisions

In the reporting year, the variable remuneration of the Board of Management totaling EUR 1,263,000 (previous year: EUR 0) is reported under other provisions for the first time. In the previous year, this remuneration was paid directly by BLG KG. Other provisions were recognized totaling EUR 593,000 (previous year: EUR 397,000) for costs in connection with the Annual Shareholders' Meeting, publication of the annual financial statements and the consolidated financial statements as well as the auditing costs. Provisions of EUR 165,000 (previous year: EUR 188,000) were made for fixed and variable Supervisory Board remuneration.

Liabilities

As in the previous year, all liabilities have a residual term of up to one year. Of the other liabilities, EUR 599,000 (previous year: EUR 974,000) relate to taxes.

Contingent liabilities

The company is the general partner of BLG KG. 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 KG in the following years.

Investment holdings

The investment holdings, which must be allocated to the company via its subsidiary BLG KG in accordance with Section 285 sentence 1 no. 11 of the German Commercial Code (HGB), are part of the audited annual financial statements, which are published in the 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 165 ff.

Disclosures in respect of the income statement

Remuneration of BLG KG

This item contains the liability remuneration based on the Articles of Association (EUR 954,000; previous year:

EUR 947,000) and the remuneration for work as general partner of BLG KG (EUR 1,440,000; previous year: EUR 1,272,000).

Other operating income and expenses
The other operating income primarily contains the transmitted remuneration of EUR 3,978,000 (previous year: EUR 3,723,000) for the Board of Management. The corresponding expense is recognized in personnel expenses. Furthermore, the disclosure encompasses income not relating to this period to an amount of EUR 17,000 (previous year: EUR 55,000), which concerns the dissolution of provisions. The other operating expenses also contain mainly administration costs of EUR 673,000 (previous year: EUR 667,000). Furthermore, the disclosure includes expenses not relating to this period amounting to EUR 12,000 (previous year: EUR 10,000). These two items include transmitted payments to the Supervisory Board in the amount of EUR 233,000 (previous year: EUR 234,000).

Personnel expenses
The personnel expenses relate to the remuneration for the Board of Management. We refer to our statements in "Other operating income and expenses".

Other interest receivable and similar income
Of the interest income, EUR 585,000 (previous year: EUR 587,000) relates to affiliated companies.

Other disclosures

Off-balance-sheet transactions
There were no transactions that were not contained in the balance sheet as of December 31, 2015.

Other financial liabilities
There were no other financial liabilities as of December 31, 2015.

Auditor fees
The total remuneration for the auditors' work in the 2015 financial year comes to EUR 163,000 (previous year: EUR 149,000). Of this amount, EUR 105,000 relates to the audit and EUR 58,000 to other services.

Disclosures on affiliated companies and parties

Transactions with shareholders
relationships with the Free Hanseatic City of Bremen (municipality)
The Free Hanseatic City of Bremen (municipality of Bremen) is the majority shareholder of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– (BLG AG) with a share of the subscribed capital of 50.4 percent and has received a dividend on the basis of the resolution regarding appropriation of the balance sheet profit.

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

Board of Management and Supervisory Board
The disclosures concerning the Supervisory Board and the Board of Management have been examined by the auditor of the financial statements. They are reported elsewhere in the Annual Report. See pages 158 ff. 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). The disclosures on individualized remuneration in accordance with Section 285 sentence 1 no. 9 HGB as well as the description of the basic features of the remuneration systems are summarized in the Corporate Governance report, for which the remuneration report is at the same time part of the Management Report and the Group Management Report, on pages 15 ff. The expenses for the remuneration of the Board of Management are assumed in full by BLG KG.

Director's Dealings
Pursuant to Section 15a of the German Securities Trading Act (WpHG), members of the Management Board and the Supervisory Board are legally obliged to disclose their transactions with shares of BLG AG or related financial instruments. The shareholdings of all members of the Board of Management and Supervisory Board amount to approx. 0.07 percent of the shares issued by the company. There were no purchases and sales requiring disclosure during the reporting year.

Notifications of voting rights (01)

In accordance with Section 160 (1) no. 8 of the Stock Corporation Act (AktG), disclosures have to be made regarding the existence of shareholdings that have been communicated to the company according to Section 21 (1) or (1a) of the Securities Trading Act (WpHG). A reporting obligation pursuant to the Securities Trading Act arises if a certain percentage of voting rights in the company is reached, exceeded or undershot through the purchase, sale or by other means; the notification must be made both to the company and to the German Federal Financial Supervisory Authority (BaFin). The lowest threshold value for the disclosure requirement is 3 percent of the voting rights. The following table shows all notifications from shareholders made in accordance with Section 41 (2) of the Securities Trading Act regarding the level of voting rights **(01).**

Appropriation of net profit

The Board of Management in conjunction with the Supervisory Board will submit the following proposal regarding appropriation of net income to the Annual Shareholders' Meeting on May 24, 2016: distribution of a dividend of EUR 0.40 per bearer voting share (which corresponds to around 15 percent per voting share) for the 2015 financial year, corresponding to the balance sheet profit of EUR 1,536,000.

Group financial statement

The Company, together with BLG KG as the joint parent company, prepared voluntary group financial statements as of December 31, 2015 in accordance with IFRS, as is applicable in the European Union, and with the provisions based on commercial law to be additionally applied according to Section 315a (1) HGB. The group financial statements are published in the Federal Gazette and are available at the headquarters of the company in Bremen.

Corporate Governance Code

The Management Board (on November 17, 2015) and the Supervisory Board of BLG AG (on December 17, 2015) issued the 14th Declaration of Conformity with the German Corporate Governance Code as amended on May 5, 2015. The declaration has been made available to the shareholders on a permanent basis on the internet at **www.blg-logistics.com/ir**.

(01)

Shareholder	Disclosure according to Section 41 (2) sent. 1 WpHG as of	Voting rights in %	
		direct	indirect
1. Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen	04/02/2002	12.61	
2. Norddeutsche Landesbank Girozentrale, Hannover	04/02/2002		More than 1.
3. Financial holding company of Sparkasse in Bremen, Bremen	04/08/2002	12.61	
4. Free Hanseatic City of Bremen (municipality)	04/09/2002	50.42	
5. Waldemar Koch Foundation, Bremen	10/19/2015	3.99	

MANAGEMENT REPORT BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–

Basic features of the company

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, Bremen (BLG AG), a listed company, is exclusively the general partner of BLG LOGISTICS GROUP AG & Co. KG, Bremen. In this function the company has assumed management of BLG KG. BLG AG does not hold any share capital in BLG KG and is also not entitled to receive any earnings from the company. All limited partnership shares of BLG KG are held by the Free Hanseatic City of Bremen (municipality). BLG AG receives remuneration for the liability it has assumed and for its business management activities. The business of BLG KG is conducted by the Board of Management of BLG AG as a body of the general partner. The Board of Management is fully accountable for managing the business in accordance with Section 76 (1) of the German Stock Corporation Act (Aktiengesetz) and is not subject to instructions from the shareholders. For the assumed liability BLG AG receives remuneration from BLG KG of 5 percent of the equity reported in the annual financial statements of the respective previous year in accordance with Sections 266 ff. of the German Commercial Code (HGB). This liability remuneration shall be paid independently of the year-end results of BLG KG. For its management work BLG AG receives remuneration of 5 percent of the net income of BLG KG prior to deduction of this remuneration. The remuneration amounts to at least EUR 256,000 and at most EUR 2,500,000.

In addition, expenses directly incurred by BLG AG in connection with management of BLG KG were reimbursed by the latter. Further information on transactions with affiliated companies and related parties can be found in the notes to the financial statement. For the 2015 financial year a report on the relationships to affiliated companies was prepared by the Board of Management of BLG AG. The final statement of the Board of Management on relationships to affiliated companies in accordance with Section 312 (3) sent. 3 AktG is as follows:

"BLG AG received an appropriate consideration for each legal transaction indicated in the report on 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."

The company maintains a branch office in Bremerhaven.

Business report

Report on earnings, financial and asset situation

In accordance with its corporate function, BLG AG lent all financial facilities available to it to BLG 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 KG in which the company is included. 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 KG and for management of the BLG Group, BLG AG received a liability compensation (EUR 954,000) and remuneration for work (EUR 1,440,000) for 2015. In addition, expenses directly incurred by the company in connection with the management of BLG KG were reimbursed by the latter.

Earnings per share of EUR 0.44

The earnings per share are calculated by dividing the annual net income of BLG AG 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 2015 financial year. Net income rose slightly by EUR 30,000 in 2015 compared to the previous year. The increase in remuneration for work (2015: EUR 1.4 million, 2014: EUR 1.3 million) was offset by expenses for consulting services required.

EARNINGS PER SHARE

EUR 0.44

The BLG AG share

For detailed information on BLG AG we refer to the respective data in the Annual Report on pages 21 ff. in order to avoid duplication.

Corporate Governance report

Corporate governance declaration

The disclosures on corporate governance as laid down in Section 289 of the German Commercial Code (HGB) have been examined by the auditor. To avoid duplication, they will be reported elsewhere in the Annual Report together with the declaration on corporate management in accordance with Section 289a HGB; see pages 12 ff. in this regard.

Takeover-related disclosures in accordance with Section 289(4) HGB

The takeover-related disclosures are included in the Corporate Governance Report on pages 14 ff.

Remuneration report

The remuneration report in accordance with Section 289 (3) no. 5 HGB is contained in the Corporate Governance report on pages 15 ff.

Supplementary report

No events of particular significance for the asset, financial and earnings situation of the company have occurred thus far.

Risk report

Opportunity and risk management

Corporate activity is accompanied by opportunities and risks. The responsible handling of potential risks is a key element of solid corporate management for BLG AG. At the same time it is important to identify and take advantage of opportunities. Our opportunities and risks policy aims to increase the company's value without taking any inappropriately high risks. The Board of Management of BLG AG assumes responsibility for formulating risk policy principles and profit-oriented management of the overall risk. The Board of Management regularly reports to the Supervisory Board on decisions holding potential risk in connection with its dutiful assumption of responsibility based on company law. Early identification of potential risk takes place within the framework of continuous risk controlling as well as of a risk management and reporting system geared to the corporate structure based on company law. We give special consideration to possible risks to ongoing operations based on strategic decisions. Currently no risks to ongoing 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 BLG Group continues to offer good opportunities for stable corporate development on the part of BLG AG.

Description of the main features of the internal control and risk management system with regard to the accounting process according to Section 289 (5) HGB

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 54 ff.

Risks and opportunities of future development

Risks for the company result from its position as general partner of BLG KG. There is no perceptible risk of being subject to claims. A risk as well as an opportunity arise from the development of the earnings of BLG KG, on which the amount of the company's remuneration for work depends. A default risk results from the receivables from loans and cash management with respect to BLG KG. A risk of default is not perceptible.

Outlook

Report on forecasts and other statements regarding expected development

As forecast in the previous year, there was a slight increase in net income in 2015 (+ EUR 30,000). For the 2016 year we again assume a slight rise in the net income based on sound planning. In view of this background, our objective for the 2016 financial year is at least continuation of the long-term dividend policy with a dividend of EUR 0.40 per share.

Apart from historical financial information, this annual report contains statements on the future development of the business and the business results of BLG AG which are based on estimates, forecasts and expectations, and can be identified by wording such as "assume", "expect" or similar terms. These statements may, of course, vary from actual future events or developments. We are not under any obligation to update these future-oriented statements with new information.

DECLARATION BY 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 statements present 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 22, 2016

THE BOARD OF MANAGEMENT

Frank Dreeke

Jens Bieniek

Michael Blach

Emanuel Schiffer

Dieter Schumacher

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, 2015. 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, giving consideration to 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 statements 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 inaccuracies and violations that have a significant impact on the view of the net worth, financial position and results conveyed by the annual financial statements 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 statements 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 main assessments of the legal representatives as well as an appraisal of the overall presentation of the annual financial statements 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 statements conform to the legal regulations on the basis of the findings gained through the audit and present 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 statements, conveys overall an accurate view of the situation of the company and presents the opportunities and risks of future development accurately.

Bremen, March 24, 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Ludwig	Hantke
Auditor	Auditor

WE CONTINUED TO GROW IN 2015 AND AGAIN INCREASED SALES COMPARED TO THE PREVIOUS YEAR.

02

Group Management Report

BASIC GROUP INFORMATION

_ AUTOMOBILE Division: Strong performance in European automobile logistics
_ CONTRACT Division: Excellent logistics solutions for customers in industrial and retail logistics
_ CONTAINER Division: Europe's leading terminal operator

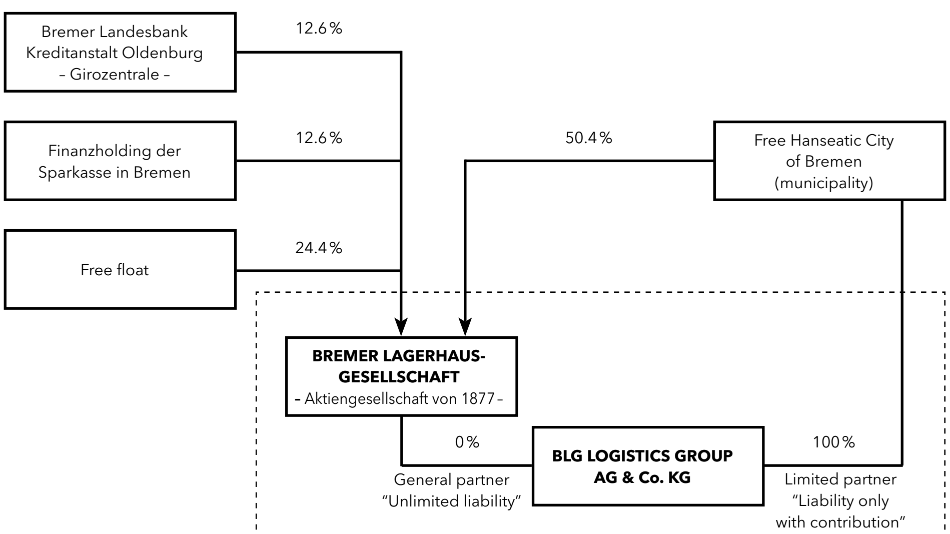
The listed company BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– (BLG AG) has taken over the management of BLG LOGISTICS GROUP AG & Co. KG for BLG LOGISTICS in the role of general partner. These two companies, which are closely linked in legal, commercial and organizational respects, have therefore prepared the group financial statements jointly.

BLG AG does not hold any share capital in BLG KG and is also not entitled to receive any earnings from the company. It receives remuneration for the liability it has assumed and for its business management activities. All limited partnership shares of BLG KG are held by the Free Hanseatic City of Bremen (municipality). The business of BLG KG is managed by the Board of Management of BLG AG as a body of the general partner. The Board of Management is fully accountable for managing the business in accordance with Section 76 (1) of the German Stock Corporation Act (Aktiengesetz) and is not subject to instructions from the shareholders.

As the holding company, BLG KG focuses on the strategic direction and development of the BLG Group with its three Divisions, AUTOMOBILE, CONTRACT and CONTAINER.

The AUTOMOBILE and CONTRACT Divisions are further divided into eleven business segments. Operational management of the segments, including profit responsibility, lies with the relevant segment management of the AUTOMOBILE and CONTRACT Divisions, and with the Group management of the subgroup EUROGATE GmbH & Co. KGaA, KG for the CONTAINER Division. The central departments and staff units of the holding company perform consultancy and other services across the Group.

LEGAL STRUCTURE OF THE GROUP



Business model and organizational structure

The BLG Group operates externally under the brand BLG LOGISTICS. BLG LOGISTICS is an international seaport-orientated logistics service provider with over 100 companies and branch offices in Europe, North and South America, Africa and Asia.

Reporting for the BLG Group is divided into three divisions which are linked to each other strategically and commercially.

AUTOMOBILE Division
The AUTOMOBILE Division focuses on logistics for finished vehicles, essentially involving worldwide distribution from manufacturer to dealer in the destination countries. With a volume of 7.3 million vehicles, this division secured its position as one of Europe's leading automotive logistics specialists in 2015.

In addition to the seaport terminals in Bremerhaven (Germany), Gioia Tauro (Italy), Cuxhaven (Germany), Hamburg (Germany), Gdansk (Poland) and St. Petersburg (Russia), the AUTOMOBILE Division also operates several terminals on the Rhine and the Danube. Seven inland waterway vessels, a fleet of currently around 500 trucks and 1,275 railway wagons, are in operation there to transport cars. We also provide logistics services in Poland, Russia, Slovenia and Ukraine.

CONTRACT Division
The CONTRACT Division implements comprehensive individual logistics solutions for customers in industry and commerce. Its services focus on car parts logistics, as well as industrial and production logistics, retail and distribution logistics, seaport logistics for conventional goods in Bremen, and logistics for the offshore wind energy industry in Bremerhaven.

In the 2015 financial year, with the acquisition of a 51 per cent stake in BLG Sports & Fashion Logistics GmbH we laid the foundation for the creation of the new fashion logistics segment. The pooling of expertise makes it possible to offer customers solutions from a single source. This includes, among other things, the handling of laying and hanging garments, the area of E-commerce, cross-channel retailing, processing, value-added services and returns.

BLG LOGISTICS provides contract logistics services at logistics centers and special facilities in over 30 locations in Europe and overseas for well-known brands such as Adler Mode, BMW, Bosch, Daimler, Deutsche Bahn, engelbert strauss, Golf House, Gerry Weber, Griesson – de Beukelaer, Hansgrohe, IKEA, Konica Minolta, Siemens and Tchibo.

CONTAINER Division
The CONTAINER Division is being developed by EUROGATE, a joint venture and Europe's leading terminal operator. Its positioning is based on the continental terminal concept, supplemented by container transport-related services. The network encompasses shipments by rail, road and water, as well as logistics services for containerized goods.

The terminal network includes the locations of Bremerhaven, Hamburg and Wilhelmshaven (Germany), La Spezia, Gioia Tauro, Salerno, Cagliari and Ravenna (Italy), Sao Paulo (Brazil), Lisbon (Portugal), Tangier (Morocco) and Ust-Luga (Russia).

Changes to scope of consolidation
IIn the AUTOMOBILE Division, BLG Automobile Logistics Italia S.r.l., Gioia Tauro, Italy, increased its stake in the company BLG AutoTerminal Gioia Tauro S.p.A., Gioia Tauro, Italy, (formerly ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy), which is accounted for using the equity method, from 50 per cent to 100 per cent on October 23, 2015. The company has therefore been accounted for using the full consolidation method since October 23, 2015.

In November 2015, BLG Automobile Logistics Süd-/Osteuropa GmbH, Bremen, was established by BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven. The company is accounted for using the full consolidation method.

In addition, as part of an internal Group restructuring, BLG CarShipping GmbH & Co. KG, Bremen, was removed from the domestic scope of consolidation due to its merger with BLG AutoTransport GmbH & Co. KG, Bremen.

As a result of its entry into liquidation in July 2015, AUTOMOBILE LOGISTICS CZECH s.r.o. i. L., Nošovice, Czech Republic, was deconsolidated at the end of the reporting year.

BLG Logistics Consulting (Beijing) Co., Ltd., Beijing, People's Republic of China, was renamed BLG Logistics (Beijing) Co., Ltd., Beijing, People’s Republic of China, in the reporting year.

In the CONTRACT Division, BLG Handelslogistik GmbH & Co. KG, Bremen, acquired a 51 percent shareholding in BLG Sports & Fashion Logistics GmbH, Hörsel (formerly MOTEX Mode-Textil-Service Logistik und Management GmbH, Hörsel). The shareholding acquired includes a stake in BLG Sports & Fashion Logistikzentrum Erfurt GmbH, Erfurt (formerly MOTEX Logistikzentrum Erfurt GmbH, Erfurt), which was established in 2015. Both companies have been accounted for using the full consolidation method since September 1, 2015.

Effective January 1, 2015, the stake in ICC Independent Cargo Control GmbH, Bremen, held by BLG Cargo Logistics GmbH, Bremen, was increased from 33.33 per cent to 50 per cent. The company thus moved from the group of associated companies to the group of joint ventures. The company continues to be consolidated using the equity method.

Management and control

Corporate governance declaration

The disclosures on corporate governance as laid down in Section 315 of the German Commercial Code (HGB) have been examined by the auditor. They are shown on pages 12 et seqq. of this annual report, together with the corporate governance declaration in accordance with Section 289a HGB.

Takeover-related disclosures in accordance with Section 315(4) HGB

Takeover-related disclosures are included in the Corporate Governance Report on pages 14 et seqq.

Remuneration report

The remuneration report in accordance with Section 315(2) No. 2 HGB is included in the Corporate Governance Report on pages 15 et seqq.

Research and development

The business model of BLG LOGISTICS does not require any research and development in the narrow sense. However, we place great importance on technical innovations and process innovations in particular. We use these to help our customers become even more successful. Together with a major customer, we won the 2015 German Logistics Prize for the innovative project "Meeting point Stargate - Logistics at the interface between humans and robots". The developed robot-supported warehouse concept, in which the shelves with the goods are guided to employees using transport vehicles, is a mobile, scalable and efficient storage and picking solution in place at our logistics center in Frankfurt.

Relevant legal and economic factors

The BLG Group has to observe a wide range of national and international legislation. In addition to regulations under public law, capital market law, employment law including occupational health and safety legislation, transport and customs laws and competition law are particularly relevant to us. Collective pay agreements in Germany are one of the most important economic factors for the BLG Group, as a large proportion of the workforce is employed in Germany and personnel expenses for our own as well as external staff represent the main cost item. Because our business model is capital-intensive in all divisions, the cost of capital also plays a significant role.

Group control

Since the 2014 financial year, the BLG Group has been managed based on results (EBIT), the EBIT margin, earnings before taxes (EBT), return on capital employed (ROCE) and free cash flow (FCF).

BUSINESS REPORT

_ Group sales increased again: EUR 938.6 million
_ EBT: EUR 29.7 million
_ CONTRACT Division creates a new fashion logistics segment

Macroeconomic conditions

The global financial system was in robust shape in the 2015 financial year. After the focus was mainly on the Greek debt crisis and the interest rate policy of the central banks in the first half 2015, in the summer, the focus shifted to the sluggish economic performance of emerging countries and a slowdown in growth in China.

The turbulence on international financial markets, the subdued economic development in China, the impact of economic sanctions against Russia and Brazil's domestic political problems had a negative impact on the global economy. In addition, many emerging countries dependent on commodity exports were hurt by the sharp drop in the price of oil and key industrial commodities, ongoing since the middle of last year. Expansion in emerging countries is also being dampened by structural problems.

By contrast, activity in the major advanced economies was supported by favorable commodity prices. The US and the United Kingdom remain on the rise, and the recovery in the euro zone continues at a moderate pace. Due to the influence of major industrial countries on the economy, gross domestic product (GDP) grew by 3.1 per cent worldwide.

German gross domestic product rose by 1.7 per cent in 2015.
The German economy turned in a robust performance last year and continued to expand. The high level of employment and monetary easing by the European Central Bank boosted domestic demand. The good mood of consumers made an especially significant contribution to the 1.7 per cent increase in GDP in 2015. Private consumption rose by 1.9 per cent, its strongest increase since 2000. Government consumption grew by 2.8 per cent. Investments in equipment rose by 3.6 per cent. Despite the weakening sales markets in emerging countries, exports by German companies increased by 5.4 per cent. Thus the German economy grew more strongly than the euro zone average in 2015.
The solid situation on the employment market played a central role in creating domestic economic momentum. In view of the ongoing trends in disposable income in private households and a moderate increase in prices, consumer spending and the export sector are playing a leading role. The business climate has stabilized at a good level and overall production capacity is increasingly fully utilized.

Conditions in the logistics sector
As a provider of production-related services, the logistics sector acts as a major link between manufacturers, retailers and consumers. In addition to the traditional freight forwarding business, its strengths include the provision of logistics services in connection with the delivery, production and distribution of goods.
As a result, the sector benefits from the increasing demand for logistics services, which is aided by the growth in e-commerce business and returns processing in business-to-customer business. To this extent, the logistics sector as reflected in the BLG Group's business model is dependent on economic trends. Challenges in the logistics sector concern in particular demographic trends and the resulting competition for professionals, managers and young talent. Other challenges include the required infrastructure investments, new information technologies, the dynamics of the global economy, the penetration of new business areas, the expansion of the range of services and the requirements for green and sustainable logistics.

GROWTH SUCCESSFUL CONTINUED

In addition, logistics companies are expected to be very willing to invest and be highly innovative in the area of logistics outsourcing. A key focus here is to invest in transshipment, distribution and commissioning centers in conveniently situated locations. Because contracts with customers often only have terms of a few years, space and handling equipment are often rented or leased. This avoids tying up capital in the long-term and significantly increases the flexibility of the logistics service provider. Increasing customer demand has led to a significantly greater use of consistent information and communication technology along the process chain, particularly due to the strong growth in online business.

In 2015, the logistics sector grew by around 3 per cent compared to the previous year. Significant negative effects resulted from the ongoing European sovereign debt crisis, the slowdown of growth in China and emerging countries, the consequences of the geopolitical unrest and the slow progress on infrastructure projects in the euro zone.

Estimates for business development are supported by improved capacity utilization and sustained demand both domestically and abroad. It was not possible to lower costs. The SCI Logistics Barometer for December 2015 reports strong capacity utilization in the last few months of the reporting year and expects the business mood in the first quarter of 2016 to be positive.

Revenue in the logistics sector in Germany increased in 2015 by a further EUR 5 billion to EUR 240 billion and thus once again exceeded the record set in 2014. Experts expect continued stable growth in the current year. Thus the German logistics market is the largest sub-sector in Europe by far.

Aside from economic strength and the large population, the significance of the German market can be partly attributed to the fact that a large share of economic output is accounted for by industry and commerce. Other reasons include the traditionally high export share, its central position in Europe and its associated function as a hub. The quality of its transport infrastructure and its significant logistics expertise also contribute towards Germany’s attractiveness as a logistics location.

Statement by the Board of Management on the economic situation

There was limited growth in the global economy in the 2015 financial year. This is due to weaker economic development in China, the slowdown in growth in emerging markets and ongoing geopolitical unrest.

In our opinion, taking into account the difficult political and uncertain macroeconomic conditions in many regions of the world, business development is satisfactory overall. The BLG Group continued to grow during the financial year. Revenue in the divisions was again increased over the previous year and was in the forecast target corridor.

The CONTAINER and AUTOMOBILE Divisions recorded positive earnings development. The result in the CONTRACT Division was down slightly. The drop in earnings from the previous year was offset by the growth in the AUTOMOBILE and CONTAINER Divisions. In 2015, the earnings of the BLG Group were only slightly below the previous year's level.

The company continued to grow due to its efficient processes and by taking advantage of savings potential. We continued to pursue our sustainable cost and investment policy and the steady optimization of our processes. We continue to view the economic position of the BLG Group as stable, but with room for improvement. This assessment is based on the earnings in the Group financial statements for 2015 and takes into account business developments up to the time the Group management report for 2015 was prepared. Business performance at the beginning of 2016 was in line with our expectations at the time this Group management report was prepared.

Business performance

Revenue situation
In the 2015 financial year, Group revenues once again rose in year-on-year comparison by EUR 55.8 million to EUR 938.6 million. This is due mainly to growth in the CONTRACT Division.

The increase in sales of EUR 13.2 million in the AUTOMOBILE Division was due to the continued high volume of cars handled and to a slight increase in handling volumes in the high and heavy segment. The growth in revenues of EUR 41.9 million to EUR 478.8 million in the CONTRACT Division was mainly due to the creation of the new fashion logistics segment and the expansion of business with existing customers. The increase in sales in the CONTAINER Division of EUR 12.7 million to EUR 295.7 million was due to the high container volumes handled across Europe. **(01) (02) (03)**

In line with the development of revenues, material expenses increased by EUR 20.8 million to EUR 461.8 million. This was due mainly to the expansion of business activities in the CONTRACT Division.

Personnel expenses increased to EUR 316.6 million in the reporting year (previous year: EUR 277.9 million). The rise was due to the increase in personnel within the Group of 742 to 7,167 employees. In addition, we made use of external personnel in the 2015 financial year to cover our staffing requirements. Expenses for external personnel increased only slightly from EUR 158.2 million to EUR 159.6 million due to the hiring of temporary workers.

Scheduled depreciation rose slightly by EUR 0.7 million to EUR 32.8 million in the 2015 financial year due to higher replacement and expansion capital expenditures.

INCREASE IN REVENUES
6.3 %

(01) Sales by segment (in EUR million)	**2015**	2014	Change absolute	Change percentage
AUTOMOBILE	461.6	448.4	13.2	2.9
CONTRACT	478.8	436.9	41.9	9.6
CONTAINER	295.7	283.0	12.7	4.5
Reconciliation	-297.5	-285.5	-12.0	-4.2
Total Group	**938.6**	**882.8**	**55.8**	**6.3**

(02) Indicators for the revenue situation		**2015**	2014	Change absolute	Change percentage
Sales	EUR million	938.6	882.8	55.8	6.3
Return on sales	%	3.8	4.2	-0.4	-9.5
EBIT	EUR million	35.3	37.4	-2.1	-5.6
EBT	EUR million	29.7	30.1	-0.4	-1.3
Group profit for the period	EUR million	27.0	22.5	4.5	20.0

(03) EBIT by segment (in EUR million)	**2015**	2014	Change absolute	Change percentage
AUTOMOBILE	18.5	15.3	3.2	20.9
CONTRACT	1.7	7.2	-5.5	-76.4
CONTAINER	43.4	38.4	5.0	13.0
Reconciliation	-28.3	-23.5	-4.8	-20.4
Total Group	**35.3**	**37.4**	**-2.1**	**-5.6**

The balance of other operating income and expenses showed a positive development, increasing by EUR 1.2 million to EUR 123.6 million. The increase in other operating income by EUR 6.6 million was only partially offset by the increase in other operating expenses by EUR 5.4 million. Further disclosures can be found in notes 8 and 12 on pages 103 et seq.

EBIT for the BLG Group fell by EUR 2.1 million from the previous year to EUR 35.3 million. The decline results mainly from the EUR 5.5 million drop in EBIT in the CONTRACT Division. Due to the increase in sales, return on sales for 2015, calculated as EBIT/revenue, is 3.8 per cent (previous year: 4.2 per cent).

The financial result improved by EUR 1.7 million in 2015 to EUR -5.6 million. This is due mainly to the improvement in interest income.

Earnings before taxes (EBT) remained at the previous year's level of EUR 29.7 million.

GROUP PROFIT ON PREVIOUS YEAR

Income taxes in the reporting year were EUR 2.8 million (previous year: EUR 7.7 million). With respect to EBT, this results in a significantly improved tax rate of 9.3 per cent (previous year: 25.5 per cent). Tax expenses for the reporting year include EUR 3.7 million of current taxes and EUR -0.9 million of deferred taxes. Further disclosures on income taxes can be found in note 16 on page 106.

Annual net profit for the Group thus increased by an impressive EUR 4.5 million to EUR 27.0 million in a year-on-year comparison.

AUTOMOBILE Division (04)

The AUTOMOBILE Division offers a full range of finished vehicle logistics services to the seaport terminal, inland terminal, intermodal services and Eastern Europe segments. This includes handling, storage, technical services, and forwarding and transport logistics by rail, road and inland and coastal waterways. This covers virtually the entire range of logistics services from vehicle manufacturers to the end customer.

At the car terminal Bremerhaven we handled 2.3 million vehicles, the same number as in the previous year. With 7.3 million vehicles handled, the volume in the 2015 financial year fell only slightly compared with the previous year (7.4 million vehicles). This further solidified the company's position as one of the leading automobile logistics providers in Europe.

In the seaport logistics segment, the volume of cars handled remained at a high level and these were mainly intended for export. Due to the delayed implementation of projects, high vehicle inventories and exceptional strain on the space available in the Bremerhaven car terminal, it was not possible to achieve the planned productivity in the handling of cars. Furthermore, productivity was negatively affected up to and including October by the construction of a new parking deck. To counter this trend, we are focusing on more efficient process design and the implementation of measures to increase productivity.

There has been constant high price pressure from customers, as well as from shipowners and car manufacturers. Due to increasing competition with western ports, it was not possible to counteract cost increases, particularly personnel costs, with the same level of price increases. Volumes handled in the high & heavy segment rose slightly in year-on-year comparison. Total volumes and gross profits in technology rose in 2015 compared to 2014. However, the market's high volatility was reflected in technical services. Strong momentum can be seen in the customer groups and also in the real net output ratios. The customer-initiated trend towards short-term services will also continue in the future.

(04) Key indicators		**2015**	2014	Change absolute	Change percentage
Sales	EUR million	461.6	448.4	13.2	2.9
Return on sales	%	4.0	3.4	0.6	17.6
EBIT	EUR million	18.5	15.3	3.2	20.9
EBT	EUR million	13.1	9.7	3.4	35.1

In the seaport of Gioia Tauro in southern Italy, volumes handled fell by more than half in year-on-year comparison. This was because shipowners were increasingly accessing North African ports directly and volumes were not being managed as transshipments through the port of Gioia Tauro.

In line with the positive development of the German car market, the inland terminal segment recorded high storage capacity utilization and high volume at all locations. New business was acquired for the Hamburg car terminal during 2015. Due to the transfer of technical services to car dealers, technical value added in the Duisburg car terminal is behind schedule. High contributions to revenues were achieved at the Kelheim car terminal due to high levels of inventory and a significant drop in value added from technical services.

Traffic in the network recorded positive development. In rail transport, the available car capacities were well utilized due to the high proportion of ad hoc transport.

The volume of truck transport also improved compared to the previous year. This results from additional business with a major customer and the high transfer volume of the inland terminals.

In the Eastern Europe segment, the continued weakness of the market in Russia had a sustained negative impact on business performance. Activities in Poland and Slovakia, in contrast, were as planned. Due to the deconsolidation of the companies in Ukraine on December 31, 2013, the results from these companies have not been included in the consolidated results of BLG LOGISTICS since 2014. As in the previous year, the operating business in Ukraine will continue without the provision of additional financial resources from BLG LOGISTICS.

EBIT in the AUTOMOBILE Division rose from EUR 15.3 million to EUR 18.5 million compared to the previous year. This is due to the increasing utilization in the terminal network and the rise in technical value added in the inland terminals.

AUTOMOBILE DIVISION
INCREASE EBIT

CONTRACT Division (05)

The CONTRACT Division comprises a wide range of logistics services, covering the industrial logistics, offshore wind energy, fashion logistics, and retail and seaport logistics segments.

In the industrial logistics (Europe) segment, business in the Bremen logistics center was defined by very high volumes and a complex range of parts related to the introduction of new models of a major customer. The greater than planned increase in volume in conjunction with scarce human and space resources led to heavy productivity losses. We reacted to this by increasing capacity accordingly and taking measures to improve productivity. Among other things, to ensure process quality we increased our core workforce by 700 employees in 2015 and significantly improved employee retention.

CONTRACT DIVISION
RISING REVENUES

In the industrial logistics (Europe) segment, in the 2015 financial year we began operation of a new logistics center in Bremen and started the construction of a new logistics facility in the Düsseldorf harbor. With a total land area of 117,000 sqm, this logistics center will be tailored to the requirements of the car parts and industrial logistics industries.

At the Wackersdorf site, volumes for another major customer fell significantly compared to the original plans. This is particularly attributable to a significant reduction in sales in Brazil and Russia. The earnings trend in the other locations of the segment was in line with expectations.

(05) Key indicators

		2015	2014	Change absolute	Change percentage
Sales	EUR million	478.8	436.9	41.9	9.6
Return on sales	%	0.4	1.7	-1.3	-76.5
EBIT	EUR million	1.7	7.2	-5.5	-76.4
EBT	EUR million	-4.1	2.7	-6.8	-251.9

The key factors for the results in the industrial logistics (overseas) segment were activities related to a project with a major customer in the US and the weak performance of the market in Brazil. In the US, more staff had to be made available for operational processing, which had an effect on productivity. However, at the end of the financial year, operational improvements were seen, which will result in the positive performance of the business in the future.

In Brazil, volume is at a low level due to the overall poor economic performance. Earnings performance was unsatisfactory, so we will re-evaluate our activities in Brazil.

Sustainable business growth was recorded in South Africa.

The business performance in the retail logistics segment continues to be marked by the ongoing difficulties in a major project at the Bremen location. We have entered into discussions with our customer on this topic. We are making efforts to find an amicable solution to this issue in the 2016 financial year. The business performance in the Emmerich and Frankfurt locations is better than planned. At the Frankfurt site we managed to further develop the fashion logistics segment successfully in the 2015 financial year. For the first time, we are processing an entire e-commerce transaction (procurement, storage and delivery) for a new customer.

In July, with the acquisition of a 51 per cent stake in BLG Sports & Fashion Logistics GmbH, BLG Handelslogistik GmbH & Co. KG laid the foundation for the creation of the new fashion logistics segment. We expect the additional know-how and acquired expertise to enable us to acquire additional orders in the future.

In the wind energy segment, there were too few value-added activities in the 2015 financial year. The reason for this is the lack of follow-up orders from producers for the components of wind installations. This resulted in significant negative effects for the year due to fixed costs not being covered. In this segment, we mainly handled the clearance of supply vessels for offshore wind farms, the rental business of SPMTs and the transport of components of onshore wind installations.

In the port logistics segment, volumes handled remain at a low level. Fewer large pipes were handled due to the lack of projects from manufacturers. Sustained weak volumes and ongoing price pressure were recorded in the traditional area of general cargo handling. This meant that uncovered fixed costs were a significant drag on the results in this segment.

However, sales growth of EUR 41.9 million compared to 2014 demonstrates the potential and growth opportunities in the CONTRACT Division.

As a result of the business development described, EBIT fell in year-on-year comparison by EUR 5.5 million to EUR 1.7 million.

CONTAINER DIVISION
RISING PROFIT

CONTAINER Division (06)

The CONTAINER Division of the BLG Group is represented by the 50 per cent stake in the joint venture EUROGATE GmbH & Co. KGaA, KG. This company operates – in some cases with partners – container terminals in Bremerhaven, Hamburg and Wilhelmshaven in Germany, La Spezia, Gioia Tauro, Cagliari, Ravenna and Salerno in Italy, in Sao Paulo (Brazil), in Lisbon (Portugal), and in Tangier (Morocco), and Ust-Luga (Russia). The EUROGATE Group also has holdings in several inland terminals and railway transport companies.

The CONTAINER Division's business mainly involves container handling. It also offers intermodal services as secondary services, such as transporting sea containers to and from terminals, repairs, warehousing and trading of containers, intermodal freight services and technical services.

The EUROGATE Group achieved sales of EUR 591.3 million in the 2015 financial year (previous year: EUR 566.0 million). Operating profit (EBIT) rose significantly year-on-year to EUR 91.1 million (previous year: EUR 76.5 million). The rise of 19.0 per cent is mainly due to the increase in the volumes handled in Germany. The subgroup annual surplus rose to EUR 73.5 million in the 2015 financial year (previous year: EUR 64.9 million) due to good levels of earnings from investments abroad and the high container volumes handled.

(06) Key indicators

		2015	2014	Change absolute	Change percentage
Sales	EUR million	295,7	283,0	12,7	4,5
Return on sales	%	14,7	13,6	1,1	8,1
EBIT	EUR million	43,4	38,4	5,0	13,0
EBT	EUR million	40,1	34,8	5,3	15,2

GOALS FOR 2015:

☑ **EUR 939 million**
revenues

☑ **EUR 30 million**
group profit

Comparison of financial performance with the forecast for the 2015 financial year

We forecasted increasing revenue and earnings before taxes (EBT) at the previous year's level for 2015. We achieved our goal of a moderate increase in sales in all three divisions, AUTOMOBILE, CONTRACT and CONTAINER. In the 2015 financial year we achieved revenue of EUR 938.6 million for the BLG Group. EBT improved slightly by EUR 0.4 million and we fell only slightly short of the planned goal of an EBT of EUR 29.7 million for the BLG Group.

Our forecasts were based on assumptions that deviated significantly from the conditions that occurred in the 2015 financial year in some cases.

Sales in the AUTOMOBILE Division increased by more than expected. In port handling of high and heavy freight, the planned volume was not achieved due to the global decline in production and demand in this segment. We managed to increase EBT to EUR 13.1 million despite the poor economic development in Eastern Europe. This was due to the high export volumes of vehicles, improved margins, the optimization of the utilization of our truck capacities and ad hoc traffic in rail transport.

Sales in the CONTRACT Division also developed better than expected in the previous year. EBT was significantly lower than had been expected in the previous year. An important reason for the fall in the division's earnings was the unexpected losses in the port logistics segment. The lack of projects on the part of manufacturers resulted in unplanned negative effects due to uncovered fixed costs. The continuing uncertainties regarding the development of the offshore sector also had a negative effect on the division's earnings. We will maintain capacity in the two segments to allow us to react flexibly to positive market developments. The industrial logistics (Europe) segment developed well once again, due to the high rates of increase in parts logistics for car manufacturers. The industrial logistics (overseas) segment suffered additional unexpected losses from existing business in Brazil and the US. In addition, the productivity losses in the retail logistics segment at the Bremen site were only partly offset by new business acquired and additional business from existing customers.

Despite the prevailing competitive pressure for the container terminals and the not yet full utilization of the Wilhelmshaven container terminal, EBT for the CONTAINER Division improved to EUR 40.1 million in 2015. EBT were above the planned level. The main reasons for this were additional revenue from logistics services for the offshore wind energy sector at the Bremerhaven container terminal and the good results of foreign investments.

Financial position

In the reporting year total assets amounted to EUR 730.1 million and were therefore EUR 54.8 million above the figure for the previous year. EUR 43.2 million of the increase is in non-current assets, while current assets increased by EUR 11.6 million from the previous year.

The increase in non-current assets was mainly due to a rise in intangible assets (EUR 33.1 million) and fixed assets (EUR 10.5 million). The increase in intangible assets mainly concerns the Division due to the creation of the new fashion logistics segment, where they relate to customer relationships and rights.

EUR 37.3 million was invested in non-current intangible assets and fixed assets. Divestments of EUR 1.2 million were made, and depreciation and amortization of EUR 32.8 million was recognized. The capitalization ratio increased slightly compared to December 31, 2014. **(07)**

A detailed breakdown of the fair values of financial assets and liabilities can be found in note 39.

The Group's net debt increased by EUR 38.8 million to EUR 299.4 million in the 2015 financial year (previous year: EUR 260.6 million). **(08)**

Based on the earnings before taxes of EUR 29.7 million achieved in 2015, cash flows of EUR 10.7 million were generated from continuing operations (previous year: EUR 34.5 million).

The free cash flow declined by EUR 40.5 million due to the increase in outflows from investment activities and the drop in inflows from continuing operations. The increase in outflows from investment activities is due mainly to increased payments for investments in financial assets and intangible assets in the CONTRACT Division. **(09)**

The absence of short-term borrowed funding and the repayment of promissory notes made in the previous year resulted in a sharp rise in inflows from financing activities. The decline in inflows from continuing operations results mainly from changes in provisions.

Outstanding investments are financed taking into account the operating cash flows generated in the segments, and, subject to the capital market situation, from own funds from long-term loans and through leasing. In addition to bank financing, promissory note loans were also used.

Derivative financial instruments (interest rate swaps) are selectively used to hedge against long-term changes in the interest rates of investment finance.

As of the reporting date, lines of credit to the value of EUR 60.7 million had been agreed but not used.

A detailed statement of cash flows can be found on page 80. Disclosures on the statement of cash flows can be found in note 37.

(07) Indicators for the financial position		**12/31/2015**	12/31/2014	Change absolut	Change prozentual
Total assets	EUR million	730,1	675,3	54,8	8,1
Capitalization ratio	%	46,7	44,0	2,7	6,1
Working capital ratio	%	110,2	97,9	12,3	12,6
Equity	EUR million	214,0	202,6	11,4	5,6
Equity ratio	%	29,3	30,0	-0,7	-2,3
Net debt	EUR million	299,4	260,6	38,8	14,9

EUR million	**Carrying amount 12/31/2015**	**Fair value 12/31/2015**	Carrying amount 12/31/2014	Fair value 12/31/2014
Long-term loans	210,8	213,1	170,0	173,4
Liabilities from finance leases	2,5	2,7	1,3	1,3
Total	213,3	215,8	171,3	174,7

(08) Net debt	12/31/2015 EUR million	12/31/2014 EUR million	Change absolut	Change prozentual
Non-current borrowings (not including the short-term portion)	191,7	150,1	41,6	27,7
Other non-current financial liabilities	29,7	14,0	15,7	112,1
Current financial liabilities	100,2	114,5	-14,3	-12,5
Financial liabilities	**321,6**	**278,6**	**43,0**	**15,4**
Non-current financial receivables	6,3	6,3	0,0	0,0
Cash and cash equivalents	15,9	11,7	4,2	35,9
Net debt	**299,4**	**260,6**	**38,8**	**14,9**

(09) Financial position	2015 EUR million	2014 EUR million	Change absolut	Change prozentual
Cash inflow from operating activities	10,7	34,5	-23,8	-69,0
Cash in/outflow from investment activities	-6,6	10,1	-16,7	-165,3
Free cash flow	4,1	44,6	-40,5	-90,8
Cash in/outflow from financing activities	17,2	-51,4	68,6	133,5
Net cash change in cash and cash equivalents	**21,3**	**-6,8**	**28,1**	**413,2**
Effect of exchange rate changes on cash and cash equivalents	-0,9	-0,5	-0,4	-80,0
Cash and cash equivalents at the beginning of the year	-36,7	-29,4	-7,3	-24,8
Cash and cash equivalents at the end of the year	**-16,3**	**-36,7**	**20,4**	**55,6**
Composition of cash and cash equivalents				
Cash and cash equivalents	15,9	11,7	4,2	35,9
Non-current liabilities to banks	-32,2	-48,4	16,2	33,5
Cash and cash equivalents at the end of the year	**-16,3**	**-36,7**	**20,4**	**55,6**

SUPPLEMENTARY REPORT

No events of particular significance have occurred up to the present date.

NON-FINANCIAL PERFORMANCE INDICATORS

_ In 2015, the average number of Group employees increased to 7,167
_ The focus remains on cutting CO2 emissions by 20 per cent by 2020[1]
_ Social commitment on a domestic and international level

Employees

As an international seaport-oriented logistics service provider, BLG LOGISTICS requires committed, motivated and skilled employees in order to be successful on the market and to meet the challenges of globalization and demographic changes. In order to attract, develop and retain its employees, the BLG Group aims to consistently maintain its image as an attractive employer. That is why our personnel policies include options for maintaining a work-life balance, specific health-management mechanisms, as well as performance-related pay and targeted training opportunities.

The number of persons employed by the Group – excluding the Board of Management and apprentices – is shown below, broken down by division, and in accordance with Section 267(5) HGB (annual average) **(01)**.

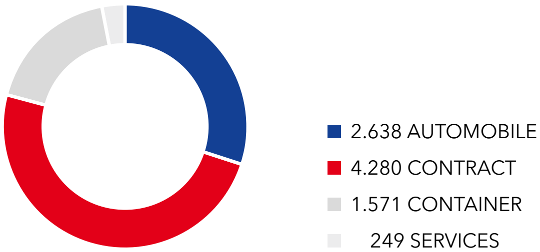
In the reporting year, the average number of employees (excluding EUROGATE) rose by 11.5 per cent in year-on-year comparison to 7,167. This significant increase is

(01) Division	**2015**	2014	Change in %
AUTOMOBILE	**2.638**	**2.431**	**+8,5**
thereof blue-collar workers	2.110	1.967	
thereof white-collar workers	528	464	
CONTRACT	**4.280**	**3.771**	**+13,5**
thereof blue-collar workers	3.161	2.731	
thereof white-collar workers	1.119	1.040	
CONTAINER	**1.571**	**1.602**	**-1,9**
thereof blue-collar workers	1.137	1.159	
thereof white-collar workers	434	443	
Segment employees	**8.489**	**7.804**	**+8,8**
thereof blue-collar workers	6.408	5.857	
thereof white-collar workers	2.081	1.947	
Services	**249**	**223**	**+11,7**
thereof blue-collar workers	1	1	
thereof white-collar workers	248	222	
Reconciliation	**-1.571**	**-1.602**	**+1,9**
thereof blue-collar workers	-1.137	-1.159	
thereof white-collar workers	-434	-443	
Group employees	**7.167**	**6.425**	**+11,5**
thereof blue-collar workers	5.272	4.699	
thereof white-collar workers	1.895	1.726	

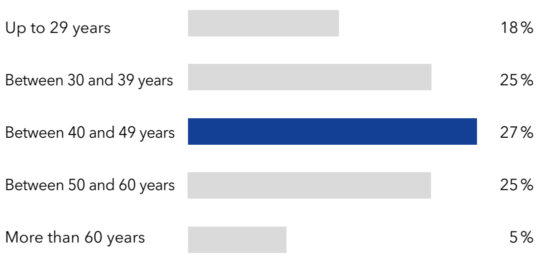
[1] relative to the business activities, base year: 2011.

mainly attributable to new appointments due to the expansion of the business in the industrial and retail logistics segment in the CONTRACT Division and to staff increases in the Bremerhaven car terminal in the AUTOMOBILE Division. This affects the sites in Bremen, Bremerhaven, Hörsel and Tuscaloosa (USA).

NUMBER OF EMPLOYEES IN 2015



EMPLOYEES BY AGE GROUP



Occupational health and safety

The health and safety of its employees in the workplace remains a key corporate goal for the BLG Group. A preventive health policy for the business and measures to improve both safety in the workplace and working conditions are therefore important elements in our corporate policy.

BLG LOGISTICS considers safety at work to be a joint effort between all the company's stakeholders. Workplace accidents can only be prevented and errors minimized through planning, coordination and consideration when carrying out individual work assignments. A slight decline in the number of reportable accidents was achieved in the 2015 financial year. Analyses of absenteeism were conducted and measures were developed on this basis.

In addition, health days were offered at numerous sites. Furthermore, the number of those participating in our company fitness offering reached a new high last year.

Employee survey

The results of the employee survey "Great Place to Work" were presented to all employees at the German sites in 2015 and working groups were established nationwide to develop follow-up measures. Overall, more than 500 measures have been agreed upon in these working groups. The largest number of measures related to improvements in working conditions. These measures included inspections, the restructuring of operations and the procurement of new working materials.

As expected, the subject of "Improved management" is a key area in which action is needed. All executives also reviewed the results of their divisions in separate training sessions. Additionally, numerous measures to promote team spirit and improve cooperation among employees were established in the working groups. Some measures relate to joint projects on special topics as well as dealing with other employees and better illustrating the achievements of their own divisions.

Topics have been identified that the BLG Group will have to continue to work on in order to come closer to reaching its goal of being a "Great Place to Work". This includes both new tools and procedures as well as a change in the daily behavior of superiors and the interaction of employees with each other. The majority of our foreign sites were included in the survey at the end of 2015. The evaluation will take place in the first half of 2016.

Future managers program and talent pool

Our eighth future managers' program began in May 2015; the program was established in 2001. Nine external university graduates, including seven women, were selected from among 367 applicants. Nine future managers of the program come internally from the BLG Group, including three female participants. This year, an increasing number of employees from foreign sites were included in the program. Two Spaniards, one American and one Slovenian qualified for the future managers' program.

In 2015, the first eight training modules were implemented and work was done on in-house projects. In addition, these young management trainees were involved in various social projects.

In all areas, employees who aspire to management roles were identified by their superiors and included in a talent pool. Leadership potential is determined in a seminar in which the current situation is assessed. Individual development agreements are then reached with the identified candidates.

The number of training places on offer remains high: the BLG Group employed a total of 341 trainees as of December 31, 2015.

Family and career

Family-conscious HR policies are another core foundation of the BLG Group's HR strategy. They are intended to make an important contribution to the company's attractiveness as an employer and thus the long-term success of BLG LOGISTICS. Above all awareness and sensitivity on the issue of work-life balance should be further developed, encouraged and embedded at all levels. In addition, we offer support through school holiday programmes for children and comprehensive information on the subject of combining work with family life and with the role of career. Because when there is a harmonious balance between work and family life, both sides benefit – our employees and our company.

Sustainability

Corporate responsibility

The issue of sustainability is of prime importance to BLG LOGISTICS. In 2012 we set ourselves the goal of reducing CO2 emissions by 20 per cent by 2020 (relative to business activities, base year: 2011). Since then we have reported on progress in our sustainability report, published annually. However, sustainability is more than just an ecological way of thinking and a responsible use of resources. BLG LOGISTICS believes that sustainability is a holistic concept with the company's employees at the core. Our desire is to make economic productivity, social responsibility and concern for our environment consistent with each other.

In the logistics sector, awareness of the different aspects of the topic of sustainability has increased in the last few years. The expectations of customers and of the public in terms of the transparency and relevance of sustainability aspects are increasing noticeably. The BLG Group is taking an increasingly strategic approach to addressing the subject of sustainability and is anchoring it more firmly in its processes. From 2017 companies will be legally obligated to take an even more targeted approach to addressing sustainability aspects and to report on non-financial key figures. For this reason, we have changed the appearance of our sustainability report this year and, with a view to the standards imposed by the Global Reporting Initiative, for the first time focused on the topics that are vital to our corporate objectives and that at the same time have implications for society.

The inclusion of the sustainability report in our three-part format in this year's annual report underlines this development.

Ecological sustainability

The interplay between logistics and the environment is intensive. As a logistics company, BLG LOGISTICS also has the responsibility to take measures to protect the environment and natural resources. For us this means bringing economic and environmental efficiency into balance. Our customers and the public expect us to find ways to reduce CO2 emissions. Sustainability is thus relevant to competition. Legal conditions also increase the pressure to make more efficient use of resources. Finally, energy consumption is a significant cost factor. The objective of the BLG Group is to reduce greenhouse gas emissions, increase energy efficiency and to be transparent in showing energy consumption and the resulting greenhouse gas emissions.

Since 2012, BLG LOGISTICS has been collecting comprehensive consumption data in order to determine its CO2 emissions. The increased systematization and uniform recording of all consumption allows us to continuously increase the transparency and relevance of the calculated values.

In 2015, we introduced comprehensive energy management, including energy audits, at all sites where we as a company can have a direct impact on energy consumption. We aim to certify as many sites as possible in accordance with the DIN EN ISO 50001 standard. At the same time, we are also complying with legal requirements which called for the amendment of the Energy Services Act in the reporting period. At all sites, we use a structured approach to discover potential savings and we develop concrete site-specific measures to reduce energy consumption and increase energy efficiency. In 2015, we trained our employees on energy issues, changed some lighting to LED at a number of sites and modernized our fleet.

Social sustainability

Our employees are a key success factor in the development of BLG LOGISTICS and one of our most important resources. Attracting and retaining employees is the main contribution to added value made by the HR department. Companies today face a number of challenges – from the lack of skilled workers to demands arising from the digital world to the diverse way people live today. The BLG Group is proud that it already employs many dedicated, creative and open-minded employees. We intend to increase our focus on the potential this represents. In addition, our goals are clearly defined: to create a high level of employee satisfaction, offer tailored education and training for all levels of qualification and promote equal opportunities in order to strengthen our profile as an attractive employer.

Our intensive approach to dealing with issues of ethics and integrity last year strengthened the confidence with which our executives and employees act. After the BLG Group implemented a comprehensive compliance system in 2014, numerous training sessions were held in the reporting year to sensitize employees to this issue.

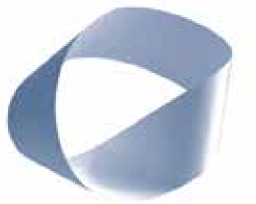
A traditional and global organization like BLG LOGISTICS is expected to take up and promote socially important topics. For this reason, we have for many years been involved in numerous projects in both our national and international locations in support of schools, sports and culture. In 2015, we also continued our cooperation with the United Nation's World Food Programme (WFP), which we began three years ago. We analyze the logistics capacity of seaports in vulnerable regions for the WFP at no charge – an effective use of our core competence in logistics to fulfill our responsibility to society.

Economic sustainability

As a company, we are always faced with competition and must remain competitive. A forward-looking and risk-conscious financial policy forms the basis for our business activities. In order to secure the future of the BLG Group over the long term, we are investing in new developments and expanding into further countries and markets. Our goal remains unchanged: profitable growth coupled with strict cost management.

To secure and increase our competitiveness, we place great emphasis on quality, efficiency and innovation. We continually invest in these issues – for example, in our logistics center in Frankfurt, which received the German Logistics Award from the German Logistics Association in October 2015 for its robot-assisted warehouse and picking concept.

When introducing and managing sustainability criteria, BLG LOGISTICS focuses on its own, very varied activities and processes. Another focus in 2015 was on standardizing and optimizing our processes; we did this in the CONTRACT Division specifically by implementing a lean management approach.



ECOLOGICAL.
SOCIAL.
ECONOMIC.

RISK REPORT

_ Risk structure unchanged from the previous year
_ No risks to continued existence of the company
_ Active risk management

Opportunity and risk management principles

Corporate activity is accompanied by opportunities and risks. For the BLG Group, the responsible management of possible opportunities and risks is a core element of sound corporate governance. Our opportunities and risks policy aims to increase the company's value without taking any inappropriately high risks.

Here we view risks as possible future developments that are unfavorable to, jeopardize or even threaten the attainment of short-term strategic goals by reducing our assets. Conversely, opportunities are uncertain events that increase the company's value and may be the outcome of developments that are more favorable than planned.

Risk management in the BLG Group is mainly derived from the goals and strategies of the individual segments. It aims to recognize potential risks in good time, take suitable countermeasures to avert the threat of damage to the company and eliminate any threat to the company's continued existence.

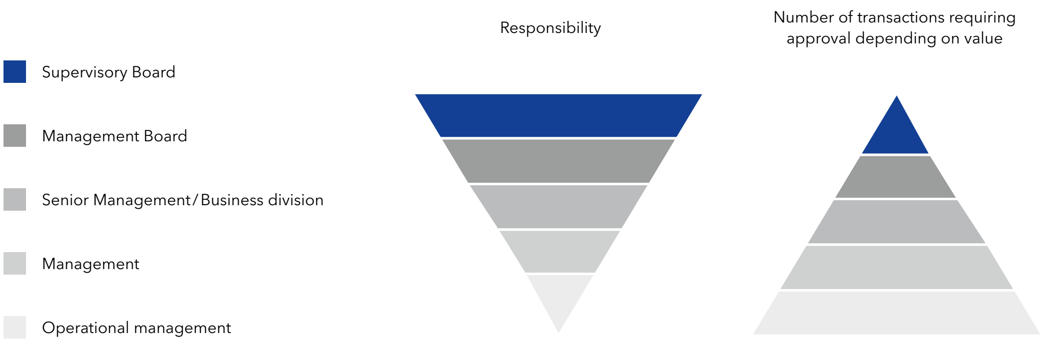
The strategic orientation of the BLG Group, which operates both within Germany and internationally, is highly diversified. Thus the structure of having three divisions together with a number of associated segments leads to a certain degree of autonomy in terms of economic influences, as well as individual sectors or major customers. Significant capital expenditure is mainly established and safeguarded through customer agreements.

Opportunity and risk management system

The Board of Management is responsible for the opportunity and risk management system. The Supervisory Board and the Audit Committee monitor and examine the system to ensure it is appropriate and effective. Responsibility for recognizing and managing significant opportunities and risks is controlled centrally within the BLG Group with various levels and organizational units being integrated into the system.

The relationship between expertise and frequency of decision-making can be seen in the following diagram:

COMMUNICATION CHANNEL AND RESPONSIBILITIES IN THE BLG GROUP'S OPPORTUNITY AND RISK MANAGEMENT SYSTEM



In order for us to achieve our goals, for example measured by earnings before taxes (EBT) or return on capital employed (ROCE), the broad spectrum of our logistics services requires the early identification of potential opportunities and risks. The Board of Management and upper management receive monthly reports on the BLG Group's performance indicators. This is intended to ensure the creation of added value over the long term and to prevent any threat to the company's continued existence. The planning and control process, the Group's internal guidelines and the reporting system are thus key components of the opportunity and risk management system, and particular attention is paid to opportunities and risks from strategic decisions, from markets, from the operating business and from financing and liquidity.

The BLG Group's principles of risk management are documented in a guideline. Risk managers and risk coordinators are appointed in the divisions and in the central services units of the holding company in order to ensure that the risk management system runs efficiently. This ensures that risks and risk-reduction measures (risk avoidance and reduction, or risk transfer through insurance policies) and opportunities are identified and evaluated in the area of the business where they actually arise. The central risk management system that has been implemented is responsible for coordinating the Group-wide gathering, evaluation and documenting of opportunities and risks. An IT-based risk management system is used in this process.

Risks which, from a present-day perspective, can have a significant negative effect on our net assets, financial position and results of operations, and the corresponding measures defined as part of the strategy are detected, evaluated and monitored continuously, and a permanent inventory is maintained.

These are not necessarily the only risks to which the BLG Group is exposed. Other influences of which we are not yet aware or which we do not yet consider to be significant may also affect our business activities but are not included in the risk report.

The internal audit department is also integrated into risk communication within the BLG Group as a process-independent monitoring entity.

As a company with international operations and a broad spectrum of different services, the BLG Group is exposed to a variety of risks. These are analyzed through ongoing monitoring of both the macro-economic environment and, especially, global logistics trends, and taken into account in business decisions.

Insurance policies are taken out where available and economically viable in order to minimize the financial effects of possible damage. The cover provided and amount insured under these policies is examined on an ongoing basis.

In order to counteract potential risks which could arise in particular under a wide range of geographic, employment, cartel, capital market, tax, contractual, environmental and competition regulations and legislation, the BLG Group bases its decisions and the design of its business processes on comprehensive legal advice, as well as on input from in-house and external experts. To the extent that legal risks relate to past circumstances, necessary balance sheet provisions are created and their appropriateness examined at regular intervals.

Objectives and methods of financial risk management

The principal financial instruments used to finance the Group include long-term borrowings, short-term loans and cash, including short-term deposits with banks. The main purpose of these financial instruments is to finance the operations of the BLG Group. The BLG Group has access to a range of other financial instruments, such as trade receivables and payables, that arise as part of its operations.

Interest rate derivatives are only used to hedge outstanding risks and are solely used to improve credit terms and to limit the risk of interest rate changes as part of financial matching strategies. Commodity price derivatives are used only to limit the risk of price increases. In principle, derivatives are not used for trading or speculative purposes.

The aim of financial risk management is to limit significant risks for the Group arising from financial instruments (credit risks, foreign currency risks, liquidity risks and interest rate risks). The Board of Management has adopted guidelines for each of these risks and reviews their content. A detailed explanation of these risks can be found in the "Financial risks" section starting on page 63. At Group level the existing market price risk is also observed for all financial instruments.

Capital risk management

An important capital management goal for the BLG Group is to ensure the continued operations of the company in order to continue to provide earnings to shareholders and to provide other stakeholders with the services to which they are entitled. A further goal is to maintain an optimal capital structure in order to reduce the costs of capital.

The BLG Group monitors its capital using the equity ratio and the debt ratio, calculated as net debt to EBITDA. These two indicators form part of the criteria negotiated with the financing banks for the BLG Group's covenants. The calculation of these indicators normally requires information that does not form part of these Group financial statements.

In 2015, the strategy continued to be to secure access to external funds at acceptable costs by complying with the covenants agreed with the banks.

Description of the key characteristics of the internal control and risk management system with regard to the accounting process in accordance with Section 315(2) no. 5 HGB

Definition and elements of the internal control and risk management system

The internal control system of BLG LOGISTICS with regard to the accounting process includes all principles, procedures and measures to ensure that the calculation, preparation and depiction of business matters are financially correct and legally compliant. The aim is to avoid any significant false statements in accounting and external reporting.

Because the internal control system is an integral component of the risk management system, they are presented in a composite form.

The internal monitoring and control systems are components of the internal control system. The Board of Management of BLG LOGISTICS has assigned responsibility for the internal control system to the controlling, finance and accounting departments in particular.

The internal monitoring system comprises controls that are both integrated in and independent of the accounting process. The controls integrated in the process particularly include the dual control principle, the separation of functions from related departments (particularly creditor management and treasury management) and IT-supported controls, as well as the involvement of internal departments such as legal or tax and of external experts.
Controls that are independent of the process are carried out by the internal audit department (e.g. compliance with the authority and signature guidelines or purchasing guidelines) or quality management departments or by the Supervisory Board, principally through its Audit Committee. The Audit Committee particularly

concerns itself with the accounting for the company and the Group, including reporting. The activities of the Audit Committee also focus on the risk situation, the further development of risk management and compliance issues. This also includes the effectiveness of the internal control system.

Audit activities that are independent of the process are also carried out by external auditors such as the auditor of the financial statements or the external tax auditor. In terms of accounting, the audit of the annual and Group financial statements by the auditor forms the main component of the review that is independent of the process.

Accounting-related risks

Accounting-related risks can arise, for example, through the conclusion of unusual or complex business dealings or the processing of non-routine transactions.

Potential risks also result from discretionary scope in the recognition and valuation of assets and liabilities, or from the effect of estimates on the annual financial statements, such as for provisions or possible liabilities.

Accounting process and measures to ensure its correctness

Business transactions are mainly accounted for in the individual financial statements of the subsidiaries of BLG LOGISTICS using the standard software SAP R/3. The SAP consolidation module EC-CS is used to prepare the group financial statements. This summarizes the individual financial statements of the companies to be consolidated, if necessary by adjusting them in line with the international financial reporting standards.

The separate financial statements of foreign subsidiaries are included on the basis of standardized Excel-based reporting packages reviewed by the auditors, and they are uploaded flexibly into the EC-CS consolidation system using a standard interface in SAP.

To ensure consistency of accounting and valuation, BLG LOGISTICS has issued accounting guidelines in accordance with the International Financial Reporting Standards (IFRS). In addition to general principles, in particular accounting and valuation principles and methods, these include regulations on profit and loss accounting, consolidation principles and other subjects. Guidelines on consistent Group-wide accounting have also been prepared for the implementation of consistent, standardized and efficient accounting and reporting. In addition to this, there is a guideline on the notes and management report, which should enable a consistent reconciliation of the computations. Impairment tests for the Group's cash-generating units are carried out centrally. This ensures that consistent and standardized valuation criteria are used, in particular the underlying interest rates. The same applies to the specification of the parameters to be used for the valuation of pension provisions and other provisions based on expert opinions.

When preparing the debt consolidation, internal balances are regularly reconciled in order to clarify and remedy any differences in good time. At Group level, in addition to a validation by the system of the data reported in the separate financial statements, the reporting packages in particular are checked for plausibility and adjusted if necessary.

The disclosures in the notes are mainly produced from the EC-CS consolidation system and enhanced by additional information on the subsidiaries.
Special software is used for tax accounting. This was developed by an audit firm. Current and deferred taxes are calculated at the level of individual subsidiaries and the recoverability of deferred tax assets is checked. Current and deferred taxes to be recognized are thus calculated at the Group level in the statement of financial position and in the income statement, taking into account the effects of consolidation.

Qualifying notes
The internal control and risk management system ensures the correctness of the accounting process and compliance with the relevant legal requirements.

Discretionary decisions, controls containing errors or malicious acts may, however, limit the effectiveness of the internal control and risk management system, with the effect that the established systems cannot be guaranteed to identify and control risks with absolute certainty.

Opportunities

Our business model
As an international Group with three divisions, BLG LOGISTICS is exposed to a wide range of trends on various national and international markets. Based on the business development described in this report and the company's position, there are various potential opportunities within the current macroeconomic conditions. The effects of sustainable positive economic trends are of overriding importance here.

We also want to make optimum use of opportunities in the various fields of activity that open up to us in future. The basis for this assumption is our unique network, and the innovative intermodal offering in the AUTOMOBILE Division combined with the further growth in exports indicated to us by car manufacturers.

The established business models in the retail and industrial logistics segments offer the CONTRACT Division a wide range of sales and acquisition opportunities in Germany and the rest of Europe. They benefit from a continued growth market because our customers want to improve their own cost structures and make them more flexible through an increase in outsourcing. The segments are dependent to a certain degree on a stable domestic economy and consumer spending in Germany. With our logistics expertise and locational advantage due to quay facilities that are deep enough for seagoing vessels, we will further develop, jointly with partners, the growth-oriented offshore wind energy segment.

In the CONTAINER Division we expect additional opportunities to arise from the restructuring of the European terminal network of seaports and inland terminals in connection with intermodal business activities, particularly through the development of the Wilhelmshaven container terminal.

The consolidation in container shipping as a result of new collaborations and the formation of new consortia should also continue in future. As the container terminals have free capacity, at least in the medium term, the market power of the remaining consortia or shipping companies will increase through consolidation, as well as the associated pressure and requirement to implement sustainable cost reductions at the container terminals. Linked to this cost pressure is the trend towards increasingly larger container ships, and the CONTAINER Division, as an operator, offers an excellent alternative for handling large, deep container ships (current maximum of 16 m) in Wilhelmshaven (water depth of 18 m), the only German deep-water port.

We see more opportunities than risks in this area, especially as the world's two largest shipping groups, Maersk Line and MSC, are involved in the form of their "2M alliance" in different configurations at some of our most strategically important terminals, particularly Bremerhaven and Wilhelmshaven.

Strategic opportunities

CONTRACT Division: Expansion of e-commerce services in the retail logistics segment
High growth rates can be seen in online retailing. The particular logistics expertise required here is the ability to ship goods at short notice and to react flexibly to strong fluctuations in volumes, and the requirements for this are a deep knowledge of the processes and of the development and organization of materials-handling technology.

BLG LOGISTICS has acquired the relevant experience and expertise over a number of years and has continuously extended this knowledge at a growing number of customers and locations. In 2013 the online mail-order business was put into operation for a major customer in Bremen. Based on this development, we see good opportunities for the future and are pursuing the goal of further expanding logistics activities in the field of e-commerce and Industry 4.0 and developing the entire value chain in this area.

Starting with our small freight forwarding unit, we aim to also offer freight forwarding services more intensively in future as a complementary service to new and existing customers. It is intended that the development of these activities will expressly relate to seaport freight forwarding business without the need to invest in our own fleet. A new distinct freight forwarding segment will be created for this within the CONTRACT Division.

The expansion of contract logistics in the area of fashion logistics in 2015 is expected to provide further opportunities in this new market segment.

AUTOMOBILE Division: Developing the rail transport segment by extending the Falkenberg site to include a wagon service and logistics center

By developing the Falkenberg railway station in Brandenburg into a wagon service and logistics center, the BLG Group will expand its range of services in the area of rail transport for finished vehicles.

Train composition measures have already been implemented in Falkenberg. This means that whole trains will run to Falkenberg from the car manufacturers' production sites in Eastern Europe. There the individual wagons will be coupled together again as entire trains and designated for the relevant seaport (e.g. Bremerhaven, Emden, Cuxhaven or Hamburg). This concept will enable BLG LOGISTICS to achieve high levels of customer loyalty in rail transport. Rail transport was implemented with the opening of the railway station two years ago and extended through the expansion of rail capacity in Falkenberg.

Through the construction of a wagon service workshop in Falkenberg, the statutorily prescribed amendments to railway wagons can be implemented in our own workshop. Because over 80 per cent of regular rail transport traffic runs via Falkenberg, this provides opportunities to reduce the inflow and outflow costs relating to trips to the workshop. Service and repair intervals can then be managed actively by BLG LOGISTICS. Thus waiting times and the associated long wagon downtimes will be avoided. Falkenberg railway station is situated at one of the most important junctions for rail connections on the East-West route, thus providing additional opportunities to carry out wagon repairs and other services for third parties in Falkenberg.

BLG LOGISTICS will thus be able to develop its range of services in the rail transport segment towards value-adding activities.

Other opportunities

BLG LOGISTICS first developed and set mandatory climate change goals in the 2012 financial year. According to these its carbon footprint should fall by 20 per cent by 2020 compared to 2011. The planned reduction is based on the current consumption schedule. In future, the main areas for saving energy should be identified from the automated recording of CO2-related consumption (electricity, gas, fuel, etc.) at terminals and branch offices. BLG is also now in a position to inform customers of a specific carbon footprint for its entire range of services. This information will become more important in the future. Even today, many companies demand proof of environmentally efficient "green" logistics in their invitations to tender.

In parallel with a schedule of consumption and together with the people responsible for technology in all three divisions, we have started to investigate both practical measures to reduce CO2 emissions and opportunities to use renewable energy sources.

There are further opportunities for BLG LOGISTICS in the wind energy segment. As part of the development of an offshore terminal for the state of Bremen at the Bremerhaven site, BLG LOGISTICS won the competitive public tender for operation of the 25-hectare Offshore Terminal Bremerhaven (OTB). The term of the contract is 30 years. Since 2012, as part of an interim solution the BLG Group has been providing storage and handling services for the offshore industry within the Bremerhaven car terminal and has proven itself to be a competent partner in the development and implementation of innovative logistics solutions. The OTB, which is to be developed by "bremenports GmbH & Co. KG", may be available for pre-assembly and the handling of offshore wind energy installations from 2019. The focus is not only on new wind farms, but also on the maintenance and outfitting of existing wind farms..

Risks

Risk categories and individual risks

From the risk types defined for the BLG Group, the significant risks for BLG LOGISTICS by risk category are described in the following sections. In the selection of materiality, risks are included that, in the company's estimation, do not threaten the company's continued existence but would have a noticeable effect on the company's net assets, financial position and results of operations if they were to occur. In principle, the assessment is made on the basis of scenarios, taking into account all known influencing factors from opportunities and risks.

The necessary measures or provisions are then derived from the spectrum of the best and worst expectations. A standardization process has been specified for this procedure which involves dividing risks into the categories of strategic risks, market risks, political, legal and social risks, performance and infrastructure risks, and financial risks. Unless otherwise apparent, the risks shown are linked to the affected segment.

All risks have corresponding opportunities in the event of a positive development.

Strategic risks

Risks from acquisitions and investments

In the last decade, the BLG Group has grown through various acquisitions both in Germany and abroad. For this purpose, the process and quality management department has prepared a consistent guideline (M&A Guideline) on this procedure, which must be complied with in all share purchases. This is used both within the Group and by external advisers. This ensures that all risks associated with an acquisition or investment are observed and assessed.

Despite this, particular political, legal or economic risks associated with share purchases outside the EU cannot be ruled out. The social environment when sourcing employee capacity and integrating the relevant third-party company culture into the structures and processes of BLG LOGISTICS present additional specific challenges. The strategic direction and expansion of the AUTOMOBILE Division towards Eastern Europe and even as far as China poses risks particularly in the area of economic capital maintenance and safeguarding service expertise. This circumstance is taken into account by our own "Southern/Eastern Europe" segment, in which professional, language and consulting abilities are bundled together.

Investments made in the past may require subsequent decisions when continuing the strategic decisions and statements made with the investment. The required subsequent investments associated with these decisions must be considered and evaluated overall under new premises, due to partly changed market and macroeconomic conditions. If these changed conditions continue in the long term, there may be future requirements for BLG LOGISTICS to reduce the value of the entire investment.

The situation on Eastern European markets has changed for the worse due to the conflict between Russia and Ukraine, and has had a negative effect on transport flows in Europe. Currently no end to the conflict is in sight and therefore it negatively affects the value of the strategic investments of the AUTOMOBILE Division in this market segment.

Market risks

Threat to market position and competitive advantages

The AUTOMOBILE Division continues to devote particular attention to competition with automobile terminal operators at western European ports. As a consequence of the takeover of the high-capacity terminals Vrasene Dock in Antwerp and Bastenaken Kai/Northern Inlet in Zeebrügge by the world's biggest ro-ro shipping company, NYK from Japan, in the 2006 financial year, a situation arose in this context that may still involve considerable risks. This applies especially to the shifting of import volumes from the Far East and to the price structure at our Bremerhaven seaport terminal.

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

Another market risk in the AUTOMOBILE Division is that car manufacturers increase the volume shipped via Mediterranean ports.

Due to the increasing shareholdings of shipping companies in seaport terminals on the Baltic Sea, there may be shifts in transshipment volumes at the expense of the Bremerhaven seaport terminal.

In the CONTRACT Division the main risks are related to rapid replaceability as a service provider. In the industrial logistics and retail logistics segments there is a strong dependency on a single major customer in both cases. The logistics services performed there are personnel-intensive as a rule. For customers it is relatively easy to change the service provider. Customers are also applying substantial price pressure. We meet these challenges by way of extensive customized optimization for individual customers, longer contractual terms and the continuous expansion of our customer base.

In the industrial logistics segment the development of finished and unfinished parts logistics is of special importance for the Chinese market and for Chinese exports.

For seaport logistics in the break bulk cargo business and project logistics the risks are essentially connected with the overcapacities in the North Sea ports and the related high competition and price pressure.

The CONTAINER Division continues to feel that the deepening of the shipping channel in the Outer Weser and Elbe Rivers for the purpose of securing and positioning the German ports in the Northern Range is urgently necessary so the increasingly large container vessels can call at Bremerhaven and Hamburg without any problem. In the 2015 financial year the nautical problems posed by the constantly rising number of container ships of increasing size intensified further, especially at the Hamburg location. The water depths for the moorings of the EUROGATE Container Terminals Hamburg that were contractually agreed upon with the Hamburg Port Authority for 2015 were also not realized. If either or both measures should fail or be delayed further, this may have substantial negative impacts on future cargo handling development.

Furthermore, modernization of the existing locks, construction of a fifth lock and full capacity expansion of the Kiel Canal, including uniform deepening by one meter, adjustments to passing places, curves and locks, are extremely important.

Due to the geographical proximity of the port of Hamburg to the Baltic Sea, a large proportion of containers coming from countries bordering the Baltic Sea are handled as transshipment traffic via Hamburg. This traffic generally passes through the Kiel Canal due to the benefits of time, cost and distance. However, the Kiel Canal is increasingly stretched to its limits due to the growth in size of the feeder vessels in the Baltic Sea traffic. However, if feeder services are no longer able to be directed through the Kiel Canal, they must opt to take the significantly longer route via Skagen.

This would lead to a loss in the natural competitive advantage of German ports compared to western ports and thus to a risk of a loss of volumes. In this respect, an increase in the capacity of the Kiel Canal is urgently required so it can also handle the traffic flows between the North Sea and the Baltic Sea efficiently in future.

From today's viewpoint, the renovation work on the locks of the Kiel Canal is proving to be more difficult than planned. For example, the construction of the fifth lock had to be interrupted in fall 2015 and it was not possible to finish repairs required on the old, existing locks until the end of 2015. Although the financing for the lock repairs and the new lock construction has been secured, all the work will not be finished until at least 2022.

The entire set of measures for the Kiel Canal (deepening and widening) to allow access to larger feeder ships in future is neither financed nor planned. Unfortunately, Hamburg could lose its special position as the Baltic Sea hub for transshipment cargo and thus major shipping customers could relocate these activities increasingly to Bremerhaven or Wilhelmshaven.

In addition to the macroeconomic trends, there continue to be further influences and risks which affect future handling and transport demand and the associated handling volumes of our container terminals. These include

- the production and commissioning of additional (terminal) handling capacity in the North Range and in the Baltic region,
- the commissioning of additional large container ships and the associated operational challenges in ship clearances (peak situations) and
- the changes in markets and processes resulting from changes in the structures of consortia.

In terms of customers, possible insolvencies could have an effect on shipowner consortia and on the structure of services and volumes.

Navigating difficulties in approaching and departing these large container ships into/from the German North Sea ports of Bremerhaven and Hamburg have increased further, due in part to the continued delays in adjustments to navigation channels on the Outer Weser and Elbe for these ports.

In parallel with stagnating volume growth, terminal handling capacity has further increased in the North Range, particularly in Rotterdam (Maasvlakte 2) and Antwerp, and will increase even more in subsequent years. In the Baltic region, the capacity expansion currently under construction in Gdansk, Poland is especially worth mentioning.

Dependency on the economic cycle and macroeconomic risks

As a logistics service provider with a global focus, the BLG Group is highly dependent on production and the associated flow of goods in the global economy. The dependency on both the manufacturing industry and on consumer behavior can be viewed as the largest risk. Other influencing factors on our business in this area are high energy and raw material costs, increasing restrictions on international trade, persistent foreign trade imbalances and the increase in political conflicts.

The debt problems currently experienced by many developed countries have led to increased instability in the financial and foreign exchange markets and the international banking system. Together with the existing uncertainty of market players and the difficult situation in refinancing markets, this may influence the risk situation for the BLG Group. In contrast, we estimate the risk of a new global recession to be relatively low. However, the above-mentioned developments could result in a longer phase of below-average growth for the global economy.

Changes to legislation and in taxes or duties in individual countries may also have a significantly damaging effect and result in considerable risks for the BLG Group. However, due to the diversification referred to and described at the start of the "Risk management" section, there is no fundamental risk to the company's continued existence.

The persistent shortage of skilled personnel and an above-average susceptibility to insolvency among both our service providers and customers involved in straightforward transport and logistics services, present further general risks for BLG LOGISTICS.

Sector risks

The growth markets in Asia, Africa, South America, the USA and Central and Eastern Europe are particularly important with regard to the global development of finished vehicle logistics. These markets have the greatest potential, but the economic conditions in some countries in these regions are impeding the expansion of the logistics businesses located there.

The risk of transfer, particularly of the transportation of commercial vehicles, to other modes of transport cannot be completely ruled out.

Western Europe is the main market for the BLG Group. Through the opening up of Western Europe to the East, increasing volumes of Eastern European transport capacity have accessed our main market, leading to tough competition and a slump in prices. In addition, export volumes in the European automotive industry are dependent on overseas markets, with the greatest reliance being on China, the USA and Russia.

Employment in car parts logistics (automotive segment) is dependent on production in the foreign plants of the German OEMs (original equipment manufacturers) that are supplied with parts via our logistics centers worldwide. There is a tendency in this area to be dependent on just a few major customers.

Wide-ranging capital expenditure has been employed to expand the wind energy segment. Business development is directly linked to the delayed growth in the offshore wind energy sector.

Political, legal and social risks

Legal and political environment

A complete overhaul of the Kiel Canal is dependent on the provision of the necessary financing from the German government. If this overhaul does not take place, there is a risk that feeder ship volumes will be lost, particularly at the Hamburg site. From today's perspective, it is not completely clear when these funds might be provided. The overhaul is not currently included in the Federal Transport Infrastructure Plan or the government's medium-term finance plans.

It also cannot be ruled out that the company could be hit with additional transport costs due to a price increase on the international crude oil markets, tolls, other traffic routing levies or additional tax burdens which cannot be passed on directly to customers but would be recognized in other comprehensive income.

The trade embargos triggered by the conflict between Russia and Ukraine have resulted in negative commercial effects, particularly for the AUTOMOBILE Division. Especially for activities in Russia, these developments have led partly to losses in companies there and consequent reductions in the value of our involvement. The extent to which further conflicts will affect the development of BLG LOGISTICS in Eastern Europe cannot yet be definitively estimated or evaluated. However, further reductions in value are still a distinct possibility. The Southern/Eastern Europe segment within the AUTOMOBILE Division, which is responsible for this area, is focusing on this in particular.

In the wind energy segment, the order situation has significantly worsened due to the current political and environmental discussions, linked to the policy-related suspension of further subsidized projects. The BLG Group currently assumes that this will involve a delay for a period of one to two years. If this positive assessment does not occur, the investments mainly made in 2011 and 2012 would be threatened with possible value adjustments.

Contractual risks

Emissions typically to be found in ports, such as spray mist and rust particles, may lead to huge recourse claims by manufacturers and transport insurers. We will also take all necessary steps in future to counteract this kind of externally caused pollution with preventive measures, although we cannot completely rule out this risk.

Risk provisions have been created for risks from onerous contracts. The size of the risks may increase significantly as a result of changes in circumstances over time. Based on our current estimation, a risk of this kind should be viewed as low.

Significant contract risks result from customer agreements where the terms do not match those which relate to the leasing of property. Customer agreements generally have significantly shorter terms than rental contracts on properties.

Subsequent changes in market conditions and the associated effects on the logistics processes agreed with the customer frequently affect the contractual relationship agreed with the customer. The range of services offered to the customer and the prices calculated no longer match the services requested and commissioned by the customer. The resulting differences generally lead to risks and, thus, also to losses which can only be clarified with the customer through lengthy negotiations. Due to the requirement to fulfil the contract and thus provide services, further work is carried out for the customer during negotiations, because otherwise further risks would arise due to compensation for downtime. This circumstance and the dependency on a few major customers at some sites led to increased risks and negative variances from projections again in the 2015 financial year, particularly in the industrial logistics (overseas) and retail logistics segments.

Liability regardless of culpability is still requested by many customers and has led to large compensation payments in the past. We no longer agree to such clauses in our contracts.

Performance and infrastructure risks

Risks from business relationships

Great attention must always be paid in all operating business divisions due to close customer relationships and the short contract terms, very demanding contract conditions, particularly with a few major customers, changes in economic developments and demand/ product life cycles. Currently this mainly affects the seaport terminals and industrial logistics (overseas) segments.

Infrastructure capacity and security

High fluctuations in volumes at our customers can lead to temporary capacity bottlenecks at our indoor and outdoor facilities. We have proactively investigated the market and have found additional third-party indoor and outdoor capacity. This will be leased for a fee, if required.

In contrast, when there is lower usage of our in-house capacity, no alternative usage is normally generated. This results in a negative effect from fixed costs that is not covered by income.

Indoor and outdoor facilities and transport and handling equipment are regularly serviced and repaired at fixed intervals. This guarantees our ability to provide services on an ongoing basis.

Personnel risks

Due to the high personnel and capital-intensive nature of our logistics services, there are, in principle, risks relating to the negative effect of high fixed costs when facilities and personnel are not being used.

Our goal is to minimize personnel risks in respect of socio-demographic change, age structure, and the skills and turnover of the workforce. To this end, the acquisition of skilled personnel has been coordinated and implemented through measures such as close cooperation with training providers and a consistent staff development policy from the training of first-time employees to the reskilling of the long-term unemployed.

This staff development, which will necessarily take place over the long term, harbors certain personnel cost risks in the event that business development does not occur as planned in the medium term. However, flexibility is achieved through the use of blue-collar workers provided by the GHB employment agency in Bremen and Hamburg and other agency personnel. This ensures that the personnel requirement can, to a certain extent, be adapted flexibly to the development of the business. Demographic changes in the employment market have a fundamental influence on the available staff and therefore on the flexibility and availability of qualified personnel at GHB. These changes may result in long-term deficits for GHB which are to be offset by connected member companies and thus mainly by BLG LOGISTICS.

Demands of workers' representatives for structural changes in the way that temporary employees become permanent lead to increased basic costs. At the same time, there is less flexibility with respect to costs which is generally necessary to compensate for cyclical fluctuations.

The company has found that competition for skilled personnel is becoming increasingly intense. In order to secure and strengthen our position in this area, we are using our HR management activities to emphasize the attractiveness of BLG LOGISTICS as an employer and are aiming to retain skilled employees and managers in the company over the long term. In addition to performance-related pay and progressive social benefits, we are also focusing particularly on future diversification in the BLG Group through trainee programs, multi-disciplinary career paths, deployment in different Group companies and attractive training and development courses. We limit employee turnover risks by means of timely succession planning.

IT risks

Information technology is an important success factor for our logistics and service processes. The systems must be accessible and available at all times, and any unauthorized access to data and data manipulation must be eliminated. Delivery of new software with faults or not on time must also be avoided. Our services require the use of permanently updated or even newly developed software. However, delays and insufficient functionality can never be completely ruled out when developing and putting into operation new, complex applications. Efficient project management – from design through to launch – reduces this risk. We expect there to be only minor effects on a few segments in this respect.

The increasingly frequent global, and particular attacks on the internet (cyber crime) present a constant threat and risk to BLG LOGISTICS. BLG LOGISTICS is well positioned to counter these risks through the use of the latest antivirus software in conjunction with its own structured IT organization. The ongoing review, monitoring, updating and adaptation of these structures and systems is an essential prerequisite for this.

Financial risks

Credit risk

The Group's credit risk mainly results from trade receivables. The amounts shown in the group statement of financial position do not include impairment losses for probable uncollectable receivables that were estimated on the basis of historical trends and the current economic environment. Due to the ongoing monitoring of receivables by the management, the BLG Group is not currently exposed to any significant credit risks.

The credit risk is limited in respect of liquid funds and derivative financial instruments because these are held at banks that have been awarded high credit ratings from international rating agencies.

Foreign currency risk

With very few exceptions, the Group companies operate in the euro zone and invoice only in euros. In this respect, currency risk could only arise in isolated cases, such as from foreign dividend income or the purchase of goods and services from abroad.

Liquidity risk

Liquidity risks may arise from payment bottlenecks and the resulting higher financing costs. The Group's liquidity is ensured by central cash management at the level of BLG KG. All significant subsidiaries are included in cash management. Due to the control of capital expenditure and credit management, which is also performed centrally, financial resources (loans/leases) can be provided in good time to meet all payment requirements.

Loan liabilities to banks are guaranteed via two covenants, based on two financial indicators usually used by banks: the equity ratio and net debt. The financial indicators are reviewed at six monthly intervals after the end of the reporting period on the basis of the relevant group or interim financial statements.

If the agreed covenants are not adhered to, the conditions state that interest rates will rise in two stages, by 0.5 per cent in both cases, followed by the right to terminate. Any deviations from the agreed covenants are proactively negotiated with the banks.
In the 2015 financial year, the limit of the agreed net debt ratio was not observed. As a result, an interest charge of 0.5 per cent may be incurred on the portion of long-term financial loans and the promissory note for the next interest rate period. For the 2016 financial year, this may result in an increase of 0.5 per cent in the original margin, with an impact ranging from EUR 60,000 to EUR 400,000. An effect ranging from EUR 0 to EUR 2,000,000 is expected for the 2017 financial year.

Interest rate risk

The interest rate risk to which the BLG Group is exposed arises primarily from long-term loans and other non-current financial liabilities.

Interest rate risks are managed with a combination of fixed-interest and variable-interest loan capital. The majority by far of the liabilities to banks have been concluded over the long term or fixed interest rates have been agreed through to the end of the financing term, either originally as part of the loan agreement or via interest rate swaps which have been concluded within micro-hedges for individual variable-interest loans.

Interest rate risks are disclosed via sensitivity analyses in accordance with IFRS 7. These show the effects of changes in the market interest rate on interest payments, interest income and expenses, other income items and on equity. Interest rate sensitivity analyses are based on the following exchange rates:

With regard to original fixed-interest financial instruments, market interest rate changes only affect the result if these financial instruments are held at fair value. All fixed-interest financial instruments held at amortized cost are not subject to interest rate risks within the meaning of IFRS 7. This applies to all fixed-interest loan liabilities of the BLG Group, including finance lease payables.

When hedging interest rate risks in the form of cash flow hedge-designated interest rate swaps, changes to the cash flows and to the contributions to earnings induced by changes to the market interest rate of the hedged original financial instruments and the interest rate swaps balance each other out almost completely so that there is no interest rate risk.

The measurement of the hedging instruments at fair value directly in equity affects the hedge reserve in equity and is therefore included in the equity-based sensitivity calculation.
Market interest rate changes on original variable-interest financial instruments whose interest payments are not created initially within cash flow hedges against the risks of interest rate changes have an effect on interest income and are thus included in the calculation of income-related sensitivities.

The same applies to interest payments on interest rate swaps, which are, exceptionally, not part of a hedging relationship in accordance with IAS 39. In the case of these interest rate swaps, market interest rate changes also have an effect on the fair value and thus affect the result of the valuation from adjustments to the fair value of the financial assets or financial liabilities and are included in the income-related sensitivity calculation.

From today’s perspective, the likelihood of the financial risks described arising in BLG LOGISTICS is estimated to be low.

Further disclosures on the management of financial risks can be found in note 39.

Other risks

There are currently no other perceived risks that could have a long-term negative influence on the company’s development. There are currently no potential risks to the company’s continued existence such as excessive indebtedness, inability to make payments or other risks that could significantly influence the company’s net assets, financial position and results of operations. The significant risks for the BLG Group result from the continuing sovereign debt crises in the USA and Europe and from geopolitical unrest with its effect on the real economy.

Assessment of the overall risk situation

The risk structure of BLG LOGISTICS has not significantly changed year-on-year. Based on our risk management system and consistent assessments by the Board of Management, there were no foreseeable risks in the reporting period that could jeopardize the company’s continued existence, either individually or as a whole. Based on the medium-term plan, there are currently no strategic or operational risks for future development that pose a threat to the continued existence of the company. The assessment of the overall risk does not include any compensating future opportunities.

OUTLOOK

_ Objective: Increase sales and profitability in all divisions
_ Continue acquisition activities and cooperative ventures
_ Make efficient use of growth potential in the CONTRACT Division

Future direction of the Group

Retention of the business model
No fundamental change to our business model is currently planned. One strategic focal point will be on developing activities in the CONTRACT Division. Our goal is to be profitable in all segments and to continue to grow. We intend to grow our shares in existing markets, open up new markets and win new customers by continuing our acquisition activities, developing collaborations in a targeted manner and developing strategic partnerships. We will also extend our value chain in the segments. Moreover, given in particular the events of the last financial year, we will seek significant improvements in productivity in all areas through consistent process management and strict cost management, and continue to focus on our sustainability goals.

Expected macroeconomic conditions

Macroeconomic outlook
According to the assessment of the IMF, the global economy is expected to remain on its growth path in 2016. However, the risks for the global economy will continue to increase. Crucial to this development is the difficult restructuring of the Chinese economy, the departure of the USA from its loose monetary policy, the drop in oil prices and the economic weakness of emerging markets. It is also unclear what effect the flood of refugees into Europe will have. In addition, political conflicts in Ukraine and the Middle East remain unresolved.

Experts are forecasting a 3.4 per cent rise in global economic growth in 2016 due to increasing uncertainties. An increase of over 3.6 per cent is forecast for 2017.

The supporting factors that influence current economic development include economic weakness in emerging markets, a high level of sovereign debt in major economies, significant currency fluctuations and geopolitical unrest. The main driver for global economic development in the coming years will continue to be structural growth in emerging economies. Moreover, the global megatrends of energy, environment, transport and health are likely to be additional strong growth drivers in the long term.

The moderate recovery in the euro zone is expected to continue in 2016, supported by low commodity prices, an expansionary monetary policy and an export-boosting low euro in relation to the US dollar. Factors that could jeopardize the upturn are the necessary reforms in the euro zone. The uncertain effects of individual regional developments with the currency area, the flood of refugees and China's economic development present further uncertainties for the development of the European economy. Overall, the IMF forecasts growth of 1.6 per cent for the current year.

Germany is forecasted to grow more strongly than the rest of Europe in 2016. Contributing factors to this are the recovery of private and government consumption, further improvements in the labor market, increasing investment and the high proportion of exports. The main risks are the movements of refugees, the economic downturn in China and the increase in key interest rates. Experts are therefore forecasting growth in German GDP of 1.7 per cent in 2016.

Sector development

Despite the economic crises last year, logistics experts are forecasting a positive year for the German logistics sector in 2016.

After a strong sales year in 2015 (approx. EUR 240 billion) a further increase of around 2.2 per cent is forecast for the current year. Regarding employment, the logistics sector is expected to remain an important driver of jobs in 2016. The number of employees in the sector could even exceed the 3 million mark next year. Across Germany, logistics service providers expect stable capacity utilization, an increase in order intake both domestically and abroad, and improved business performance.

The lifting of economic sanctions against Iran creates growth opportunities for the logistics industry as pent-up demand in the country will need to be met when frozen funds can be invested again.

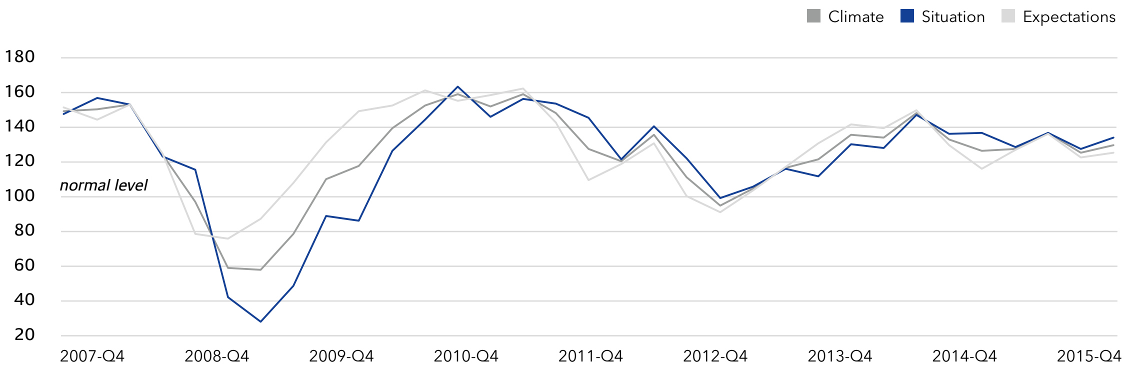
Service providers expect expansion in capacity and further expansion of the workforce in 2016, leading to an escalation in competition for professionals, managers and young talent. As a result, the economy will also be influenced by the shortage of personnel, and increases in complexity and costs in the 2016 financial year. Logistics experts in industry, services and academia must counter these factors with more in-depth collaboration and vertical cooperation.

Price increases in freight transport are expected over the next few months. At the same time, falling transport volumes are looming for the majority of transport carriers. Nevertheless, logistics experts are expecting prices and volumes to rise in equal measure in 2016. The outlook for road freight transport is assessed as pessimistic here. This particularly applies to Eastern European transport where a reduction in transport volumes is assumed. Experts expect increasing transport volumes and higher prices for rail freight transport in the next few months.

For inland waterways, volumes are expected to fall across all markets. Experts assume that freight prices will increase, in some cases significantly. Due to the slowdown in growth in China and emerging economies a decline in transport volume is assumed for sea freight

http://www.bvl.de

BUSINESS CLIMATE AMONG LOGISTICS PROVIDERS



Source: BVL/IfW

in all markets. In the transport segment, prices for ocean shipping are expected to fall over the next few months. Only for sea freight within Europe is no change expected.

Key factors for future sector development are increasing customer demands on performance and quality, the attainment of sustainability goals, changing consumer behavior as a result of innovative communications technology, logistics for online retail, vertical cooperation along the value chain, and continued price pressure and the associated need for further process improvements.

The BLG Group considers itself to be well positioned for this, as it has a distinctive service profile and a tightly organized Group and management structure that enables fast and customer-oriented decision-making.

Development of the Group next year

AUTOMOBILE Division

In the AUTOMOBILE Division, exports will remain a determining factor for volumes at seaports. At the Bremerhaven seaport terminal we also expect to handle volumes of 2.3 million vehicles in 2016 and are assuming that export volumes from premium German manufacturers to the US markets will remain high and that the Chinese market will see constant growth. To deal with this growth, an investment was made in the construction of a parking deck in the Bremerhaven seaport terminal, which was commissioned in October 2015. The deck has space for a total of 7,050 vehicles on five levels – more than 6,000 additional parking spaces. For 2016, we assume that the additional parking deck and the consistent implementation of defined measures in the ongoing process will result in a significant improvement in productivity in car handling.

The trend in previous years, where imported vehicles were not processed in technical centers or were only processed with low technical value added, will continue in 2016. Measures for the required adjustment to technical capacity in Bremerhaven have been included in the 2016 plan. Potential for technical value added is expected in export vehicles processing. In order to be able to implement the expected results from technical services, there is an urgent need for flexible deployment of technical staff in all technical areas at the Bremerhaven seaport terminal.

In the high & heavy segment we expect volumes to remain unchanged at the Bremerhaven seaport terminal due to the continued weak development of the market. Volumes handled in this segment are determined by capital equipment for the construction industry and agriculture.

In the inland terminals and vehicle transport segments, volumes are determined by the registration of new cars in Germany. We expect growth rates in 2016 to be similar to the previous year. In the inland terminals segment we see further growth potential in the additional integration of finished vehicle logistics into the network of BLG LOGISTICS. In the vehicle transport segment, we expect a difficult market environment. Competition from Eastern European transport companies is resulting in permanent price pressure, making it impossible to pass on the full amount of cost increases to customers. In contrast, cost savings will be realized from the introduction and further optimization of IT systems to improve capacity planning in truck transport. The market environment remains difficult because a major customer is entering the area of freight forwarding itself.

In the rail transport segment we have reached the target number of 1,275 wagons. We do not envisage any further development of wagon capacity. The competitive situation for rail transport of finished vehicles

ADDITIONAL PITCHES

6,000

will remain difficult during the coming year. The main reason for this is that the competition has not yet scrapped its old wagons (more than 40 years old), leading to temporary overcapacity in the market. This development causes significant price pressure. For 2016, we are expecting overcapacity to reduce with a resulting improvement in the market environment for rail transport. Transport volumes will be determined by the development of export volumes at seaports. The wagon capacity of BLG AutoRail GmbH will be used mainly for existing customer contracts as well as being made available for ad hoc transport. For 2016, we see potential in the conversion of ad hoc transport to regular transport. We are therefore assuming increasing utilization of wagon capacity. Due to another acquisition, we see good potential in repair orders for third parties in our wagon service and logistics center in Falkenberg.

In the Southern/Eastern Europe segment, the entry of a major customer into the market will result in reduced logistics activities in Slovakia and the Czech Republic. For Russia, we expect a slight increase in volumes in port handling. However, business development there is still strongly influenced by the reduction in the market for new vehicles in recent years. We assume that business developments in Poland will remain constant. For 2016, activities at the Gioia Tauro site will be allocated to the Southern/Eastern Europe segment. Cooperation with other shipowners is expected to produce potential for regular transport overseas.

NEW
BUSINESS UNIT
FASHION LOGISTICS

CONTRACT Division

Overall, customers will continue to apply price pressure in the 2016 financial year in the CONTRACT Division.

Economic trends in the industrial (Europe) segment will be affected in the logistics area by developments in the vehicle markets in China, South Africa, Brazil and the USA. Similar to the development of export volumes in the field of finished vehicles, car manufacturers are also planning for high growth rates in parts logistics in 2016. Our business model will enable us to participate in this growth and achieve long-term competitive cost structures through ongoing productivity improvements. We assume business development will remain steady in all locations.

In the USA there are still great challenges to solid growth. We assume the Brazilian market will remain weak in 2016 and that volumes will remain low for the longer term. For this reason, we will be reviewing our investments in Brazil. For South Africa, we expect continued positive business development due to higher volumes.

At the beginning of the 2016 financial year, the business performance in the retail logistics segment continued to be marked by the ongoing difficulties in a major project at the Bremen location. We have entered into discussions with our customer on this topic. We are making efforts to find an amicable solution to this issue in this financial year. In the retail logistics segment we are working on extending the real net output ratio of our business in order to successfully establish all sites over the long term. In this context, we are expecting increased sales and income for all sites in this segment in 2016. Due in particular to our entry into the sports and fashion segment, we expect positive earnings trends.

For the wind energy segment, limited work resulting from the organization of land transport, the storage of parts, the loan of large equipment and consultancy services is planned for 2016. New offshore wind farms are currently in the final planning phases. We therefore currently assume that we will be carrying out further logistics activities for heavy-duty components for the offshore industry and making better use of our available capacities again in 2016.

We have assumed the role of operator as part of the development of an offshore terminal at the Bremerhaven site. We will keep more capacity available for this purpose.

The seaport logistics segment has been characterized by sustained low handling volumes. Following the agreement in the nuclear dispute, there are opportunities in Iran, in particular, due to pent-up demand. We were able to acquire our first project for the packing and shipment of plant parts to Iran. Due to the difficult market environment, we assume only slight growth for this segment.

In addition, freight forwarding activities will be integrated into the CONTRACT Division in 2016. We envisage good development prospects for the coming year due to the integration of freight forwarding activities into the network of BLG LOGISTICS.

CONTAINER Division

There is continued high competitive pressure on container shipowners as the growth in the global economy is not sufficient to fully utilize the shipowners' tonnage and to solve the structural problems of container shipping. Not least due to the large number of newly built container ships, the container terminals are faced with uncertainties.
In particular, further cooperation between and concentration of container shipowners could have an effect here. As a result, additional price pressure on the terminals cannot be ruled out.

There are continued good prospects for logistics companies and container terminal operators in the medium and long term due to globalization and global trade. As a result of globalization and the deeper integration of the emerging markets in Asia and Central and Eastern Europe into the global economy, we expect to appropriately benefit once again from an upturn in the medium term.

The 2016 financial year for the EUROGATE Group will once again be characterized by appropriate capacity utilization of the EUROGATE container terminal in Wilhelmshaven. Utilization should be further increased in 2016 as compared to the previous year. Results will be unchanged, mainly due to the container terminals segment, and handling volumes and rates which are significant influencing factors here.

FORECAST FOR 2016

EUR 1.1 Mrd.
revenues

EUR 30 - 32 million
group profit

Planned capital expenditure

We continually adjust our capital expenditure plans to the current market conditions. We are planning increased capital expenditure and investments in process optimizations in the coming year in the AUTOMOBILE Division for the expansion of the truck fleet in the vehicle transport segment as well as for the covering of uncovered spaces in the Bremerhaven seaport terminal. In the CONTRACT Division this involves the construction of new sites and the expansion of existing business in the industrial, retail and seaport logistics segments. There is also planned capital expenditure in 2016 of approximately EUR 45 million for necessary replacements and process improvements in all segments.

This capital expenditure will be mainly financed through borrowing.

Overall statement on the expected development of the Group

The development in the second half of 2015 continued at the start of 2016. The sluggish economic recovery, slowing economic growth in China, the effects of the refugee situation, and structural adjustments in the euro zone continue to limit growth potential. Geopolitical unrest is also having a negative effect on the global economy. This makes it difficult to assess economic developments.

In 2016 we expect growth mainly in the industrial and retail logistics segments in the CONTRACT Division, further sustainable innovations for our intermodal business activities and ongoing high volumes of export vehicles in the AUTOMOBILE Division. According to our expectations, the CONTAINER Division will see strong competition but full utilization of capacity at the EUROGATE container terminal in Wilhelmshaven will not be achieved. Our goal is clearly defined: profitable growth coupled with strict cost management.

We are assuming that sales will increase by between 10 and 15 per cent in the CONTRACT Division, by between 5 and 10 per cent in the AUTOMOBILE Division and by 2 to 5 per cent in the CONTAINER Division. These sales increases should increase EBT in the AUTOMOBILE and CONTRACT Divisions to a comparable extent. The effects of the efficiency improvement measures introduced in all divisions in previous years will be felt in the results. In view of the previously described prospects for the CONTAINER Division and the planned start-up losses for the EUROGATE container terminal in Wilhelmshaven, which are still expected, we envisage a slight fall in EBT for this division in 2016. Therefore we expect a further increase in Group sales to around EUR 1.1 million and EBT of between EUR 30.0 million and EUR 32.0 million.

Against this background we want to offer our shareholders an attractive dividend yield. We are still aiming to increase the dividend in line with the market, but at a minimum aim to keep it at the level of the respective previous year.

This annual report was prepared on the basis of German Accounting Standard 20 (DRS 20) as amended. Apart from historical financial information, it contains statements on the future development of the business and the business results of the BLG Group which are based on estimates, forecasts and expectations, and can be identified by wording such as “assume”, “expect” or similar terms. These statements may, of course, vary from actual future events or developments. We are not under any obligation to update these future-oriented statements with new information.

WE ASSUME THAT SALES IN ALL DIVISIONS WILL CONTINUE TO INCREASE - WITH POSITIVE EFFECTS ON EBT.

03

Group Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

TEUR	Notes to the Consolidated Financial Statements	2015	2014
Revenue		938,605	882,760
Other operating income		46,679	40,055
Cost of materials		-461,775	-440,994
Personnel expenses		-316,595	-277,948
Depreciation and amortisation on non-current intangible assets and fixed assets		-32,801	-32,117
Other operating expenses		-170,324	-164,905
Income from non-current financial receivables		167	264
Other interest receivable and similar income		1,176	1,074
Interest receivable and similar expenses		-7,066	-8,643
Income from entities accounted for using the equity method	14	31,557	31,101
Income from other investments and associates	14	103	26
Amortisation of financial assets and non-current financial receivables		0	-545
Earnings before taxes		**29,726**	**30,128**
Taxes on income		-2,752	-7,673
Group profit for the year		**26,974**	**22,455**
Group profit for the year is apportioned as follows:			
BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–		1,702	1,673
BLG LOGISTICS GROUP AG & Co. KG		23,291	19,438
Non-controlling interests		1,981	1,344
		26,974	**22,455**
Earnings per share (diluted and basic)	17	**EUR 0.44**	**EUR 0.44**
From continuing operations		EUR 0.44	EUR 0.44
Dividend of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–	18	**EUR 0.40**	**EUR 0.40**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TEUR	Notes to the Consolidated Financial Statements	2015	2014
Group profit for the year		**26,974**	**22,455**
Other earnings after taxes on income			
Items that are not reclassified subsequently to profit or loss	19		
Revaluation of net pension obligations		5,856	-18,397
Income taxes on items that are not reclassified subsequently to profit or loss		-928	2,860
Proportion of entities accounted for using the equity method in items that are not reclassified subsequently to profit or loss		4,578	-15,534
		9,506	**-31,071**
Items that can be reclassified subsequently to profit or loss	19		
Foreign currency translation		-2,036	-2,041
Change in the measurement of derivative financial instruments		718	-944
Taxes on income on items that can be reclassified subsequently to profit or loss		-112	157
Proportion of entities accounted for using the equity method in items that can be reclassified subsequently to profit or loss		-656	-5,714
		-2,086	**-8,542**
Other comprehensive income for the year, net of income tax		**7,420**	**-39,613**
Total comprehensive income for the year		**34,394**	**-17,158**
Profit for the year attributable to:			
BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–		1,702	1,673
BLG LOGISTICS GROUP AG & Co. KG		30,730	-20,147
Non-controlling interests		1,962	1,316
		34,394	**-17,158**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TEUR	Notes to the Consolidated Financial Statements	2015	2014
ASSETS			
Non-current assets			
Intangible assets	20		
Goodwill		16,879	5,973
Other intangible assets		33,422	9,526
Prepayments on intangible assets		4,174	5,915
		54,475	**21,414**
Fixed assets	21		
Property, leasehold rights and buildings, including buildings on third-party land		195,411	181,686
Technical plant and machinery		71,960	70,611
Other property, plant and equipment		18,240	17,205
Prepayments and assets under construction		734	6,321
		286,345	**275,823**
Financial assets	22		
Interests in associates		343	343
Interests in companies accounted for using the equity method		123,693	119,431
Other financial assets		143	3,718
		124,179	**123,492**
Non-current financial receivables	23	6,325	6,265
Other non-current assets	25	20	5
Deferred taxes	16	1,236	2,446
		472,580	**429,445**
Current assets			
Inventories	24	7,351	4,904
Trade receivables	25	181,959	170,909
Other assets	23,25	50,352	55,624
Income tax refund receivable	26	1,904	2,712
Cash and cash equivalents	27	15,935	11,724
		257,501	**245,873**
		730.081	**675.318**

TEUR	Notes to the Consolidated Financial Statement	2015	2014
LIABILITIES			
Equity	28		
Consolidated capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–			
Subscribed capital		9,984	9,984
Revenue reserves			
Statutory reserves		998	998
Other revenue reserves		6,749	6,583
Net profit		1,521	1,521
		19,252	**19,086**
Consolidated capital of BLG LOGISTICS GROUP AG & Co. KG			
Limited liability capital		51,000	51,000
Capital reserve		50,182	50,182
Revenue reserves		192,562	184,651
Other reserves		-40,134	-49,640
Reserve for the fair value measurement of financial instruments		-3,308	-3,847
Foreign currency translation reserve		-10,383	-7,932
Net assets of consolidated companies		-63,024	-67,951
Accumulated profit (Bilanzgewinn)		10,687	20,421
		187,582	**176,884**
Non-controlling interests		**7,198**	**6,621**
		214,032	**202,591**
Non-current liabilities			
Non-current borrowings (not including the short-term portion)	29	191,651	150,120
Other non-current financial liabilities	30	29,730	14,029
Deferred government grants	31	2,453	809
Other non-current liabilities	34	249	42
Non-current provisions	32	50,643	54,545
Deferred taxes	16	7,731	1,940
		282,457	**221,485**
Current liabilities			
Trade payables	33	77,118	78,981
Other current financial liabilities	30	100,177	114,477
Current proportion of government grants	31	85	16
Other current liabilities	34	35,043	32,961
Income tax payments due	35	8,857	8,999
Current provisions	36	12,312	15,808
		233,592	**251,242**
		730,081	**675,318**

SEGMENT REPORTING

TEUR	AUTOMOBILE 2015	AUTOMOBILE 2014	CONTRACT 2015	CONTRACT 2014
Revenues with external third parties	**461,616**	**448,359**	**478,842**	**436,861**
Inter-segment sales	737	1,632	1,116	828
Profit/loss from companies accounted for using the equity method	18	-950	-324	3,676
EBITDA	33,088	29,906	18,921	23,713
Depreciation and amortisation	-14,585	-14,571	-17,235	-16,494
Segment result (EBIT)	**18,503**	**15,335**	**1,686**	**7,219**
in % of sales	*4.0 %*	*3.4 %*	*0.4 %*	*1.7 %*
Interest income	145	66	1,153	1,117
Interest expenses	-5,537	-5,689	-6,940	-5,662
Profit from other investments	7	6	0	9
Segment earnings before taxes (EBT)	**13,118**	**9,718**	**-4,101**	**2,683**
Other information				
Other non-cash transactions	-691	-406	98	-925
Impairments	-888	-1,908	-12	-886
Interests in companies accounted for using the equity method	4,300	6,989	1,774	4,091
Goodwill contained in segment assets	5,084	5,972	11,795	0
Segment assets	285,783	253,078	290,243	247,898
Investments in non-current tangible and intangible assets	30,324	14,076	6,530	11,619
Segment liabilities	144,950	147,110	139,088	138,017
Equity	54,033	42,412	26,737	34,381
Employees	2,638	2,431	4,280	3,771

[1] Employees of proportionately consolidated companies are included according to their percentage of consolidation (50%)

CONTAINER		Total of the reportable Segments		Reconciliation		Group	
2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
295.661	**283.009**	**1.236.119**	**1.168.229**	**-297.514**	**-285.469**	**938.605**	**882.760**
2,904	3,333	4,757	5,793	-4,757	-5,793	0	0
-2,112	120	-2,418	2,846	33,975	27,710	31,557	30,556
71,949	67,051	123,958	120,670	-55,811	-51,146	68,147	69,524
-28,525	-28,677	-60,345	-59,742	27,544	27,625	-32,801	-32,117
43,424	**38,374**	**63,613**	**60,928**	**-28,267**	**-23,521**	**35,346**	**37,407**
14.7 %	*13.6 %*	*5.1 %*	*5.2 %*	*n.i.*	*n.i.*	*3.8 %*	*4.2 %*
2,650	3,184	3,948	4,367	-2,605	-3,029	1,343	1,338
-6,726	-7,493	-19,203	-18,844	12,137	10,201	-7,066	-8,643
707	717	714	732	-611	-706	103	26
40,055	**34,782**	**49,072**	**47,183**	**-19,346**	**-17,055**	**29,726**	**30,128**
-4,267	-1,007	-4,860	-2,338	4,639	1,016	-221	-1,322
-480	-985	-1,380	-3,779	480	985	-900	-2,794
75,763	83,091	81,837	94,171	41,856	25,260	123,693	119,431
512	512	17,391	6,484	-512	-512	16,879	5,972
400,376	406,395	976,402	907,371	-373,155	-356,644	603,247	550,727
8,813	19,197	45,667	44,892	-8,382	-18,674	37,285	26,218
179,983	188,856	464,021	473,983	-197,421	-187,443	266,600	286,540
194,682	185,306	275,452	262,099	-61,420	-59,508	214,032	202,591
1,571[1]	1,602[1]	8,489	7,804	-1,322	-1,379	7,167	6,425

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TEUR	I. Consolidated capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–			
	Subscribed capital	Revenue reserves	Accumulated profit (retained earning)	Total
As of 1 January 2014	**9,984**	**7,444**	**1,521**	**18,949**
Changes in the financial year				
Group profit for the year	0	137	1,536	1,673
Income and expenses recognised directly in equity	0	0	0	0
Total comprehensive income for the year	**0**	**137**	**1,536**	**1,673**
Dividends/withdrawals	0	0	- 1,536	- 1,536
Other changes	0	0	0	0
As of 31 December 2014	**9,984**	**7,581**	**1,521**	**19,086**
Changes in the financial year				
Group profit for the year	0	166	1,536	1,702
Income and expenses recognised directly in equity	0	0	0	0
Total comprehensive income for the year	**0**	**166**	**1,536**	**1,702**
Dividends/withdrawals	0	0	- 1,536	- 1,536
Other changes	0	0	0	0
As of 31 December 2015	**9,984**	**7,747**	**1,521**	**19,252**

II. Consolidated capital of BLG LOGISTICS GROUP AG & Co. KG									III. Equity of non-controlling interests	
Limited liability capital	Capital reserve	Revenue reserves	Other reserves	Reserve for the fair value measurement of financial instruments	Foreign currency balancing items	Net assets of consolidated companies	Accumulated profit (Bilanzgewinn)	Total	Total	Total
51,000	**50,182**	**179,907**	**- 18,600**	**- 2,053**	**- 1,167**	**- 62,074**	**19,591**	**216,786**	**5,893**	**241,628**
0	0	2,730	0	0	0	- 3,713	20,421	**19,438**	1,344	**22,455**
0	0	0	- 31,040	- 1,794	- 6,751	0	0	**- 39,585**	- 28	**- 39,613**
0	**0**	**2,730**	**- 31,040**	**- 1,794**	**- 6,751**	**- 3,713**	**20,421**	**- 20,147**	**1,316**	**- 17,158**
0	0	0	0	0	0	0	- 19,591	**- 19,591**	- 752	**- 21,879**
0	0	2,014	0	0	-14	- 2,164	0	**- 164**	164	**0**
51,000	**50,182**	**184,651**	**- 49,640**	**- 3,847**	**- 7,932**	**- 67,951**	**20,421**	**176,884**	**6,621**	**202,591**
0	0	7,034	0	0	0	5,570	10,687	**23,291**	1,981	**26,974**
0	0	0	9,506	539	- 2,606	0	0	**7,439**	- 19	**7,420**
0	**0**	**7,034**	**9,506**	**539**	**- 2,606**	**5,570**	**10,687**	**30,730**	**1,962**	**34,394**
0	0	0	0	0	0	0	- 20,421	**- 20,421**	- 1,385	**- 23,342**
0	0	877	0	0	155	-643	0	**389**	0	**389**
51,000	**50,182**	**192,562**	**- 40,134**	**- 3,308**	**- 10,383**	**- 63,024**	**10,687**	**187,582**	**7,198**	**214,032**

CONSOLIDATED STATEMENT OF CASH FLOWS

TEUR	2015	2014
Earnings before taxes	29,726	30,128
Depreciation and amortisation of non-current intangible assets, tangible assets, financial assets and non-current financial receivables	32,801	32,660
Proceeds from disposal of assets	-1,151	-1,258
Proceeds from entities accounted for using the equity method	-31,557	-31,101
Proceeds from other investments	-103	-26
Interest income	5,723	7,305
Other non-cash expenses and income	-221	-1,322
	35,218	**36,386**
Change in trade receivables	-3,243	-19,410
Change in other assets	856	14,489
Change in inventories	-1,856	-540
Change in government grants	1,713	567
Change in provisions	-9,134	9,571
Change in trade payables	-4,811	7,550
Change in other liabilities	-1,410	-1,376
	-17,885	**10,851**
Interest received	1,343	1,298
Interest paid	-5,101	-6,658
Income taxes paid	-2,841	-7,354
	-6,599	**-12,714**
Cash flows from operating activities	**10,734**	**34,523**
Proceeds from disposal of tangible and intangible assets	2,356	2,320
Payments for capital expenditure in tangible and intangible assets	-37,285	-26,218
Proceeds from disposal of financial assets	3,599	0
Payments for investments in financial assets	-12,578	-4,336
Payments for granting loans to investments	-64	0
Proceeds from repayment of loans to investments	1,794	-677
Payments for company acquisitions minus cash and cash equivalents acquired	-9,625	0
Proceeds from dividends received	45,172	38,976
Cash flows from operating activities	**-6,631**	**10,065**
Proceeds from repayment of loans to company owners	482	463
Payments for granting of loans to company owners	-1,256	-888
Payments to company owners	-23,342	-21,879
Proceeds from issuing promissory note loans	0	-31,000
Proceeds from taking out financial loans	70,400	40,031
Repayment of loans	-30,036	-18,016
Repayment of short-term financing of investments	0	-20,000
Proceeds from repayment of leasing receivables	175	163
Taking on leasing liabilities	1,126	0
Repayment of leasing liabilities	-322	-232
Cash flows from financing activities	**17,227**	**-51,358**
Net change in cash and cash equivalents	21,330	-6,770
Change in cash and cash equivalents due to currency translation effects	-938	-512
Cash and cash equivalents at the beginning of the year	-36,707	-29,425
Cash and cash equivalents at the end of the year	**-16,315**	**-36,707**
Composition of cash and cash equivalents at the end of the year		
Cash and cash equivalents	15,935	11,724
Non-current liabilities to banks	-32,250	-48,431
	-16,315	**-36,707**

NOTES TO THE GROUP FINANCIAL STATEMENTS

Principles and methods

1. Principles of Group accounting

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, Bremen, (BLG AG) and BLG LOGISTICS GROUP AG & Co. KG, Bremen, (BLG KG), two companies that are legally, economically and organizationally closely affiliated due to their identical management bodies and special ownership structure, form the head of the BLG Group (BLG LOGISTICS). Since BLG AG does not consider control over BLG KG to exist within the meaning of IFRS 10, it prepares voluntary consolidated financial statements (combined financial statements) together with BLG KG under the name BLG LOGISTICS with BLG AG and BLG KG as a single parent company.

The consolidated financial statements for BLG LOGISTICS for the 2015 financial year were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB), and their interpretations by the International Financial Reporting Interpretations Committee (IFRIC). The use of these standards became mandatory on December 31, 2015. All IFRS and IFRIC that have been published and adopted in the context of the endorsement process of the European Union and whose use is mandatory were observed.

The accounting policies as shown in note number 6 were applied consistently by all Group companies for all periods specified in the consolidated financial statements.

The financial year of BLG AG and BLG KG and of their consolidated subsidiary companies is the calendar year. The reporting date of the group financial statements is the closing date of the group companies.

The companies BLG AG and BLG KG, which are entered in the commercial register of the District Court of Bremen, are based in Bremen/Germany, President-Kennedy-Platz 1.

The group financial statements are prepared in euros. All amounts are in EUR, unless otherwise indicated.

The group financial statements were prepared on the basis of historical acquisition costs; exceptions arise only for derivative financial instruments and financial instruments classified as "available for sale" if the fair value can be reliably determined for such financial instruments.

Judgments and estimates

The preparation of the financial statements in conformity with IFRS requires estimates and the exercise of discretion in individual matters by management that may have an impact on the amounts reported in the group financial statements.

Judgments

Information on judgments in applying the accounting policies that have the greatest material effect on the amounts reported in the group financial statements is included in the following notes:

- Determining whether control exists (notes number 3 and 4)
- Classification of leases (notes number 21, number 30 and number 41)
- Classification of joint arrangements (note number 22)

Assumptions and estimation uncertainties

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate in particular to the following notes:

- Measurement of goodwill (notes number 6 b and number 20)
- Accounting for deferred tax assets (notes number 6 q and number 16)
- Estimation of parameters for impairment (note number 6 m)
- Material actuarial assumptions (note number 32)
- Discretion in measuring provisions and contingent liabilities (notes number 36 and number 30)

The estimates made were largely based on historical data and other relevant factors, including the going concern principle. Actual results could differ from these estimates.

Determination of fair values

The financial instruments of the Group accounted for at fair value are classified in different categories of the fair value hierarchy based on the valuation technique used; these categories are defined as follows:

- Category 1: Listed (unadjusted) prices in active markets for identical assets and liabilities
- Category 2: Techniques for which all input parameters which have a material effect on the recorded fair value are either directly or indirectly observable
- Category 3: Techniques using input parameters that have a material effect on the recorded fair values and are not based on observable market data

More information on the assumptions made in determining the fair values can be found in note number 39 - Financial instruments.

Changes in accounting policies

The accounting policies used were essentially unchanged compared with the methods used the previous year. In addition, the Group applied the following new/revised standards and interpretations that are relevant to BLG LOGISTICS and whose use was mandatory for the first time in the 2015 financial year:

Standards/ Interpretations	Application required for financial years starting from
Standards	
Various standards: Annual Improvements Project 2011-13	January 1, 2015
Interpretations	
IFRIC 21 Levies	June 17, 2014

Effects of changes in accounting policies

The other new/revised standards and interpretations that are relevant to BLG LOGISTICS had no material impact. For this reason, no adjustment to figures from the previous year has been made.

The Notes contain information on cases where the prior-year amounts are not comparable with the amounts in the reporting year or where they have been corrected in accordance with IAS 8.42.

Non-mandatory application of new or amended standards and interpretations

The application of the following standards and interpretations which were previously adopted, revised or recently issued by the IASB was not yet mandatory in 2015:

Standards

	Application required for financial years starting from[1]	Adoption by the EU Commission
IFRS 9 Financial instruments	January 1, 2018	No
Amendments to IFRS 10 Consolidated financial statements, IFRS 12 Disclosure of interests in other entities and IAS 28 Investments in associated enterprises and joint ventures (application of the exemption on consolidation)	January 1, 2016	No
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (sale or transfer of assets between an investor and an associate or joint venture)	open	No
Amendments to IFRS 11 Joint Arrangements (accounting for the acquisition of shares in joint operations)	January 1, 2016	Yes
IFRS 15 Revenue from contracts with customers	January 1, 2018	No
IFRS 16 Leases	January 1, 2019	No
Amendments to IAS 1 Presentation of financial statements as part of the disclosure initiative	January 1, 2016	Yes
Amendments to IAS 7 Statement of cash flows as part of the disclosure initiative	January 1, 2017	No
Amendments to IAS 12 Income taxes (Recognition of deferred tax assets on unrealized losses).	January 1, 2017	No
Amendments to IAS 16 Property, plant and equipment and IAS 38 Intangible assets (clarification of allowable depreciation methods)	January 1, 2016	Yes
Amendments to IAS 16 Property, plant and equipment and IAS 41 Agriculture (fruit-bearing plants)	January 1, 2016	Yes
Amendments to IAS 19 Employee benefits (defined benefit plans: employee contributions)	February 1, 2015	Yes
Amendments to IAS 27 Separate financial statements (equity method in separate financial statements)	January 1, 2016	Yes
Various standards: Annual Improvements Project 2010-12	February 1, 2015[2]	Yes
Various standards: Annual Improvements Project 2012-14	January 1, 2016	Yes

[1] Initial application under EU law, where already adopted into EU law.

[2] Regardless of the date of initial application, the amendments to IFRS 2 and IFRS 3 are applied to transactions that took place on or after July 1, 2014.

BLG LOGISTICS plans to incorporate the new standards and interpretations from the date on which their initial application in the group financial statements is mandatory. The new standards and interpretations that are relevant to the Group's operations will have an impact on the way in which the Group's financial information is published; however, they will not have any material effects on the approach and the measurement of assets and liabilities or the presentation of the results of operations in the group financial statements, with the following exceptions:

IFRS 15 Revenue from contracts with customers: IFRS 15 replaces the existing standards and interpretations for the recognition of revenue, including IAS 18 Revenue and IAS 11 Construction Contracts, and establishes uniform basic principles that are applicable for all sectors and for all categories of sales transactions. This relates in particular to determining the amount and date or period of the realization of revenues, which will take place in five steps in the future. In addition to the five-step model, the standard contains a number of other regulations on specific issues, such as the depiction of contract costs and contract amendments. The BLG Group provides logistics services. The provision of services is carried out based on preliminary estimates made in a specific period, as customers receive the benefit at the same time the service is provided and consumed, that is another company does not have to provide the service again if it assumes the obligation to perform the services. Therefore, the BLG Group assumes that the initial application of IFRS 15 will not have any material effects.

IFRS 16 Leases: The standard replaces the currently applicable provisions of IAS 17 Leases and the associated interpretations IFRIC 4 Determining whether an arrangement contains a lease, SIC 15 Operating leases – incentives and SIC 27 Evaluating the substance of transactions in the legal form of a lease. The main objective of the new standard is generally to report all leases and associated contractual rights and obligations in the balance sheet of the lessee.

Accordingly, in the future lessees must therefore recognize a lease liability in the amount of the present value of the obligation to make lease payments in its balance sheet for all leases at the start of the lease term. At the same time, a right to use the underlying asset must be capitalized, which, when first applied, corresponds to the amount of the lease liability, adjusted for lease pre-payments made, leasing incentives received and directly attributable costs as well as estimates of the cost of restoration, removal and disassembly. Similar to the regulations under IAS 17 for finance leases, during the term of the lease, the leasing liability is carried forward actuarially, while the usage rights are amortized. This generally results in higher expenses at the beginning of the term of the lease. There are options for accounting for short-term leases and low-value leased assets.
The provisions of the new standard for lessors essentially correspond to the previous provisions of IAS 17. The BLG Group is currently still in a very early stage of the introduction of IFRS 16. The application of the new standard will probably result in significant balance sheet inflation. The exact extent of the effects of the standard on the group financial statements has not yet been determined.

The Board of Management of BLG AG submitted the group financial statements to the Supervisory Board on March 22, 2016. The Supervisory Board has the task of reviewing the group financial statements and stating whether it approves them.

2. Operations of the BLG Group

As a seaport-oriented logistics service provider with AUTOMOBILE, CONTRACT and CONTAINER operating Divisions for its customers in trade and industry, the BLG Group is represented in over 100 subsidiaries and offices in Europe, North and South America, Africa and Asia.

The services offered by the company range from seaport terminals in Europe to complex international supply chain management with value-added services.

AUTOMOBILE

The services provided by the AUTOMOBILE Division include cargo handling, storage, technical processing, transport by road, rail and inland waterway, supply chain management and freight forwarding services as well as the entire administrative vehicle handling process, including documentation and customs clearance. In addition, the division handles heavy or bulky goods such as agricultural machinery, buses and HGVs, transformers, locomotives and rail cars.

The European network includes automobile terminals on the North Sea and the Baltic Sea, on the Mediterranean, the Rhine and the Danube River and inland. BLG is already represented by several maritime and inland terminals in Poland, Russia and Ukraine. Due to insourcing by customers, activities in the Czech Republic and Slovakia had to be suspended during 2015.

The car terminals on seas and rivers have HGV, rail and water connections. The inland terminals offer easy access to the European motorway network and have their own rail connections and most have direct connection to waterways. This network creates reliable logistics chains – from car manufacturers around the world to car dealers in the country of destination. In addition, technical centers for pre-delivery inspection (PDI) and other technical services, such as special builds and conversions are operated in the terminals. The entire range of services is certified.

CONTRACT

The CONTRACT Division develops customized logistics solutions. The main focal points of the services are the auto parts logistics, industrial and production logistics, trade and distribution logistics and seaport logistics for conventional cargo in Bremen. The logistics activities for the offshore wind industry are also bundled in this division. In the 2015 financial year, with the acquisition of a 51 per cent stake in BLG Sports & Fashion Logistics GmbH, Hörsel, (previously MOTEX Mode-Textil-Service Logistik und Management GmbH, Hörsel) we laid the foundation for the creation of the new fashion logistics segment.

The industrial logistics segment represents all the logistics activities in the B2B (business to business) and B2C (business to customer) areas. In the car manufacturer segment this includes the procurement logistics of the suppliers, the supply of production lines, as well as packaging and shipping. Complex system services ensure the reliable supply of assembly lines in Germany and abroad. BLG represents the link between manufacturers and suppliers. Consolidation centers and supplier logistics centers are the hubs of global services. With the pre-assembly of vehicle components and production-related work processes, BLG acts as an extended workbench of automobile manufacturers.

In industrial companies in other sectors, BLG designs and optimizes complex goods flows relating to production. The range of services also includes the supply and disposal of production lines, on-site logistics for the optimal design of internal goods flows, empties management and complex assemblies.

Complex logistics processes for retail companies are designed, implemented, managed and executed in the retail logistics segment. In these areas BLG offers transparent and reliable processes and the optimization of material and information flows. The company's in-house IT expertise used in providing innovative individual solutions for prestigious customers ensures comprehensive information and the movement of goods. At our Frankfurt site, BLG, together with a customer, was the first company in Europe to implement a robot-assisted logistics concept, which received the 2015 German Logistics Prize. In addition, the retail logistics segment includes the handling and storage of refrigerated and frozen goods at the Bremerhaven container terminal as well as all related services.

The port logistics area operates multifunctional terminals in Bremen where customized logistics solutions for goods with special requirements are offered. Specifically this includes the handling, storage and proper handling of steel and forest products, tubes, sheets and project cargoes. Logistics for offshore wind energy is integrated into this business area. This area develops customized, comprehensive logistics systems to coordinate and manage the supply chain of wind turbines and their components from production to installation at sea across all value-added stages.

CONTAINER

The CONTAINER Division is being developed by the joint venture EUROGATE GmbH & Co. KGaA, KG, Bremen, in which BLG holds a 50 per cent share. EUROGATE has its own subsidiaries and investment entities. The companies of the EUROGATE Group are accounted for using the equity method and included in the group financial statements.

The focus of the activities of the EUROGATE Group includes handling containers on the European continent. EUROGATE operates – in some cases with partners – container terminals in Bremerhaven, Hamburg, Wilhelmshaven, La Spezia, Gioia Tauro, Cagliari, Ravenna and Salerno in Italy, in Lisbon, Portugal, in Sao Paulo, Brazil, in Tangier, Morocco, and Ust-Luga, Russia. In addition, EUROGATE has investments in several inland terminals and rail transport companies.

Secondary services offered include intermodal services – the transport of sea containers from and to the terminals – repairs, depot storage and trading of containers, cargo modal services and technical services.

3. Consolidation principles

The date of initial consolidation is the day on which, in economic terms, the conditions established in IFRS for the existence of a subsidiary, an associated enterprise or a joint venture exist for the first time. Similarly, the deconsolidation date is determined by the absence of control, joint control or material influence.

Subsidiaries

Subsidiaries are companies that are controlled by BLG LOGISTICS.

BLG LOGISTICS controls an investment entity if there is an exposure to risk as a result of a claim to variable returns from the investment and the power of disposal over the investment can be used to influence the amount of the returns.

All major subsidiaries are consolidated in the group financial statements.

Subsidiaries are generally fully consolidated in accordance with IFRS 10. Deviating from this, certain companies of BLG LOGISTICS are not consolidated for reasons of materiality (see note number 4).

When a subsidiary is initially consolidated, the acquisition value of investments is compared with the Group's share in the equity of that company which is revalued in accordance with IFRS 3. In this process, assets and liabilities are recognized at their fair values and previously unrecognized intangible assets that can be accounted for under IFRS and contingent liabilities are recognized at fair value under assets or liabilities. In subsequent consolidations, the hidden assets and liabilities disclosed in this way are carried forward, amortized or reversed in the same way the corresponding assets and liabilities are treated. Any surplus of the acquisition cost of the investment over the proportionate net fair value of the identifiable assets, liabilities and contingent liabilities (positive difference) resulting from initial consolidation is recognized as goodwill and is subject to an annual impairment test (see note number 6).

If any negative difference remains, another review takes place of the identification and measurement of assets, liabilities and contingent liabilities and the derivation of the purchase price. If any negative goodwill remains after this review, it is recognized immediately in profit or loss.

Companies accounted for using the equity method
The companies consolidated using the equity method include investments in joint ventures and associates.

Joint ventures exist when there are arrangements in which BLG LOGISTICS exercises joint control with at least one partner company, whereby the Group has rights to its net assets instead of rights to the assets and obligations from the liabilities of the arrangement. This applies in particular to the CONTAINER Division, which is consolidated via the equity investment in the operational management company EUROGATE GmbH & Co. KGaA, KG, Bremen.

Associated enterprises are companies in which BLG LOGISTICS has material influence over the financial and operational policies, but does not exercise control or joint management.
The carrying amounts of the investments consolidated using the equity method are increased or decreased annually by the changes in equity of the joint venture or the associated enterprise attributable to the BLG Group. The principles valid for full consolidation are applied accordingly to the allocation and adjustment of a difference included in the proportional approach between the cost of acquisition of the investment and the proportion of equity of the company.

Non-controlling interests
Non-controlling interests include minority interests in the equity of fully consolidated subsidiaries.

Non-controlling interests in acquired companies are measured at their proportionate share of the net assets of the acquired company.

Transactions with non-controlling interests are treated as transactions with equity owners of the BLG Group. Any difference between the consideration paid and the relevant share of the carrying amount of the net assets of the subsidiary arising from the purchase is recognized in equity. Gains and losses which are realized on the disposal of non-controlling interests are also recognized in equity.

Other investments
Other investments are stated at fair value in accordance with IAS 39 or, if the fair value cannot be reliably measured, at cost.

Loss of control
If the BLG Group ceases to have control or material influence over an entity, the remaining portion of the fair value is re-measured and the resulting difference is recorded in profit or loss. The fair value is the fair value determined during the initial recognition of an associate, joint venture or financial asset. In addition, all amounts reported in other comprehensive income in respect of that entity are accounted for, as would be required if the parent company had sold the corresponding assets and liabilities directly. This means that a gain or loss previously recognized in other comprehensive income is reclassified from equity to income.

If the shareholding in an associate has decreased, but the entity remains an associate, only a proportionate share of gain or loss previously recognized in other comprehensive income is reclassified.

Elimination of transactions as part of consolidation
The effects of intra-Group transactions are eliminated:

Receivables and payables between the consolidated companies are netted against each other, intragroup profits and losses on fixed assets and inventories are eliminated. Intragroup income is offset against the corresponding expenses. As required by IAS 12 taxes are deferred for temporary differences in consolidation.

The consolidation method is unchanged from the previous year.

4. Group of consolidated companies

Four companies are included in the group financial statements using the equity method due to immateriality, despite voting majorities, as they are of only minor importance in determining the financial position, financial performance and cash flows of the BLG Group. The determination of materiality is based on the total assets. The cumulative net assets of the four companies consolidated using the equity method was EUR 1,168,000 in 2015.

A total of 15 companies in which a majority shareholding and voting rights exist are not fully consolidated due to immateriality. These are complementary businesses with only limited operations, an intermediate holding company with no operations as well as a company in liquidation. These companies are of only minor importance in determining the financial position, financial performance and cash flows of the BLG Group and are therefore not included in the group financial statements. The determination of materiality is based on profit for the year. The cumulative net income of the unconsolidated subsidiaries is EUR 241,000.

The following diagram gives an overview of the group structure with the direct investments of BLG KG in the divisions AUTOMOBILE, CONTRACT and the division accounted for using the equity method, CONTAINER.

A complete list of subsidiaries, joint ventures, associated enterprises and other investments is attached to the Group notes on page 165 et seq.

Group of consolidated companies	12/31/2015	12/31/2014	Change
Number of fully consolidated companies			
Domestic	19	17	2
Foreign	12	11	1
Number of companies accounted for using the equity method			
Domestic	37	36	1
Foreign	16	18	-2

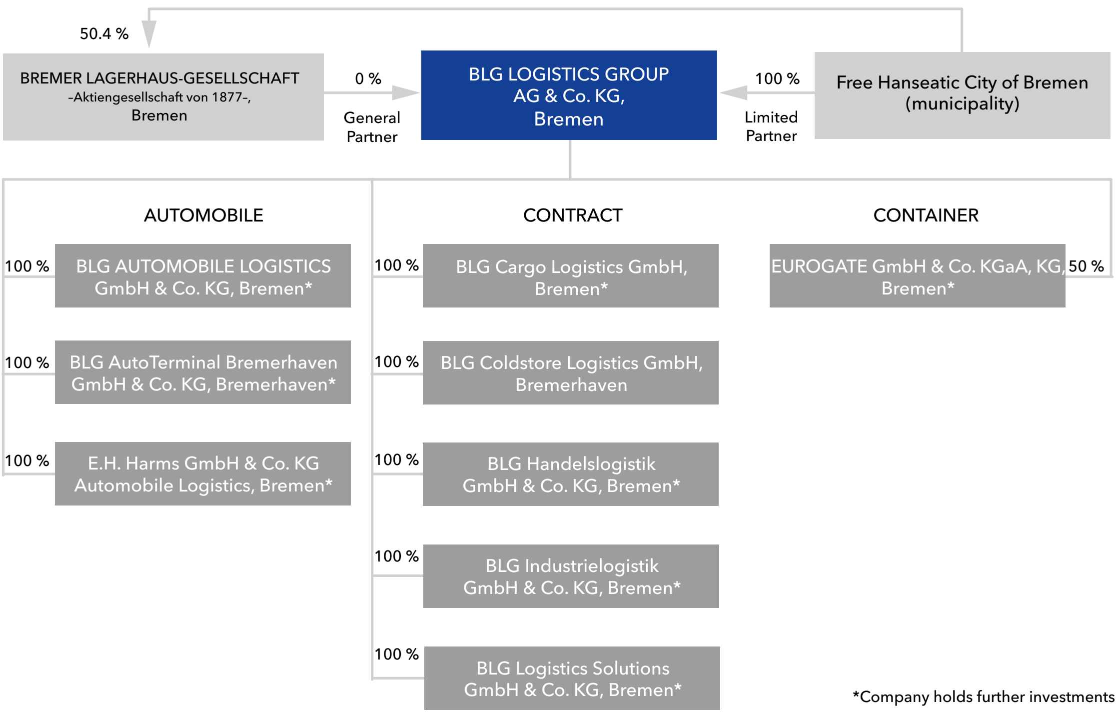
Number of fully consolidated companies (subsidiaries)
The changes in the group of consolidated companies are shown below, along with the assumptions about control in relation to companies in which the equity investment does not exceed 50 per cent.

AUTOMOBILE Division
BLG Auto Rail GmbH, Bremen
(shareholding: 50 per cent)
The shares in BLG AutoRail GmbH are held by BLG AUTOMOBILE LOGISTICS GmbH & Co. KG. Due to voting commitments in the partnership arrangement, BLG LOGISTICS exercises control over this company. The company is therefore accounted for using the full consolidation method.

BLG RailTec GmbH, Uebigau-Wahrenbrück
(formerly: Falkenberg/Elster)
(shareholding: 50 per cent)
BLG RailTec GmbH was established as a wholly-owned subsidiary of BLG AutoRail GmbH, Bremen. The indirect shareholding is 50 per cent. Control of BLG AutoRail GmbH, Bremen, exists, so there is also indirect control of the wholly-owned subsidiary BLG RailTec GmbH. As the operational leadership of the company was taken over due to a control and profit and loss transfer arrangement, this company is fully consolidated.

Business combinations
In the reporting period the following business combinations took place in the AUTOMOBILE Division:

BLG AutoTerminal Gioia Tauro S.p.A., Gioia Tauro, Italy
On October 23, 2015, BLG Automobile Logistics Italia S.r.l., Gioia Tauro, Italy, increased its stake in the company BLG AutoTerminal Gioia Tauro S.p.A., Gioia Tauro, Italy, (formerly ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy), which was accounted for using the equity method, from 50 per cent to 100 per cent. The company has therefore been accounted for using the full consolidation method since October 23, 2015. The acquisition of additional shares involved the payment of EUR 800,000.



*Company holds further investments

The purchase price allocation resulted in a negative goodwill of EUR 684,000, which was recognized in the income statement as neutral income under other operating income. This is due mainly to the fact that the purchase price was determined taking into account liquidation aspects.

The fair values of the identifiable assets and liabilities essentially corresponded to the carrying amounts at the acquired company and as of the acquisition date were as follows:

Value on the date of acquisition for 100 per cent
TEUR

	October 23, 2015 (date of acquisition)		
	Carrying amount before acquisition	Adjustment	Fair value
Intangible assets	405	0	405
Fixed assets	1,543	0	1,543
Non-current assets	**1,948**	**0**	**1,948**
Trade receivables	1,791	0	1,791
Other assets	428	0	428
Cash and cash equivalents	3,986	-70	3,916
Current assets	**6,205**	**-70**	**6,135**
Non-current provisions	732	0	732
Non-current liabilities	**732**	**0**	**732**
Trade payables	737	0	737
Other current liabilities	1,456	0	1,456
Income tax payments due	12	0	12
Current provisions	71	1,107	1,178
Current liabilities	**2,276**	**1,107**	**3,383**
Total identifiable assets	**5,145**	**-1,177**	**3,968**

The result of the revaluation of the existing shares at the time of acquisition in the amount of EUR -88,000 was recognized under share of profit or loss of associated enterprises. The fair value of the existing shares on this date were EUR 2,484,000.

The following table provides an overview of the earnings contribution by BLG AutoTerminal Gioia Tauro S.p.A. in the year it was acquired.

Contribution to earnings in year of acquisition TEUR	Date of acquisition through December 31, 2015	January 1, 2015 to December 31, 2015
Revenue	102	2,465
EBIT	-502	-787
Financial result	28	45
EBT	-474	-742
Taxes on income	0	0
Group profit for the year	-474	-742

Other changes in the group of consolidated companies

As part of an internal Group restructuring, BLG CarShipping GmbH & Co. KG, Bremen, was removed from the group of domestic consolidated companies due to its merger into BLG AutoTransport GmbH & Co. KG, Bremen.

BLG Logistics Consulting (Beijing) Co., Ltd., Beijing, People's Republic of China, was renamed BLG Logistics (Beijing) Co., Ltd., Beijing, Peoples Republic of China, in the reporting year.

CONTRACT Division

Business combinations

In the reporting period the following business combinations took place in the CONTRACT Division:

BLG Sports & Fashion Logistics GmbH, Hörsel

By notarized agreement dated July 20, 2015, a 51 per cent shareholding in BLG Sports & Fashion Logistics GmbH, Hörsel, (formerly MOTEX Mode-Textil-Service Logistik und Management GmbH, Hörsel) was acquired. The notarized agreement also includes a forward purchase of the remaining 49 per cent of the company's shares. The physical transfer took place conditionally on September 3, 2015.
This acquisition lays the foundation for the creation of a new fashion logistics segment. The pooling of expertise makes it possible to offer customers solutions from a single source. This includes, among other things, the handling of laying and hanging garments, the area of e-commerce, cross-channel retailing, the areas of process, value-added services, returns and IT processes as well as project and process management. The company is accounted for using the full consolidation method. The purchase price allocation resulted in goodwill of EUR 11,795,000, which represents intangible assets that cannot be recognized separately. This mainly relates to growth potential through the acquisition of new customers.

The acquisition of the identifiable assets of BLG Sports & Fashion Logistics GmbH includes a stake in BLG Sports & Fashion Logistikzentrum Erfurt GmbH, Erfurt (formerly MOTEX Logistikzentrum Erfurt GmbH, Erfurt), which was established in 2014. Additional intangible assets identified included customer relationships and trademarks, whose fair value amounts after deduction of deferred taxes totals EUR 16,012,000. These intangible assets will be amortized in subsequent periods at EUR 3,051,000 p.a. The fair values of the other identifiable assets and liabilities essentially corresponded to the carrying amounts at the acquired company and as of the acquisition date were as follows:

Value on the date of acquisition for 100 per cent
TEUR

	September 3, 2015 (date of acquisition)		
	Carrying amount before acquisition	Adjustment	Fair value
Intangible assets	1,463	22,839	24,302
Fixed assets	1,805	484	2,289
Deferred tax assets	0	138	138
Non-current assets	**3,268**	**23,461**	**26,729**
Inventories	590	0	590
Trade receivables	5,623	0	5,623
Other assets	472	0	472
Cash and cash equivalents	1,211	0	1,211
Current assets	**7,896**	**0**	**7,896**

Value on the date of acquisition for 100 per cent
TEUR

	September 3, 2015 (date of acquisition)		
	Carrying amount before acquisition	Adjustment	Fair value
Long-term loans	55	0	55
Other non-current financial liabilities	0	463	463
Other non-current liabilities	7	0	7
Non-current provisions	113	0	113
Deferred tax liabilities	0	6,956	6,956
Non-current liabilities	**175**	**7,419**	**7,594**
Trade payables	1,968	0	1,968
Current financial liabilities	513	0	513
Other current liabilities	1,834	0	1,834
Income tax payments due	410	0	410
Current provisions	2,101	0	2,101
Current liabilities	**6,826**	**0**	**6,826**
Total identifiable assets	**4,163**	**16,042**	**20,205**
Goodwill			11,795
Purchase price			**32,000**

The total purchase price comprises provisional amounts of EUR 16,100,000 for 51 per cent of the shares and EUR 12,500 for the other 49 per cent of the shares and up to five additional purchase prices and adjustment mechanisms.

Total purchase price TEUR	09/03/2015
Purchase price for 51 per cent of the shares	16,100
Purchase price adjustment	-2,148
adjusted purchase price (net payment)	**13,952**
Present value of provisional purchase price for 49 per cent of the shares	9,559
Present value of contingent consideration	8,489
Financial liabilities	**18,048**
Total purchase price	**32,000**

The contingent consideration consists of the present value of future dividend payments of EUR 7,422,000 and other contingent considerations which are linked to the achievement of agreed operational objectives. The expected range of possible payments is between EUR 0 and EUR 4,500,000 in nominal terms. The basis for the calculation is the medium-term planning of BLG Sports & Fashion Logistics GmbH. The amount of a portion of the contingent consideration is not limited.

The following table provides an overview of the earnings contribution by BLG Sports & Fashion Logistics GmbH in the year it was acquired.

Contribution to earnings in year of acquisition TEUR	Date of acquisition - December 31, 2015	01/01/2015 - 12/31/2015
Revenue	11,031	32,139
Depreciation and amortization of non-current intangible assets and fixed assets	-1,431	-2,096
EBIT	1,465	4,198
Financial result	-29	0
EBT	1,436	4,198
Taxes on income	-255	-1,120
Group profit for the year	1,181	3,078

Changes in the group of consolidated companies

In November 2015, BLG Automobile Logistics Süd-/Osteuropa GmbH, Bremen, was established by BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremen. The purpose of the company is equity investments in other companies whose headquarters are in Eastern and Central Europe. The company is accounted for using the full consolidation method.

Companies accounted for under the equity method

Joint ventures

Effective January 1, 2015, the stake in ICC Independent Cargo Control GmbH, Bremen, held by BLG Cargo GmbH, Bremen, was increased from 33.33 per cent to 50 per cent. The company thus changed from the group of associated companies to the group of joint ventures. The company continues to be consolidated using the equity method.

As a result of its entry into liquidation in July 2015, AUTOMOBILE LOGISTICS CZECH s.r.o. i. L., Nošovice, Czech Republic, was deconsolidated at the end of the reporting year. The expected liquidation proceeds of EUR 100,000 are reported under other assets.

Non-consolidated structured companies

BLG Unterstützungskasse GmbH (shareholding: 100 per cent)

BLG KG owns 100 per cent of the shares of BLG Unterstützungskasse GmbH. The purpose of the company is to provide ongoing support to former employees and former Management Board members of BLG and their survivors. The necessary funds are provided to the company by the Free Hanseatic City of Bremen (municipality), as it has accepted the obligations arising from the pension entitlements. Both exposure to risk as a result of a claim to variable returns from the investment and the opportunity to influence the operations of BLG Unterstützungskasse GmbH are contractually excluded. Accordingly, control does not exist, despite the ownership of 100 per cent of the voting shares, with the result that the company is not consolidated.

The carrying amount of the investment is EUR 30,000. It is presented in investments under other investments. The maximum exposure to loss is the carrying amount of the investment.

5. Foreign currency translation

In accordance with IAS 21, the financial statements of consolidated companies prepared in foreign currency are translated into Euro in keeping with the concept of functional currencies. The functional currency of all foreign companies of the BLG Group is the local currency, as the companies conduct their business independently in financial, economic and organizational terms. Accordingly, the assets and liabilities are translated at the exchange rate on the reporting date, while expenses and income are in principle translated at the average annual exchange rate. The resulting currency translation differences are recognized directly in equity with no effect on the income statement.

As of December 31, 2015, currency translation differences of EUR 10,383,000 (previous year: EUR 7,932,000) are recognized in equity (see also the statement of changes in equity).

Currency translation is based on the following exchange rates.

In the separate financial statements of the consolidated companies presented in local currency, receivables and payables are translated at the balance sheet date in accordance with IAS 21. Currency translation differences are recognized in profit or loss as other operating income or expenses. Non-monetary assets and liabilities that are valued on the basis of cost are measured at the exchange rate on the day of the transaction.

6. Accounting policies

a) Income and expense recognition

In accordance with IAS 18, revenue and other income is recognized when the service has been provided, and it is sufficiently likely that the economic benefits will be received and that this can be measured reliably. Income and expenses from the same transactions or events are recognized in accordance with the "matching principle" in the same period.

For services the revenues according to the stage of completion method (SoC method) in accordance with IAS 18 in conjunction with IAS 11 are recognized as the

Unit/currency EUR	Year-end exchange rate December 31, 2015	Average exchange rate 2015	Year-end exchange rate December 31, 2014	Average exchange rate 2014
1 US Dollar	0.9169	0.9013	0.8227	0.7536
1 Brazilian Real	0.2315	0.2745	0.3065	0.3208
1 British Pound	1.3572	1.3775	1.2779	1.2406
1 Chinese Yuan Renminbi	0.1412	0.1448	0.1339	0.1226
1 Indian Rupee	0.0139	0.0141	0.0129	0.0124
1 Croatian Kuna	0.1309	0.1314	0.1306	0.1310
1 Malaysian Ringgit	0.2131	0.2320	0.2350	0.2303
1 Polish Zloty	0.2346	0.2391	0.2325	0.2390
1 Russian Ruble	0.0125	0.0149	0.0145	0.0199
1 South African Rand	0.0590	0.0710	0.0709	0.0695
1 Czech Koruna	0.0370	0.0367	0.0361	0.0363

work progresses accordingly. The stage of completion is determined on the basis of hours worked in relation to the expected total number of hours of an order.

Interest income is recognized pro rata temporis, taking into account the effective yield of a financial asset.

Profit shares from partnerships are realized immediately at the end of the financial year, unless the partnership arrangement links the existence of a withdrawal claim to a separate partner resolution. By contrast, dividends from corporations are recognized in income only if a profit appropriation resolution exists.

b) Intangible assets

Goodwill represents the excess of the acquisition cost of a company over the fair value of the Group's interests in the net assets of the acquired company at the acquisition date. Goodwill arising from a corporate acquisition is recognized in intangible assets. The goodwill recognized is subject to an annual impairment test and measured at its cost less any accumulated impairment losses. Reversals are not permitted. Gains and losses on the disposal of a company include the carrying amount of the goodwill, which is attributed to the company being deconsolidated.

Acquired intangible assets are capitalized at cost, internally generated intangible assets from which the Group expects to derive future benefit and which can be measured reliably are capitalized at cost and amortized on a straight-line basis over their estimated useful lives. Costs in this context include all direct production costs as well as an appropriate share of production overheads. Financing costs are capitalized if they are attributable to qualifying assets.

The straight line method is used for amortization, with the industry-standard useful life forming the basis. Residual values are usually not taken into account in determining amortization.

If there are indications of impairment and if the recoverable amount is less than the amortized cost, an impairment loss is recognized for the intangible assets. An impairment test is carried out at least once a year on intangible assets with an indefinite useful life including capitalized goodwill regardless of whether there is any indication of impairment (see supplementary note number 6 m).

c) Fixed assets

Fixed assets are accounted for at cost less scheduled depreciation based on use. Production costs include both direct costs and an appropriate share of attributable production overheads. Borrowing costs are recognized in production costs, insofar as they relate to qualifying assets. In accordance with IAS 16, demolition obligations are accounted for at present value as acquisition costs. The re-measurement method is not used in the BLG Group.

In accordance with IAS 40 properties are reviewed to see whether they are investment properties. Because the number of investment properties held is of minor importance, IAS 40 does not apply at BLG LOGISTICS.

If the conditions of IAS 16 and IFRIC 1 for the application of the component approach are met, the assets are broken down into their components, which are capitalized individually and depreciated over their useful lives.

Asset-related government grants are deferred and amortized over the useful life of the subsidized asset using the straight line method.

The straight line method is used for amortization, with the industry-standard useful life forming the basis. Expected residual values are usually not taken into account in determining amortization.

If there are indications of impairment and if the recoverable amount is less than the amortized cost, an impairment loss is recognized for the property, plant and equipment (see supplementary note 6 m).

d) Leases

Finance leases:

In accordance with IAS 17, beneficial ownership of leased property is attributed to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. If the beneficial ownership is attributable to BLG LOGISTICS, the asset is capitalized on the date the arrangement is concluded either at fair value or the present value of the minimum lease payments, if this is less than the fair value.

The depreciation methods and useful lives correspond to those of comparable acquired assets.

These are grouped with acquired assets for reporting purposes, taking into account the asset class.

Operating leases:

All other leases in which the beneficial ownership is not attributable to the lessee, but to the lessor, are considered operating leases. The rental and leasing expenses arising from such agreements are recognized in income over the term of the agreement.

e) Investments and non-current financial receivables

Financial assets are generally recognized from the date on which the BLG Group becomes a contractual partner and is entitled to the service or is obligated to provide the consideration. If there is a difference between the date of the order and the date of settlement (date of performance) a financial asset is not capitalized until the date of performance.

Shares in associated enterprises and joint ventures are accounted for under the equity method. Based on the cost at the time of the acquisition of the shares, the carrying amount of the investment is increased or decreased by the changes in equity of the company to the extent these are attributable to the shares of BLG LOGISTICS.

Investments and non-current financial receivables also include investment securities held as permanent assets, loans and other investments.

In accordance with IAS 39, investments are divided into those that are available for sale, those that are held to maturity and other primary or acquired receivables.

Financial assets classified as available for sale are recognized at their fair value to the extent this can be reliably determined. Fluctuations in value between balance sheet dates are generally recognized in other comprehensive income in the reserve from the fair valuation of financial instruments. The reversal of provisions recognized in income takes place either upon disposal or when the fair value falls sustainably below the cost (impairment). See supplementary note number 6 m on write-downs.

If the fair value cannot be determined reliably because no public listing exists and the fair value cannot be reliably determined using measurement methods, the measurement takes place at cost.

Financial assets classified as held to maturity are valued at the balance sheet date at amortized cost using the effective interest method. If the recoverable amount is less than the carrying amount, an impairment loss is recognized on the income statement (see also supplementary note number 6 m).

Financial assets classified as loans and receivables, which include mainly loans, are valued at amortized cost using the effective interest method. Non-current loans and receivables bearing low or no interest are stated at their present value. If the recoverable amount is less than the carrying amount, an impairment loss is recognized on the income statement (see also supplementary note number 6 m).

Financial assets are generally derecognized when the BLG Group loses control of the underlying rights wholly or in part by selling or discharging them or transferring them to a third party in a manner that qualifies for derecognition. A transfer to a third party qualifies for derecognition when the contractual rights to the cash flows from assets are surrendered, no arrangements on the retention of individual cash flows exist, all the risks and rewards are transferred to the third party and the BLG Group no longer has control over the assets.

f) Inventories

The item inventories comprises raw materials, consumables and supplies, works in progress and finished goods and merchandise. Initial recognition is at acquisition cost, determined on the basis of average prices, or at manufacturing cost. Costs in this context include all direct production costs as well as an appropriate share of production overheads and are determined on the basis of normal capacity utilization. Financing costs are not taken into account. When accounting for services, the stage-of-completion method is used.

The measurement at the balance sheet date takes place at the lower of either acquisition/production costs or net realizable value less costs due and, where appropriate, other incurred costs of completion. The net selling price of the final product is generally taken as a basis.

g) Trade receivables

Trade accounts receivable are attributed to the IAS 39 category Loans and receivables attributed and accounted for as at the settlement date. Accordingly, these are measured at amortized acquisition cost using the effective interest method. If the recoverable amount is less than the carrying amount, an impairment loss is recognized on the income statement (see also supplementary note number 6 m). In addition to the individual impairments that may be necessary, general individual impairments are formed for risks from the general credit risk that are identifiable based on historic data; these are recognized in income. Impaired receivables are derecognized if the inflow of cash is unlikely.

Trade receivables are derecognized upon realization (termination) or transfer of the receivables to a third party that qualifies for derecognition in accordance with IAS 39.

h) Other financial assets

Other financial assets include derivative financial instruments (see note number 6 i), current financial receivables and, where appropriate, investment securities held as current assets.

In accordance with IAS 39, investment securities held as current assets are divided into those that are available for sale and those that are held for trading and capitalized from the settlement date.

Financial assets classified as available for sale are recognized at their fair value to the extent this can be reliably determined. Fluctuations in value between balance sheet dates are generally recognized in other comprehensive income in the reserve from the fair valuation of financial instruments. The reversal of provisions recognized in income takes place either upon disposal or when the fair value falls sustainably below the cost (see note number 6 m).

If the fair value cannot be determined reliably because no public listing exists and the fair value cannot be reliably determined using measurement methods, the measurement takes place at cost.

Financial assets classified as held for trading are generally recognized at their fair value. Fluctuations in value between balance sheet dates are recognized in the financial result.

Other current financial receivables are classified as loans and receivables and accounted for as at the settlement date. Accordingly, these are measured at amortized acquisition cost using the effective interest method. If the recoverable amount is less than the carrying amount, an impairment loss is recognized on the income statement (see note number 6 m).

Financial assets are generally derecognized when the BLG Group loses control over the underlying rights wholly or in part by selling or discharging them or by a transfer to a third party that qualifies for derecognition.

i) Derivative financial instruments and financial risk management

Derivative financial instruments are recognized in the statement of financial position from the date the contract is concluded. They are measured at fair value upon acquisition. Subsequent measurement is also at the fair value prevailing at the balance sheet date. If derivative financial instruments are used as hedging instruments and fulfil the requirements for hedge accounting in accordance with IAS 39, the accounting treatment depends on the type of hedging relationship and the hedged item. In the reporting year and in the previous year, the hedging transactions entered into were for the purpose of hedging interest-rate risk arising from variable interest payments on loans (cash flow hedges). The credit spread is not the subject of the hedging relationship. In addition, a limited number of derivative financial instruments are used to hedge price fluctuations in diesel purchasing. Derivative financial instruments that do not qualify for hedge accounting are classified as held for trading in accordance with IAS 39.

The hedging relationship between the hedged item and the hedging instrument and the objective and strategy of risk management are documented at hedge inception in order to meet the conditions for hedge accounting. This also includes a description of how the effectiveness of the hedging relationship is determined. Effectiveness tests are performed at hedge inception and at each balance sheet date as part of the ongoing review of whether the derivatives used compensate the hedged risks from the underlying transaction.

The changes in the fair value of the effective portion of cash flow hedges are recognized directly in equity. The changes in the fair values of the ineffective portion of cash flow hedges and interest rate swaps that are not designated as hedging instruments in hedging relationships, are recognized in profit or loss in the income statement.

Like other financial assets, derivatives are derecognized when the BLG Group loses control over the underlying rights wholly or in part by selling or discharging them or transferring them to a third party in a manner that qualifies for derecognition. The amounts recognized in equity are booked to the income statement in the period in which the hedged transaction is settled.

A prerequisite for the use of derivatives is the existence of a risk being hedged. However, open derivative positions may result in conjunction with hedging transactions, in which the underlying transaction no longer exists or does not arise as scheduled. Interest rate derivatives are used exclusively to optimize loan conditions and to limit interest rate risk in the context of matching maturities with financing strategies. Commodity price derivatives are used only to limit the risk of price increases. Derivatives are not used for trading or speculative purposes.

j) Other current assets

Other current assets primarily include financial receivables, advance payments and accruals. They are recognized at their nominal value.

k) Netting of financial instruments

Financial assets and liabilities are only netted and the net amount reported in the statement of financial position, when there is a legally enforceable right to do so and there is an intention to settle on a net basis, or to settle the corresponding liability at the same time the relevant asset is sold.

l) Cash and cash equivalents

All cash and cash equivalents are stated at nominal value.

m) Impairment allowances

Overview

All assets of the Group, with the exception of inventories and deferred tax assets are examined at the balance sheet date for indications of possible impairments within the meaning of IAS 36 or IAS 39. If such indications are identified, the expected recoverable amount is estimated and compared with the carrying amount.

In addition, the recoverable amount for goodwill, assets with an indefinite useful life and intangible assets not yet completed is estimated on each balance sheet date regardless of whether there are any indications of impairment.

In accordance with IAS 36, an impairment loss is recognized in profit or loss if the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount.

If a cash-generating unit is determined to require impairment, the goodwill of the cash-generating unit in question shall first be reduced. If there is need for further impairment, it is uniformly distributed over the carrying amount of the other assets of the cash-generating unit.

Determination of the recoverable amount

The expected recoverable amount is the higher of an asset's net selling price less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The calculations are made in euros on the basis of three-year planning. Foreign currencies are translated using forward rates. The weighted average cost of capital of the Group of 7.7 per cent is used as the discount rate, which is adjusted to the country-specific tax rate and risk premium. The weighted average cost of capital is determined by the debt and equity interests, the risk-free base rate taking inflation into account (2.69 per cent), the market risk premium (6.25 per cent), inflation, the industry- and country-specific risk, the country-specific tax rate and borrowing costs.

Reversals

If the reasons for the unscheduled depreciation cease to exist, it must be reversed. The reversal is limited to the reduction in the acquisition or manufacturing costs that would have resulted without the write-downs.

If the unscheduled depreciation is distributed evenly across the assets of a cash-generating unit, the same procedure is used for the increase in the carrying amount.

Reversals of impairments on goodwill are not permitted.

A write-down on financial assets classified as held to maturity and loans and receivables as well as debt instruments classified as available for sale are reversed through profit or loss if the reasons for the write-down cease to exist. For equity instruments classified as available for sale, the impairment loss is reversed through profit or loss via the reserve from the fair valuation of financial instruments.

n) Government grants

Investment grants from the government are not recognized until there is reasonable assurance that the entity will comply with the conditions attached to it, and that the grant will be received. Grants are reported separately under liabilities using the gross method. They are amortized pro rata in accordance with the depreciation of the subsidized assets.

o) Provisions

Pension obligations are post-employment benefits within the meaning of IAS 19. The measurement of pension provisions takes place using the projected unit credit method prescribed in IAS 19 for defined benefit pension plans. In addition to pension obligations existing at the balance sheet date, this method also takes into account the future development of the consideration, expected pension increases and the expected fluctuation. Actuarial gains and losses are fully recognized in other comprehensive income in the period in which they arise (see note number 32). The net interest component, which includes interest expense from the unwinding of the gross pension obligations less the expected return on plan assets, is shown in the financial result. The return on plan assets is carried out with the applied discount rate, which the measurement of the pension obligations is based on.

Anniversary provisions are other long-term benefits within the meaning of IAS 19. They are also measured using the projected unit credit method. The interest component included in the anniversary expenses is shown in the financial result.

Tax provisions and other provisions are formed if a liability to a third party results from a past event which is expected to result in an outflow of assets and can be reliably measured. They represent uncertain liabilities that are recognized at the amount of the best estimate. The amount of the provision also includes the expected cost increases. Non-current provisions with a remaining maturity of more than one year are discounted at the capital market interest rate corresponding to their maturity.

Termination obligations are capitalized when incurred, taking into account future cost increases at the present value of the obligation as incidental acquisition costs of the asset and simultaneously settled in the same amount. The expense is spread across the periods of use through the amortization of the asset and the unwinding of the discount of the provision.

p) Liabilities

Financial liabilities are recognized as liabilities when the BLG Group becomes party to an agreement. For other liabilities, the time at which the liability is recognized is based on the general rules of the IFRS framework.

Liabilities are recognized in the amount of the consideration received or the payment received. They are subsequently measured at amortized historical cost.

Finance lease liabilities are reported at the present value of the lease payments and amortized over the term of the lease. To determine the repayment portion of the lease payments, the payments are divided in such a way that a constant interest rate is applied to the remaining liability.

Liabilities from partial retirement agreements as obligations arising from post-employment benefits (termination benefits) are measured using the projected unit credit method.

Liabilities are derecognized after settlement, decree or expiration.

The claims of shareholders to dividend payments are recognized as a liability in the period in which the corresponding resolution is passed.

q) Deferred taxes

In accordance with IAS 12, deferred taxes are determined using the liability method. Under this method, deferred tax assets are recognized for all accounting and valuation differences between the IFRS carrying amounts and the tax basis if they balance each other out over time (temporary differences). If asset items under IFRS have a higher value than in the tax balance sheet, these are thus temporary differences, a liability item for deferred taxes is formed.

Deferred tax assets from balance sheet differences and benefits from the future utilization of tax loss carryforwards are capitalized if it is probable that future taxable profit will be generated.

r) Business combinations

Business combinations under IFRS 3 exist when an entity acquires control over one or more business operations through the acquisition of shares or other events. Business operations within the meaning of IFRS 3 are integrated sets of activities and assets that are managed with the aim of generating income or achieving cost reductions or other economic benefits for the shareholders or other owners, partners or stakeholders. The establishment of joint ventures and the combination of entities under common control do not represent business combinations within the meaning of IFRS 3.

In a gradual business combination, the previously acquired equity share of the entity is recalculated at the fair value at the time of acquisition. The resulting gain or loss is recorded in the income statement.

In the reporting year, business combinations took place in the AUTOMOBILE and CONTRACT Divisions which are described in detail in note number 4.

Summary of selected valuation methods

Balance sheet item	Valuation method
Assets	
Intangible assets	
Goodwill	lower of cost and recoverable amount
Other intangible assets	(amortized) cost
Fixed assets	(amortized) cost
Financial assets	
Interests in companies accounted for using the equity method	Equity method
Financial receivables	(amortized) cost
Trade receivables	(amortized) cost
Other assets	
Miscellaneous other assets	(amortized) cost
Cash and cash equivalents	notional amount
Equity and liabilities	
Provisions for pensions	projected unit credit method
Other reserves	Settlement amount
Financial liabilities	
Derivatives	fair value
Other financial liabilities	(amortized) cost
Trade payables	(amortized) cost
Other liabilities	
Partial retirement obligations	projected unit credit method
Miscellaneous other liabilities	(amortized) cost

Notes to the group income statement

7. Sales

TEUR	2015	2014
Forwarding and transport services	447,784	411,550
Revenues from handling	206,890	195,677
Technical services and advisory services	64,851	65,302
Rental and storage income	55,498	55,327
Logistics services	50,731	39,734
Material sales	18,404	15,041
Provision of personnel and equipment	12,238	18,362
Container packing	5,560	6,083
Shipping income	3,376	8,581
Other	73,273	67,103
Total	**938,605**	**882,760**

With regard to the breakdown by segment, please see the segment reporting and the related notes in note number 38.

8. Other operating income

TEUR	2015	2014
Income from the settlement of debts	9,516	5,518
Ground rent and rental income	8,664	7,867
Insurance reimbursements and other reimbursements	8,413	6,638
Income from the passing on of expenses	7,254	6,648
Income from prior periods	3,429	3,773
Gain on disposal of fixed assets	1,883	1,676
Income from the provision of personnel	1,614	1,506
Income from capital gains	1,559	856
Negative difference from corporate acquisition	684	0
Income for discounts and rebates	566	387
Income from recycling	557	520
Employment agency grants	282	696
Income from grants	131	1,233
Other	2,127	2,737
Total	**46,679**	**40,055**

9. Cost of materials

TEUR	2015	2014
Expenses for other purchased services	235,084	220,874
Expenses for external personnel	159,616	158,210
Raw materials and consumables used	67,077	61,909
Changes in inventory of work and services in progress and finished goods	-2	1
Total	**461,775**	**440,994**

10. Personnel costs

TEUR	2015	2014
Wages and salaries	261,948	230,239
Statutory social expenses	49,901	43,726
Expenses for retirement benefits, support and anniversaries	5,338	4,891
Other	204	48
	317,391	**278,904**
Capitalized costs for internally generated intangible assets and fixed assets	-796	-956
Total	**316,595**	**277,948**

Not recognized as personnel expenses are amounts resulting from the unwinding of personnel provisions, particularly pension provisions. These are reported as a component of interest income.

The statutory social expenses include contributions to statutory pension plans of EUR 19,620,000 (previous year: EUR 18,464,000). Of this amount EUR 199,000 (previous year EUR 219,000) is attributable to key management personnel.

In 2015, there was an average of 7,167 employees in the Group (previous year: 6,425). Of these employees, 5,272 (previous year: 4,699) were active in the industrial areas and 1,895 (previous year: 1,726) in the business areas. Please refer to the Group management report and the segment reporting for additional information.

11. Depreciation and amortization on non-current intangible assets and fixed assets

TEUR	2015	2014
Scheduled depreciation	31,901	29,322
Unscheduled depreciation	900	2,795
Total	**32,801**	**32,117**

A breakdown of the depreciation and impairment of the individual asset classes can be found in notes number 20 and 21.

12. Other operating expenses

TEUR	2015	2014
Ground rent and rents	93,295	89,374
Security costs and other property expenses	10,867	9,829
Expenses for loss events	8,781	6,556
IT expenses	7,539	8,139
Expenses for insurance premiums	6,235	6,016
Legal, advisory and audit fees	5,798	4,835
Other personnel expenses	5,166	4,183
Travel expenses	4,367	4,341
Other neutral expenses	3,388	3,555
Other taxes	2,902	2,544
Marketing expenses	2,818	2,649
Expenses passed on	2,430	2,498
Administrative expenses and contributions	2,315	2,158
Other expenses from prior periods	2,304	4,193
Training expenses	2,188	1,736
Expenses for warranty risks	1,750	4,985
Postal and telephone expenses	1,662	1,611
Expenses for office supplies	1,319	1,117
Expenses for the disposal of assets	732	418
Other	4,468	4,168
Total	**170,324**	**164,905**

13. Interest income

TEUR	2015	2014
Income from non-current financial receivables	**167**	**264**
Other interest receivable and similar income		
Interest income on bank deposits	804	548
Interest income from finance leases	217	254
Interest income on interest rate swaps	23	123
Interest income from amortization of other assets	0	40
Other interest income	132	109
	1,176	**1,074**
Interest receivable and similar expenses		
Interest expense on non-current debt and other financial liabilities	-3,566	-4,106
Unwinding of provisions and liabilities	-1,965	-1,985
Interest expense on interest rate swaps	-863	-1,250
Interest expense on short-term liabilities to banks	-238	-177
Interest expense on finance leases	-128	-129
Other interest expense	-843	-996
capitalized borrowing costs	537	0
	-7,066	**-8,643**
Total	**-5,723**	**-7,305**

14. Income from investments

TEUR	2015	2014
Income from companies accounted for using the equity method		
Joint ventures	30,893	28,881
Associates	664	2,220
	31,557	**31,101**
Profit from other investments and affiliates	**103**	**26**
Total	**31,660**	**31,127**

The results of the investments of the CONTAINER Division, which are EUR 31,667,000 (previous year: EUR 27,650,000), are included in the results of investments of joint ventures.

15. Depreciation and amortization of investments and long-term financial receivables

TEUR	2015	2014
Depreciation and amortization of investments		
Depreciation and amortization of investments in associates and other investments	0	545
Total	**0**	**545**

16. Taxes on income

Key components of income tax expense break down as follows:

TEUR	2015	2014
Current taxes		
Tax expense for the period	3,357	3,085
Tax expense for prior periods	741	111
Income from tax reimbursements	-411	-112
Total current taxes	**3,687**	**3,084**
thereof		
Tax expense - domestic	3,752	2,534
Tax income - domestic	-411	-113
Tax expense - foreign	346	663
Tax income - foreign	0	0
	3,687	**3,084**
Deferred taxes		
Deferred taxes on temporary differences	-1,005	2,887
Deferred tax loss carry forwards	70	1,702
Total deferred taxes	**-935**	**4,589**
thereof		
Deferred taxes - domestic	-744	3,578
Deferred taxes - foreign	-191	1,011
	-935	**4,589**
Total	**2,752**	**7,673**

The tax expense consists of corporation and trade tax of domestic companies and comparable income taxes for foreign companies.

The taxation applies regardless of whether the income is reinvested or distributed. The implementation of the proposed distribution of net earnings has no effect on the tax expense of the Group.

Deferred taxes result from temporary differences between the tax bases of the companies and the carrying amounts in the group statement of financial position using the liability method, as well as from the impairments from previous years of deferred taxes on temporary differences and loss carryforwards, from the reversal of impairment losses on temporary differences and loss carryforwards, from the use of loss carryforwards on which deferred taxes have been capitalized, from the elimination of loss carryforwards and from the initial recognition of deferred tax assets.

The tax rates valid at the time of realization of the asset or the settlement of the liability are used to calculate deferred tax assets and liabilities. The measurement takes place using the tax rates of the individual Group companies. For domestic partnerships these comprise only the business tax and vary between 11.9 per cent and 17.8 per cent because of different assessment rates.

For domestic corporations a tax rate of 31.9 per cent is applied, comprising the corporate income tax rate plus the solidarity surcharge and the trade tax rate for the main consolidated companies. The income tax rates for foreign Group companies are between 19.0 per cent and 38.0 per cent.

Deferred income taxes

The deferred tax items reported for the various balance sheet dates and the movements of deferred taxes within the reporting year relate to the following items:

Of the changes in equity EUR -928,000 was recognized as revaluation reserve, EUR -76,000 as currency translation differences and EUR -113,000 as other.

Deferred tax assets TEUR	**January 1, 2015**	**Changes to the group of consolidated companies**	Change: Recognized in the income statement	Change: Recognized in equity	**December 31, 2015**
Recognition of goodwill in the tax balance sheet	531		-93		438
Recognition and measurement of intangible assets	299		1,299		1,598
Measurement of fixed assets	3,594		2,761	-76	6,279
Recognition and measurement of other assets	59		1,041		1,100
Recognition of liabilities from finance leases	120		9		129
Measurement of provisions for personnel	8,572		166	-928	7,810
Recognition and measurement of miscellaneous other provisions	1,159		-195		964
Recognition of derivative financial instruments	521		-8	-113	400
Recognition of deferred income	117		23		140
Recognition and measurement of other liabilities	363	138	806		1,307
Write-down of deferred taxes arising from temporary differences	-6,735		-1,419		-8,154
Consideration of tax loss carryforwards	2,176		-70		2,106
Gross deferred taxes	**10,776**	**138**	**4,320**	**-1,117**	**14,117**
Offset	-8,330				-12,881
Recognized deferred taxes	**2,446**				**1,236**

Deferred tax liabilities TEUR	January 1, 2015	Changes to the group of consolidated companies	Change: Recognized in the income statement	Change: Recognized in equity	December 31, 2015
Recognition and measurement of intangible assets	-2,069	-6,812	476		-8,405
Measurement of fixed assets	-7,912	-145	-3,498		-11,555
Capitalization of finance leases	-24		-32		-56
Recognition and measurement of other assets	-149		-76		-225
Measurement of provisions for personnel	-28		-7		-35
Recognition and measurement of miscellaneous other provisions	-51		-222		-273
Recognition and measurement of other liabilities	-37		-26		-63
Gross deferred taxes	**-10,270**	**-6,957**	**-3,385**	**0**	**-20,612**
Offset	8,330				12,881
Recognized deferred taxes	**-1,940**				**-7,731**

The following deferred tax assets have not been capitalized:

TEUR	2015	2014
Deductible temporary differences	8,154	6,735
Loss carryforwards	36,248	34,253
Total	**44,402**	**40,988**

The estimation of the probability of the reversal of the temporary measurement differences and the utilization of the tax loss carryforwards which resulted in deferred tax assets are crucial to the assessment of the recoverability of deferred tax assets. This is dependent upon the generation of future taxable profits during the periods in which those temporary tax measurement differences are reversed and tax loss carryforwards can be claimed. The basis of the measurement is formed by the three-year medium-term plan of the individual Group companies.

For subsidiaries that have suffered losses during the financial year or the previous year, deferred tax assets in the amount of EUR 890,000 (previous year: EUR 2,132,000) were reported due to the improved earnings outlook.

As of December 31, 2015, the Group has tax loss carryforwards of EUR 225,963,000 (previous year: EUR 215,667,000). As of December 31, 2015, no deferred tax assets were capitalized for the tax loss carryforwards of EUR 213,092,000 (previous year: EUR 202,401,000) of various subsidiaries. No deferred tax assets were recognized for these losses since these losses may not be used to offset taxable profit of other Group companies and arose in subsidiaries that have generated tax losses for some time or will not generate sufficient taxable profits in the foreseeable future.

The deductible differences for which no deferred tax was recognized on December 31, 2015 and December 31, 2014 relate to subsidiaries whose expected taxable income situation is not expected to allow the use of deferred tax assets.

Reconciliation of effective tax rate and the effective income tax expense:

Reconciliation TEUR		2015		2014
Profit for the year before income taxes under IFRS		29,726		30,128
Group tax rate in per cent	16.10 %		16.10 %	
Expected income tax expense in the financial year		**4,786**		**4,851**
Reconciliation items				
Effects of changes in tax rates		4		6
Tax-free earnings/trade tax cuts		-6,958		-5,579
Non-deductible business expenses / trade tax additions / effects of the interest barrier		1,785		2,727
Use of additional special tax operating expenditure		-2,616		-2,982
Current tax expense/income from prior periods		344		1
Deferred tax expense/income from prior periods		-2,038		-51
Effects of different tax rates		1,218		-978
Effects of unrecognized loss carryforwards in the reporting year		4,363		6,992
Prior-period effects from not applying deferred taxes to losses carried forward		126		79
Corrections in recognition of deferred taxes on temporary differences		1,419		2,707
Other effects		319		-100
Total of the reconciliation items	**-6.8 %**	**-2,034**	**9.4 %**	**2,822**
Income tax expense presented in the group financial statements	**9.3 %**	**2,752**	**25.5 %**	**7,673**

The method Group tax rate of 16.1 per cent (previous year: 16.1 per cent) used to calculate the expected income tax expense includes, as in the previous year, only the trade tax in Germany on the basis of trade tax rate applicable to BLG LOGISTICS GROUP AG & Co. KG, which, as a partnership, is not subject to the corporation tax and solidarity surcharge as an independent taxable entity.

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

In accordance with IAS 33, undiluted earnings per share is calculated by dividing the Group net income attributable to BLG AG by the average number of shares. Undiluted earnings per share for the 2015 financial year are EUR 0.44 (previous year: EUR 0.44). This calculation is based on the part of the Group net income attributable to BLG AG of EUR 1,702,000 (previous year: EUR 1,673,000) and the number of ordinary shares, which is unchanged at 3,840,000.

In the calculation of diluted earnings per share, the average number of issued shares is adjusted for the number of all potentially dilutive shares. As in the previous year, there was no deviation in amount from the undiluted earnings in the reporting year.

Like undiluted earnings per share, diluted earnings per share are entirely the result of continuing operations.

18. Dividend per share

On May 27, 2015, the Annual General Meeting of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– approved the recommendation of the Board of Management and the Supervisory Board to use the net profit of EUR 1,536,000 reported on December 31, 2014 to pay a dividend of EUR 0.40 per share. This represents a payout ratio of 92 per cent. The dividend was distributed to shareholders on May 28, 2015.

A distribution of EUR 1,536,000 (previous year: EUR 1,536,000) is proposed for the 2015 financial year. This corresponds to a dividend per share of EUR 0.40, unchanged from the previous year.

Notes to the Group Statement of Comprehensive Income

19. Income tax on income and expenses recognized directly in equity

TEUR		2015			2014	
	Gross amount	**Tax expense/ income**	Net amount	Gross amount	Tax expense/ income	Net amount
Items that are not subsequently reclassified in the income statement						
Revaluation of net pension obligations	5,856	-928	4,928	-18,397	2,922	-15,475
Changes in tax rates	0	0	0	0	-62	-62
Proportion of consolidated companies accounted for under the equity method for items that are not reclassified in the income statement	4,578	0	4,578	-15,534	0	-15,534
	10,434	**-928**	**9,506**	**-33,931**	**2,860**	**-31,071**
Items that cannot subsequently be reclassified in the income statement						
Foreign currency translation	-2,036	0	-2,036	-2,041	0	-2,041
Change in fair value of derivative Financial instruments (cash flow hedges)	718	-112	606	-944	157	-787
Proportion of consolidated companies accounted for under the equity method for items that cannot be reclassified in the income statement	-656	0	-656	-5,714	0	-5,714
	-1,974	**-112**	**-2,086**	**-8,699**	**157**	**-8,542**
Total	**8,460**	**-1,040**	**7,420**	**-42,630**	**3,017**	**-39,613**

Notes to the group statement of financial position

20. Intangible Assets

2015 financial year TEUR	Goodwill	Licenses, trademarks and similar rights and licenses in such rights and amounts	Advance payments on intangible assets	Total
Acquisition costs				
As of January 1, 2015	7,881	29,639	5,915	43,435
Changes in Group of consolidated companies	11,794	27,399	0	39,193
Additions	0	1,279	1,246	2,525
Disposals	0	-312	-261	-573
Reclassifications	0	2,726	-2,726	0
Currency translation differences	0	106	0	106
As of December 31, 2015	**19,675**	**60,837**	**4,174**	**84,686**
Depreciation and amortization				
As of January 1, 2015	1,908	20,113	0	22,021
Changes in Group of consolidated companies	0	2,692	0	2,692
Additions	888	4,852	0	5,740
Disposals	0	-312	0	-312
Reclassifications	0	0	0	0
Currency translation differences	0	70	0	70
As of December 31, 2015	**2,796**	**27,415**	**0**	**30,211**
Carrying amounts December 31, 2015	**16,879**	**33,422**	**4,174**	**54,475**

2014 financial year TEUR				
Acquisition costs				
As of January 1, 2014*	7.881	30.406	4.519	42.806
Changes in Group of consolidated companies	0	0	0	0
Additions	0	1.213	1.396	2.609
Disposals	0	-2.090	0	-2.090
Reclassifications	0	5	0	5
Currency translation differences	0	105	0	105
As of December 31, 2014	**7.881**	**29.639**	**5.915**	**43.435**
Depreciation and amortization				
As of January 1, 2014*	0	19.161	0	19.161
Changes in Group of consolidated companies	0	0	0	0
Additions	1.908	2.961	0	4.869
Disposals	0	-2.074	0	-2.074
Reclassifications	0	0	0	0
Currency translation differences	0	65	0	65
As of December 31, 2014	**1.908**	**20.113**	**0**	**22.021**
Carrying amounts as of December 31, 2014	**5.973**	**9.526**	**5.915**	**21.414**

* In accordance with IAS 8.42 a change was made to the previous year's figure (goodwill).

In accordance with the accounting policies described in the Notes under numbers 6 b) and 6 m) the Group conducts an annual test to determine whether an impairment of goodwill exists. The recoverable amounts of cash-generating units were determined based on value in use calculations. The tested goodwill and the assumptions underlying the calculations are shown in the following table:

The purchase price allocation from the acquisition of 50 per cent of the shares of BLG Automobile Logistics Russia LTD, Nicosia, Cyprus, resulted in the creation of goodwill of EUR 2,954,000 in 2013. In addition, the business combination resulted in goodwill of EUR 639,000 related to Car Logistic JSC, Moscow, Russia. As the assets of the BLG Automobile Logistics LTD Russia are almost entirely limited to investments in BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia, and the Car Logistic JSC and, in addition, the services of Car Logistic JSC are mainly provided to BLG Automobile Logistics St. Petersburg Co. Ltd., a joint cash-generating unit is being formed (BLG Automobile Logistics Russia), which is allocated to the Eastern Europe division for determining the value in use of goodwill from these three companies.

Impairment-Test

Name of CGU	**BLG AutoRail GmbH, Bremen**	**BLG Automobile Logistics Russia LTD, Nicosia/Cyprus**	**BLG Sports & Fashion Logistics GmbH, Hörsel**
Division	AUTOMOBILE	AUTOMOBILE	CONTRACT
Goodwill carrying amount	TEUR 4,288	TEUR 1,685	TEUR 11,795
Recoverable amount	--	TEUR 797	--
Unscheduled depreciation	--	TEUR 888	--
Sales growth p.a. (planning period)	2.0 % - 3.8 %	20.9 % - 38.0 %	13.3 % - 20.9 %
Other parameters for corporate planning	Utilization, price per vehicle	Utilization, productivity, price per vehicle	Utilization, productivity, new customer
Duration of the planning period	3 years	3 years	3 years
Sales growth p.a. after the end of the planning period	0.00 %	0.00 %	0.00 %
Discount rate	6.34 %	8.97 %	6.34 %

For BLG AutoRail GmbH, Bremen, the recoverable amount based on the assumptions listed in the above table significantly exceeded the carrying amount of the cash-generating unit. The plans take into account the utilization of rail cars based on the experience of previous years. There was no further expansion of the railcar fleet in 2015. Even with a substantial reduction in the assumptions for sales growth and other parameters or an increase in the discount rate, the carrying amount would be above the recoverable amount. The sales expectations on which the planning in the AUTOMOBILE Division were based were derived from market forecasts for new car registrations, previous market share and customer surveys.

The goodwill of the cash-generating unit BLG Automobile Logistics Russia was impaired in the 2014 financial year, with unscheduled depreciation of EUR 1,908,000 to a carrying amount of EUR 1,685,000, and in the reporting year it was impaired with unscheduled depreciation of EUR 888,000 to a carrying amount of EUR

797,000. A 10 per cent decrease in EBIT would result in a further impairment loss of EUR 369,000, while a one per cent point increase in the discount rate would lead to further write-downs of EUR 287,000.

The purchase price allocation from the acquisition of the shares of BLG Sports & Fashion Logistics GmbH, Hörsel, resulted in the creation of goodwill of EUR 11,795,000. For this company, the recoverable amount based on the assumptions listed in the above table significantly exceeded the carrying amount of the cash-generating unit. In addition to sustained high existing business with corresponding earnings contributions, the planning also takes into account the potential for growth through new customer acquisitions and is in line with experience from previous years. This leads to the virtually complete utilization of the logistical facilities of the company. Even with a substantial reduction in the assumptions for the development of sales and other parameters or an increase in the discount rate, the carrying amount would be above the recoverable amount.

The straight-line method is the sole method used for depreciation and amortization, which is presented in the income statement in the item "Depreciation and amortization of non-current intangible assets and property, plant and equipment". The following useful lives forming the basis:

	2015	2014
Licenses, trademarks and similar rights	5 - 8 years	---
Software licenses	2 - 5 years	2 - 5 years
Internally-generated software	3 - 5 years	3 - 5 years

Impairments totaled EUR 12,000 (previous year: EUR 0). These related entirely to software whose remaining useful life was shortened due to the premature termination of a contract.

Impairment losses are recognized in the item "Depreciation and amortization of non-current intangible assets and property, plant and equipment".

No financing costs were capitalized for qualifying assets.

Intangible assets also include rented or leased assets under finance leases in the carrying amounts listed below.

Carrying amount TEUR	**2015**	2014
Licenses, trademarks and similar rights and licenses in such assets	15	0
Total	**15**	**0**

Rented or leased assets are offset by lease obligations totaling EUR 29,000 (previous year: EUR 0); see note number 30. The leasing obligations have maturities of up to 5 years.

The assets capitalized under finance leases and hire purchase contracts are legally owned by the respective lessors.

21. Fixed assets

2015 financial year TEUR	Land,leasehold rights and buildings including and buildings	Technical facilities and machinery	Other facilities, plant and Goodwill	Advance payments and assets under	Total
Acquisition and production costs					
As of January 1, 2015	357,599	174,679	54,306	6,321	592,905
Changes in Group of consolidated companies	3,245	12,570	7,891	61	23,767
Additions	19,949	8,786	5,509	516	34,760
Disposals	-289	-2,469	-2,149	-73	-4,980
Reclassifications	3,753	2,054	214	-6,021	0
Currency translation differences	40	-242	33	-70	-239
As of December 31, 2015	**384,297**	**195,378**	**65,804**	**734**	**646,213**
Depreciation and amortization					
As of January 1, 2015	175,913	104,068	37,101	0	317,082
Changes in Group of consolidated companies	1,848	11,011	7,076	0	19,935
Additions	11,348	10,275	5,438	0	27,061
Disposals	-233	-1,768	-2,036	0	-4,037
Reclassifications	0	0	0	0	0
Currency translation differences	10	-168	-15	0	-173
As of December 31, 2015	**188,886**	**123,418**	**47,564**	**0**	**359,868**
Carrying amounts as of December 31, 2015	**195,411**	**71,960**	**18,240**	**734**	**286,345**

The straight-line method is the sole method used for depreciation and amortization, which is presented in the consolidated income statement in the item "Depreciation and amortization of non-current intangible assets and property, plant and equipment".

The useful lives of the main asset classes are as follows:

	2015	2014
Buildings, lightweight	10 years	10 years
Buildings, solid construction	20 - 40 years	20 - 40 years
Open spaces	10 - 20 years	10 - 20 years
Other handling equipment	4 - 34 years	4 - 34 years
Technical plant and machinery	5 - 20 years	5 - 20 years
Plant and equipment	4 - 20 years	4 - 20 years
Low-value assets	1 year	1 year

2014 financial year TEUR	Land,leasehold rights and buildings including and buildings	Technical facilities and machinery	Other facilities, plant and Goodwill	Advance payments and assets under	Total
Acquisition and production costs					
As of January 1, 2014	352,419	170,563	50,788	2,870	576,640
Changes in Group of consolidated companies	0	0	0	0	0
Additions	4,146	9,193	5,246	5,024	23,609
Disposals	-103	-4,404	-1,910	-6	-6,423
Reclassifications	1,121	338	103	-1,567	-5
Currency translation differences	16	-1,011	79	0	-916
As of December 31, 2014	**357,599**	**174,679**	**54,306**	**6,321**	**592,905**
Depreciation and amortization					
As of January 1, 2014	164,630	97,270	33,653	0	295,553
Changes in Group of consolidated companies	0	0	0	0	0
Additions	11,302	10,784	5,162	0	27,248
Disposals	-26	-3,637	-1,763	0	-5,426
Reclassifications	0	0	0	0	0
Currency translation differences	7	-349	49	0	-293
As of December 31, 2014	**175,913**	**104,068**	**37,101**	**0**	**317,082**
Carrying amounts as of December 31, 2014	**181,686**	**70,611**	**17,205**	**6,321**	**275,823**

No impairments were made in the 2015 financial year (previous year: EUR 887,000).

In the previous year, impairment losses were recognized in the item "Depreciation and amortization of non-current intangible assets and property, plant and equipment".

Advance payments and assets under construction of EUR 734,000 (previous year: EUR 6,321,000) relate exclusively to assets under construction.

Financing costs for qualified assets in the amount of EUR 537,000 were capitalized at an average interest rate of 4.6 per cent.

Fixed assets also include rented or leased assets under finance leases in the carrying amounts listed below.

Carrying amount TEUR	2015	2014
Buildings	124	147
Technical plant and machinery	1,778	722
Plant and equipment	122	0
Total	**2,024**	**869**

Rented or leased assets are offset by lease obligations totaling EUR 2,526,000 (previous year: EUR 1,272,000); see note number 30. The leasing obligations have maturities of up to 6 years.

The assets capitalized under finance leases and hire purchase contracts are legally owned by the respective lessors. There are no other assets reported under property, plant and equipment that are pledged as collateral on long-term loans.

Companies accounted for using the equity method

TEUR	12/31/2015	12/31/2014
Interests in joint ventures	120,347	115,616
Interests in associates	3,347	3,815
Total	**123,694**	**119,431**

22. Financial assets

Shares in affiliated companies
Interests in associates

2015 financial year TEUR	Interests in associated companies	Investments with equity method	Other Investments	Securities	Total
Acquisition costs					
As of January 1, 2015	343	120,116	3,715	3	138,903
Changes in Group of consolidated companies	0	-2,494	27	0	-2,467
Additions	0	9,921	4	0	9,925
Disposals	0	-2,238	-3,599	0	-5,837
Reclassifications	0	7	-7	0	0
Currency translation differences	0	-934	0	0	-934
As of December 31, 2015	**343**	**124,378**	**140**	**3**	**139,590**
Depreciation and amortization					
As of January 1, 2015	0	685	0	0	15,411
Changes in Group of consolidated companies	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Currency translation differences	0	0	0	0	0
As of December 31, 2015	**0**	**685**	**0**	**0**	**15,411**
Carrying amounts as of December 31, 2015	**343**	**123,693**	**140**	**3**	**124,179**

Interests in affiliates in the amount of EUR 343,000 (previous year: EUR 343,000) mainly include non-consolidated complementary companies of the fully consolidated operational partnerships.

Joint ventures

The change in the carrying amount of the interests in joint ventures is primarily the result of increases through pro rata profit for the year (EUR 30,892,000) and capital increases (EUR 12,694,000), changes in revaluation reserves (EUR 4,577,000), losses through distributions (EUR -40,367,000) and currency translation differences (EUR -761,000).

2014 financial year TEUR	Interests in associated companies	Investments with equity method	Other Investments	Securities	Total
Acquisition costs					
As of January 1, 2014	343	144.859	3.708	3	163.639
Changes in Group of consolidated companies	0	0	0	0	0
Additions	0	1.044	7	0	1.051
Disposals	0	-21.099	0	0	-21.099
Reclassifications	0	0	0	0	0
Currency translation differences	0	-4.688	0	0	-4.688
As of 31. December 2014	**343**	**120.116**	**3.715**	**3**	**138.903**
Depreciation and amortization					
As of January 1, 2014	0	140	0	0	14.866
Changes in Group of consolidated companies	0	0	0	0	0
Additions	0	545	0	0	545
Disposals	0	0	0	0	0
Currency translation differences	0	0	0	0	0
As of December 31, 2014	**0**	**685**	**0**	**0**	**15.411**
Carrying amounts as of December 31, 2014	**343**	**119.431**	**3.715**	**3**	**123.492**

Information about significant joint ventures is presented below. In the BLG Group this only relates to EUROGATE GmbH Co. KGaA, KG, Bremen.

EUROGATE GmbH & Co. KGaA, KG, Bremen is a joint venture of BLG KG and EUROKAI KGaA, Hamburg, which is structured as an independent entity. BLG KG's share of the joint venture is 50 per cent (previous year: 50 per cent) and represents the CONTAINER Division. With this investment, the Group receives rights to the joint venture's net assets rather than the rights to its assets and the obligations arising from its liabilities.

The IFRS sub-group financial statements of the EUROGATE Group are consolidated using the equity method. EUROGATE GmbH & Co. KGaA, KG and its subsidiaries are accordingly included in the list of shareholdings under the item "Companies consolidated using the equity method". No market price is available for EUROGATE GmbH & Co. KGaA, KG.

The services of the CONTAINER Division are described in note number 2.

For the properties necessary for its business, BLG KG has transferred to the EUROGATE Group via usage transfer agreements the rights and obligations arising from the heritable building rights of the Free Hanseatic City of Bremen (municipality).

In the usage transfer agreements, BLG KG undertakes to pay compensation to the EUROGATE Group for buildings erected on the properties used at the expiration of the usage transfer agreement or upon extraordinary termination. The compensation is based on the market value of the buildings. In addition, BLG KG irrevocably surrenders its claims for compensation to the EUROGATE Group upon exercise of the right to reversion under the heritable building right contract by the Free Hanseatic City of Bremen (municipality).

The EUROGATE Group provides technical services for the BLG Group and pays for electricity used. This is based on the takeover of the electricity supply network in the Bremen seaport in Bremerhaven by "Sondervermögen Hafen" effective January 1, 2008.

In the segment reporting (note number 38), this joint venture is represented by the CONTAINER Division.

The following table summarizes the financial information of the IFRS sub-group financial statements of EUROGATE GmbH & Co. KGaA, KG, and reconciles this information with the carrying amounts of the shares in joint ventures.

TEUR	2015	2014
Non-current assets	716,267	772,324
Current assets	252,874	224,178
Non-current liabilities	-366,411	-397,804
Current liabilities	-213,366	-228,086
Net assets	**389,364**	**370,612**
Shareholding	**50 %**	**50 %**
Share of net assets	194,682	185,306
of hybrid equity attributable to non-controlling interests	-78,010	-78,010
of other equity attributable to non-controlling interests	-112	-56
Group share of net assets (= equity-carrying amount)	**116,560**	**107,240**

Current assets include cash and cash equivalents of EUR 144,596,000 (previous year: EUR 121,698,000).

EUR 190,390,000 (previous year: EUR 204,333,000) of the non-current liabilities and EUR 170,031,000 (previous year: EUR 184,560,000) of the current liabilities are attributable to financial liabilities (in each case excluding trade payables, other liabilities and provisions).

TEUR	2015	2014
Sales	591,321	566,018
Scheduled depreciation	-56,090	-55,384
Other interest receivable and similar income	5,300	6,368
Interest receivable and similar expenses	-13,452	-14,985
Taxes on income and earnings	-6,580	-4,698
Profit for the year	73,530	64,866
Other comprehensive income for the year, net of income tax	9,259	-42,375
Total comprehensive income for the year	**82,789**	**22,491**

Profit for the year of EUR 31,667,000 (previous year: EUR 27,560,000) and other comprehensive income after income taxes of EUR 4,611,000 (previous year: EUR -21,252,000) is attributable to the BLG Group.

Dividends received by EUROGATE GmbH & Co. KGaA, KG total EUR 39,224,000 (previous year: EUR 40,894,000). Payment is made in the following year.

Cash flows TEUR	2015	2014
Cash flows from operating activities	119,876	110,523
Cash flow from investment activities	-2,433	-17,114
Cash flow from financing activities	-94,636	-63,500
Net change in cash and cash equivalents	**22,807**	**29,909**
Cash and cash equivalents at start of financial year	121,280	91,371
Cash and cash equivalents at the end of the year	**144,087**	**121,280**
Composition of cash and cash equivalents		
Cash and cash equivalents	144,596	121,698
Non-current liabilities to banks	-509	-418
Cash and cash equivalents at the end of the year	**144,087**	**121,280**

The individual remaining interests in joint ventures held by the Group are considered immaterial. The following table summarizes the carrying amounts, the share of profit for the year and the share of the other comprehensive income of these interests:

TEUR	2015	2014
Carrying amount of interests in other joint ventures	3,787	8,376
Share of		
Profit for the year	-774	1,231
Other comprehensive income	-487	-4
Share of comprehensive income	**-1,261**	**1,227**

The share of profit for the year results in full from continuing operations.

In the 2015 financial year negative shares in the overall results of joint ventures of EUR 0 (previous year: EUR 226,000) were not recognized in the Group result. At the reporting date, the cumulative negative shares in the overall results of joint ventures not recognized in the Group result total EUR 0 (previous year: EUR 241,000).

Associates

The change in the carrying amount of investments in associated enterprises results mainly from increases in the proportionate net income (EUR 664,000) and decreases through distributions (EUR -1,341,000) and currency translation differences (EUR -156,000).

The individual interests in associates held by the Group are considered immaterial.

The following table summarizes the carrying amounts, the share of the net income attributable to the BLG Group and the share of the other comprehensive income of these interests:

TEUR	2015	2014
Carrying amount of interests in associates	3,347	3,815
Share of		
Profit for the year	637	2,183
Other comprehensive income	-156	-244
Share of comprehensive income	**481**	**1,939**

The share of profit for the year results in full from continuing operations.

In the 2015 financial year negative shares in the overall results of associates of EUR 0 (previous year: EUR 46,000) and positive shares in the overall results of associates of EUR 162,000 (previous year: EUR 0) were not recognized in the Group result. At the reporting date, the cumulative negative shares in the overall results of associates not recognized in the Group result total EUR 82,000 (previous year: EUR 244,000).

Other investments

Companies with dormant or only limited operations in which BLG AG or BLG KG is directly or indirectly entitled to at least 20 per cent of the voting rights and which are of only minor importance for giving a true and fair view picture of the financial position, financial performance and cash flow of the BLG Group are presented at their acquisition cost or the lower fair value in the consolidated financial statements.

As in the previous year, no impairment losses were recorded on other investments in the reporting year.

23. Financial receivables

2015 financial year
TEUR

	12/31/2015			
	Up to 1 year	1 - 5 years	More than 5 years	Total
Loans to consolidated companies accounted for using the equity method	681	1,501	900	3,082
Loans to other investments	0	0	0	0
Other receivables from shareholders	1,256	0	0	1,256
Financial receivables from shareholders' accounts at companies accounted for under the equity method	39,825	0	0	39,825
Receivables from leasing companies	200	0	0	200
Financial receivables from finance leases	188	1,201	2,575	3,964
Miscellaneous other financial receivables	1,155	143	5	1,303
Total	**43,305**	**2,845**	**3,480**	**49,630**

2014 financial year
TEUR

	12/31/2014			
	Up to 1 year	1 - 5 years	More than 5 years	Total
Loans to consolidated companies accounted for using the equity method	1,537	1,088	928	3,553
Loans to other investments	1,201	0	0	1,201
Other receivables from shareholders	482	0	0	482
Financial receivables from shareholders' accounts at companies accounted for under the equity method	43,904	0	0	43,904
Receivables from leasing companies	667	0	0	667
Financial receivables from finance leases	175	1,228	2,736	4,139
Miscellaneous other financial receivables	496	180	105	781
Total	**48,462**	**2,496**	**3,769**	**54,727**

Current financial receivables are reported under other assets (note number 25).

Loans to companies consolidated using the equity method are made at interest rates between 3 and 8 per cent.

Due to their fixed interest rates, the loans are subject to an interest rate-linked market price risk, although this is not significant considering the amount and maturity of receivables for the BLG Group.

The maximum exposure to credit risk corresponds to the carrying amount; there are no indications of significant concentrations of credit risk.

In terms of the timely performance by the counterparties and the credit risk, the carrying amounts of financial receivables on the reporting dates can be broken down as follows:

TEUR	12/31/2015	12/31/2014
Neither past due nor impaired financial receivables	49,042	54,116
Past due but not impaired financial receivables	530	611
Impaired financial receivables	58	0
Carrying amounts	**49,630**	**54,727**

Impaired financial receivables and the impairment losses established developed as follows:

Impaired financial receivables TEUR	**12/31/2015**	12/31/2014
Nominal amounts	1,140	750
Impairment losses	-1,082	-750
Carrying amounts	**58**	**0**

Impairment losses on financial receivables TEUR	**12/31/2015**	12/31/2014
Amount as at the beginning of the financial year	750	750
Impairments during the financial year		
- Additions	382	0
- Use/derecognition of receivables	-50	0
Amount as of the end of the financial year	**1,082**	**750**

The expenses from the impairment presented above are reported as a result of companies account for using the equity method, since this involves taking into account a negative equity contribution.

24. Inventories

TEUR	**12/31/2015**	12/31/2014
Raw materials, consumables and supplies	7,178	4,699
Finished goods and merchandise	173	205
Total	**7,351**	**4,904**

Inventories are not pledged as collateral for liabilities. Impairments on inventories totaling EUR 100,000 (previous year: EUR 128,000) were recorded as of December 31, 2015.

25. Trade accounts receivable and other assets

Trade receivables

TEUR	**12/31/2015**	12/31/2014
Receivables from third parties	178,665	167,521
Receivables from third parties (stage of completion method)	1,174	444
Accounts receivable from affiliated companies	32	311
Receivables from affiliates	2,088	2,633
Total	**181,959**	**170,909**

Trade receivables are non-interest bearing, payable within one year and are not to be used as collateral for liabilities. The average settlement terms are 70 days (previous year: 70 days). The maximum exposure to credit risk corresponds to the carrying amount; there are no indications of significant concentrations of credit risk.

In terms of the timely performance by the counterparties and the credit risk, the carrying amounts of trade receivables on the reporting dates can be broken down as follows:

TEUR	12/31/2015	12/31/2014
Neither past due nor impaired receivables	139,417	129,536
Past due but not impaired receivables	35,274	38,677
Impaired receivables	7,268	2,696
Total	**181,959**	**170,909**

Past due but not impaired receivables are broken down into time bands as follows:

TEUR	12/31/2015	12/31/2014
Less than 30 days	15,016	19,361
Between 30 and 60 days	3,247	3,894
Between 61 and 90 days	1,879	2,596
Between 91 and 180 days	3,445	3,991
Between 181 and 360 days	3,058	5,163
More than 360 days	8,629	3,672
Total	**35,274**	**38,677**

Impairment losses were taken on impaired trade receivables depending on the individual credit risk.

TEUR	12/31/2015	12/31/2014
Nominal amounts	12,088	5,837
Impairment losses	-4,820	-3,141
Carrying amounts	**7,268**	**2,696**

Impairment losses on trade receivables developed as follows:

TEUR	12/31/2015	12/31/2014
Amount as at the beginning of the financial year	3,141	1,435
Changes in group of consolidated companies	68	0
Impairments during the financial year		
- Additions	2,613	2,262
- Reversals	-462	-179
- Changes in exchange rates	52	45
- Use/derecognition of receivables	-592	-422
Amount as of the end of the financial year	**4,820**	**3,141**

In addition, in the reporting year, trade receivables in the amount of EUR 229,000 (previous year: EUR 403,000) reported under other operating expenses were derecognized.

Other assets

2015 financial year TEUR	12/31/2015		12/31/2014	
	current	non-current	current	non-current
Current financial receivables (note number 23)	43,305	--	48,462	--
Tax office and customs receivables	4,278	--	3,255	--
Accruals	986	--	666	--
Receivables from employees	528	--	171	--
Claims to government grants	161	--	1,327	--
Other assets	1,094	20	1,743	5
Total	**50,352**	**20**	**55,624**	**5**

Other assets excluding current financial receivables are non-interest bearing and are not used as collateral for liabilities.

26. Income tax refund receivable

The tax assets relate to reimbursement rights for the year amounting to EUR 841,000 (previous year: EUR 1,663,000) and reimbursement rights for prior years in the amount of EUR 1,063,000 (previous year: EUR 1,049,000).

Please see note number 16 with regard to rights from deferred taxes.

27. Cash and cash equivalents

TEUR	12/31/2015	12/31/2014
Current accounts	10,466	6,073
Overnight loans and short-term deposits	5,334	5,500
Cash	135	151
Total	**15,935**	**11,724**

Cash at banks earns interest at floating rates based on daily bank deposits. Short-term deposits are made for periods varying between one day and one month, depending on the immediate cash requirements of the Group. They earn interest at the current short-term deposit interest rate.

28. Equity

The classification of and changes to equity for the years ended 2015 and 2014 is separately presented as a separate component of the consolidated financial statements as of December 31, 2015 in the Group statement of changes in equity.

a) Consolidated capital of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-

The share capital (subscribed capital) amounts to EUR 9,984,000.00, divided into 3,840,000 registered shares with voting rights. Pursuant to Section 5 of the Articles of Association, any transfer of shares requires the Company's consent. The share capital is fully paid as of December 31, 2015.

Retained earnings includes the legal reserve pursuant to Section 150 of the German Stock Corporation Act in the amount of EUR 998,000 (previous year: EUR 998,000), which is fully funded, and other retained earnings of EUR 6,749,000 (previous year: EUR 6,583,000). In financial year 2015, EUR 166,000 (previous year: EUR 137,000) were allocated from Group net income to other retained earnings.

b) Consolidated capital of BLG LOGISTICS GROUP AG & Co. KG

The capital attributable to the limited partner of BLG KG is recognized. The limited liability capital and the capital reserves were almost exclusively provided by contributions in kind.

The capital reserve includes allocations of capitalized differences from the time before conversion of the group financial statements to IFRS.

Retained earnings include, in addition to undistributed profits from previous years, dividend payments and other withdrawals, previous changes in the group of consolidated companies recognized in other comprehensive income, and other changes and shares of Group net income. In addition, retained earnings also includes the differences between German GAAP and IFRS existing January 1, 2004 (date of transition).

The actuarial gains and losses not recognized in profit or loss from the measurement of gross pension obligations in accordance with IAS 19 and the difference between the expected and actual return on plan assets are reported in Other reserves.

The reserve from the fair valuation of financial instruments (hedge reserve) includes net gains or losses recognized in other comprehensive income from changes in the fair value of the effective portion of the cash flow hedges. Reserves are generally reversed upon settlement of the underlying transaction. In addition, the reserves are reversed on expiration, disposal, termination or exercise of the hedging instrument, in case of revocation of the designation of the hedging relationship or non-fulfilment of the requirements for a hedge under IAS 39.

TEUR	12/31/2015	12/31/2014
As of January 1	-3,847	-2,053
Change in reserves	539	-1,794
As of December 31	**-3,308**	**-3,847**

At the balance sheet date, the reserve is composed mainly of the fair value of the interest rate swaps that qualify as hedges of EUR -2,296,000 (previous year: EUR -3,212,000), accrued deferred taxes recognized in equity of EUR 402,000 (previous year: EUR 515,000) and of the fair value of derivative financial instruments with associates recognized in equity of EUR -1,216,000 (previous year: EUR -1,150,000).

The foreign currency translation reserve includes foreign exchange effects from the translation of financial statements of consolidated companies in currencies other than the euro.

The net profits of consolidated companies totaling EUR -63,024,000 (previous year: EUR -67,951,000) concern subsidiaries of BLG KG.

The net profit of EUR 10,687,000 corresponds to the disclosure in the financial statements as at December 31, 2015 of BLG KG. Dividend payments are recognized as a liability in the period in which the corresponding resolution is passed.

c) Equity of non-controlling interests

Under this item, minority interests in equity in the fully consolidated subsidiaries in the amount of EUR 7,198,000 (previous year: EUR 6,621,000) are recognized.

For the development of the individual equity components, please see the separate Group statement of changes in equity.

29. Long-term loans

Non-current loans from banks can be broken down by residual maturity bands and interest rate bands as follows:

December 31, 2015
TEUR

	Interest rate	Remaining maturity: Up to 1 year	Between 1 and 5 years	More than 5 years	Total
	0.833 - 0.999 %	1,600	6,400	0	8,000
	1.000 - 1.999 %	14,671	85,128	74,329	174,128
	2.000 - 2.999 %	339	685	0	1,024
	3.000 - 3.999 %	879	894	0	1,773
	4.000 - 4.360 %	1,650	23,830	385	25,865
Total		**19,139**	**116,937**	**74,714**	**210,790**

December 31, 2014
TEUR

	Interest rate	Remaining maturity: Up to 1 year	Between 1 and 5 years	More than 5 years	Total
	0.988 - 0.999 %	1,600	6,400	1,600	9,600
	1.000 - 1.999 %	15,387	72,736	40,725	128,848
	2.000 - 2.999 %	340	1,025	0	1,365
	3.000 - 3.999 %	875	1,778	0	2,653
	4.000 - 4.650 %	1,644	24,702	1,154	27,500
Total		**19,846**	**106,641**	**43,479**	**169,966**

The presentation above includes unsubordinated, unsecured promissory notes totaling EUR 29.0 million (previous year: EUR 29.0 million). In the reporting year, no promissory notes were repaid ahead of schedule. The remaining promissory notes in the amount of EUR 19.0 million mature in December 2018 and are repayable semi-annually in the amount of EUR 10.0 million in five instalments starting from April 2017. EUR 19.0 million of the promissory notes have fixed interest rates and EUR 10.0 million have variable interest rates.

In the reporting year credit lines were increased by a total of EUR 5.0 million.

From loans from banks, a total of EUR 112.1 million (previous year: EUR 67.7 million) were fixed interest, EUR 98.7 million (previous year: EUR 102.2 million) were variable interest.

Liabilities to banks totaling EUR 0 million (prior year: EUR 18.4 million) were secured by mortgages. For loan liabilities totaling EUR 205.5 million (previous year: EUR 151.5 million), customary covenants were secured for the lending banks based on the equity ratio and net debt.

If the covenants agreed upon are not complied with, the conditions call for interest rate hikes in two increments of 0.5 per cent each; thereafter, there is a right of termination.

In the 2015 financial year, the limit of the agreed net debt ratio was not complied with. As a result, an interest charge of 0.5 per cent may be incurred on the portion of long-term financial loans and the promissory note for the next interest rate period. For the 2016 financial year, this may result in an increase of 0.5 per cent in the original margin, with an impact ranging from EUR 60,000 to EUR 400,000. An effect ranging from EUR 0.0 to EUR 2,000,000 is expected for the 2017 financial year. The increased margin can be reduced in part if the indicators are complied with at the next audit.

30. Other financial liabilities

Other financial liabilities break down as follows:

Please see note number 4 with regard to outstanding purchase price payments from corporate acquisitions.

TEUR	12/31/2015		12/31/2014	
	current	non-current	current	non-current
Bank overdrafts	32,250	--	48,431	--
Loans BLG Unterstützungskasse GmbH	25,600	--	25,600	--
Short-term portion of non-current borrowings	19,139	--	19,846	--
Obligations under revenue deductions	7,262	278	6,884	412
Cash management with respect to equity investments	4,300	--	3,446	--
Derivatives with a negative fair value	2,522	--	3,292	--
Outstanding purchase price payments from corporate acquisitions	1,779	17,096	0	0
Finance leasing	1,199	1,327	252	1,020
Future social concept	1,001	2,478	869	2,466
Accruals and deferrals (liabilities)	238	1,001	1,341	962
Other	4,887	7,550	4,516	9,169
Total	**100,177**	**29,730**	**114,477**	**14,029**

Please see note number 4 with regard to outstanding purchase price payments from corporate acquisitions. Other miscellaneous financial liabilities includes obligations from the acquisition of shares in E.H. Harms GmbH & Co. KG Automobile-Logistics in the amount of EUR 9,577,000 (previous year: EUR 11,156,000). Of this amount, EUR 7,550,000 is attributable to the long-term segment and EUR 2,027,000 to the short-term segment.

The carrying amounts, with the exception of liabilities from finance leases, correspond to the fair values of the liabilities.

The average effective interest rates at the balance sheet date of the material groups of short-term financial liabilities are as follows:

TEUR	12/31/2015	12/31/2014
Overdrafts due to banks	0.69 %	0.88 %

The discounted value of future cash flows from liabilities from finance leases are as follows:

TEUR	12/31/2015			12/31/2014		
	Minimum leasing payments	of which repayment	of which interest	Minimum leasing payments	of which repayment	of which interest
Up to 1 year	1,305	1,200	105	334	252	82
1 - 5 years	1,485	1,322	163	1,219	1,020	199
More than 5 years	5	5	0	0	0	0
Total	**2,795**	**2,527**	**268**	**1,553**	**1,272**	**281**

31. Deferred government grants

TEUR	12/31/2015		12/31/2014	
	current	non-current	current	non-current
AUTOMOBILE Division	68	2,297	11	614
CONTRACT Division	17	156	5	195
Total	**85**	**2,453**	**16**	**809**

The items set forth in the table above are deferrals for asset-related grants, which are recognized separately using the gross method. The grants in the AUTOMOBILE Division include EUR 1,570,000 for grants from the Federal Railway Authority for replacement renovations in railway infrastructure. The deferrals are reversed in line with the depreciation of the subsidized assets. Total income from the reversal of the deferrals totaling EUR 56,000 (previous year: EUR 29,000) were recorded in 2015.

In addition, during the year other income of EUR 332,000 (previous year: EUR 1,233,000) was recognized, the full amount of which relates to grants recognized in income (previous year: EUR 1,231,000).

32. Non-current provisions

TEUR	12/31/2015	12/31/2014
Employee provisions		
Direct commitments	6,823	6,132
Port pensions	18,212	20,082
Future social concept	19,998	22,206
Anniversary provisions	5,596	6,125
	50,629	**54,545**
Other reserves		
Miscellaneous other long-term provisions	14	0
	14	**0**
Total	**50,643**	**54,545**

Non-current benefits to employees TEUR	As at 01/01/2015	Use	Reversal	Addition	Transfer	As at 01/01/2015
Direct commitments	6,132	27	1,350	1,944	124	6,823
Port pensions	20,082	13	1,857	0	0	18,212
Future social concept	22,206	172	2,845	808	1	19,998
Pension provisions	**48,420**	**212**	**6,052**	**2,752**	**125**	**45,033**
Anniversary provisions	6,125	1	228	162	-462	5,596
Total	**54,545**	**213**	**6,280**	**2,914**	**-337**	**50,629**

Current benefits to employees TEUR	As at 01/01/2015	Use	Reversal	Addition	Transfer	As at 01/01/2015
Direct commitments	34	34	0	57	0	57
Port pensions	855	855	0	846	0	846
Pension provisions	**889**	**889**	**0**	**903**	**0**	**903**
Anniversary provisions	354	307	47	513	462	975
Total	**1,243**	**1,196**	**47**	**1,416**	**462**	**1,878**

Provisions for pensions

All the plans of the BLG Group are defined benefit plans within the meaning of IAS 19. There are no minimum funding obligations.

The individual commitments of the Group companies form the legal basis for granting benefits. In addition, there are obligations for the payment of a disability and a pension from the framework agreement for the port employees of the German sea port companies, including the special provisions for the ports in the state of Bremen of May 12, 1992.

On January 1, 1998, the pension obligations of the Free Hanseatic City of Bremen (municipality) existing up to this point for BLG AG were assumed. The legal basis for determining the amount of the contributions is the collective framework agreement for the port employees of the German sea port companies, including the special provisions for the ports in the state of Bremen of May 12, 1992.

There are also pension obligations in accordance with the guidelines of the Siemens pension insurance for employees who were transferred as of October 1, 2001 from SRI Radio Systems GmbH, Durach, as well as for employees who were transferred as of May 1, 2003 by Siemens AG, Berlin, to BLG Logistics Solutions GmbH & Co. KG, Bremen.

For employees who transferred from Schenker AG, Essen to the company BLG Industrielogistik GmbH & Co. KG, Bremen, on April 1, 2015, there are pension obligations in accordance with the guidelines of the employer/works council agreement "Vorsorgeplan 2000" of Schenker AG dated February 28, 2003, and on the overall employer/works council agreement "Versorgungsbaustein Mitarbeiterbeteiligung" of Schenker AG dated June 9, 2011.

In addition, there are obligations to grant and pay retirement, disability and survivor's pensions due to a Group agreement on ensuring the social future of March 15, 2005 (social future concept). Substantial parts of this benefit plan are applied again through new fee waivers to be agreed by the participating employee, while the parts of the bonus plan result annually from an employee profit sharing plan established after the end of the financial year.

For parts of the individual commitments and for the obligations within the framework of the social future concept, there are plan assets in the form of qualified insurance contracts within the meaning of IAS 19.8. The plan assets are managed externally by insurance companies, and specifically include reinsurance policies. The asset values determined by the insurance companies are recognized as fair values.

TEUR	12/31/2015	12/31/2014
Reinsurance policies	44,640	40,634
Fair value of plan assets	**44,640**	**40,634**

The provisions are calculated taking into account the respective underlying contractual agreement of qualified actuaries using the projected unit credit method in accordance with IAS 19.

The Group is exposed to various risks in the context of the defined benefit plans. In addition to the general risks of a change in demographic assumptions, these are, in particular, interest rate risk and the capital market or investment risk. There are no concentrations of risk.

Funding status of the pension plans TEUR	12/31/2015	12/31/2014
Present value of defined benefit obligation	90,576	89,943
Fair value of plan assets	-44,640	-40,634
Shortfall (net debt)	**45,936**	**49,309**

Present value of pension obligations

The present value of the defined benefit obligations changed as follows:

TEUR	12/31/2015	12/31/2014
Balance at beginning of year	89,943	67,893
+ Current service cost	3,814	3,051
+ Deferred compensation expense	3,003	1,142
+ Interest expenses	1,680	2,452
+/- Revaluations		
Experience-based adjustments	347	-156
Actuarial gains/losses from changes in financial assumptions	-6,211	18,536
- Use (pension payments)	-2,646	-2,666
+/- Reversals	-6	-295
+/- Transfers	128	-14
+/- Changes in group of consolidated companies	524	0
Balance at end of year	**90,576**	**89,943**

The weighted average maturity (duration) of the defined benefit obligations are as follows:

Duration	12/31/2015	12/31/2014
Direct commitments and working-life accounts	24 years	23 years
Port pensions	15 years	16 years
Future social concept	14 years	14 years

Fair value of plan assets

The fair value of the plan assets has changed as follows:

TEUR	12/31/2015	12/31/2014
Balance at beginning of year	40,634	38,086
+ Interest income	705	1,267
+ Expenses / income from plan assets (excluding interest income)	446	-363
+ Additions of the employees included in the plan (e.g. deferred compensation)	2,975	2,061
+ Employer contributions	1,448	1,280
- Use (pension payments)	-1,545	-1,494
+/- Reversals	-26	-205
+/- Transfers	3	2
+/- Changes in group of consolidated companies	0	0
Balance at end of year	**44,640**	**40,634**

Net pension expense

The part of the net pension expense recognized in profit or loss for the period is made up as follows:

TEUR	12/31/2015	12/31/2014
Current service cost	3,814	3,051
Interest expenses	976	1,185
Total	**4,790**	**4,236**

The service cost is recognized in the Group income statement as personnel expense, and accrued interest on the expected pension obligations is recognized as interest expense. The expected return on plan assets reduces the interest expense.

The actual return on plan assets to be recognized as of December 31, 2015, totals EUR 1,151,000 (previous year: EUR 904,000).

Actuarial parameters

The actuarial valuation of the material defined benefit pension obligations was based on the following parameters (given in the form of weighted average factors):

in %	12/31/2015		
	Direct commit-ments	Port pensions	Social Future Concept
Discount rate	2,50	2,30	2,30
Rate of salary increase	1,20	0,00	0,00
Rate of pension increase	1,60	1,00	0,00

in %	12/31/2014		
	Direct commit-ments	Port pensions	Social Future Concept
Discount rate	2,00	1,80	1,80
Rate of salary increase	1,20	0,00	0,00
Rate of pension increase	1,60	1,00	0,00

The mortality rate underlying the calculation of the present value of the material defined benefit pension obligations is based, as in the prior year, on the 2005 G mortality tables by Prof. Dr. Klaus Heubeck.

Sensitivity analyses

The present value of the pension obligations depends on a number of factors based on actuarial assumptions. The net expense (or income) used in determining assumptions for pensions includes the discount rate. Any change in these assumptions will impact the carrying amount of the pension obligation.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate used in determining the present value of expected future cash outflows required to settle the obligation. In determining the discount rate, the Group uses as its basis the interest rates of top-rated corporate bonds that are denominated in the currency in which the benefits are paid and with maturities corresponding to those of the pension obligation.

An increase or decrease in the principal actuarial assumptions in the amount of the expected future development would have the following effects compared to the parameters actually applied to the present value of pension obligations. **(see table below)**

The sensitivity calculations are based on the average maturity of the pension obligations determined as of December 31, 2015. The calculations were carried out on an isolated basis for actuarial assumptions which have been identified as significant to separately illustrate the potential impact on the calculated present value of pension obligations. As the average duration of the expected pension liabilities is based on the sensitivity analyses and consequently the expected payment dates are not taken into consideration, they only result in approximate information or statements about trends.

Funding of pension obligations

The funding of the pension contracts and agreements entered into for the Board of Management and senior executives for the future social concept are fully hedged through reinsurance policies pledged in favor of the beneficiaries. The pension contracts are solely funded by the employer; the social future concept is funded by contributions made by the employee and a performance bonus paid by the employer. There is no obligation to participate in the future social concept. The port pension does not contain any plan assets.

The Company expects payments to the defined benefit plans totaling EUR 1,893,000 (previous year: EUR 1,317,000) in 2015.

TEUR	12/31/2015		12/31/2014	
	higher	lower	higher	lower
Discount rate (50 basis points)	-5,835	6,487	-6,178	6,901
Rate of salary increase (50 basis points)	66	-62	28	-23
Rate of pension increase (50 basis points)	1,569	-1,440	1,729	-1,580

Anniversary provisions

Provisions for anniversaries take into consideration the contractually guaranteed rights of Group employees to receive anniversary bonuses. Recognition is based on actuarial reports, which make calculations based on a discount rate of 1.92 per cent (prior year: 1.40 per cent). Accrued interest of EUR 675,000 is included in the addition of the reporting year in the amount of EUR 88,000:

Other non-current provisions TEUR	As at 01/01/2015	Use	Reversal	Addition	Reclassification	As at 12/31/2015
Other	0	0	0	14	0	14
Total	**0**	**0**	**0**	**14**	**0**	**14**

33. Trade payables

TEUR	12/31/2015	12/31/2014
Liabilities to third parties	58,040	59,643
Obligations from outstanding invoices	15,944	15,477
Liabilities to investees	2,971	3,729
Liabilities to associates	163	132
Total	**77,118**	**78,981**

As a logistics company, the BLG Group does not receive an appreciable amount of goods and services from individual non-Group companies.

34. Other liabilities

Other non-current liabilities TEUR	12/31/2015	12/31/2014
Partial retirement obligations	107	30
Other	142	12
Total	**249**	**42**

A liability is recognized for partial retirement obligations based on collective bargaining and individual agreements. Recognition, which includes payments in arrears from current partial retirement arrangements and amounts for building reserves, is based on actuarial reports. The liabilities were not discounted in the reporting year due to the weighted average maturity around one year.

Other current liabilities TEUR	12/31/2015	12/31/2014
Obligations from outstanding holiday leave	8,488	8,195
VAT liabilities	8,332	7,991
Liabilities to employees from wages and salaries	8,089	7,784
Accruals and deferrals	3,357	2,973
Current employee benefits	1,878	1,243
Obligations to employees from restructuring	1,013	402
Payments received on orders	385	459
Advance duties	217	1,696
Partial retirement obligations	110	903
Other	3,174	1,315
Total	**35,043**	**32,961**

35. Income tax payments due

TEUR	12/31/2015	12/31/2014
Corporation and trade tax for the reporting year	1,236	986
Corporation and trade tax for prior years	7,621	8,013
Obligations from current income taxes	**8,857**	**8,999**

For information on obligations arising from deferred taxes, please see note number 16.

36. Current provisions

TEUR	As at 01/01/2015	Use	Reversal	Reclass-ification	Addition	Changes to group of consoli-dated companies	As at 12/31/2015
Insurance contributions	1,022	712	427	117	547	0	547
Onerous contracts	4,183	1,046	916	0	229	0	2,450
Warranty risks	5,921	3,285	535	0	1,600	0	3,701
Restructuring	573	488	0	0	0	0	85
Miscellaneous other provi-sions	4,109	318	2,730	0	1,144	3,324	5,529
Total	**15,808**	**5,849**	**4,608**	**117**	**3,520**	**3,324**	**12,312**

The insurance contributions primarily result from services provided by the liability claim compensation of German metropolitan areas.

The provision for onerous contracts is allocated as follows: EUR 2,200,000 to BLG KG, EUR 200,000 to the AUTOMOBILE Division and EUR 50,000 to the CONTRACT Division. The provision at BLG KG concerns the expected use from a guarantee for the bank liabilities of an investee. The other provisions correspond to the estimated costs of existing obligations that will probably not be covered by the amount of revenue agreed.

For warranty risks from possible warranty liabilities and fair-dealing obligations, provisions of EUR 2,101,000 have been carried forward from previous years and EUR 1,600,000 in provisions have been newly recognized. Overall, there is broad discretion in measuring these provisions, as there are no comparable items or other values based on experience.

Other provisions includes other operating taxes in the amount of EUR 1,247,000 (previous year: EUR 1,031,000).

Provisions are primarily due in the amount recognized during 2016.

Notes to the Consolidated Cash Flow Statement

37. Notes to the Consolidated Cash Flow Statement

The consolidated cash flow statement has been prepared in accordance with IAS 7 and is classified into cash flows from current operating, investing and financing activities. Disclosure of cash flows is intended to clarify the sources and uses of cash and cash equivalents.

Cash and cash equivalents are defined as the difference between liquid funds and current liabilities to banks. Liquid funds consist of cash on hand, demand deposits and short-term, highly liquid financial resources that can be converted into cash at any time and are subject to only minor fluctuations in value.

The change in cash due to foreign currency translation effects is shown separately in accordance with IAS 7.28.

Composition of cash and cash equivalents TEUR	12/31/2015	12/31/2014
Cash and cash equivalents on balance sheet	15,935	11,724
Current liabilities to banks [1]	-32,250	-48,431
Total	**-16,315**	**-36,707**

[1] Recognized on the balance sheet in the item „Current financial liabilities" (compare note number 30)

Notes on segment reporting

38. Notes on segment reporting

In accordance with IFRS 8, segmentation is based on the internal control and reporting structure. With respect to the BLG Group, this means that segment reporting is based on business areas according to the Group structure, i.e. the CONTAINER Division is still reported as a separate segment in segment reporting and then eliminated in the reconciliation column. In parallel to this, the results from companies accounted for using the equity method, primarily comprising the results of the CONTAINER Division, will in the future be reported as part of EBIT in accordance with internal control. This also applies to other companies accounted for using the equity method.

Entire companies are assigned to the AUTOMOBILE, CONTRACT and CONTAINER Divisions. These companies each represent operating segments that are summarized for reporting according to the divisions as they operate in a similar economic environment and are very similar in their services, processes and customer groups. The respective Management Boards are responsible for the success of the Divisions that report to the Group Management Board of BLG AG.

The AUTOMOBILE Division essentially comprises BLG AutoTerminal Bremerhaven GmbH & Co. KG, BLG Auto-Transport GmbH & Co. KG and BLG AutoRail GmbH.

The significant companies of the CONTRACT Division are BLG Industrielogistik GmbH & Co. KG, die BLG Handelslogistik GmbH & Co. KG, the BLG Sports & Fashion Logistics GmbH and BLG Cargo Logistics GmbH.

The CONTAINER Division includes the 50 per cent stake in the operational management company EUROGATE GmbH & Co. KGaA, KG, of the EUROGATE Group. Through this participation, the companies of the EUROGATE Group were proportionately consolidated in the consolidated financial statements until 2012. The initial application of IFRS 11 requires inclusion, retroactive from January 1, 2013, under the equity method. In order to ensure transparency, the CONTAINER Division is presented separately in the reconciliation of the total of the reportable segments with the data of the BLG Group.

The operations of the divisions are described in detail in note number 2. Segment reporting is presented in Annex 2 to these Group Notes.

BLG AG and BLG KG, as a management and financial holding company of the BLG Group, are not an operating segment as defined by IFRS 8. These central areas, with their assets, liabilities and results, are included in the reconciliation column. Please refer to the central areas 'Services' for information on employees. The relevant disclosures can be found on page 28 in the Group Management Report.

The BLG Group is predominantly active in Germany. EUR 862,334,000 of Group revenues (previous year: EUR 819,279,000) is attributable to domestic operations and EUR 76,271,000 (previous year: EUR 63,481,000) is attributable to foreign operations. The basis for this allocation is the location at which the Group performs services. EUR 335,067,000 (previous year: EUR 293,088,000) of the non-current intangible assets and of the property, plant and equipment of the Group are located in Germany and EUR 5,753,000 (previous year: EUR 4,149,000) are located abroad.

At least 23 per cent of total Group revenues were generated with the Group's largest customers. Of this amount EUR 179,388,000 (previous year: EUR 134,534,000) is attributable to domestic operations and EUR 45,326,000 (previous year: EUR 25,630,000) is attributable to foreign operations.

Control of the BLG Group is on the basis of the financial data of the operating segments determined in accordance with IFRS; the accounting policies described in note number 6 apply to the segments in the same way as for the entire Group. The main key figures results used to measure the success of the segments are earnings before taxes (EBT), return on capital employed (ROCE), EBIT (operating result), EBIT margin and free cash flow (FCF).

Depreciation and amortization relate to the permanent assets of the segment.

Segment assets do not include shares in companies accounted for using the equity method, or deferred or current taxes. There are no non-operating segment assets.

Segment liabilities include those necessary for financing current liabilities, and provisions excluding interest-bearing loans.

Investments are additions to fixed assets and non-current intangible assets.

The reconciliation of the total of the reportable segments with the Group data is as follows for the main items of segment reporting:

Revenues with external third parties TEUR	**2015**	2014
Total of the reportable segments	1,236,119	1,168,229
CONTAINER Division	-295,661	-283,009
Consolidation	-1,853	-2,460
Group revenues	**938,605**	**882,760**

EBIT TEUR	**2015**	2014
Total of the reportable segments	63,613	60,928
Central areas/other EBIT	-15,872	-23,909
CONTAINER Division	-43,424	-38,374
Consolidation	31,029	38,762
Adjusted Group EBIT	**35,346**	**37,407**

Segment earnings/Earnings before taxes (EBT) TEUR	**2015**	2014
Total of the reportable segments	49,072	47,183
Central areas/other EBT	30,266	29,267
CONTAINER Division	-40,055	-34,782
Consolidation	-9,557	-11,540
Group segment earnings (EBT)	**29,726**	**30,128**

Assets TEUR	2015	2014
Total of the reportable segments	976,402	907,371
Central areas/other assets	677,937	615,740
Proportion of consolidated companies accounted for under the equity method	123,693	119,431
Deferred tax assets	1,236	2,446
Reimbursement rights from income taxes	1,904	2,712
CONTAINER Division	-400,375	-406,395
Consolidation	-650,716	-565,987
Group assets (assets)	**730,081**	**675,318**

Liabilities TEUR	2015	2014
Total of the reportable segments	464,021	473,983
Central areas/other liabilities	132,451	133,837
Equity	214,032	202,591
Non-current borrowings (not including the short-term portion)	191,651	150,120
Other non-current financial liabilities	29,730	14,029
Deferred tax liabilities	7,731	1,940
Short-term portion of non-current borrowings	19,139	19,845
Short-term portion of finance leases	1,199	252
CONTAINER Division	-179,983	-188,856
Consolidation	-149,890	-132,423
Group liabilities (liabilities)	**730,081**	**675,318**

Other notes

39. Financial instruments

Objectives and methods of financial risk management

The principal financial instruments used to finance the Group with the exception of derivative financial instruments include long-term borrowings, short-term loans and cash, including short-term deposits with banks. The main purpose of these financial instruments is to finance the operations of the BLG Group. The BLG Group has access to a range of other financial instruments, such as trade receivables and payables, that arise as part of its operations.

Interest rate derivatives are only used to hedge outstanding risks and are solely used to improve credit terms and to limit the risk of interest rate changes as part of financial matching strategies. Commodity price derivatives are used only to limit the risk of price increases. In principle, derivatives are not used for trading or speculative purposes.

The material risks for the Group resulting from financial instruments are credit risks, foreign currency risks, liquidity risks and interest rate risks. The management creates risk management guidelines for each of these risks, which are summarized below, and verifies compliance with these guidelines.

At Group level the existing market price risk is also observed for all financial instruments. The derivatives accounting policies of the Group are presented in note number 6 i).

Credit risk

The Group's credit risk mainly results from trade receivables. The amounts shown in the group statement of financial position do not include impairment losses for probable uncollectable receivables that were estimated on the basis of historical trends and the current economic environment. Due to the ongoing monitoring of receivables by the management, the BLG Group is not currently exposed to any significant credit risks. A breakdown of the carrying amounts of trade receivables with respect to timely settlement by the counterparty and credit risk is included in note number 25.

The credit risk is limited in respect of liquid funds and derivative financial instruments because these are held at banks that have been awarded high credit ratings from international rating agencies.

The maximum credit risk of the Group is represented by the carrying amounts of the financial assets recognized in the statement of financial position (including derivative financial instruments with positive fair value). At the reporting date, there are no significant credit risk mitigation agreements or hedges. The Group is also exposed to credit risk through the acquisition of financial guarantees; at the balance sheet date, this amounts to a maximum of EUR 2,173,000 (previous year: EUR 1,861,000).

There are no significant concentrations of credit risk in the Group.

Carrying amounts and fair values of financial instruments - by classes, balance sheet items and valuation categories under IAS 39

In the tables shown on the following pages, the financial instruments are listed according to the above criteria, including the indication of their level in the fair value hierarchy. The valuation categories are set out in notes number 6e, 6g, 6h and 6i.

The classification in the levels of the fair value hierarchy is based on the assessment procedures used and is described in note number 1 in the section "determination of fair values".

The tables do not contain fair values for financial assets and financial liabilities not measured at fair value, for which no significant effects result from measurement at fair value due to the short maturity and the carrying amount thus represents a reasonable approximation of fair value.

Available-for-sale financial assets in the amount of EUR 486,000 (previous year: EUR 4,061,000) are reported under non-current financial assets; these relate to interests in corporations and partnerships for which no active market exists. As future cash flows cannot be reliably determined, the fair value cannot be calculated using a valuation model. The investments are presented at cost.

In the reporting year, shareholdings in Lloyd Werft Bremerhaven AG, Bremerhaven, and in Lloyd Investitions- und Verwaltungs GmbH, Bremerhaven, were sold. The carrying amount of the investment at the time of sale was EUR 3,599,000. The sale resulted in total positive income of EUR 401,000. Beyond that, no investments in these corporations and partnerships were derecognized or sold. There are no plans to sell or derecognize parts of the reported investments in the near future.

With the exception of non-current bank loans and finance lease liabilities there are no significant differences between the carrying amounts and fair values of the financial instruments.

The following significant methods and assumptions were used in determining the fair values:

The fair values are determined using the discounted cash flow method based on the expected future cash flows and current interest rates for comparable borrowing arrangements that are either directly or indirectly observable in the market.

The yield curve of risk-free German government bonds plus a company-specific, similar maturity risk premium is used as the market interest rate. With instalment payment arrangements, the risk premium over the average maturity is taken into account.

The Level 2 fair value of derivative financial instruments is based on the fair value information from banks. These fair values of the interest rate swaps are checked for plausibility by discounting the expected future cash flows using market interest rates for similar instruments. The forward rates of the reference interest rates of the hedging instruments used, are used to determine the variable cash flow. The credit spread is not the subject of the hedging relationship.

The Level 3 fair values of contingent considerations related to the acquisition of shares of BLG Sports & Fashion Logistics GmbH are determined using the discounted cash flow method. Significant input factors in the valuation, which are based on non-observable market data, are the pro rata annual earnings for the reporting year and subsequent years as well as the - partially weighted - expected pre-tax results from the existing business and the new business of BLG Sports & Fashion Logistics GmbH attributable to the seller. A mark-down was recognized for individual components of the contingent consideration in order to take account of the risk of non-fulfillment. The valuation was conducted using discount rates of 6.09 to 6.25 per cent with matching terms.

A significant increase (decrease) of the annual earnings or the earnings before taxes from existing business and the new business of BLG Sports & Fashion Logistics GmbH would result in a higher (lower) fair value of the liabilities from contingent considerations, while a significant increase (decrease) in the discount rates would lead to a lower (higher) fair value of the liabilities.

Carrying amounts of financial instruments classified by balance sheet item, classes and categories TEUR	Carrying amounts							Fair values	
12/31/2015	Loans and receivables	Financial liabilities at acquisition cost	Available for sale	Categorized as fair value in the income statement	Held for trading	Fair value - Hedging	Total carrying amount	Fair value level	Fair value
ASSETS									
Financial assets measured at fair value									
current									
Hedged derivative	--	--	--	--	--	--	--	2	--
Unhedged derivative	--	--	--	--	--	--	--	2	--
	0	**0**	**0**	**0**	**0**	**0**	**0**		
Financial assets not measured at fair value									
non-current									
Interests in associates and Other investments	--	--	483	--	--	--	483		n.r.m.
Other financial assets	--	--	3	--	--	--	3		n.r.m.
Other non-current financial receivables	6,325	--	--	--	--	--	6,325	2	6,325
Miscellaneous other non-current assets	20	--	--	--	--	--	20	2	20
current									
Trade receivables	181,959	--	--	--	--	--	181,959		n.i.
Current financial receivables	43,305	--	--	--	--	--	43,305		n.i.
Miscellaneous other current assets	1,783	--	--	--	--	--	1,783		n.i.
Cash and cash equivalents	15,935	--	--	--	--	--	15,935		n.i.
	249,327	**0**	**486**	**0**	**0**	**0**	**249,813**		

n.r.m. = not reliably measurable n.i. = no information

Carrying amounts of financial instruments classified by balance sheet item, classes and categories TEUR	Carrying amounts							Fair values	
12/31/2015	Loans and receivables	Financial liabilities at acquisition cost	Available for sale	Categorized as fair value in the income statement	Held for trading	Fair value - Hedging	Total carrying amount	Fair value level	Fair value
LIABILITIES									
Financial liabilities measured at fair value									
non-current									
Contingent considerations	--	--	--	7,286	--	--	7,286	3	7,286
current									
Hedged derivative	--	--	--	--	--	2,522	2,522	2	2,522
Unhedged derivative	--	--	--	--	--	--	--	2	--
Contingent considerations at fair values				1,779			1,779	3	1,779
	0	**0**	**0**	**9,065**	**0**	**2,522**	**11,587**		
Financial liabilities not measured at fair value									
non-current									
Long-term loans	--	191,651	--	--	--	--	191,651	2	193,932
Finance lease liabilities	--	1,327	--	--	--	--	1,327	2	1,418
Other non-current financial liabilities	--	21,117	--	--	--	--	21,117	2	21,117
Miscellaneous other non-current liabilities	--	142	--	--	--	--	142	2	142
current									
Trade payables	--	77,118	--	--	--	--	77,118		n.i.
Current financial liabilities to banks	--	51,389	--	--	--	--	51,389	2	51,466
Finance lease liabilities	--	1,199	--	--	--	--	1,199	2	1,239
Other current financial liabilities	--	43,288	--	--	--	--	43,288		n.i.
Other current liabilities	--	11,645	--	--	--	--	11,645		n.i.
	0	**398,876**	**0**	**0**	**0**	**0**	**398,876**		

n.r.m. = not reliably measurable n.i. = no information

Carrying amounts of financial instruments classified by balance sheet item, classes and categories TEUR	Carrying amounts							Fair values	
12/31/2014	Loans and receivables	Financial liabilities at acquisition cost	Available for sale	Categorized as fair value in the income statement	Held for trading	Fair value - Hedging	Total carrying amount	Fair value level	Fair value
ASSETS									
Financial assets measured at fair value									
Hedged derivative	--	--	--	--	--	--	--	2	--
Unhedged derivative	--	--	--	--	--	--	--	2	--
	0	**0**	**0**	**0**	**0**	**0**	**0**		
Financial assets not measured at fair value									
non-current									
Interests in associates and Other investments	--	--	4,058	--	--	--	4,058		n.r.m.
Other financial assets	--	--	3	--	--	--	3		n.r.m.
Other non-current financial receivables	6,265	--	--	--	--	--	6,265	2	6.265
Miscellaneous other non-current assets	5	--	--	--	--	--	5	2	5
current									
Trade receivables	170,909	--	--	--	--	--	170,909		n.i.
Current financial receivables	48,462	--	--	--	--	--	48,462		n.i.
Miscellaneous other current assets	3,241	--	--	--	--	--	3,241		n.i.
Cash and cash equivalents	11,724	--	--	--	--	--	11,724		n.i.
	240,606	**0**	**4,061**	**0**	**0**	**0**	**244,667**		

n.r.m. = not reliably measurable n.i. = no information

Carrying amounts of financial instruments classified by balance sheet item, classes and categories TEUR	**Carrying amounts**							**Fair values**	
12/31/2014	Loans and receivables	Financial liabilities at acquisition cost	Available for sale	Categorized as fair value in the income statement	Held for trading	Fair value - Hedging	Total carrying amount	Fair value level	Fair value
LIABILITIES									
Financial liabilities measured at fair value									
current									
Hedged derivative	--	--	--	--	--	3,240	3,240	2	3,240
Unhedged derivative	--	--	--	--	52	--	--	2	52
	0	**0**	**0**	**0**	**52**	**3,240**	**3,240**		
Financial liabilities not measured at fair value									
non-current									
Long-term loans	--	150,120	--	--	--	--	150,120	2	153,508
Finance lease liabilities	--	1,020	--	--	--	--	1,020	2	1,000
Other non-current financial liabilities	--	13,009	--	--	--	--	13,009	2	13,009
Miscellaneous other non-current liabilities	--	12	--	--	--	--	12	2	12
current									
Trade payables	--	78,981	--	--	--	--	78,981		n.i.
Current financial liabilities to banks	--	68,277	--	--	--	--	68,277	2	68,277
Finance lease liabilities	--	252	--	--	--	--	252	2	263
Other current financial liabilities	--	42,656	--	--	--	--	42,656		n.i.
Other current liabilities	--	9,006	--	--	--	--	9,006		n.i.
	0	**363,333**	**0**	**0**	**0**	**0**	**363,333**		

n.r.m. = not reliably measurable n.i. = no information

The following table shows the reconciliation of liabilities from contingent considerations at fair value.

TEUR	2015
As of January 1	--
Contingent considerations from business combinations	8,489
Unrealized, recognized as interest income Change in fair value	171
Unrealized, recognized in income in other neutral Expenses for recognized changes in fair value	405
As of December 31	**9,065**

The increase in the fair value of liabilities from contingent considerations is mainly due to the increase in net income of BLG Sports & Fashion Logistics GmbH that was more favorable than planned.

For the fair value of contingent considerations a reasonably possible change in any of the major input factors not based on observable market data, while retaining the other input factors, would have had the following effect on pre-tax earnings.

TEUR	12/31/2015	
	higher	lower
Net income 2015 - 2019 (10% change)	882	-882
Total budgeted EBT existing business in the reporting period (10% change)	82	-1,095
Total budgeted EBT new business in the reporting period (10% change)	0	0
Discount rates of similar maturities (1% change)	-183	190

For further details on the covenants please see our comments in note number 4.

Movements between the different levels of the fair value hierarchy are recognized at the end of the reporting period in which they occur. In the reporting year, no movements occurred.

Net result by measurement category

The following net results are attributable to the measurement categories of the financial instruments:

2015 TEUR		Subsequent measurement			
	interest	Fair value	Impairment	Disposals	Net
Loans and receivables (lar)	1,320	0	-2,151	-229	-1,060
Available-for-sale financial assets (afs)	0	0	0	401	401
Financial instruments held for trading (hft)	-29	52	0	0	23
Hedging instruments	-811	0	0	0	-811
Financial liabilities at amortized cost (flac)	-6,032	0	0	0	-6,203
Financial liabilities at fair value through profit and loss (flpl)	-171	-405	0	0	-576
Total	**-5,723**	**-353**	**-2,151**	**172**	**-7,650**

2014 TEUR		Subsequent measurement			
	interest	Fair value	Impairment	Disposals	Net
Loans and receivables (lar)	1.216	0	-2.083	-1.142	-2.009
Available-for-sale financial assets (afs)	0	0	0	0	0
Financial instruments held for trading (hft)	-58	61	0	0	3
Hedging instruments	-1.071	0	0	0	-1.071
Financial liabilities at amortized cost (flac)	-7.392	0	0	0	-7.392
Financial liabilities at fair value through profit and loss (flpl)	0	0	0	0	0
Total	**-7.305**	**61**	**-2.083**	**-1.142**	**-10.469**

Foreign currency risk
With very few exceptions, the Group companies operate in the euro zone and invoice only in euros. In this respect, currency risks may only arise in individual cases, for example, from foreign income or the purchase of goods and services abroad.

As of December 31, 2015 and December 31, 2014 there were no significant currency risks in the Group.

Capital risk management
An important capital management goal for the BLG Group is to ensure the continued operations of the company in order to continue to provide earnings to shareholders and to provide other stakeholders with the services to which they are entitled. A further goal is to maintain an optimal capital structure in order to reduce the costs of capital.

The BLG Group monitors its capital using the equity ratio and the debt ratio, calculated as net debt to EBITDA. These two indicators form part of the criteria negotiated with the financing banks for the BLG Group's covenants. The calculation of these indicators normally requires information that does not form part of these group financial statements.

In 2015 the Group's strategy continued to be to secure access to external funds at acceptable costs by complying with the covenants agreed with the banks.

Liquidity risk
Liquidity risks may arise from payment bottlenecks and the resulting higher financing costs. The Group's liquidity is ensured by central cash management at the level of BLG KG. All significant subsidiaries are included in cash management. Due to the control of capital expenditure and credit management, which is also performed centrally, financial resources (loans/leases) can be provided in good time to meet all payment requirements.

The Group's liquidity needs are covered by liquid funds and committed credit lines. As of December 31, 2015, the Group had unused current account credit lines of about of EUR 61 million (previous year: EUR 37 million).

The following tables show the contractually arranged (undiscounted) interest payments and principal repayments of non-current financial liabilities and derivative financial instruments (interest rate swaps).

12/31/2015 **TEUR**		**Cash flows**		
		non-current Loans Banks	Liabilities	Interest rate swaps
Cash flows 2016	Fixed interest rate	2,493	106	521
	Floating interest rate	1,221	0	-33
	Repayment	19,139	1,199	0
Cash flows 2017	Fixed interest rate	2,036	69	491
	Floating interest rate	1,128	0	-31
	Repayment	25,953	498	0
Cash flows 2018 - 2020	Fixed interest rate	3,963	94	1,303
	Floating interest rate	2,069	0	-84
	Repayment	90,984	825	0
Cash flows 2021 - 2025	Fixed interest rate	1,682	0	232
	Floating interest rate	598	0	-15
	Repayment	74,714	4	0
Cash flows 2026 ff.	Fixed interest rate	0	0	0
	Floating interest rate	0	0	0
	Repayment	0	0	0
Total		**225,980**	**2,795**	**2,384**
Carrying amount (derivatives offset)		**210,790**	**2,526**	**-2,522**

12/31/2014 **TEUR**		**Cashflows**		
		non-current Loans Banks	Liabilities	Interest rate swaps
Cashflows 2015	Fixed interest rate	1,848	83	837
	Floating interest rate	1,325	0	-57
	Repayment	19,846	252	0
Cashflows 2016	Fixed interest rate	1,594	64	521
	Floating interest rate	1,225	0	-16
	Repayment	19,115	264	0
Cashflows 2017 - 2019	Fixed interest rate	2,971	134	1,388
	Floating interest rate	2,427	0	-31
	Repayment	87,526	756	0
Cashflows 2020 - 2024	Fixed interest rate	784	0	639
	Floating interest rate	676	0	-13
	Repayment	43,479	0	0
Cashflows 2025 ff.	Fixed interest rate	0	0	0
	Floating interest rate	0	0	0
	Repayment	0	0	0
Total		**182,816**	**1,553**	**3,268**
Carrying amount (derivatives offset)		**169,966**	**1,272**	**-3,292**

All non-current financial instruments held at the balance sheet date and for which payments have been contractually arranged are included here. Budget figures for future new liabilities are not included, current liabilities with maturities of up to one year are disclosed in the notes to the individual balance sheet items.

The variable interest payments from financial instruments were calculated using the last interest rate fixed before the balance sheet date. If the fixed interest expires before the term of the loan, the market interest rate on the balance sheet date for loans of similar maturities is used for the remaining term.

Loan liabilities to banks are guaranteed via two covenants, based on two financial indicators usually used by banks: the equity ratio and net debt. The financial metrics are reviewed semi-annually at the end of the reporting period on the basis of the respective consolidated financial statements or interim consolidated report.

If the covenants agreed upon are not complied with, the conditions call for interest rate hikes in two increments of 0.5 per cent each; thereafter, there is a right of termination.

In the 2015 financial year, the limit of the agreed net debt ratio was not complied with. As a result, an interest charge of 0.5 per cent may be incurred on the portion of long-term financial loans and the promissory note for the next interest rate period. For the 2016 financial year, this may result in an increase of 0.5 per cent in the original margin, with an impact ranging from EUR 60,000 to EUR 400,000. An effect ranging from EUR 0.0 to EUR 2,000,000 is expected for the 2017 financial year. The increased margin can be reduced in part if the indicators are complied with at the next audit. For further details on the covenants please see our comments in note number 29.

Interest rate risk

The interest rate risk to which the BLG Group is exposed arises primarily from long-term loans and other non-current financial liabilities.

Interest rate risks are managed with a combination of fixed-interest and variable-interest loan capital. The vast majority of bank debt is non-current loans, or there are fixed interest arrangements until the end of the financing term, either originally, under the loan agreements, or via interest rate swaps, which are concluded as part of micro hedges for individual floating interest rate loans.

Interest rate risks are disclosed via sensitivity analyses in accordance with IFRS 7. These show the effects of changes in the market interest rate on interest payments, interest income and expenses, other income items and on equity. The interest rate sensitivity analyses are based on the following assumptions.

With regard to original fixed-interest financial instruments, market interest rate changes only affect the result if these financial instruments are held at fair value. All fixed-interest financial instruments held at amortized cost are not subject to interest rate risks within the meaning of IFRS 7. This applies to all fixed-interest loan liabilities of the BLG Group, including finance lease payables.

In hedging interest rate risks in the form of cash flow hedges, designated interest rate swaps are nearly completely offset by changes in cash flows resulting from market interest rates changes and earnings from the underlying hedged financial instruments and interest rate swaps, with the result that no interest rate risk arises. The measurement of the hedging instruments at fair value directly in equity affects the hedge reserve in equity and is therefore included in the equity-based sensitivity calculation.

Market interest rate changes on original variable-interest financial instruments whose interest payments are not created initially within cash flow hedges against the risks of interest rate changes have an effect on interest income and are thus included in the calculation of income-related sensitivities.

The same applies to interest payments on interest rate swaps, which are, exceptionally, not part of a hedging relationship in accordance with IAS 39. In the case of these interest rate swaps, market interest rate changes also have an effect on the fair value and thus affect the result of the valuation from adjustments to the fair value of the financial assets or financial liabilities and are included in the income-related sensitivity calculation.

If the market interest rate at each balance sheet date had been 100 basis points higher (lower), it would have had the following effects on pre-tax profits and equity (before deferred taxes):

TEUR	**12/31/2015**		12/31/2014	
	higher	lower	higher	lower
Effect on profit	-2,512	2,512	-2,850	2,850
Effect on equity (excluding effect on profits)	1,114	-1,129	1,364	-1,401

Fixed interest financial instruments

Fixed interest rates have been agreed for the following loans and other financial instruments. The Group is thus exposed to interest rate risk for the fair value.

12/31/2015 **TEUR**	**Residual maturities**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Non-current loans from banks	8,153	63,025	40,914	112,092
Interest rate swaps	2,000	8,000	15,000	25,000
Finance lease liabilities	1,199	1,323	4	2,526
Total	**11,352**	**72,348**	**55,918**	**139,618**

12/31/2014 **TEUR**	**Residual maturities**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Non-current loans from banks	5,526	44,629	17,529	67,684
Interest rate swaps	15,441	8,000	17,000	40,441
Finance lease liabilities	252	1,020	0	1,272
Total	**21,219**	**53,649**	**34,529**	**109,397**

The fixed interest rate for fixed-interest liabilities to banks, which stood at EUR 4,231,000 on the balance sheet date (previous year: EUR 5,000,000), expires before the end of maturity. The remaining value of these loans when the fixed interest term expires is as follows:

12/31/2015 **TEUR**	**Remaining term after fixed interest expires**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Non-current loans from banks	385	3,076	385	3,846
Total	**385**	**3,076**	**385**	**3,846**

31.12.2014 **TEUR**	**Remaining term after fixed interest expires**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Non-current loans from banks	0	2,692	1,154	3,846
Total	**0**	**2,692**	**1,154**	**3,846**

Floating rate financial instruments

Floating interest rates have been agreed for the following financial instruments. The Group is thus exposed to interest rate risk for the cash flows. The corresponding interest rate swaps are presented with a negative sign, as the interest rate risk offsets the interest rate risk from the loans taken out.

Derivative financial instruments

To reduce the interest rate risk of existing bank liabilities, interest rate swaps with a notional amount of EUR 25,000,000 (previous year: EUR 40,441,000) existed as at the balance sheet date; these make a long-term interest rate hedge possible at the relatively low level of interest rates that prevailed at the time the swaps were concluded.

12/31/2015 TEUR	**Residual maturities**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Non-current loans from banks	10,986	53,912	33,800	98,698
Interest rate swaps	-2,000	-8,000	-5,000	-15,000
Total	**8,986**	**45,912**	**28,800**	**83,698**

12/31/2014 **TEUR**	**Residual maturities**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Non-current loans from banks	14,320	62,012	25,950	102,282
Interest rate swaps	-15,441	-8,000	-7,000	-30,441
Total	**-1,121**	**54,012**	**18,950**	**71,841**

Furthermore, there is an interest rate swap for a nominal amount of EUR 10,000,000 for a call money line.

The Group's other financial instruments, which are not included in the above tables, are not subject to significant interest rate risk.

The interest rate swaps involve the exchange of floating interest payments for fixed-rate payments. The Group is payer of the fixed amounts and recipient of the floating amounts. In accordance with the risk management strategy, the swaps were entered into solely for hedging purposes.

The main condition of the interest rate swaps are as follows:

Nominal amount (reference figure) 12/31/2015 TEUR	**Underlying transaction**	**Variable Interest rate**	**Fixed interest rate**	**Maturity to**	**Fair value 12/31/2015 TEUR**
15,000	Loans	3/6M EURIBOR	1.32 - 1.55%	2023	-674
10,000	Call money lines	EONIA	3.085%	2021	-1,651
25,000					**-2,325**

Nominal amount (reference figure) 12/31/2014 **TEUR**	**Underlying transaction**	**Variable Interest rate**	**Fixed interest rate**	**Maturity to**	**Fair value 12/31/2014 TEUR**
30,441	Loans	3/6M EURIBOR	1.32 - 4.27%	2023	-1,362
10,000	Call money lines	EONIA	3.085%	2021	-1,930
40,441					**-3,292**

The nominal amounts represent the gross volume of all purchases and sales. This figure serves as a benchmark for determining mutually agreed payments, but is not receivable or liability that can appear on the balance sheet.

It is measured at fair value on the statement of financial position. To determine the fair value of a swap, the expected cash flows are discounted on both sides of the swap based on the current yield curve. The difference between the two amounts is the net fair value of the swap. This market valuation of financial derivatives is the price at which one party would assume the existing contractual rights and obligations of the other party. The fair values were determined based on market conditions existing at the balance sheet date.

In addition, commodity swaps on diesel oil were concluded in the financial year to hedge future diesel purchases against rising diesel prices. They have a term until July 2016. On December 31, 2015, the fair value of the hedging transactions was EUR -197,000. The commodity swaps meet the criteria for cash flow hedges.

The effectiveness of the hedging relationship between the interest rate swaps and hedged items is measured prospectively by the critical terms match method in accordance with IAS 39.AG108. The effectiveness is reviewed retrospectively at each balance sheet date using an effectiveness test according to the hypothetical derivative method.

Of the interest rate swaps existing as of December 31, 2015, interest rate swaps with a nominal value of EUR 25,000,000 (previous year: EUR 40,441,000) fulfil the criteria for cash flow hedges. The changes in the fair value of the effective portion of cash flow hedges were recognized directly in equity, taking into account deferred taxes (EUR 539,000, previous year: EUR -1,794,000).

The changes in the fair value of the ineffective portion of cash flow hedges were recognized in income, taking into account deferred taxes (EUR +52,000, previous year: EUR +61,000).

Since the reference amounts are reduced with the repayment of the underlying loans in parallel with the loan proceeds, no gains or losses take place as long as the financial instruments are not sold. No sale is planned.

The fair value of the interest rate and commodity swaps are recognized under current financial liabilities (EUR 2,522,000, previous year: EUR 3,292,000).

The remaining maturities of the interest rate swaps are as follows:

12/31/2015 **Nominal amounts** **TEUR**	**Residual maturities**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
for outstanding loans	2,000	8,000	5,000	15,000
for call money lines	0	0	10,000	10,000
Total	**2,000**	**8,000**	**15,000**	**25,000**

12/31/2014 Nominal amounts **TEUR**	**Residual maturities**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
for outstanding loans	15,441	8,000	7,000	30,441
for call money lines	0	0	10,000	10,000
Total	**15,441**	**8,000**	**17,000**	**40,441**

40. Contingent liabilities

The existing contingencies in the BLG Group in favor of investees are presented in the following.

TEUR	12/31/2015	12/31/2014
Overall share of contingent liabilities		
of joint ventures	515	448
of associates*	2.000	2.000
of non-consolidated companies	0	400
Total	**2,515**	**2,848**

Contingent liabilities are stated at their nominal amounts. Maximum guarantees are recognized at their maximum amount. Based on the relationships at the balance sheet date, the actual existence of contingent liabilities on the basis of the underlying liabilities amounted to a total of EUR 2,173,000 (previous year*: EUR 2,460,000).

The above-mentioned contingent liabilities relate mainly to the collateralization of credit lines. In addition, in a letter of comfort a Group company has undertaken to equip two associate companies with sufficient financial resources to ensure the continuity of business operations.

Taking into account the knowledge gained up to the time this document was prepared, it can currently be assumed that all obligations underlying the contingent liabilities can be met by the respective principal debtors. The risk of a claim is considered low.

* In accordance with IAS 8.42 a change was made to the previous year's figure.

41. Other financial liabilities

TEUR	12/31/2015	12/31/2014
Purchase commitments	14,068	30,094
Minimum lease payments under operating leases	174,654	185,432
Minimum payment obligations under rental agreements for land, buildings and wharfs	637,764	640,294
Total	**826,486**	**855,820**

Other financial obligations are stated at their nominal amounts.

The purchase commitments result from contracts entered into for the purchase of property, plant and equipment. Most of the net obligations arising from the purchase commitments are due within the next two years.

Operating leases relate in particular to industrial trucks, conveyor systems, HGVs, tractor trucks and railroad cars and mainly have maturities of between three and ten years. Obligations from operating leases are broken down by due dates as follows:

TEUR	12/31/2015	12/31/2014
Due up to one year after the balance sheet date	32,648	30,597
Due in between one and 5 years	93,649	94,581
Due in more than 5 years	48,357	60,254
Total	**174,654**	**185,432**

The shorter contractual terms compared to the industry-standard useful life allows greater flexibility than purchasing with respect to the development of order volume and as regards more rapid adaptation to technical progress. The leases also serve to reduce capital commitments and result in a medium-term improvement in the liquidity situation.

The minimum payment obligations under leases for **land, buildings and wharfs** also represent operating leases pursuant to IAS 17, but are shown separately due to their great importance to the Group. They relate mainly to heritable building rights in the ports of Bremen and Bremerhaven and have terms of up to 33 years. The Group thus secures long-term usage rights to the land required for operations. The obligations are broken down by maturity as follows:

TEUR	12/31/2015	12/31/2014
Due up to one year after the balance sheet date	43,245	40,595
Due in between one and 5 years	125,450	115,675
Due in more than 5 years	469,069	484,024
Total	**637,764**	**640,294**

Claims arising from operating leases - Group as lessor

Obligations under operating leases are offset by the following payment claims from **leases as a sub-lessor** of land, buildings, wharfs and operating equipment:

TEUR	12/31/2015	12/31/2014
Due up to one year after the balance sheet date	7,753	7,615
Due in between one and 5 years	31,281	30,462
Due in more than 5 years	247,975	251,993
Total	**287,009**	**290,070**

The terms of these sub-leases substantially correspond with those of the main leases.

In the reporting year, payments totaling EUR 91,208,000 (previous year: EUR 89,073,000) from leases and EUR 8,773,000 (previous year: EUR 7,045,000) from subleases were recognized in profit or loss.

42. Disclosures of voting rights

In accordance with Section 160 (1) no. 8 of the Stock Corporation Act (AktG), disclosures have to be made regarding the existence of shareholdings that have been communicated to the company according to Section 21 (1) or (1a) of the Securities Trading Act (WpHG).

A disclosure requirement applies in accordance with the Securities Trading Act (WpHG) if certain shares in voting rights of the company are reached, exceeded or not reached as a result of acquisition, sale or otherwise. The disclosure shall be made both to the company and to the Federal Supervisory Office for Securities Trading. The lowest threshold for the disclosure requirement is three per cent of the voting rights.

The following table shows all disclosures of shareholders who have informed us of the amount of their share of voting rights in accordance with Section 41 (2) 1 of the Securities Trading Act (WpHG):

Shareholder	Disclosure according to Section 41 (2) sent. 1 WpHG as of	Voting rights in %	
		direct	indirect
1. Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -, Bremen	04/02/2002	12,61	
2. Norddeutsche Landesbank Girozentrale, Hannover	04/02/2002		More than 1.
3. Finanzholding der Sparkasse in Bremen, Bremen	04/08/2002	12,61	
4. Free Hanseatic City of Bremen (municipality)	04/09/2002	50,42	
5. Waldemar Koch Foundation, Bremen	10/19/2015	3,99	

43. Related party disclosures

Identification of related parties

According to IAS 24, relationships with related parties that control the BLG Group or are controlled by it or on which the BLG Group can exercise significant influence must be disclosed.

Related parties represent in particular majority shareholders, subsidiaries, provided that they are not already included as consolidated companies in the group financial statements, joint ventures, associates or intermediary companies.

In addition, the Board of Management and the Supervisory Board of BLG AG and level 1 executives also represent related parties as defined in IAS 24; these also include family members of the aforementioned groups. A list of the composition of the Management Board and the Supervisory Board as well as further information about these groups is provided in note number 44. There were no reportable transactions between members of the Management Board, the Supervisory Board, Level 1 executives and their family members and the BLG Group during the 2015 financial year.

Material transactions with shareholders: relationships with the Free Hanseatic City of Bremen (municipality)

The Free Hanseatic City of Bremen (municipality) is the majority shareholder of BLG AG, with a 50.4 per cent share of the subscribed capital. In accordance with Article 148 of the Constitution of the Free Hanseatic City of Bremen, the Bremen Senate is both the state government and statutory body of the municipality of Bremen. Due to the fact that the statutory bodies of the Free Hanseatic City of Bremen (municipality) and the Free Hanseatic City of Bremen (state) are identical, this body is consequently considered a related party or ultimate controlling party within the meaning of IAS 24. The Free Hanseatic City of Bremen (municipality) has provided BLG KG with leasehold rights with a remaining term of up to 33 years for the land used by the company and its subsidiaries. The BLG Group paid a total EUR 14.9 million (previous year: EUR 13.6 million) in ground rent in 2015.

Transactions with affiliates of the Free Hanseatic City of Bremen (municipality) and (state)
Individual companies of the BLG Group maintain ongoing business relationships with affiliated companies of the Free Hanseatic City of Bremen (municipality).

BLG has taken out various loans from the Bremer Landesbank Kreditanstalt Oldenburg-Girozentrale. The loan liabilities amounted to EUR 48,579,000 as of December 31, 2015. In the reporting year loan liabilities in the amount of EUR 17,357,000 were paid and included a new loan of EUR 20,400,000 was taken out. Current accounts are maintained for ongoing business. As at the reporting date, bank overdrafts amounted to EUR 12,351,000. In addition, three interest rate swaps to hedge interest rate risk were concluded for floating-rate liabilities, of which one interest rate swap expired in the reporting year. All transactions are conducted at arm's length conditions.

BLG KG took out several loans from BLG Unterstützungskasse GmbH, Bremen. The loan liabilities amounted to EUR 25,600,000 as of December 31, 2015. In the reporting year, no loan liabilities were repaid and no new loan liabilities were taken out. In addition, BLG Unterstützungskasse GmbH has been included in the central cash management of BLG KG since September 1, 2012. Unchanged standard market conditions apply to the interest rates on the funds made available. At the balance sheet date, liabilities from cash management were EUR 931,000.

Relationships with unconsolidated subsidiaries, joint ventures and associates
Transactions by the Group companies with joint ventures, associates and unconsolidated companies all arose in the ordinary course of business. The extent of the business relationships of the joint ventures and associates is shown in the following overview:

Balance as of December 31, 2015

TEUR	Income	Expenditure	Receivables	Liabilities
Affiliates	14	26	0	302
Joint ventures	58,069	18,825	45,459	923
Associates	1,169	2,121	966	415

Balance as of December 31, 2014

TEUR	Income	Expenditure	Receivables	Liabilities
Affiliates	13	26	0	302
Joint ventures	59,518	21,309	47,361	229
Associates	3,514	3,881	3,730	434

44. Information on the Supervisory Board and the Board of Management

The disclosures concerning the Supervisory Board and the Board of Management have been examined by the auditor of the group financial statements. In order to avoid duplication they are reported at another position in the Annual Report: The composition of Board of Management and Supervisory Board as well as memberships of the Executive Board and the Supervisory Board in other bodies within the meaning of section 125 paragraph 1 sentence 5 German Stock Corporation Act can be seen on page 160 and page 158 et seqq.

Transactions with the Board of Management and the Supervisory Board

Transactions with the Board of Management and Supervisory Board were limited to services rendered in connection with positions within the committee and the contractual arrangements and the remuneration paid for these services.

For BLG AG as a listed stock corporation the interests of clarity and transparency in the sense are the information on the itemized remuneration and the description of the principles of the remuneration systems in the Corporate Governance Report whose remuneration report is at the same time part of the management and group management report are summarized on page 12 et seqq.

45. Exercise of exemption options by subsidiaries

The following subsidiaries that are included in the present consolidated financial statements by way of full consolidation, exercise the option of exemption from the disclosure requirements pursuant to Section 325 of the Commercial Code and the option of being exempted from the obligation to draw up an annual report pursuant to Section 264 (3) of the Commercial Code and Section 264b of the Commercial Code:

- BLG LOGISTICS GROUP AG & Co. KG, Bremen
- BLG AUTOMOBILE LOGISTICS GmbH & Co. KG, Bremen
- BLG Industrielogistik GmbH & Co. KG, Bremen
- BLG AutoRail GmbH, Bremen
- BLG AutoTec GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven
- BLG AutoTerminal Duisburg GmbH & Co. KG, Duisburg
- BLG AutoTerminal Hamburg GmbH & Co. KG, Hamburg
- BLG AutoTerminal Kelheim GmbH & Co. KG, Saal an der Donau
- BLG AutoTransport GmbH & Co. KG, Bremen
- BLG Cargo Logistics GmbH, Bremen
- BLG Coldstore Logistics GmbH, Bremerhaven
- BLG Handelslogistik GmbH & Co. KG, Bremen
- BLG Logistics Solutions GmbH & Co. KG, Bremen
- BLG RailTec GmbH, Uebigau-Wahrenbrück
- BLG Sports & Fashion Logistics GmbH, Hörsel
- E.H. Harms GmbH & Co. KG Automobile-Logistics, Bremen

46. Events after the balance sheet date

No events of special significance occurred after the conclusion of the reporting year.

47. Group auditor's fees

The fee of the group auditor pursuant to Section 314 (1), point 9 of the German Commercial Code (Handelsgesetzbuch) for the 2015 financial year is broken down as follows:

TEUR	2015
Audits	407
Other certifications	40
Other services	84
Total	**531**

48. Corporate Governance Code

The Management Board (on November 17, 2015) and the Supervisory Board BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– (on December 17, 2015) issued the 14th Declaration of Conformity with the German Corporate Governance Code as amended on May 5, 2015. The declaration has been made available to the shareholders on a permanent basis on the Internet at **www.blg-logistics.com/ir.**

Bremen, March 22, 2016

BREMER LAGERHAUS-GESELLSCHAFT
-Aktiengesellschaft von 1877-

THE BOARD OF MANAGEMENT

WE ARE COMMITTED TO PROVIDING MAXIMUM TRANSPARENCY. WE ARE IN CONTINUOUS DIALOGUE WITH OUR STAKEHOLDERS.

04

Further information

SUPERVISORY BOARD

Name	Town	Function / Profession
Dr. Stephan-Andreas Kaulvers	Bremen	**Chairman**
appointed on 06/21/06		Chairman of the Board of Management
		Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – , Bremen
Christine Behle	Berlin	**Deputy Chairwoman**
appointed on 05/23/13		Member of the Federal Board
		ver.di Vereinte Dienstleistungsgewerkschaft, Berlin
Karl-Heinz Dammann	Langen	Chairman of the Corporate Works Council of EUROGATE GmbH & Co KGaA, Bremen
appointed on 07/01/09		Chairman of the Works Council of EUROGATE Container Terminal
		Bremerhaven GmbH, Bremerhaven
Melf Grantz	Bremerhaven	Lord Mayor of the City of Bremerhaven, Bremerhaven
appointed on 03/01/11		
Martin Günthner	Bremerhaven	Senator for Economics, Labor and Ports, and
appointed since 05/01/10		Senator for Justice and Constitution of the Free Hanseatic City of Bremen, Bremen
Birgit Holtmann	Schwanewede	Head of Human Resources/Legal Affairs
appointed on 01/01/16		EUROGATE GmbH & Co. KGaA, KG, Bremen
Wolfgang Lemke	Geestland	Chairman of the Group Works Council
appointed on 06/30/03		BLG LOGISTICS GROUP AG & Co. KG, Bremen
Karoline Linnert	Bremen	Mayoress and Finance Senator of
appointed on 09/11/07		Free Hanseatic City of Bremen, Bremen
Dr. Klaus Meier	Bremen	Managing partner of wpd windmanager GmbH & Co. KG, Bremen
appointed on 05/31/12		Lawyer
Dr. Tim Nesemann	Bremen	Chairman of the Board of Management of Finanzholding der Sparkasse in Bremen
appointed on 04/01/11		Chairman of Sparkasse Bremen AG, Bremen
Dirk Reimers	Lehrte	Department Manager at ver.di Vereinte Dienstleistungsgewerkschaft
appointed on 02/01/11		District Niedersachsen-Bremen, Bremen
Gerrit Schützenmeister	Bremerhaven	Member of the Works Council
appointed on 06/05/08		BLG AutoTec GmbH & Co. KG, Bremerhaven
Dieter Schumacher	Bremen	Former Head of Human Resources
appointed on 03/28/07		BLG LOGISTICS GROUP AG & Co. KG, Bremen
bis 31.12.2015		
Dieter Strerath	Bremen	Chairman of the Works Council, Bremen
appointed on 03/01/11		BLG LOGISTICS GROUP AG & Co. KG, Bremen
Reiner Thau	Schenefeld	Chairman of the Works Council
appointed on 10/15/13		EUROGATE Container Terminal Hamburg GmbH, Hamburg
Dr. h. c. Klaus Wedemeier	Bremen	Retired Mayor of the Free Hanseatic City of Bremen, Bremen
appointed on 05/30/14		
Dr. Patrick Wendisch	Bremen	Managing Partner of Lampe & Schwartze KG, Bremen
appointed on 06/05/08		

[1] The information relates to memberships of statutory Supervisory Boards as well as membership of comparable domestic and foreign control bodies of commercial enterprises.

Committees				
Audit Committee	**Personnel Committee**	**Investment Committee**	**Committee established by Section 27(3) of the German Codetermination Act (MitbestG)**	**Mandate[1]**
	■ Chairman	■ Chairman	■ Chairman	EWE Aktiengesellschaft, Oldenburg
				EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
	■ deputy	■	■ deputy	Deutsche Lufthansa AG, stellv. AR-Vorsitzende
	Chairman		Chairman	Bochum-Gelsenkirchener-Straßenbahn AG, Bochum
■	■		■	EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven
				EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
	■		■	Klinikum Bremerhaven-Reinkenheide gGmbH, Bremerhaven
	■	■	■	Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale -, Bremen (until 10/06/2015)
				swb AG, Bremen
				Weser-Elbe-Sparkasse, Bremerhaven
				EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
■	■	■	■	no membership of other bodies
■		■		Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen
				EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
	■		■	Deutsche Windtechnik AG, Bremen, Vorsitzender
				wpd AG, Bremen, Vorsitzender
■				Freie Internationale Sparkasse S.A., Luxemburg, Vorsitzender
				GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen
				NRS Norddeutsche Retail-Services AG, Bremen und Hamburg (until 10/22/2015)
■				no membership of other bodies
				no membership of other bodies
				no membership of other bodies
	■	■	■	no membership of other bodies
				EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
				EUROGATE Container Terminal Hamburg GmbH, Hamburg
				keine Mitgliedschaft in anderen Gremien
■ Chairman				OAS Aktiengesellschaft, Bremen

MANAGEMENT BOARD

Name	Ort	Funktion / Ressorts	Mandate[1]
Frank Dreeke	Ganderkesee	Chairman	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
born 1959		Executive Staff	2. Deputy Chairman
appointed until 12/31/17		Board of Management Coordination	
		Corporate Strategy	
		Corporate Communications	
		Compliance	
		Transport Policy	
		Sustainability/New Technologies	
		CONTRACT Division (temporary, between 01/01/2016 and 06/30/2016)	
Jens Bieniek	Delmenhorst	Treasury	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen
born 1964		Controlling/Risk Management	
appointed until 05/31/21		Corporate Services	
		IT	
		Purchasing	
		Legal	
		International Corporate Finance/M&A	
Michael Blach	Bremen	AUTOMOBILE Division	no membership of other bodies
born 1964		Business segment: Sea Port Logistics[2]	
appointed until 05/31/21			
Hartmut Mekelburg	Bremen	Personnel[3]	no membership of other bodies
born 1952		Occupational Safety	
appointed until 12/31/15		Audit	
		Environmental	
Emanuel Schiffer	Bremerhaven	CONTAINER Division	EUROGATE Container Terminal Bremerhaven GmbH,
born 1951			Bremerhaven, Chairman
appointed until 12/31/18			EUROGATE Container Terminal Hamburg GmbH, Hamburg
			Chairman
			Lloyd Werft Bremerhaven AG, Bremerhaven until 11/23/2015)
Dieter Schumacher	Bremen	Personnel[3]	no membership of other bodies
born 1955		Occupational Safety	
appointed until 12/31/18		Audit	
		Environmental	
Andreas Wellbrock	Bremen	Geschäftsbereich CONTRACT	no membership of other bodies
born 1964			
until 12/31/2015			

[1] The information relates to memberships of statutory Supervisory Boards as well as membership of comparable domestic and foreign control bodies of commercial enterprises.

[2] The Sea Port Logistics segment was assigned to the Board Member responsible for the CONTRACT Division until November 15, 2015.

[3] Labor Relations Director.

ADVISORY BOARD

A body of renowned external experts advises BLG LOGISTICS in its strategic international development.

Name	Function / Organization
Prof. Dr.-Ing. Frank Straube	Chairman
	Managing Director/Head of Logistics Technical University of Berlin, Berlin
Jens Böhrnsen	Former Mayor
(until November 13, 2015)	Free Hanseatic City of Bremen, Bremen
Dr. Ottmar Gast	Management Board Spokesman
	Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft KG, Hamburg
Prof. Dr. Bernd Gottschalk	Management Board Spokesman
	AutoValue GmbH, Frankfurt
Hans-Jörg Hager	President
	Unternehmer-Colloquium Spedition (UCS), Stuttgart
Ewald Kaiser	Member of the Management Board
	Schenker AG, Essen
Dr. Stephan-Andreas Kaulvers	Chairman of the Board of Management of
	Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen
	Chairman of the Supervisory Board
	BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-
Andreas Kellermann	Head of the global production network for rear-wheel drive vehicles (S, E & C Class)
(since November 13, 2015)	Daimler AG, Bremen
Volker Lange	Former Senator
	President of the Verbandes der Internationalen Kraftfahrzeughersteller e.V.
	(Association of International Motor Vehicle Manufacturers), Bad Homburg
Dr. Karl May	Head of the Flexibility Management Program and the
	realignment of the planning and ordering process
	BMW AG, München
Dr. Karl-Friedrich Rausch	Former member of the Management Board for Transport and Logistics
(until November 13, 2015)	DB Mobility Logistics AG, München
Markus Schäfer	Divisional Director of Production and Purchasing, Mercedes-Benz Cars
(until May 1, 2015)	Daimler AG, Sindelfingen
Dr. Florian Schupp	Head of Automotive Purchasing and Aftermarket
	Schaeffler Gruppe, Herzogenaurach
Carsten Sieling	Mayor and President of the Senate
(since February 15, 2016)	Free Hanseatic City of Bremen, Bremen
Martin Weber	Managing Director
	DVV Media Group GmbH, Hamburg
Michael Westhagemann	CEO, Northern Region
	Siemens AG, Hamburg
Prof. Dr.-Ing. Katja Windt	President
	Jacobs University Bremen gGmbH, Bremen
Prof. Dr. Dr. h. c. Joachim Zentes	Director of the Institute for Trade and International Marketing
(until November 13, 2015)	Universität des Saarlandes, Saarbrücken
Thomas Zernechel	Head of Group Logistics
	Volkswagen AG, Wolfsburg

DECLARATION BY 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 Group financial statements present 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, March 22, 2016

THE BOARD OF MANAGEMENT

Frank Dreeke
Jens Bieniek
Michael Blach

Emanuel Schiffer
Dieter Schumacher

AUDITOR'S REPORT FOR THE GROUP FINANCIAL STATEMENTS

We have audited the Group Financial Statement prepared by BREMER LAGERHAUS-GESELLSCHAFT Aktiengesellschaft von 1877, Bremen, and BLG LOGISTICS GROUP AG & Co. KG, Bremen consisting of the Income Statement, Statement of Comprehensive Income, Balance Sheet, Group Statement of Changes in Equity, Cash Flow Statement and Notes to the Group Financial Statement as well as the Group Management Report for the financial year from January 1 to December 31, 2015. The legal representatives of the company assume responsibility for preparation of the Group Financial Statements 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 (3) of the German Commercial Code (HGB) in connection with Section 315a (1) HGB. Our function is to submit an evaluation of the Group Financial Statement and of the Group Management Report on the basis of the audit conducted by us.

We have conducted our audit of the Group 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 inaccuracies and violations that have a significant impact on the view of the net worth, financial position and results conveyed by the Group Financial Statements 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 Group Financial Statements 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 Group Financial Statements, of the definition of the entities to be group, of the accounting and consolidation principles applied and of the major assessments of the legal representatives as well as an appraisal of the overall presentation of the Group Financial Statements and the Group 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 Group Financial Statements conform to 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 (3) of the German Commercial Code (HGB) in connection with Section 315a (1) HGB, on the basis of the findings gained through the audit and presents a true and fair view of the net worth, financial position and results of the Group in compliance with these provisions. The Group Management Report is in accordance with the Group Financial Statements, conveys overall an accurate view of the situation of the Group and presents the opportunities and risks of future development accurately.

Bremen, March 24, 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Ludwig	Hantke
Auditor	Auditor

CONTRACTUAL CONDITIONS, LIABILITY AND CONDITIONS OF USE

We, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, conducted our audit of the consolidated accounts on behalf of the Company. In addition to the legal disclosure requirement (Section 325 HGB) for statutory audits, the auditor's report is intended exclusively for the Company and was issued for its internal use, and is not required to serve the purposes of third parties or to be used as the basis for decisions. The results of the voluntary audits summarized in the auditor's report is thus not intended to serve as the basis for the decisions of third parties, nor to be used other than for the intended purposes.

Our activity is based on the letter confirming our appointment as auditor of the present consolidated accounts, including the "General conditions of contract for auditors and auditing companies" published by the Institute of Auditors (IDW), as amended on January 1, 2002.

To clarify, we would point out that we assume no responsibility, liability or other obligations to third parties, unless we have concluded a separate written agreement with the third party or in the event such exclusion of liability is ineffective.

We expressly point out that we will not update the audit report with respect to events occurring or circumstances arising after the report has been published, unless there is a legal obligation to do so.

Recipients of the results of our activities summarized in the above auditor's report must decide on their own responsibility whether and in which form they consider these results useful and appropriate for their purposes and whether they will augment, verify or update these results by conducting their own research.

INVESTMENTS

Condensed list of the investment holdings of BLG LOGISTICS for the consolidated financial statements

Cons. no.	Name, registered office	Investment in %	held via cons. no.
1	BLG LOGISTICS GROUP AG & Co. KG, Bremen	0.00	
	Companies included on a fully consolidated basis		
2	BLG Coldstore Logistics GmbH, Bremerhaven	100.00	1
3	BLG Handelslogistik GmbH & Co. KG, Bremen	100.00	1
4	BLG Logistics (UK) Ltd., Felixstowe, UK	100.00	3
5	BLG Logistics Solutions Italia S.r.l., Milan, Italy	100.00	3
6	BLG Sports & Fashion Logistics GmbH, Hörsel	51.00	3
7	BLG Sports & Fashion Logistikzentrum Erfurt GmbH, Erfurt	51.00	6
8	BLG Industrielogistik GmbH & Co. KG, Bremen	100.00	1
9	BLG Automotive Logistics of South America Ltda., São Paulo, Brazil	100.00	8
10	BLG Logistics, Inc., Atlanta, USA	100.00	8
11	BLG Logistics of South Africa (Pty) Ltd, Port Elizabeth, South Africa	89.82	8
12	BLG Soluciones Logisticas Integradas España S.L.U., Vitoria, Spain	100.00	8
13	BLG Logistics Solutions GmbH & Co. KG, Bremen	100.00	1
14	BLG Cargo Logistics GmbH, Bremen	100.00	1
15	BLG AUTOMOBILE LOGISTICS GmbH & Co. KG, Bremen	100.00	1
16	BLG AutoRail GmbH, Bremen	50.00	15
17	BLG RailTec GmbH, Uebigau-Wahrenbrück	50.00	16
18	BLG Automobile Logistics Russia LTD, Nicosia, Cyprus	100.00	15
19	BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia	100.00	18
20	Car Logistic JSC, Moscow, Russia	100.00	18
21	BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven	100.00	1
22	BLG Automobile Logistics Italia S.r.l., Gioia Tauro, Italy	98.97	21
23	BLG AutoTerminal Gioia Tauro S.p.A., Gioia Tauro, Italy (previously ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy)	98.97	22
24	BLG Automobile Logistics Süd-/Osteuropa GmbH, Bremen	100.00	21
25	BLG AutoTec GmbH & Co. KG, Bremerhaven	100.00	21
26	E.H. Harms GmbH & Co. KG Automobile-Logistics, Bremen	100.00	1
27	BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven	100.00	26
28	BLG AutoTerminal Hamburg GmbH & Co. KG, Hamburg	100.00	26
29	BLG AutoTerminal Kelheim GmbH & Co. KG, Saal an der Donau	100.00	26
30	BLG AutoTransport GmbH & Co. KG, Bremen	100.00	26
31	BLG AutoTerminal Duisburg GmbH & Co. KG, Duisburg	100.00	30
32	BLG AutoTerminal Gdansk Sp. z o.o., Gdansk, Poland	100.00	30
	Companies included on the basis of the equity method		
33	EUROGATE GmbH & Co. KGaA, KG, Bremen	50.00	1
34	ZLB Zentrallager Bremen GmbH & Co. KG, Bremen	33.33	1
35	dbh Logistics IT AG, Bremen	26.75	56
36	AutoLogistics International GmbH, Bremen	50.00	8
37	BLG MILS Logistics Sdn. Bhd., Kuala Lumpur, Malaysia	60.00[1]	8
38	BLG Parekh Logistics Pvt. Ltd., Mumbai, India	50.00	8
39	BMS Logistica Ltda., São Paulo, Brazil	50.00	9
40	NYK Logistics & BLL (NLB) of South Africa Pty. Ltd., Port Elizabeth, South Africa	44.01	11

[1] The share of voting rights is 40 per cent; non-voting preference shares are also held.

Cons. no.	Name, registered office	Investment in %	held via cons. no.
41	OLB Offshore Logistics Bremerhaven GmbH, Bremerhaven	42.50	13
42	BLG-ESF Warehouse GmbH, Bremen	50.00	14
43	DCP Dettmer Container Packing GmbH & Co. KG, Bremen	50.00	14
44	Hansa Marine Logistics GmbH, Bremen	100.00	14
45	ICC Independent Cargo Control GmbH, Bremen	50.00	14
46	Schultze Stevedoring GmbH & Co. KG, Bremen	50.00	14
47	BLG-Cinko Auto Logistics (Tianjin) Co., Ltd., Tianjin, People's Republic of China	50.00	15
48	BLG Logistics (Beijing) Co., Ltd., Beijing, People's Republic of China	100.00	15
49	Automobile Logistics Slovakia s.r.o., Bratislava, Slovakia	50.00	21
50	ATN Autoterminal Neuss GmbH & Co. KG, Neuss	50.00	26
51	Autoterminal Slask Logistic Sp. z o.o., Dabrowka Gornicza, Poland	50.00	26
52	BLG CarShipping Koper d.o.o., Koper, Slovenia	100.00	30
53	BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands	50.00	30
54	BLG LOGISTIKA ADRIATIC d.o.o., Ploče, Croatia	100.00	30
	Companies not included in the consolidated financial statements		
55	ZLB Zentrallager Bremen GmbH, Bremen	33.33	1
56	Interessengemeinschaft Datenbank Umschlagbetriebe GbR, Bremen	94.00	1
57	Ausbildungsverbund Bremerhaven gemeinnützige Gesellschaft mbH, Bremerhaven	33.40	1
58	Alexander von Humboldt II GmbH & Co. KG, Düsseldorf	7.20	1
59	Alexander von Humboldt II Verwaltung GmbH, Düsseldorf	7.20	1
60	EUROGATE Beteiligungsgesellschaft mbH, Bremen	50.00	1
61	EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen	50.00	1
62	BLG Handelslogistik Beteiligungs GmbH, Bremen	100.00	1
63	BLG Industrielogistik Beteiligungs-GmbH, Bremen	100.00	1
64	BLG Logistics Solutions Beteiligungs-GmbH, Bremen	100.00	1
65	Paul Günther S.r.l. Italia i. L., Genua, Italien	90.00	13
66	DCP Dettmer Container Packing GmbH, Bremen	50.00	43
67	Schultze Stevedoring Beteiligungs-GmbH, Bremen	50.00	14
68	BLG AUTOMOBILE LOGISTICS Beteiligungs-GmbH, Bremen	100.00	1
69	BLG AutoTerminal Bremerhaven Beteiligungs-GmbH, Bremerhaven	100.00	1
70	AUTOMOBILE LOGISTICS CZECH s.r.o. i. L., Nošovice, Tschechische Republik	50.00	21
71	BLG AutoTec Beteiligungs-GmbH, Bremerhaven	100.00	21
72	E.H. Harms Automobile-Logistics Beteiligungs-GmbH, Bremen	100.00	1
73	BLG AutoTerminal Duisburg Beteiligungs-GmbH, Duisburg	100.00	26
74	BLG AutoTerminal Hamburg Beteiligungs-GmbH, Bremen	100.00	26
75	BLG AutoTerminal Kelheim Beteiligungs-GmbH, Saal an der Donau	100.00	26
76	BLG AutoTransport Beteiligungs-GmbH, Bremen	100.00	26
77	BLG CarShipping Beteiligungs-GmbH, Bremen	100.00	26
78	BLG ViDi LOGISTICS TOW, Kiew, Ukraine	50.00	26
79	E.H. Harms Automobile Logistics Ukraine TOW, Kiew, Ukraine	50.00	26
80	ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss	50.00	50
81	BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven	100.00	30
82	Cuxcargo Hafenbetrieb Verwaltungs-GmbH, Cuxhaven	50.00	30
83	Cuxcargo Hafenbetrieb GmbH & Co. KG, Cuxhaven	50.00	30

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 group financial statements 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.

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 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.

DBO
Defined Benefit Obligation = benefit-oriented pension liability 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.

Leasehold
Right of the leaseholder to have a building on third-party land in return for payment of consideration (so-called ground rent).

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.

Functional currency
The currency in which a company carries out the majority of its business activities and reports its financial results to the parent company.

Hedging
A strategy of protection against interest rate, currency and price risks through derivative financial instruments (options, swaps, forward transactions, etc.).

Held for trading
Category of financial instruments in accordance with IFRS.

Held to maturity
Category of financial instruments in accordance with IFRS.

Hybrid loan
Loan allocated to equity, with above average interest, without a defined term and is the last of all liabilities served in the event of insolvency.

Hypothetical derivative method
Method of measuring the effectiveness of derivative financial instruments by comparing the change in market value of the derivative to that of a hypothetical derivative that perfectly hedges against the risk to be hedged against.

IAS
International Accounting Standards (see also IFRS).

IASB
International Accounting Standards Board: body which develops and publishes international accounting regulations.

IFRIC
International Financial Reporting Interpretations Committee: body which publishes interpretations regarding the IFRS 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 that can be applied by companies and organizations all over the world.

Impairment test
Test to determine change in value in accordance with IFRS.

Investment properties
Land, buildings and/or 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.

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.

Overdraft
Credit limit contractually pledged to a customer by the bank up to which the customer may overdraw beyond his credit balance.

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 conversion 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.

Projected unit credit method
Special method for measurement of pension and similar liabilities in accordance with IFRS.

Recoverable amount
Amount presumed to be achievable through use or sale of an asset.

ROCE
Return on capital employed. Key economic parameter for measuring the effectiveness and profitability of the capital employed by a company, calculated as a quotient of EBIT and total capital minus short-term, non-interest-bearing liabilities and liquid funds.

Sale and leaseback
Special form of leasing in which intangible or tangible assets are sold to a leasing company and at the same time leased back for further use.

Promissory note loan
Large long-term loan similar to a security.

Stage of completion method (SoC)
IFRS: Recognition of service orders according to their progress.

Profit retention
Retention of profits.

Full consolidation
Method for recognition of subsidiaries that are included in the group financial statements with all assets and liabilities.

Working capital
Difference between short-term assets and short-term liabilities. Used to evaluate the liquidity of the company.

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.

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.

Logistics glossary

Barge
Cargo vessel without an engine that is pushed by a motor vessel.

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.

GHBV
Gesamthafenbetriebsverein im Lande Bremen e.V./Gesamthafenbetriebs GmbH Hamburg: Special personnel provider for the transport and warehousing sector, particularly for port operation companies. Enterprises that employ GHB staff members pay contributions into the GHB guaranteed wage fund.

Hub port
Seaport with regional distribution function.

Intermodal chain of transport
Use of different means of transportation (air, water, rail, road) for a shipment.

Order picking
Putting together the articles requested according to a customer's order or an equipment order.

Finishing
Formation of units ready for sale.

Outsourcing
Assignment of logistics functions to external suppliers.

RFID transponder
Radio communication device that enables automatic identification and localization of objects (radio frequency identification), thus facilitating data acquisition.

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.

Self-Propelled Modular Transporter (SPMT)
Special vehicles for the transport of very large and massive loads or of project cargo on land.

TEU
Twenty-foot container equivalent unit. Standardized container unit with a length of 20 feet (1 foot = 30 cm).

FINANCIAL CALENDAR 2016

Financial calendar 2016

2016 Annual Shareholders' Meeting	May 24, 2016
Payment of the dividend for the 2015 financial year	May 25, 2016
Interim report January to June 2016	September 30, 2016

Forward-looking statements

This financial report contains forward-looking statements that are based on management's current estimates of future developments. Such statements are subject to risks and uncertainties that are beyond BLG AG's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the successful integration of acquired businesses, the achievement of expected synergies and the actions of government regulators. If one of these or other uncertain factors should occur or if the assumptions on which these statements are based prove incorrect the actual results could deviate significantly from the results explicitly stated or implicitly contained in these statements. BLG AG is neither obligated nor intends to update forward-looking statements in order to adapt them to events or developments after the date of this report.

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CONTACT

Investor Relations
Ina Oeing
Telephone: +49 421 398 3385
Fax: +49 421 398 3233

Keis Mourani
Telephone: +49 421 398 3756
Fax: +49 421 398 3233

E-Mail: ir@blg.de

Communications
Andreas Hoetzel
Telephone: +49 421 398 3475
Fax: +49 421 398 3404

To order the Annual Report, please contact:

Investor Relations
E-Mail: ir@blg.de
Internet: www.blg-logistics.com/ir
Fax: +49 421 398 3233

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Conception and coordination
Investor Relations
Ina Oeing
Keis Mourani

Communications
Andreas Hoetzel
Diana Storm

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