








WE DEVELOP VALUES

# At the right place at the right time

2014 Annual Report

BLG LOGISTICS

# Brief profile

BLG LOGISTICS is a seaport and logistics service provider with an international network. The experience gained in the course of a 138-year corporate history is one of our key strengths. Thanks to over 100 locations and branches in Europe, North and South America, Africa and Asia, we are present in all growth markets around the globe. We offer our customers in industry and commerce comprehensive logistics system services. Our AUTOMOBILE and CONTAINER Divisions are market leaders in Europe. Our CONTRACT Division numbers among the leading German logistics providers. Around 8,000 BLG employees assume responsibility every day for smooth logistics in handling high-quality products. That makes us an important interface for the performance and efficiency of our clients. Taking into account all holdings, BLG currently provides 16,000 jobs worldwide.

# Key figures for the BLG GROUP

| | | 2014 | 2013 (adjusted) | Change absolute | Change percentage |
|---|---|---|---|---|---|
| **Sales and earnings** | | | | | |
| Sales | EUR million | 882.8 | 854.5 | 28.3 | 3.3 |
| Return on sales[1, 4] | % | 4.2 | 4.6 | -0.4 | -8.7 |
| EBITDA | EUR million | 69.5 | 78.7 | -9.2 | -11.7 |
| EBIT[4] | EUR million | 37.4 | 39.0 | 1.6 | -4.1 |
| EBT | EUR million | 30.1 | 12.7 | 17.4 | 137.0 |
| **Asset and capital structure** | | | | | |
| Balance sheet total | EUR million | 675.3 | 696.7 | -21.4 | -3.1 |
| Investments in long-term intangible and tangible assets | EUR million | 297.2 | 304.7 | -7.5 | -2.5 |
| Capitalization ratio[1] | % | 44.0 | 43.7 | 0.3 | 0.7 |
| Equity-to-fixed-assets ratio (golden balance sheet rule)[1] | % | 98.7 | 98.3 | 0.4 | 0.4 |
| Working capital ratio[1] | % | 97.9 | 96.7 | 1.2 | 1.2 |
| **Equity** | EUR million | 202.6 | 241.6 | -39.0 | -16.1 |
| Equity ratio[1] | % | 30.0 | 34.7 | -4.7 | -13.5 |
| Return on equity[1] | % | 13.6 | 4.9 | 8.7 | 177.6 |
| Net indebtedness | EUR million | 260.6 | 282.3 | -21.7 | -7.7 |
| Return on total assets[1, 4] | % | 5.5 | 5.6 | -0.1 | -1.8 |
| **Cash flow[2]** | | | | | |
| Cash flow from current operating activities | EUR million | 34.5 | 5.4 | 29.1 | 538.9 |
| Cash flow from investment activities | EUR million | 10.1 | -3.4 | 13.5 | 397.1 |
| Cash flow from financing activities | EUR million | -51.4 | 12.0 | -63.4 | -528.3 |
| **Capital-market-oriented key figures** | | | | | |
| Dividend of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– | EUR | 0.40 | 0.40 | 0.00 | 0.00 |
| Dividend | % | 15 | 15 | 0 | 0 |
| **Human Resources** | | | | | |
| Employees[3] | Yearly average | 8,027 | 7,466 | 561 | 7.5 |
| Personnel cost ratio | % | 50.6 | 48.6 | 2.0 | 4.1 |
| Jobs worldwide | | 16,000 | 16,000 | 0 | 0.0 |

[1] For calculation of the key figures we refer to p. 66 ff. in the Management Report.
[2] The composition of the cash flows is shown in the cash flow statement on p. 110.
[3] Determination in accordance with Section 267 (5) HGB, including the employees from CONTAINER Division.
[4] In 2013, adjusted for the special effects resulting from reorganization of our commitment regarding the companies BLG ViDi LOGISTICS TOW, Kiev, Ukraine and E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine.

# Our divisions at a glance

## 1. AUTOMOBILE

The AUTOMOBILE Division encompasses complete worldwide logistics for finished vehicles from the manufacturer to the dealer. That includes cargo handling, warehousing, technical work as well as freight forwarding and transport logistics via rail, road and inland vessel.

| | | 2014 | 2013 (adjusted) | Change in % |
|---|---|---|---|---|
| Sales | EUR million | 448.4 | 434.7 | 3.1 |
| Return on sales[1] | % | 3.4 | 2.2 | 54.5 |
| EBT | EUR million | 9.7 | -12.4 | 178.2 |
| Employees | number | 2,431 | 2,262 | 7.5 |

[1] Based on adjusted EBIT 2013.

## 2. CONTRACT

The CONTRACT Division focuses on car parts, industrial, retail and seaport logistics as well as logistics services for the offshore wind industry. We have a high degree of software expertise and offer our clients customized service packages with global reach for diverse goods.

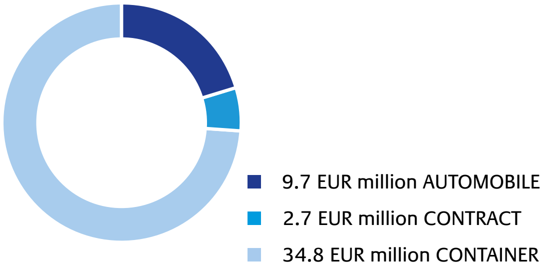
| | | 2014 | 2013 (adjusted) | Change in % |
|---|---|---|---|---|
| Sales | EUR million | 436.9 | 422.0 | 3.5 |
| Return on sales | % | 1.7 | 4.0 | -57.5 |
| EBT | EUR million | 2.7 | 13.0 | -79.2 |
| Employees | number | 3,771 | 3,348 | 12.6 |

## 3. CONTAINER

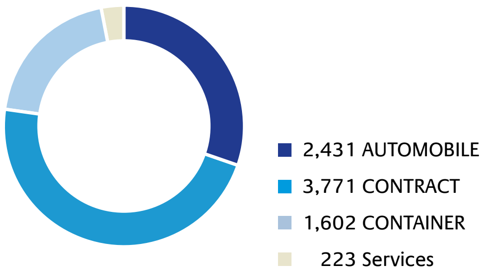
EUROGATE, in which BLG holds a 50 percent interest, has a European network currently comprising eleven container terminals as well as intermodal shipments and cargo-modal services. The focal point of this division is container handling business.

| | | 2014 | 2013 (adjusted) | Change in % |
|---|---|---|---|---|
| Sales | EUR million | 283.0 | 268.7 | 5.3 |
| Return on sales | % | 13.6 | 12.9 | 5.4 |
| EBT | EUR million | 34.8 | 31.2 | 11.5 |
| Employees | number | 1,602 | 1,640 | -2.3 |

EBT 2014




Employees 2014



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# WE DEVELOP VALUES

BLG strives to be a valuable partner for its customers, employees and owners. That means it is essential that we continue to enhance our high degree of innovativeness. Thanks to our comprehensive logistics solutions, we are an important interface for the success of our clients. The exceptional expertise and commitment of our employees are what make this possible.

# 16,000

jobs

# At the right place at the right time

In a nutshell, that's what our business of professional logistics services is all about. At the same time, however, as a large, modern employer, we also want our over 16,000 employees to experience this in their careers. Because we consider their commitment and unique skills to be the decisive success factor in our Group.

Regardless of whether in vocational training, obtaining master craftsman certification or on track for top management. Regardless of whether the right place is an office, a freight depot or even 45 meters up in the air. Logistics is complex, vibrant, dynamic. And offers some truly spectacular jobs. We do a lot to identify individual skills, promote development, broaden knowledge and find a sustainable balance between career and personal life goals. We want our employees to believe without the shadow of a doubt: "At BLG I'm at the right place at the right time!"

Female employees

**20 %**

Female staff members make up 20% of the total number of employees.

Blue-collar employees

**71 %**

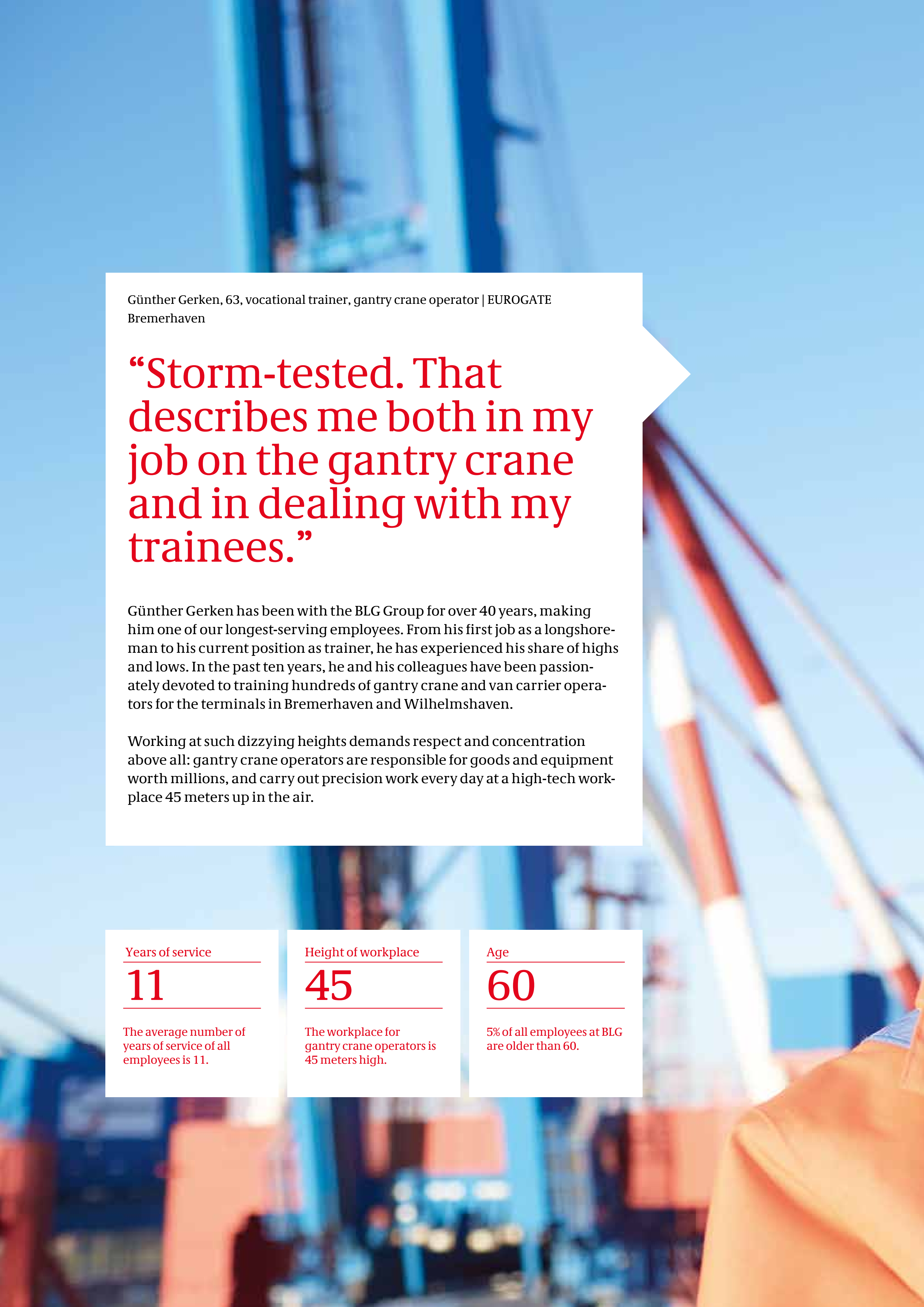
Blue-collar workers make up 71% of BLG's workforce (excluding EUROGATE).

Anika Schiller, 27, journeyman automotive mechatronics technician, truck service shop | BLG AutoTransport Bremerhaven

# "Grateful. BLG took me on following the insolvency of another company. And now a lot of doors are open to me here."

Blessing in disguise: because her original vocational training employer was forced to file for insolvency, Anika Schiller received the opportunity to complete the last six months of her training with BLG. She is more than happy here, particularly as BLG took her on permanently as an automotive mechatronics technician once she earned her qualification. Today she proves her mettle every day as a woman technician in a male-dominated profession and is fully integrated.

In April 2015 Anika Schiller faces a new challenge: together with several colleagues, she is going to set up an external vehicle service shop for a customer. To prepare for her new assignment, she will attend a series of continuing education seminars. The employees benefit from the wide variety of occupations and the opportunities that BLG offers them.



Günther Gerken, 63, vocational trainer, gantry crane operator | EUROGATE Bremerhaven

# "Storm-tested. That describes me both in my job on the gantry crane and in dealing with my trainees."

Günther Gerken has been with the BLG Group for over 40 years, making him one of our longest-serving employees. From his first job as a longshoreman to his current position as trainer, he has experienced his share of highs and lows. In the past ten years, he and his colleagues have been passionately devoted to training hundreds of gantry crane and van carrier operators for the terminals in Bremerhaven and Wilhelmshaven.

Working at such dizzying heights demands respect and concentration above all: gantry crane operators are responsible for goods and equipment worth millions, and carry out precision work every day at a high-tech workplace 45 meters up in the air.

Years of service

**11**

The average number of years of service of all employees is 11.

Height of workplace

**45**

The workplace for gantry crane operators is 45 meters high.

Age

**60**

5% of all employees at BLG are older than 60.


Gerken Gunther
Günther Gerken
EUROGATE

Wiendra Wilson, 24, office management trainee (part-time) | BLG Holding Bremen

# “Focused. BLG enables me to earn my vocational qualification part-time. So I can concentrate on both my career and my family.”

Wiendra Wilson has been an office management trainee with BLG in Bremen since September 2014. What’s unique is that she’s doing this on a 30-hour work week – part-time. This leaves her the time she needs to look after her two-year-old son.

In offering this opportunity, BLG is exceptional since it is one of the few companies to offer part-time models for trainees. BLG supports all its employees in reconciling their career and family challenges as optimally as possible – an effort that has been certified according to the “berufundfamilie” audit since 2007.

Part-time

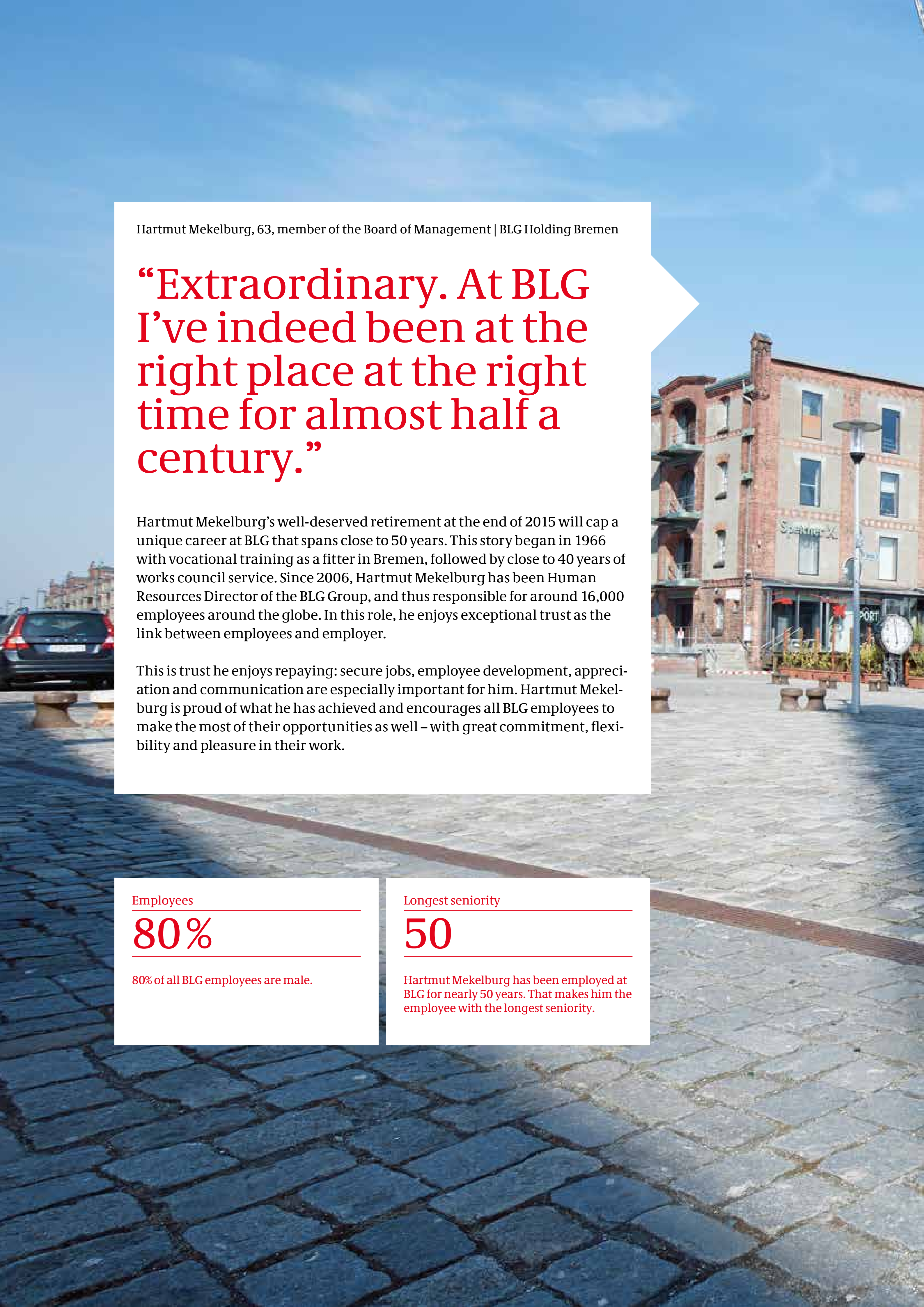
**163**

There are 163 part-time workers at BLG (excluding EUROGATE).

Age

**29**

17% of all BLG employees are younger than 29.



Hartmut Mekelburg, 63, member of the Board of Management | BLG Holding Bremen

# “Extraordinary. At BLG I’ve indeed been at the right place at the right time for almost half a century.”

Hartmut Mekelburg’s well-deserved retirement at the end of 2015 will cap a unique career at BLG that spans close to 50 years. This story began in 1966 with vocational training as a fitter in Bremen, followed by close to 40 years of works council service. Since 2006, Hartmut Mekelburg has been Human Resources Director of the BLG Group, and thus responsible for around 16,000 employees around the globe. In this role, he enjoys exceptional trust as the link between employees and employer.

This is trust he enjoys repaying: secure jobs, employee development, appreciation and communication are especially important for him. Hartmut Mekelburg is proud of what he has achieved and encourages all BLG employees to make the most of their opportunities as well – with great commitment, flexibility and pleasure in their work.

Employees

**80 %**

80% of all BLG employees are male.

Longest seniority

**50**

Hartmut Mekelburg has been employed at BLG for nearly 50 years. That makes him the employee with the longest seniority.


SAR


Sven Grossmann, 47, Managing Director | BLG AutoTerminal Bremerhaven

# “Flexible. Development is what drives me. If I want to keep making things happen, I have to be able to change.”

Over the last 15 years, Sven Grossmann has held many different assignments in the various divisions of the BLG Group, including the two-year junior management program to prepare for his assignments as an executive. As Managing Director of AutoTerminal Bremerhaven, he holds great responsibility today: every year, around 2.2 million new and used vehicles and 1.2 million tons of high & heavy cargo are handled and processed here.

Concurrently with his professional duties, Sven Grossmann also attended a course of study at the University of Bremen from 2008 to 2011 with BLG’s support. BLG supports individual continuing education programs for its employees as well as the accumulation of interdisciplinary experience. This is the only way the company can be successful in the long term.

AUTOMOBILE Division

**2,431**

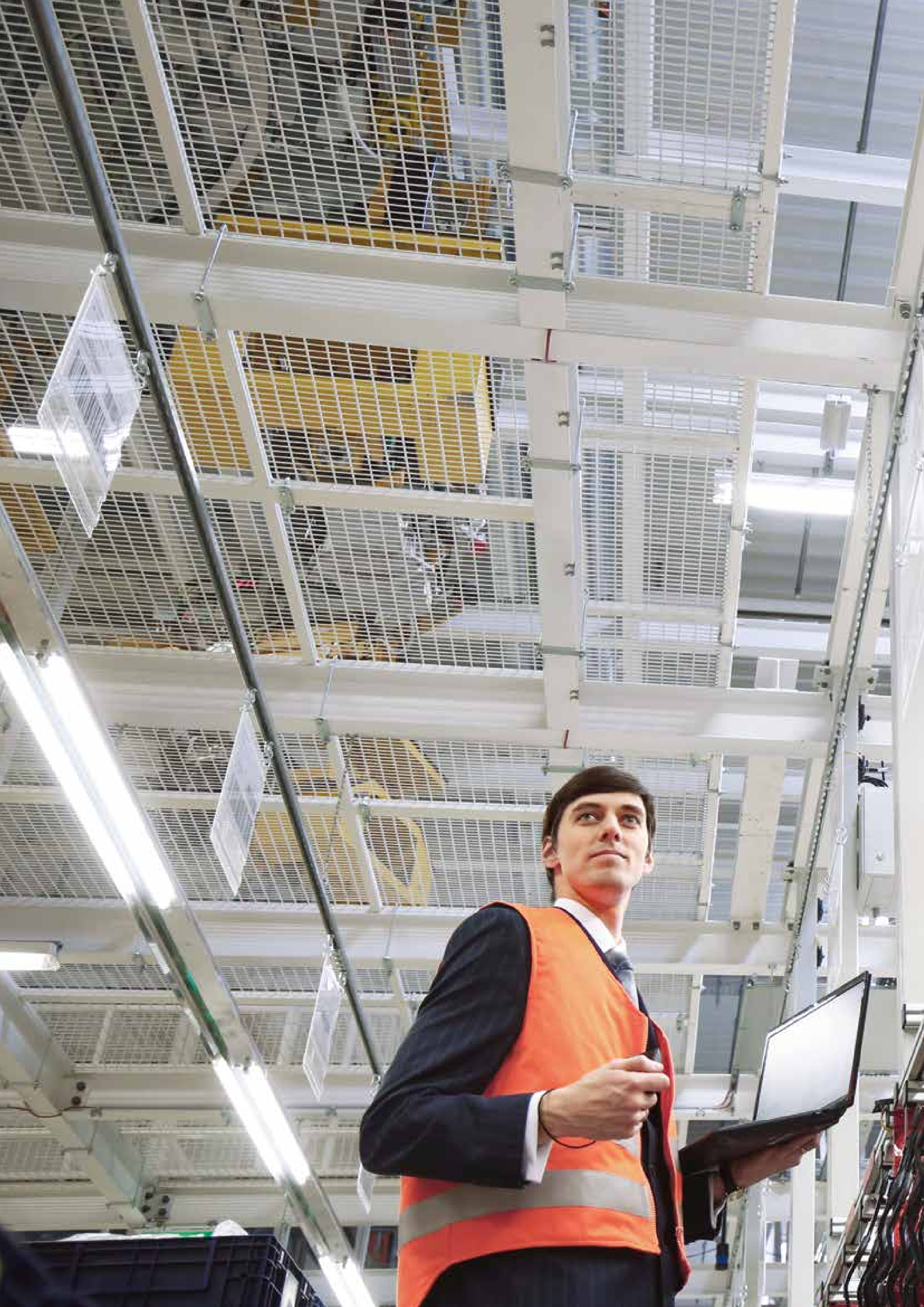
2,431 employees worked for the AUTOMOBILE Division in 2014, 7.5% more than in the previous year.

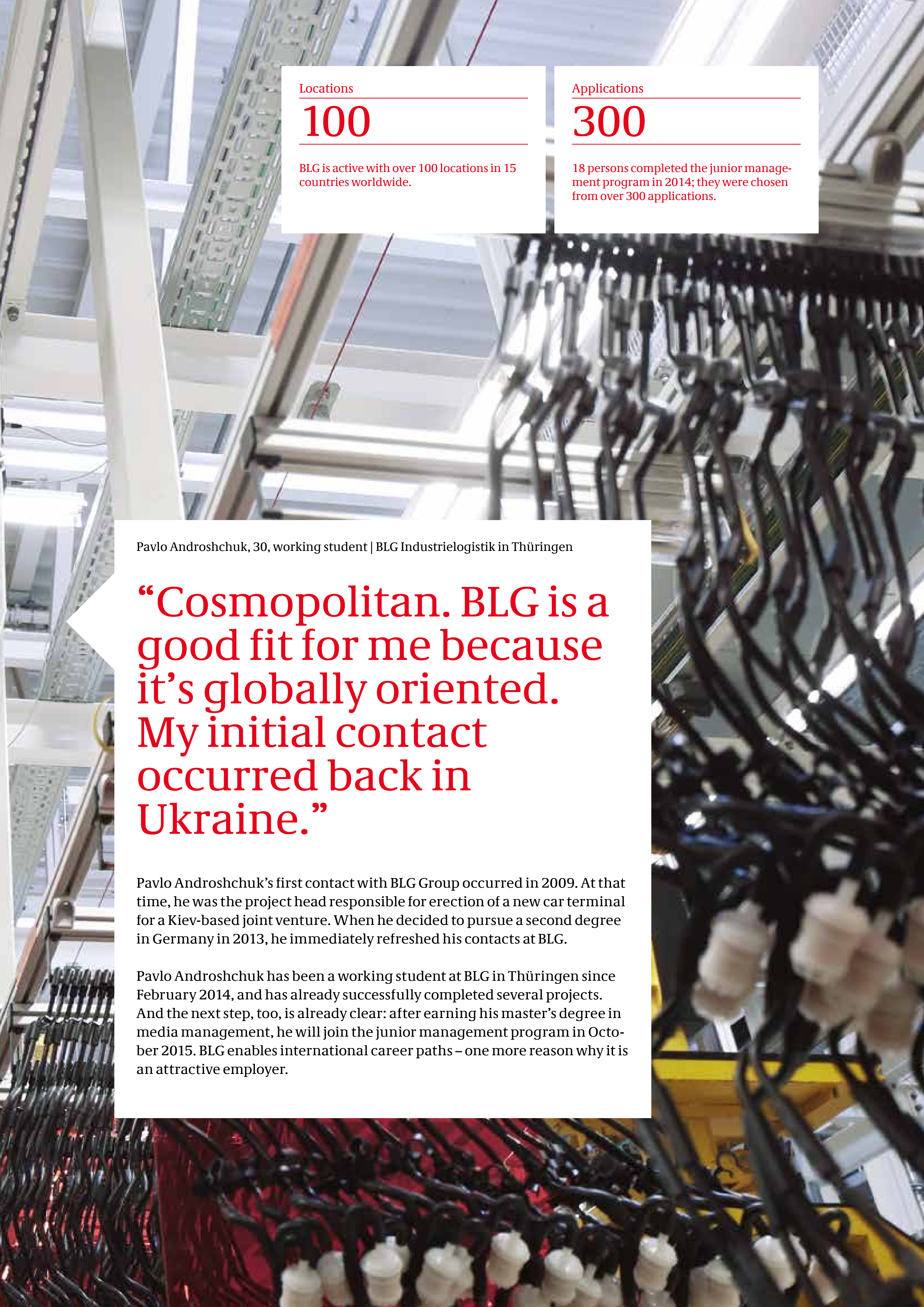
Percentage

**2.28 %**

The percentage of employees who left the AUTOMOBILE Division of their own accord was 2.28% and thus very low.


33
32





Locations

100

BLG is active with over 100 locations in 15 countries worldwide.

Applications

300

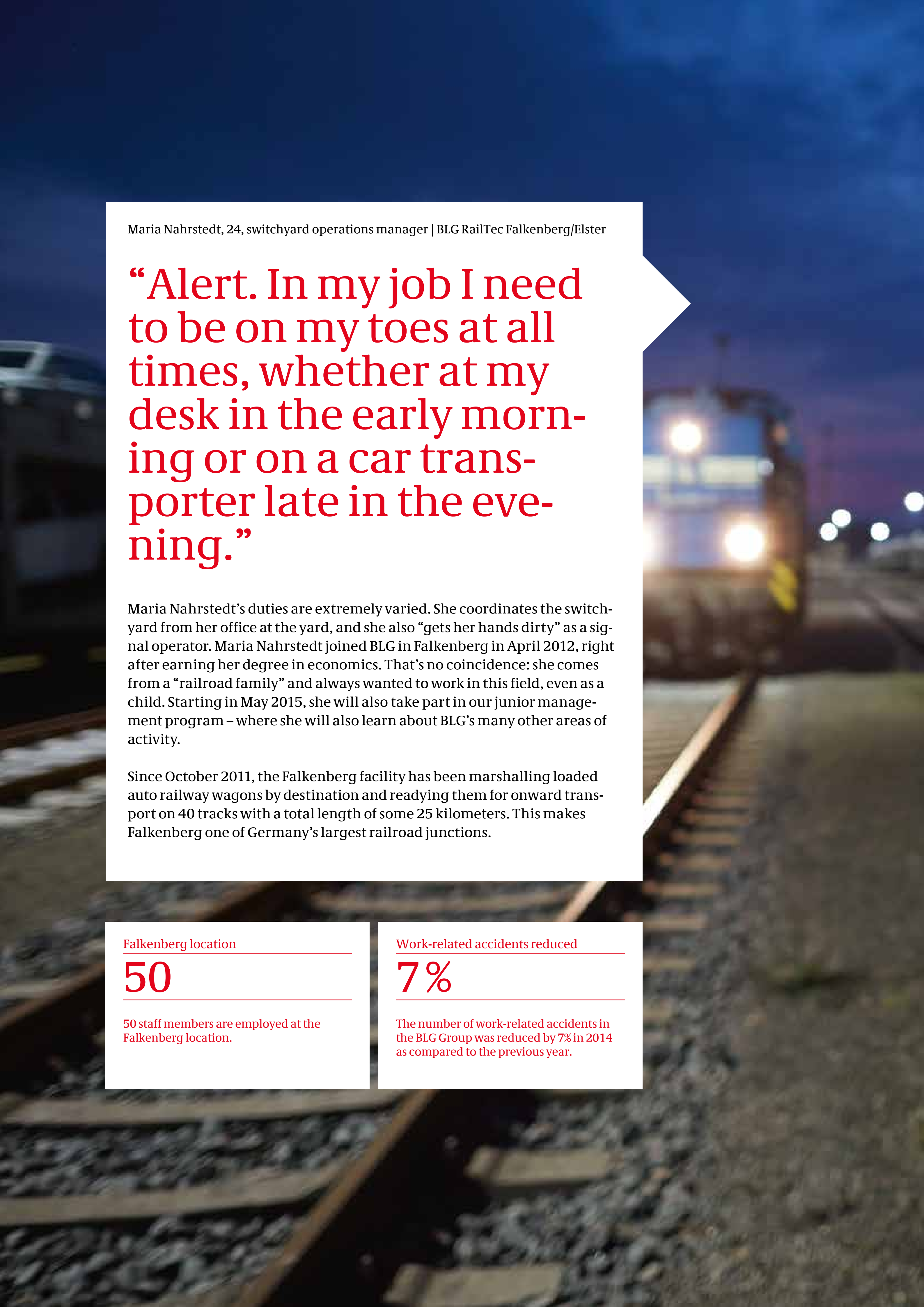
18 persons completed the junior management program in 2014; they were chosen from over 300 applications.

Pavlo Androshchuk, 30, working student | BLG Industrielogistik in Thüringen

## “Cosmopolitan. BLG is a good fit for me because it’s globally oriented. My initial contact occurred back in Ukraine.”

Pavlo Androshchuk’s first contact with BLG Group occurred in 2009. At that time, he was the project head responsible for erection of a new car terminal for a Kiev-based joint venture. When he decided to pursue a second degree in Germany in 2013, he immediately refreshed his contacts at BLG.

Pavlo Androshchuk has been a working student at BLG in Thüringen since February 2014, and has already successfully completed several projects. And the next step, too, is already clear: after earning his master’s degree in media management, he will join the junior management program in October 2015. BLG enables international career paths – one more reason why it is an attractive employer.



Maria Nahrstedt, 24, switchyard operations manager | BLG RailTec Falkenberg/Elster

# “Alert. In my job I need to be on my toes at all times, whether at my desk in the early morning or on a car transporter late in the evening.”

Maria Nahrstedt’s duties are extremely varied. She coordinates the switchyard from her office at the yard, and she also “gets her hands dirty” as a signal operator. Maria Nahrstedt joined BLG in Falkenberg in April 2012, right after earning her degree in economics. That’s no coincidence: she comes from a “railroad family” and always wanted to work in this field, even as a child. Starting in May 2015, she will also take part in our junior management program – where she will also learn about BLG’s many other areas of activity.

Since October 2011, the Falkenberg facility has been marshalling loaded auto railway wagons by destination and readying them for onward transport on 40 tracks with a total length of some 25 kilometers. This makes Falkenberg one of Germany’s largest railroad junctions.

Falkenberg location

**50**

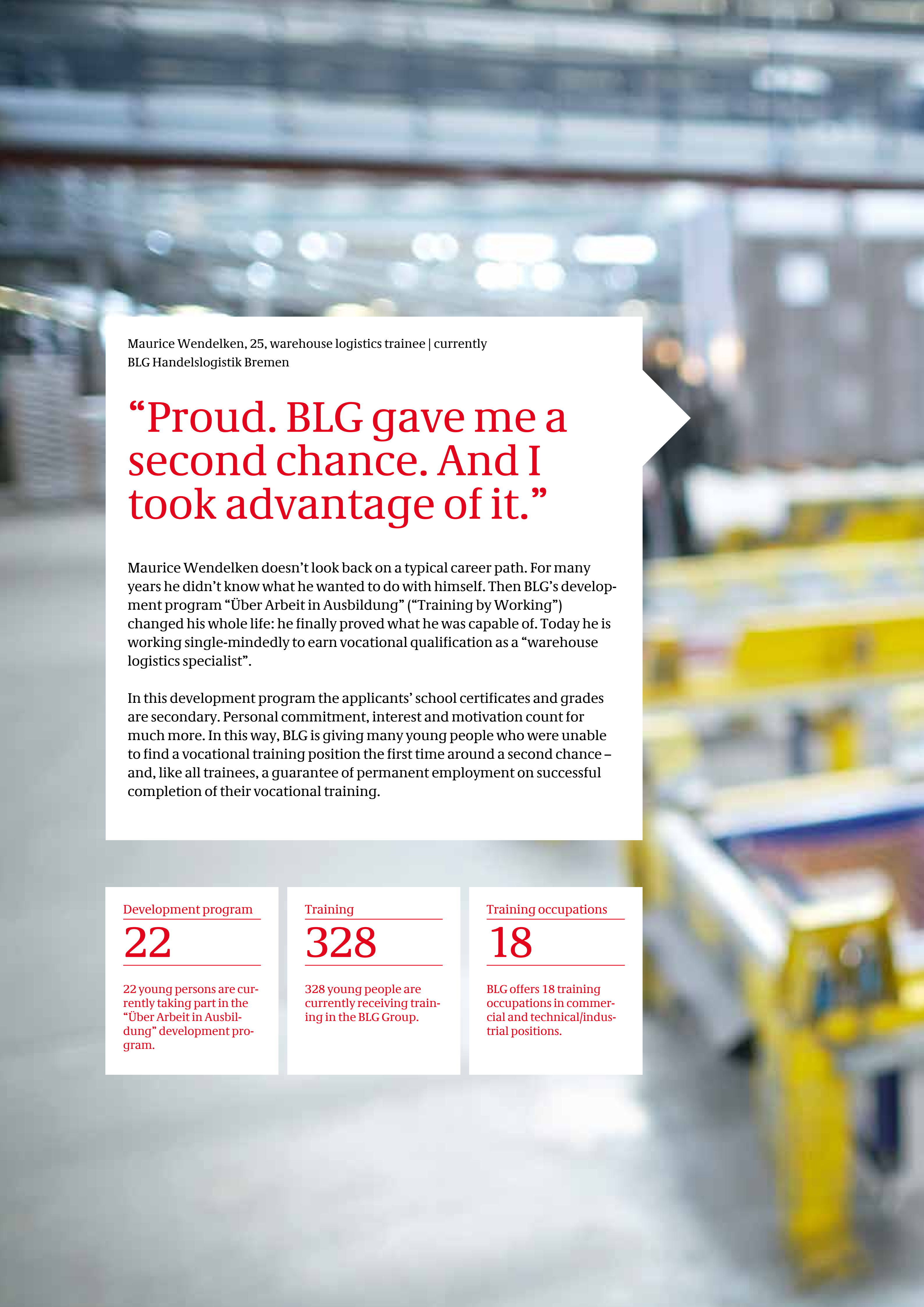
50 staff members are employed at the Falkenberg location.

Work-related accidents reduced

**7 %**

The number of work-related accidents in the BLG Group was reduced by 7 % in 2014 as compared to the previous year.


BLG LOGISTICS



Maurice Wendelken, 25, warehouse logistics trainee | currently BLG Handelslogistik Bremen

# “Proud. BLG gave me a second chance. And I took advantage of it.”

Maurice Wendelken doesn’t look back on a typical career path. For many years he didn’t know what he wanted to do with himself. Then BLG’s development program “Über Arbeit in Ausbildung” (“Training by Working”) changed his whole life: he finally proved what he was capable of. Today he is working single-mindedly to earn vocational qualification as a “warehouse logistics specialist”.

In this development program the applicants’ school certificates and grades are secondary. Personal commitment, interest and motivation count for much more. In this way, BLG is giving many young people who were unable to find a vocational training position the first time around a second chance – and, like all trainees, a guarantee of permanent employment on successful completion of their vocational training.

**Development program**

**22**

22 young persons are currently taking part in the “Über Arbeit in Ausbildung” development program.

**Training**

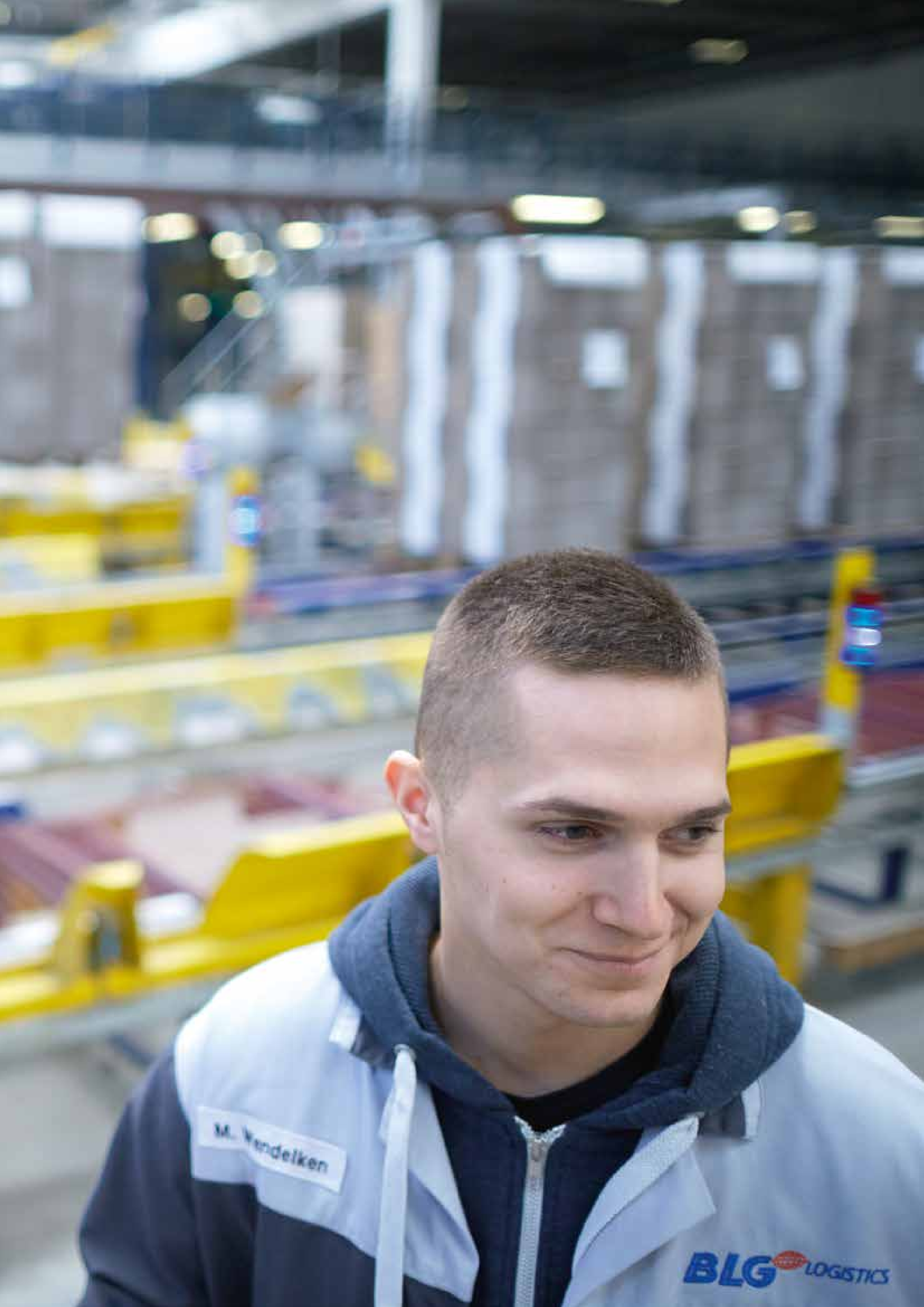
**328**

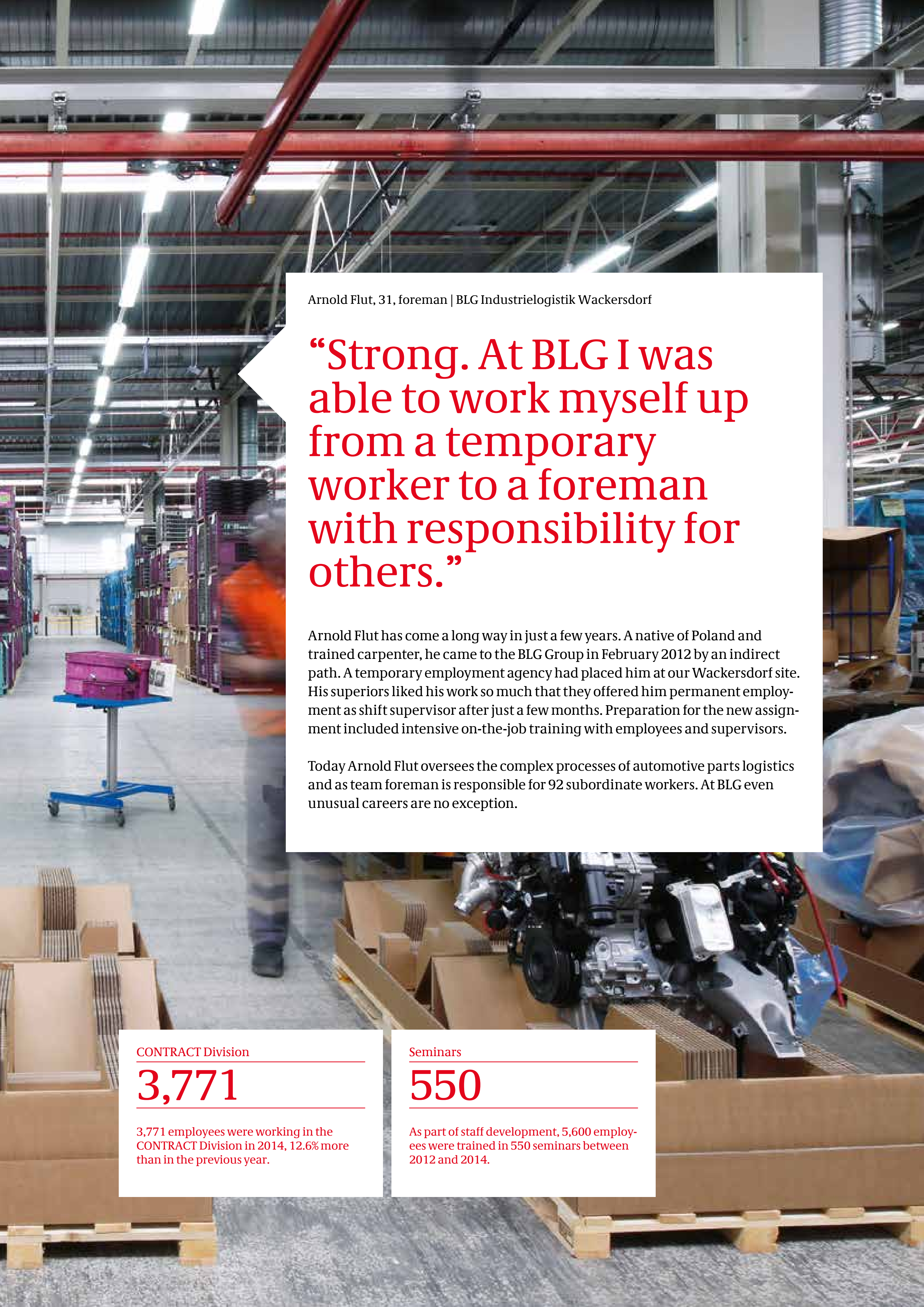
328 young people are currently receiving training in the BLG Group.

**Training occupations**

**18**

BLG offers 18 training occupations in commercial and technical/industrial positions.


BLG LOGISTICS



Arnold Flut, 31, foreman | BLG Industrielogistik Wackersdorf

# “Strong. At BLG I was able to work myself up from a temporary worker to a foreman with responsibility for others.”

Arnold Flut has come a long way in just a few years. A native of Poland and trained carpenter, he came to the BLG Group in February 2012 by an indirect path. A temporary employment agency had placed him at our Wackersdorf site. His superiors liked his work so much that they offered him permanent employment as shift supervisor after just a few months. Preparation for the new assignment included intensive on-the-job training with employees and supervisors.

Today Arnold Flut oversees the complex processes of automotive parts logistics and as team foreman is responsible for 92 subordinate workers. At BLG even unusual careers are no exception.

CONTRACT Division

**3,771**

3,771 employees were working in the CONTRACT Division in 2014, 12.6% more than in the previous year.

Seminars

**550**

As part of staff development, 5,600 employees were trained in 550 seminars between 2012 and 2014.

# Facts. Figures. Data.

11%

The number of employees rose by 11% compared to the previous year.

37 YEARS OLD

The average age in the holding company is 37.

400

Around 400 applications have been submitted for the junior management program that starts on May 1, 2015.

16,000 jobs

8,027 employees

In 2014 an average of 8,027 persons were employed by the BLG Group (including EUROGATE) at over 16,000 workplaces worldwide.

**2,272**

The 2,272 white-collar workers make up 28.8% of BLG's total workforce.

As in the previous year, the percentage of employees who left the BLG Group of their own accord in 2014 was extremely low. In the CONTRACT Division the figure was 1.89%.

## This indicates a high degree of work satisfaction.

**961**

At the end of 2014, 961 employees took part in the "Fit & Fun" health prevention program. That's 178 more than in the previous year.

**43.5**

per cent

43.5% of all employees take part in the benefit plan. The volume of employee-financed contributions in the Group has risen to approx.

**8.1**

EUR million

# Diverse, modern and sometimes highly specialized

BLG LOGISTICS is a committed, cosmopolitan and proactive employer. Fairness, reliability and proximity to the customer are our outstanding characteristics.

**Human resources development** | Whether initial vocational training, dual course of study or internal and external continuing education – BLG develops all talents on all levels. We want to enable all our employees to systematically develop themselves in their careers.

**Occupational safety** | Our fields of activity and sites of operation are varied and often extremely specialized. Consequently we place high priority on the occupational safety of our employees. Our ongoing measures have already resulted in a clear downturn in accidents.

Our aim is to work on a long-term basis with satisfied, dedicated employees who identify with our company and come to work gladly.

**Health promotion** | Our employees' health is important to us. For this reason we organize health days on different topics at our various locations, along with the company fitness program "Fit & Fun". Studies confirm the positive effects on the participants' circulatory, muscular and skeletal systems.

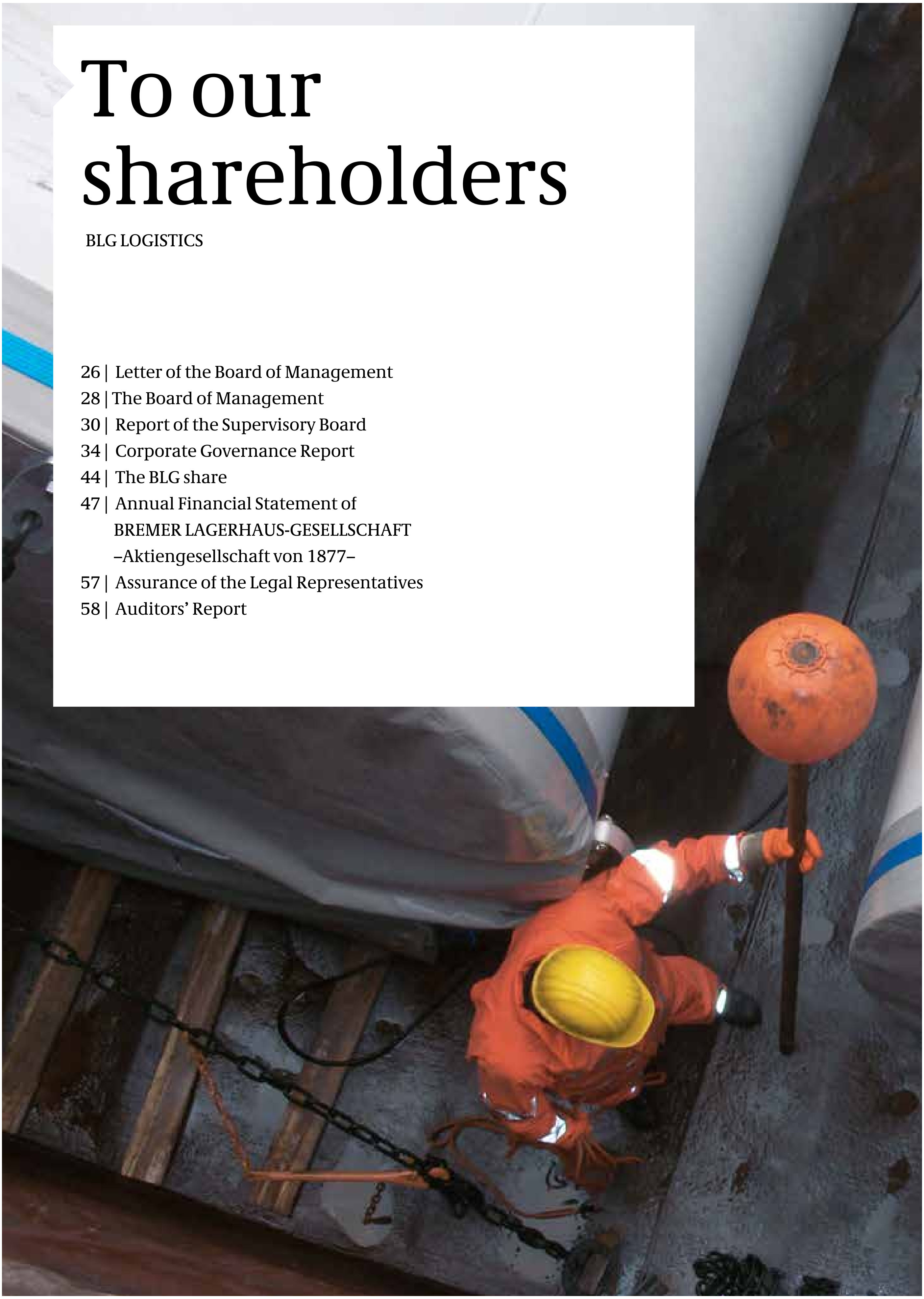
**Family and career** | BLG takes family-specific demands into account not only for working parents. Our family-oriented approach begins with vocational training and extends to caring for family members, for instance on the basis of flexible working time models. A whole range of healthcare and vacation options and in-company social consulting round off our offerings.

**Provision for retirement** | We develop individual pension scheme arrangements jointly with our employees. For instance, we offer a social future concept that employees can take advantage of according to their individual wishes and needs.

# To our shareholders

BLG LOGISTICS





# Letter of the Board of Management

**Dear Shareholders,**

We are pleased to inform you that we were right on target in the 2014 financial year. Our forecast, as recorded in our 2013 Annual Report, stated that 2014 would be a difficult year, business recovery in Europe would be delayed further, political crises would have a perceptible influence on global commodity trade. And that is just how things transpired. Europe remains preoccupied with itself and Greece. The escalation of the political crisis in Ukraine and the sanctions against Russia have stalled business activities in Eastern Europe. And in China a new government has committed itself to moderating an overheated domestic economy.

In this economic and political environment the 3.3 per cent increase in sales over 2013 achieved in the 2014 financial year, to around EUR 883 million, and the EUR 17.4 million rise in earnings before taxes (EBT) to EUR 30.1 million are not run-of-the-mill performance, but rather an expression of intensive efforts to improve productivity and expand our business activities. In 2014 our return on equity increased from 4.9 to 13.6 per cent and, at 5.5 per cent, our overall return matched the previous year's level. We were able to reduce our net debt by 7.7 per cent to EUR 260.6 million.

Independently of business development in the financial year under review, the BLG Group 2014 Annual Report is subject to altered accounting principles that have a major influence on the key performance indicators. These changes relate primarily to the inclusion of EUROGATE in the consolidated financial statement. As we operate EUROGATE jointly with an equal partner, we can no longer include half of these sales, costs and employees in our financial statement. The presentation now requires at-equity disclosure, i.e. we state our EUROGATE share as a financial asset and take account of its after-tax earnings in our result from participations and EBT. We examined this issue intensively last year. The aim of continuing to provide our stakeholders with comprehensive information on BLG LOGISTICS through this Annual Report was our foremost concern. We believe that we have succeeded here. Comparability within this Annual Report has been achieved since the figures for 2013 have been adjusted accordingly. We continue to report on our important CONTAINER Division in our reporting by segments and in the Group notes and Management Report since nothing has changed in our internal controlling.

Last year we promised to focus on making our business more profitable. This will succeed if we concentrate on the 3 Ps: prices, processes, and productivity. Negotiating adequate prices with our customers has not become easier, but it is possible. Optimizing the logistical processes that form the basis for the services we offer is a constant challenge, and one that we also tackle while making use of the latest technological developments. However, the constant increase in productivity that our clients demand is only achievable through daily dialog with our employees.

They are our guarantee that the company can assert proudly and with confidence: We develop values. Value for our customers. Appreciation for our employees. Development of know-how that benefits customers and employees alike.

Logistics, our service sector, not only stands for high value added: it is also extraordinarily labor-intensive. Automation is possible only to an extremely limited extent due to the heterogeneous, customer-specific requirements and tasks. Consequently, we can only guarantee the required reliability and quality with dedicated, well-trained employees. Sustained development of human resources on all levels is thus a high priority. That is why we have entitled this Annual Report "At the right place at the right time".

This Annual Report introduces you to eight individuals who, in their own personal stories, describe the opportunities BLG LOGISTICS offered them and how they took advantage of these opportunities.

The growing volume of business in all segments and divisions testifies to the fact that this dedication and commitment are a cornerstone of our strategic development. It is in part a result of the positive business development among our existing clientele, but is also owing to several new accounts we were able to gain.

With a volume of 7.4 million vehicles the Automobile Logistics Division attained the previous year's level. While economic development in Russia and Ukraine remained stalled due to the difficult political conditions, which also negatively impacted our terminal and transport services there, the division developed positively in the other European countries. It is particularly gratifying that Bremerhaven was able to further expand its position as Europe's leading car terminal with a record 2.3 million vehicles (+4.9%). The German automotive industry anticipates further export growth in the coming years. Consequently, we are investing in a new parking deck in Bremerhaven so as to offer an additional 6,000 spaces.

The Contract Logistics Division offers solid development potential both today and tomorrow with its extremely heterogeneous lines of business. In this area we achieved growth with existing customers and also succeeded in winning several new accounts. These include handling the complete returns for a major customer in the textiles industry based in Frankfurt, supply of the Siemens switchgear plant in Berlin and supply of the Siemens Rail Systems operation in Krefeld. The Contract Logistics Division offers customized logistics solutions at over 30 locations in Europe and overseas for such well-known clients as BMW, Bosch, Mercedes, engelbert strauss, Griesson – de Beukelaer, Hansgrohe, Konica Minolta, Siemens and Tchibo.

In 2014 our EUROGATE joint venture increased its container handling volume at all terminals by 4.2 per cent to 14.8 million standard containers (TEU) – a new record. 8.1 million TEU were handled at our German terminal facilities in Bremerhaven, Hamburg and Wilhelmshaven, a gain of 3.5 per cent. EUROGATE thus cemented its position as Europe's largest terminal operator. The trend of shipping lines to deploy bigger and bigger vessels continues, and our terminals service the largest container ships in the world in Bremerhaven, Hamburg and Wilhelmshaven. In terms of container capacity, the MSC OSCAR and its sister ships currently hold the record with 19,224 TEU, closely followed by the new giants of China Shipping and the triple-E class vessels of the Maersk Line. All our terminals are well equipped to berth and handle these leviathans.

Our declared goal has always been to offer our shareholders a constant, reliable and attractive dividend return. Consequently, the Managing Board and Supervisory Board are proposing that the Shareholders Meeting approve a dividend of EUR 0.40 (15%) per share for 2014, the same as for the previous year.

As described above, a sustainable human resources policy is the basis for our successful economic development. The competence and commitment of all our employees give us and our customers the confidence necessary to continue to shape the path that we have chosen. And, of course, that includes not least of all the trust and confidence of our shareholders, for which we are extremely grateful.

THE BOARD OF MANAGEMENT

Frank Dreeke Jens Bieniek Michael Blach

Hartmut Mekelburg Emanuel Schiffer Andreas Wellbrock

# The Board of Management

## Frank Dreeke

Chairman of the Board

Frank Dreeke (born in 1959) has more than three decades of worldwide management experience in the port and logistics sector. He was appointed to the Board of Management by the Supervisory Board at the beginning of 2013 and took over as Chairman on June 1. Furthermore, his area of responsibility encompasses Corporate Strategy, Corporate Communications, Compliance and Transport Policy.

## Jens Bieniek

Chief Financial Officer

Jens Bieniek (born in 1964) has a degree in Business Administration and Engineering and has been working for the company since 1999. As a Company Officer with commercial power of attorney, he has headed Corporate Investment Management as well as Finance and Controlling since 2002. Jens Bieniek has been a member of the Board of Management as CFO since June 1, 2013.

## Michael Blach

AUTOMOBILE Division

Michael Blach (born in 1964) is a port and shipping manager with international experience. His last position was Vice President Key Account Management in the A.P. Møller-Maersk Group. He has been a member of the Board of Management since June 1, 2013 and is responsible for the AUTOMOBILE Division.

## Hartmut Mekelburg

Industrial Relations Director

Hartmut Mekelburg (born in 1952) has been Industrial Relations Director at BLG since 2006. In 1990 he was elected chairman of the works council and after BLG's restructuring as of 1998 assumed the functions of chairman of the corporate works council.

## Emanuel Schiffer

CONTAINER Division

Emanuel Schiffer (born in 1951), holder of a degree in Engineering and Business Administration, assumed executive positions in Bremerhaven at an early date. In 1995 he was appointed to the BLG Board of Management. At the same time he has been Chairman of the Group Board of Management at EUROGATE since 1999.

## Andreas Wellbrock

CONTRACT Division

Andreas Wellbrock (born in 1964), a Business Administration and Engineering graduate, has been performing management duties at the company since 1999. He also set up the new segment of logistics for offshore wind energy. He has been a member of the Board of Management since June 1, 2013 and is responsible for the CONTRACT Division.

From left: Andreas Wellbrock, Michael Blach, Frank Dreeke, Emanuel Schiffer, Hartmut Mekelburg, Jens Bieniek.

# Report of the Supervisory Board

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

The Supervisory Board continuously monitored and supported the work of the Board of Management in the 2014 financial year. The detailed reports of the Board of Management made in written and oral form constituted the basis for this. Furthermore, the chairman of the Supervisory Board carried out a regular exchange of information and ideas with the Board of Management. In this way the Supervisory Board was constantly, promptly and comprehensively informed about the planned business policy, corporate planning, including financial, investment and human resources planning, the current earnings situation, including risk situation and risk management, the course of business as well as the overall situation of the company and the Group.

Whenever approval was necessary for decisions or measures of the management based on law, the Memorandum and Articles of Association or the rules of procedure, the members of the Supervisory Board – prepared by its committees, among others – reviewed the draft resolutions at the meetings or adopted them on the basis of written information. The members of the Board of Management invariably took part in the meetings. The Supervisory Board was intensively involved in decisions of major significance for the Group from an early stage. The economic 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 convened at five meetings in 2014. The average attendance at the Supervisory Board meetings in the year under review was 93 per cent. Average attendance at committee meetings in 2014 was 94 per cent. The members of the Supervisory Board elected by the shareholders and by the employees prepared for the meetings at separate preliminary meetings in some cases. There were no conflicts of interest on the part of members of the Board of Management 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 BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. 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 BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. Moreover, Senator Günthner disclosed that he 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.

**Focal points of consultations on 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 the annual and group financial statement, 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 2014. The members of the Supervisory Board discussed further development of the existing compliance system. In this regard the Supervisory Board urged improvement of the existing regulations and creation of the position of an ombudsman. The latter position was created as of January 1, 2015.

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 19, 2014.

There was a change in the composition of the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, effective as of January 1, 2014. As Mr. Uwe Beckmeyer stepped down, Dr. h.c. Klaus Wedemeier, retired mayor, was elected as a new member of the Supervisory Board. No former members of the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– are on the Supervisory Board.

**Committees of the Supervisory Board**
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. All committees have equal representation.

### Audit Committee
The Audit Committee is composed of three representatives of the shareholders and three representatives of the employees. The chairman of the committee in office during the reporting year meets the legal requirements with regard to independence and expertise in the fields of accounting and financial statement auditing. This committee meets regularly twice a year.

Its functions include reviewing the accounting process and questions of company accounting as well as auditing the annual and group financial statements, the Management Report and Group Management Report and the proposal for appropriation of the balance sheet profit of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, which are prepared by the Board of Management. On the basis of the reports of the auditor concerning the audit of the annual financial statement and Management Report as well as of the group financial statement and Group Management Report of the company, the Audit Committee develops proposals for approval of the financial statements by the Supervisory Board.

The Audit Committee is also responsible for the relations of the company to the financial statement auditor. The committee submits a proposal for selection of the auditor to the Supervisory Board, organizes the placement of an auditing order to the auditor selected by the Annual Shareholders' Meeting, suggests audit focal points and specifies the remuneration of the auditor. Furthermore, the committee monitors the independence, qualifications, rotation and efficiency of the auditor.

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

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

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

### Investment Committee

The Investment Committee 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. At least one member of the Investment Committee has to be a financial expert. The Investment Committee makes decisions on certain especially urgent unplanned investments in material assets.

### Mediation Committee

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

### Work of the committees

The Mediation Committee in accordance with Section 27 (3) of the Co-Determination Act as well as the Investment Committee did not hold any meetings.

The Human Resources Committee met on April 10, 2014. It essentially treated the basic annual remuneration for Mr. Hartmut Mekelburg as of January 1, 2014 and the variable Board of Management remuneration.

In its function as nomination committee the Human Resources Committee intensively dealt with preparation of the election of an additional representative of the shareholders to the Supervisory Board at the Annual Shareholders' Meeting in 2014 and proposed a suitable candidate to the Supervisory Board.

In the 2014 financial year the Audit Committee met twice, on April 8, 2014 and on December 15, 2014. It primarily examined the accounting of the company and the BLG Group. This also included the latest amendments of the IFRS and of the accounting guideline and their impacts on the BLG Group. Other focal points of work were the risk situation, further development of risk management and aspects of compliance. Furthermore, the committee submitted to the Supervisory Board a recommendation for selection of the auditor by the Annual Shareholders' Meeting. Special attention was given to corporate planning, medium-term profit and loss and financial planning.

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

### Corporate Governance

http://www.ir.blg.de

The Supervisory Board – prepared by the Audit Committee – also examined further development of the Corporate Governance principles in the company on the basis of the German Corporate Governance Code in the version of June 24, 2014. The Board of Management and the Supervisory Board issued the 13th Declaration of Conformity to the German Corporate Governance Code on the basis of the discussion in the respective bodies. The declaration has been made permanently available to the shareholders on the website at **www.ir.blg.de**

### Annual and group financial statement, financial statement audit

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 statement and the Management Report of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as well as the group financial statement 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 2014 financial year and issued the following auditors' report:

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

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

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

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

The Supervisory Board expresses its gratitude to the members of the Board of Management and all employees for their 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 2015 financial year and can secure its earnings power on a long-term basis.

Bremen, April 2015

For the Supervisory Board

Stephan-A. Kaulvers

Dr. Stephan-Andreas Kaulvers
Chairman

# Corporate Governance Report

## Declaration on corporate management

Corporate Governance encompasses the entire system of managing and monitoring a corporation, including the organisation 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– 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.

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

The Board of Management issued the 13th Declaration of Conformity to the German Corporate Governance Code in the version of June 24, 2014 on November 25, 2014 and the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– did so on December 19, 2014. The declaration has been made permanently available to the shareholders on the Internet at **www.ir.blg.de**.

## Code of Ethics

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

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

## Working approach of the Board of Management and Supervisory Board

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

The Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– manages the enterprise on its own responsibility and represents the company in business with third parties. It is composed of six members and is obligated to pursue the goal of achieving a sustainable increase in the enterprise value in the interest of the company and in line with the stakeholder approach. The divisional responsibilities of the individual members of the Board of Management are specified on page 184.

The Board of Management fundamentally makes its decisions based on majority resolutions. In the case of a tie vote, the chairman's vote is decisive. The Board of Management reports to the Supervisory Board on all matters relevant to the company in terms of planning, business development, the risk situation and risk management promptly and comprehensively within the framework of the legal provisions on a monthly basis and coordinates the strategic alignment of the company with the Supervisory Board. Before deciding on certain transactions specified in the Memorandum and Articles of Association of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, the Board of Management has to obtain the approval of the Supervisory Board. These transactions include acquisition and sale of companies and corporate divisions as well as bond issues and issuance of comparable financial instruments.

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

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

**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.

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

The composition of the Supervisory Board corresponds to that as of December 31, 2013, with one exception. Dr. h.c. Klaus Wedemeier, retired mayor, was elected by the Annual Shareholders' Meeting as a representative of the shareholders on May 30, 2014, succeeding Mr. Uwe Beckmeyer. The election came into effect as of the end of this Annual Shareholders' Meeting until the end of the Annual Shareholders' Meeting that passes a resolution on formal approval of the Supervisory Board for the 2017 financial year. Former members of the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– are not represented on the Supervisory Board.

**Committees of the Supervisory Board**
In addition to the committee it is required to form in accordance with Section 27 (3) of the Co-Determination Act, the Supervisory Board formed an Audit Committee, 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 statement.

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 BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–.

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

Moreover, the committee monitors the independence, qualifications, rotation and efficiency of the balance sheet auditor. The functions of the Audit Committee also entail preparation of decisions made by the Supervisory Board on planning for the following financial year, including operating result, balance sheet, financial and investment planning.

Furthermore, the Audit Committee deals with the 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 performs the tasks of the nomination committee as well. It carries out preparatory measures for elections of the representatives of the shareholders to the Supervisory Board. It suggests suitable candidates for the election of the Supervisory Board members of the shareholders to the Supervisory Board for the latter's election proposal to the Annual Shareholders' Meeting.

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

Effective as of January 1, 2014, the Supervisory Board formed the 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.

## Directors’ Dealings

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

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

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

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

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

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

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

**Shares in capital that exceed 10 per cent of the voting rights**
Shareholders holding more than 10 per cent 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 statement in the section on disclosures of voting rights on page 177. For further information on shareholder structure we refer you to the basic features of the Group on page 60.

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

**Appointment and dismissal of Board of Management members and amendment of the Memorandum and Articles of Association**
We refer to the declaration regarding corporate management on page 34 in this connection.

**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 September 17, 2010 the Supervisory Board unanimously approved the pay system for members of the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– defined in accordance with the Act on the Appropriateness of Management Board Compensation (VorstAG) that came into force in August 2009 at the proposal of the Human Resources Committee. 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, 2011. The new system was approved by the Annual Shareholders' Meeting in 2011 in accordance with Section 120 (4) of the Stock Corporation Act (AktG).

The following statements are based on the pay system applying since January 1, 2011:

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

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

Aside from the fixed annual salary, the contracts provide for a variable remuneration depending on the Group earnings before taxes, which for the entire Board of Management is limited to a maximum of 3.5 per cent of the Group earnings before taxes (EBT). The variable remuneration system for the Board of Management was adapted to the impacts of the amended accounting principles based on a resolution at the Supervisory Board meeting on April 16, 2015. From the disposable bonus budget the members of the Board of Management receive an annual bonus limited by maximum amounts on which the Human Resources Committee decides and makes a recommendation for adoption by the Supervisory Board.

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

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

Contracts concluded with the Board of Management as of January 1, 2011 provide for severance pay to an amount of two years' remuneration in the case of premature termination of the position on the Board of Management without substantial reason. If the remaining period of the contract is less than two years, the severance pay shall be calculated pro rata temporis. In this case, however, the severance pay amounts to at least one year's remuneration. The amount of the severance pay is fundamentally determined according to the sum of basic salary and variable annual bonus excluding remuneration in kind and other additional 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 presentation of the Board of Management remuneration takes into account the new requirements of the German Corporate Governance Code of June 24, 2014. The following tables show the remuneration granted to each member of the Board of Management for the 2014 financial year, 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 German Corporate Governance Code).

| Remuneration granted TEUR | Frank Dreeke Chairman of the Board of Management Date of joining Board: 01/01/2013 (Chairman as of 01/06/2013) | | | | Jens Bieniek Member of the Board of Management Date of joining Board: 01/06/2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2014 (min.) | 2014 (max.) | 2013 | 2014 | 2014 (min.) | 2014 (max.) |
| Fixed remuneration | 490 | 605 | 605 | 605 | 193 | 330 | 330 | 330 |
| Other benefits | 38 | 43 | 43 | 43 | 15 | 29 | 29 | 29 |
| **Total** | **528** | **648** | **648** | **648** | **208** | **359** | **359** | **359** |
| One-year variable remuneration | 225 | 373 | 0 | 373 | 102 | 249 | 0 | 249 |
| Multi-year variable remuneration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **753** | **1,021** | **648** | **1,021** | **310** | **608** | **359** | **608** |
| Pension-related expenses | 0 | 0 | 0 | 0 | 12 | 21 | 21 | 21 |
| **Total remuneration** | **753** | **1,021** | **648** | **1,021** | **322** | **629** | **380** | **629** |

| Remuneration granted TEUR | Michael Blach Member of the Board of Management Date of joining Board: 01/06/2013 | | | | Hartmut Mekelburg Member of the Board of Management Date of joining Board: 01/01/2006 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2014 (min.) | 2014 (max.) | 2013 | 2014 | 2014 (min.) | 2014 (max.) |
| Fixed remuneration | 193 | 330 | 330 | 330 | 330 | 363 | 363 | 363 |
| Other benefits | 14 | 24 | 24 | 24 | 22 | 23 | 23 | 23 |
| **Total** | **207** | **354** | **354** | **354** | **352** | **386** | **386** | **386** |
| One-year variable remuneration | 102 | 249 | 0 | 249 | 175 | 249 | 0 | 249 |
| Multi-year variable remuneration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **309** | **603** | **354** | **603** | **527** | **635** | **386** | **635** |
| Pension-related expenses | 0 | 0 | 0 | 0 | 52 | 108 | 108 | 108 |
| **Total remuneration** | **309** | **603** | **354** | **603** | **579** | **743** | **494** | **743** |

| Remuneration granted TEUR | Emanuel Schiffer[1] Member of the Board of Management Date of joining Board: 01/01/1995 | | | | Andreas Wellbrock Member of the Board of Management Date of joining Board: 01/06/2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2014 (min.) | 2014 (max.) | 2013 | 2014 | 2014 (min.) | 2014 (max.) |
| Fixed remuneration | 458 | 550 | 550 | 550 | 193 | 330 | 330 | 330 |
| Other benefits | 36 | 44 | 44 | 44 | 9 | 20 | 20 | 20 |
| **Total** | **494** | **594** | **594** | **594** | **202** | **350** | **350** | **350** |
| One-year variable remuneration | 282 | 340 | 0 | 340 | 102 | 249 | 0 | 249 |
| Multi-year variable remuneration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **776** | **934** | **594** | **934** | **304** | **599** | **350** | **599** |
| Pension-related expenses | 0 | 0 | 0 | 0 | 10 | 18 | 18 | 18 |
| **Total remuneration** | **776** | **934** | **594** | **934** | **314** | **617** | **368** | **617** |

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

The following tables shows the inflow for each member of the Board of Management in or for the 2014 financial year, consisting of fixed remuneration, short-term variable and long-term remuneration 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 German Corporate Governance Code).

| Inflow TEUR | Frank Dreeke Chairman of the Board of Management Date of joining Board: 01/01/2013 (Chairman as of 01/06/2013) | | Jens Bieniek Member of the Board of Management Date of joining Board: 01/06/2013 | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Fixed remuneration | 605 | 490 | 330 | 193 |
| Other benefits | 43 | 38 | 29 | 15 |
| **Total** | **648** | **528** | **359** | **208** |
| One-year variable remuneration | 225 | 0 | 102 | 0 |
| Multi-year variable remuneration | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| **Total** | **873** | **528** | **461** | **208** |
| Pension-related expenses | 0 | 0 | 21 | 12 |
| **Total remuneration** | **873** | **528** | **482** | **220** |

| Inflow TEUR | Michael Blach Member of the Board of Management Date of joining Board: 01/06/2013 | | Hartmut Mekelburg Member of the Board of Management Date of joining Board: 01/01/2006 | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Fixed remuneration | 330 | 193 | 363 | 330 |
| Other benefits | 24 | 14 | 23 | 22 |
| **Total** | **354** | **207** | **386** | **352** |
| One-year variable remuneration | 102 | 0 | 175 | 300 |
| Multi-year variable remuneration | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| **Total** | **456** | **207** | **561** | **652** |
| Pension-related expenses | 0 | 0 | 108 | 52 |
| **Total remuneration** | **456** | **207** | **669** | **704** |

| Inflow TEUR | Emanuel Schiffer[1] Member of the Board of Management Date of joining Board: 01/01/1995 | | Andreas Wellbrock Member of the Board of Management Date of joining Board: 01/06/2013 | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Fixed remuneration | 550 | 458 | 330 | 193 |
| Other benefits | 44 | 36 | 20 | 9 |
| **Total** | **594** | **494** | **350** | **202** |
| One-year variable remuneration | 282 | 344 | 102 | 0 |
| Multi-year variable remuneration | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| **Total** | **876** | **838** | **452** | **202** |
| Pension-related expenses | 0 | 0 | 18 | 10 |
| **Total remuneration** | **876** | **838** | **470** | **212** |

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

To a certain extent, 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 per cent of the pensionable annual income, which is substantially below the respective basic annual salary (fixed remuneration of a member of the Board of Management). The pensionable annual income of the members of the Board of Management is adjusted similarly to the increases in standard pay of the Central Association of German Seaport Operators (ZDS).

A similarly measured defined benefit pension commitment of the BLG Group additionally exists for Mr. Mekelburg. There are no pension commitments for Michael Blach and Frank Dreeke.

| Pension commitments[1] TEUR | Present value of pension commitment 31/12/2014 | Present value of pension commitment 31/12/2013 | Total addition 2014 | Market value of reinsurance coverage 31/12/2014 | Market value of reinsurance coverage 31/12/2013 | Total addition 2014 |
|---|---|---|---|---|---|---|
| **Jens Bieniek** | 127 | 106 | 21 | 70 | 61 | 9 |
| of that, BLG | 127 | 106 | 21 | 70 | 61 | 9 |
| of that, third parties | 0 | 0 | 0 | 0 | 0 | 0 |
| **Hartmut Mekelburg** | 1,578 | 1,382 | 196 | 648 | 557 | 91 |
| of that, BLG | 807 | 699 | 108 | 648 | 557 | 91 |
| of that, third parties | 771 | 683 | 88 | 0 | 0 | 0 |
| **Emanuel Schiffer** | 3,892 | 3,189 | 703 | 0 | 0 | 0 |
| of that, EUROGATE | 1,462 | 1,007 | 455 | 0 | 0 | 0 |
| of that, third parties | 2,430 | 2,182 | 248 | 0 | 0 | 0 |
| **Andreas Wellbrock** | 109 | 91 | 18 | 57 | 49 | 8 |
| of that, BLG | 109 | 91 | 18 | 57 | 49 | 8 |
| of that, third parties | 0 | 0 | 0 | 0 | 0 | 0 |
| | **5,706** | **4,768** | **938** | **775** | **667** | **108** |

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

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 had not been granted any loans or advance payments as of December 31, 2014. As in the previous year, no contingent liabilities were contracted for the benefit of the members of the Board of Management.

**Remuneration of the Supervisory Board**

The remuneration of the Supervisory Board is stipulated in Section 17 of the Memorandum and Articles of Association of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. Every member of the Supervisory Board receives EUR 5,000 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 per cent of the Group earnings. Each individual member of the Supervisory Board receives 1/20 of this amount. The chairman of the Supervisory Board receives 3/20, the deputy chairman as well as the chairman of the Audit Committee and the chairman of the Human Resources Committee, provided he is not chairman of the Supervisory Board at the same time, receive 2/20 of this amount.

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

The members of the Supervisory Board received the following remuneration in the 2014 financial year:

| Remuneration of the Supervisory Board (in TEUR) | 2014 | | | | | |
|---|---|---|---|---|---|---|
| | Fixed remuneration | Variable remuneration[2] | Committee work | Meeting allowance | Miscellaneous[3] | Total |
| **Dr. Stephan-Andreas Kaulvers** | 15 | 9 | 1 | 3 | 7 | 35 |
| **Christine Behle** | 10 | 6 | 1 | 2 | 0 | 19 |
| **Karl-Heinz Dammann** | 5 | 3 | 2 | 4 | 10 | 24 |
| **Melf Grantz** | 5 | 3 | 1 | 3 | 0 | 12 |
| **Martin Günthner[1]** | 5 | 3 | 1 | 3 | 0 | 12 |
| **Wolfgang Lemke** | 5 | 3 | 2 | 4 | 0 | 14 |
| **Karoline Linnert[1]** | 5 | 3 | 1 | 2 | 11 | 22 |
| **Dr. Klaus Meier** | 5 | 3 | 1 | 3 | 0 | 12 |
| **Dr. Tim Nesemann** | 5 | 3 | 1 | 2 | 0 | 11 |
| **Dirk Reimers** | 5 | 3 | 1 | 4 | 0 | 13 |
| **Dieter Schumacher** | 5 | 3 | 0 | 3 | 0 | 11 |
| **Gerrit Schützenmeister** | 5 | 3 | 0 | 3 | 0 | 11 |
| **Dieter Strerath** | 5 | 3 | 1 | 3 | 0 | 12 |
| **Reiner Thau** | 5 | 3 | 0 | 3 | 11 | 22 |
| **Dr. h. c. Klaus Wedemeier** | 3 | 2 | 0 | 1 | 0 | 6 |
| **Dr. Patrick Wendisch** | 10 | 6 | 1 | 4 | 0 | 21 |
| | **98** | **59** | **14** | **47** | **39** | **257** |

[1] In accordance with Section 5a of the Senate law of the state parliament of Bremen, there is a requirement to surrender remuneration received for Supervisory Board work to the state.
[2] The presentation of the success-oriented remuneration reported is based on the business success in the respective reporting year.
[3] in-Group Supervisory Board seats

In the previous year the Supervisory Board received remuneration to a total amount of EUR 254,000, of which EUR 100,000 was accounted for by fixed components and EUR 41,000 by variable components. The meeting allowances came to EUR 60,000, the remuneration for committee work EUR 14,000 and the allowances for in-Group Supervisory Board seats EUR 39,000.

As of December 31, 2014, 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.

# The BLG share

- » BLG share price increased by more than 37 per cent
- » Dividend continuity maintained
- » Shareholder structure remained the same

## Capital market negatively impacted by conflicts across the globe

After a positive first half year, capital market sentiment deteriorated again in autumn 2014. Aside from the continued conflicts in Ukraine and the Middle East, this development was triggered by declining economic expectations as well as an increased burden on the German economy due to the economic sanctions against Russia. The interest rate decrease by the European Central Bank (ECB) in early September and the outlook regarding a continued expansive monetary policy over the medium term were only able to offset this development in part. At the end of the year, sentiment improved again resulting in the DAX reaching its annual high in December 2014.

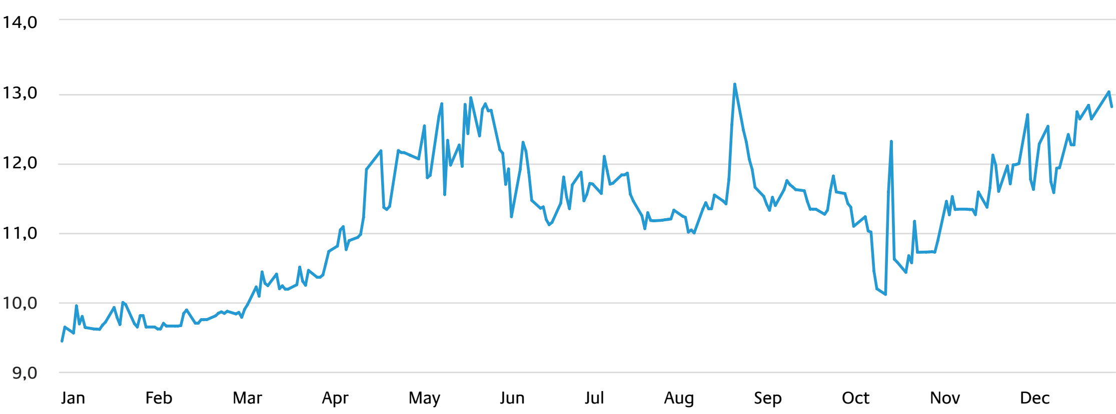
The various factors also had a negative impact on the performance of leading global indices. Thus, the DAX showed only a lukewarm performance throughout the 2014 financial year and closed at 9,805 points and with a price increase of 2.2 per cent on its last trading day.

## BLG share price[1] increased by over 37 per cent

The BLG share showed a positive performance throughout the course of the 2014 financial year. On the first trading day of the financial year it opened with a price of EUR 9.32. This was also the annual low of the share. Thereafter, the share price showed a steady upward movement. After some sideways movements in summer 2014, the share price reached a high of EUR 13.18 on 25 August. The BLG share closed the reporting year at a price of EUR 12.78 on 30 December 2014, which was the last trading day of the year, and thus recorded an increase in value of more than 37 per cent. The share thus performed significantly better than all benchmark indices.

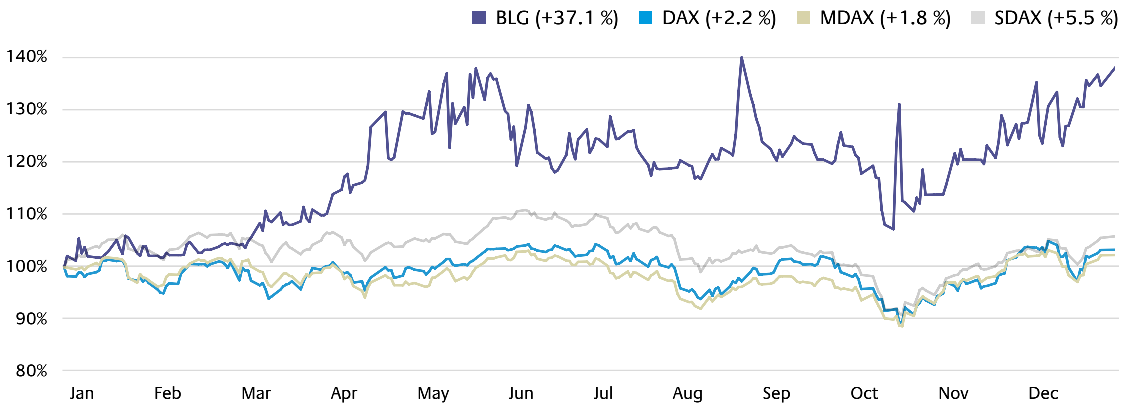
**+ 37.1%**
growth in value

BLG share price performance (for the period from 1 January 2014 to 31 December 2014)




[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 BLG share

| Financial ratios for the BLG share | | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|
| Earnings per share | EUR | 0.44 | 0.59 | 0.69 | 0.58 | 0.34 |
| Dividend per share | EUR | 0.40 | 0.40 | 0.40 | 0.40 | 0.30 |
| Dividend | % | 15 | 15 | 15 | 15 | 12 |
| Dividend yield | % | 3.1 | 4.2 | 4.5 | 5.0 | 3.2 |
| Share price at year-end[1] | EUR | 12.78 | 9.48 | 8.93 | 8.06 | 9.48 |
| Highest price[1] | EUR | 13.18 | 9.70 | 9.25 | 9.83 | 9.61 |
| Lowest price[1] | EUR | 9.32 | 8.33 | 7.89 | 7.52 | 8.20 |
| Distribution amount | EUR million | 1.5 | 1.5 | 1.5 | 1.5 | 1.2 |
| Distribution ratio | % | 91.9 | 68.3 | 57.6 | 69.3 | 88.6 |
| Price/Earnings ratio | | 29.1 | 16.1 | 12.9 | 13.9 | 27.9 |
| Market capitalisation | EUR million | 49.1 | 36.4 | 34.3 | 31.0 | 36.4 |

[1] Average on listed stock markets

## Dividend continuity maintained

Our goal is 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 BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– decided at their discretion to allocate a partial amount of EUR 136,232.47 from the annual surplus of EUR 1,672,232.47 to retained earnings. Thus, the annual financial statements for the 2014 financial year of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– recognise 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.

**EUR 0.40**
dividend per share

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 27 May 2015 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 corresponds to a distribution ratio of 92 per cent. Based on the year-end price of EUR 12.78, this results in a dividend yield of 3.1 per cent for the 2014 financial year.

## Shareholder structure remained the same

Shareholder structure
as of December 31, 2014

- 50.4% Free Hanseatic City of Bremen (municipality of Bremen)
- 12.6% Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –
- 12.6% Finanzholding der Sparkasse in Bremen
- 24.4% Free float

The share capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– is EUR 9,984,000.00 and is divided into 3,840,000 registered shares with voting rights. The transfer of shares requires company approval in accordance with Section 5 of the Articles of Association.

**Shareholder structure of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as at 31 December 2014**

The Free Hanseatic City of Bremen (municipality) is the main shareholder of our company with a share of 50.4 per cent. Further large institutional investors include the bank Bremer Landesbank Kreditanstalt Oldenburg –Girozentrale– and Finanzholding der Sparkasse Bremen. 24.4 per cent of shares are in free float, corresponding to 936,000 shares. About 2 per cent of the free float is held by institutional investors; the remaining 22 per cent is held by private investors.

## Investor relations continued intensively

In the 2014 financial year, our investor relations work focused 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 and reports and information regarding the BLG share can be found at **www.ir.blg.de**.

# Annual Financial Statement of BREMER LAGERHAUS-GESELLSCHAFT

## –Aktiengesellschaft von 1877–

# Income Statement

| TEUR | 01/01/ – 31/12/2014 | 01/01/ – 31/12/2013 |
|---|---|---|
| 1. Remuneration of BLG LOGISTICS GROUP AG & Co. KG | 2,219 | 2,790 |
| 2. Other operating income | 4,104 | 342 |
| | **6,323** | **3,132** |
| 3. Personnel expenses | | |
| a) Wages and salaries | -3,591 | 0 |
| b) Social security contributions and expenses for pension scheme and support | -39 | 0 |
| | **-3,630** | **0** |
| 4. Other operating expenses | -1,273 | -1,020 |
| 5. Other interest and similar income | 587 | 574 |
| **6. Result of ordinary activities** | **2,007** | **2,686** |
| 7. Taxes on income | -334 | -437 |
| **8. Net income** | **1,673** | **2,249** |
| 9. Transfers to other revenue reserves | -137 | -713 |
| **10. Balance sheet profit** | **1,536** | **1,536** |

# Balance Sheet

| TEUR | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Assets** | | |
| A. Current assets | | |
| I. Receivables and other assets | | |
| 1. Receivables from affiliated companies | 20,891 | 20,123 |
| 2. Other assets | 3 | 4 |
| | **20,894** | **20,127** |
| II. Cash in hand, bank balances | 27 | 26 |
| | **20,921** | **20,153** |

| | 31/12/2014 | 31/12/2013 |
|---|---|---|
| **Equity and liabilities** | | |
| A. Equity | | |
| I. Subscribed capital | 9,984 | 9,984 |
| II. Revenue reserves | | |
| 1. Legal reserves | 999 | 998 |
| 2. Other revenue reserves | 6,567 | 6,431 |
| III. Balance sheet profit | 1,536 | 1,536 |
| | **19,086** | **18,949** |
| B. Provisions | | |
| 1. Provisions for taxes | 229 | 260 |
| 2. Other provisions | 585 | 495 |
| | **814** | **755** |
| C. Liabilities | | |
| 1. Trade payables | 20 | 26 |
| 2. Liabilities to affiliated companies | 1,001 | 423 |
| | **1,021** | **449** |
| | **20,921** | **20,153** |

# Notes

## General disclosures

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

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

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 by means of specific valuation allowances, wherever necessary.

Bank balances are recognized at their nominal value.

The provisions are recognized to the settlement amount necessary to cover all uncertain liabilities and imminent losses from pending transactions on the basis of prudent business assessment.

The liabilities are accrued at their settlement amounts.

## Disclosures in respect of the balance sheet

**Accounts receivable from affiliated companies**
The accounts receivable from affiliated companies apply to the full amount to BLG LOGISTICS GROUP AG & Co. KG. They include short-term loans amounting to EUR 5,227,000 (previous year: EUR 5,227,000). Receivables regarding cash management from BLG LOGISTICS GROUP AG & Co. KG account for EUR 12,805,000 (previous year: EUR 12,402,000). A further amount of EUR 2,859,000 (previous year: EUR 2,495,000) concerns trade receivables from BLG LOGISTICS GROUP AG & Co. KG, Bremen.

As in the previous year, all receivables have a residual term of up to one year.

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

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

An amount of EUR 136,000 (previous year: EUR 713,000) was transferred to other revenue reserves from the net income for the year 2014.

**Other provisions**
The recognition of other provisions entailed provisions to an amount of EUR 397,000 (previous year: EUR 341,000) for costs in connection with the Annual Shareholders' Meeting, publication of the annual financial statement and the consolidated financial statement as well as the auditing costs. Additional provisions of EUR 188,000 (previous year: EUR 155,000) were made for fixed and variable Supervisory Board remuneration. The previous year's figures were adjusted.

**Liabilities**
As in the previous year, all liabilities have a residual term of up to one year.

Of the other liabilities, EUR 974,000 (previous year: EUR 397,000) relate to taxes.

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

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

A condensed list of the subsidiaries included in the consolidated financial statement, joint ventures, associated enterprises and other participations is contained in the section Further Information on page 188 ff.

## Disclosures in respect of the income statement

**Remuneration of BLG LOGISTICS GROUP AG & Co. KG**
This item contains the liability remuneration based on the Articles of Association (EUR 947,000, previous year: EUR 912,000) and the remuneration for work as general partner of BLG LOGISTICS GROUP AG & Co. KG, Bremen (EUR 1,272,000, previous year: EUR 1,878,000).

**Other operating income and expenses**
These two items include, among other things, transmitted payments to the Supervisory Board to an amount of EUR 234,000 (previous year: EUR 215,000).

The other operating income additionally contains the transmitted remuneration of EUR 3,723,000 (previous year: EUR 0) for the Board of Management. In the previous year the remuneration for the Board of Management was paid directly by BLG LOGISTICS GROUP AG & Co. KG, Bremen. Furthermore, the disclosure encompasses income not relating to this period to an amount of EUR 55,000 (previous year: EUR 35,000), which concerns release of provisions.

The other operating expenses also contain, in particular, administration costs of EUR 667,000 (previous year: EUR 638,000). Furthermore, the disclosure includes expenses not relating to this period amounting to EUR 10,000 (previous year: EUR 0).

### 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 and similar income

Of the interest income, EUR 587,000 (previous year: EUR 572,000) stem from affiliated companies and EUR 0 (previous year: EUR 2,000) from tax refunds for previous years.

### Taxes on income

The taxes on income correspond to the reduced earnings before taxes. Expenses due to taxes on income come to EUR 335,000 (previous year: EUR 437,000).

## Other disclosures

### Off-balance-sheet transactions

There were no transactions that were not contained in the balance sheet as of December 31, 2014.

### Other financial liabilities

There were no other financial liabilities as of December 31, 2014.

### Auditor fees

The total remuneration for the auditors' work in the 2014 financial year comes to EUR 149,000 (previous year: EUR 114,000). EUR 94,000 of this amount relate to the annual financial statement audit and EUR 21,000 to the auditor's review of the condensed group interim financial statement and the group interim management report as of June 30, 2014 in accordance with Sections 37w, 37y of the Securities Trading Act (WpHG). An amount of EUR 34,000 was expended for other services.

## Disclosures on affiliated companies and parties

### Transactions with shareholders

#### Relationships with the Free Hanseatic City of Bremen (municipality of Bremen)

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

#### Transactions with affiliated companies, joint ventures and associated enterprises

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

### Board of Management and Supervisory Board

The disclosures concerning the Supervisory Board and the Board of Management have been examined by the financial statement auditor. They are reported elsewhere in the Annual Report. For the composition of the Supervisory Board and the Board of Management as well as memberships of the Supervisory Board and Board of Management members in other bodies in accordance with Section 125 (1) sentence 5 of the Stock Corporation Act (AktG) see pages 184 ff. 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, whose remuneration report is at the same time part of the Management Report and the Group Management Report, on pages 38 ff. The expenses for the emoluments of the Board of Management are assumed in full by BLG LOGISTICS GROUP AG & Co. KG.

**Directors' Dealings**

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

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

**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 value for the disclosure requirement is 3 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) sent. 1 of the Securities Trading Act (WpHG):

| Shareholder | Disclosure according to Section 41 (2) sent. 1 WpHG as of | Voting rights in % direct | Voting rights in % indirect |
|---|---|---|---|
| 1. Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen | April 2, 2002 | 12.61 | |
| 2. Norddeutsche Landesbank Girozentrale, Hannover | April 2, 2002 | | More than 1. |
| 3. Financial holding company of Sparkasse in Bremen, Bremen | April 8, 2002 | 12.61 | |
| 4. Free Hanseatic City of Bremen (municipality of Bremen) | April 9, 2002 | 50.42 | |

**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 27, 2015: distribution of a dividend of EUR 0.40 per bearer voting share (which corresponds to around 15 per cent per voting share) for the 2014 financial year, corresponding to the balance sheet profit of EUR 1,536,000.

**Group financial statement**

The company, together with BLG LOGISTICS GROUP AG & Co. KG, Bremen as the joint parent enterprise, prepared a voluntary group financial statement as of December 31, 2014 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 statement is published in the Federal Gazette and is available at the headquarters of the company in Bremen.

**Corporate Governance Code**

The Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– issued the 13th Declaration of Conformity to the German Corporate Governance Code in the version of June 24, 2014 on November 25, 2014 and the Supervisory Board did so on December 19, 2014. The declaration has been made available to the shareholders on a permanent basis on the Internet at **www.ir.blg.de**.

# Management Report of BREMER LAGERHAUS-GESELLSCHAFT

## –Aktiengesellschaft von 1877–

### Basic features of the company

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, Bremen, 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 LOGISTICS GROUP AG & Co. KG.

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Graphics on Group structure

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– does not hold an interest in the share capital of BLG LOGISTICS GROUP AG & Co. KG and it has no right to a proportionate share of the company's profit. All limited partnership shares of BLG LOGISTICS GROUP AG & Co. KG are held by the Free Hanseatic City of Bremen (municipality of Bremen). It receives remuneration for the liability assumed as well as for its corporate management work respectively. The business of BLG LOGISTICS GROUP AG & Co. KG is conducted by the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as a body of the general partner. The Board of Management conducts business on its own responsibility in accordance with Section 76 (1) of the Stock Corporation Act (AktG) and is not subject to instructions of the shareholders.

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

Moreover, all expenses directly incurred in connection with management of BLG LOGISTICS GROUP AG & Co. KG shall be reimbursed by the latter to BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. Further information on transactions with affiliated companies and related parties can be found in the notes to the financial statement. For the 2014 financial year a report on the relationships to affiliated companies was prepared by the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–. The final statement of the Board of Management on relationships to affiliated companies in accordance with Section 312 (3) sent. 3 AktG is as follows:

"BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– 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.

### Economic report

**Report on earnings, financial and asset situation**
In accordance with its corporate function, BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– lent all financial facilities available to it to BLG LOGISTICS GROUP AG & Co. KG for pro rata financing of the working capi-

tal necessary for performing its services. This essentially takes place via the central cash management of BLG LOGISTICS GROUP AG & Co. KG in which the company 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 LOGISTICS GROUP AG & Co. KG and for management of BLG LOGISTICS, BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– received a liability compensation (EUR 947,000) and remuneration for work (EUR 1,272,000) for 2014. In addition, expenses directly incurred by the company in connection with management of BLG LOGISTICS GROUP AG & Co. KG were reimbursed by the latter.

**Earnings per share of EUR 0.44**

The earnings per share are calculated by dividing the annual net income of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– by the average number of outstanding shares during the financial year. Unchanged from the previous year, there were 3,840,000 registered shares with voting rights outstanding during the financial year. The net income in 2014 dropped to EUR 1.7 million (previous year: EUR 2.2 million). The drop is essentially attributable to the decrease in the remuneration for work to EUR 1.3 million (previous year: EUR 1.9 million). This development was due to various effects that, altogether, impacted the operating result of BLG LOGISTICS GROUP AG & Co. KG accordingly.

**BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– share**

For detailed information on the BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– share we refer to the respective data in the Annual Report on pages 44 ff. in order to avoid duplication.

44 ff.
BLG share

## Corporate Governance report

**Declaration on corporate management**

The disclosures concerning Corporate Governance in accordance with Section 289 of the German Commercial Code (HGB) have been examined by the financial statement auditor. To avoid duplication, they will be reported elsewhere in the Annual Report together with the declaration on corporate management in accordance with Section 289a HGB; see pages 34 ff. in this connection.

34 ff.
Corporate Governance Report

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

Disclosures relevant to takeovers are provided in the Corporate Governance report on pages 37 f.

## Remuneration report

The remuneration report in accordance with Section 289 (3) no. 5 HGB is contained in the Corporate Governance report on pages 38 ff.

## Supplementary report

No events of special importance have occurred to date.

## Risk report

### Opportunity and risk management

Entrepreneurial action involves opportunities and risks. Responsible handling of potential risks is a key element of solid corporate management for BLG LOGISTICS. At the same time it is important to identify and take advantage of opportunities. Our opportunity and risk policy pursues the goal of increasing the enterprise value without taking unreasonably high risks.

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

Early identification of potential risk takes place within the framework of continuous risk controlling as well as of a risk management and reporting system geared to the corporate structure based on company law. We give special consideration to possible risks to continuity of operations based on strategic decisions. Currently no risks to continuity of operations and to the future development of our company can be identified on the basis of an overall analysis. Our financial base in connection with extension of the range of services in all strategic business units of the BLG Group continues to offer good opportunities for stable corporate development on the part of BLG LOGISTICS.

### 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 59 ff.

### Risks and opportunities of future development

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

## Forecast report

### Report on forecasts and other statements regarding expected development

As forecast in the previous year, a lower net income of around EUR 1.7 million was earned in 2014. For the year 2015 we assume a slight rise in the net income based on sound planning. In view of this background, our objective for the 2015 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 future-oriented statements on the development of business and earnings of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– that are based on assessments, forecasts and expectations and are characterized by such formulations as “assume” or “expect” and similar expressions. These statements may naturally deviate from actual future events or developments. We do not assume any obligation to update the future-oriented statements in view of new information.

# Assurance of the Legal Representatives

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

Bremen, March 17, 2015

THE BOARD OF MANAGEMENT

Frank Dreeke | Jens Bieniek | Michael Blach

Hartmut Mekelburg | Emanuel Schiffer | Andreas Wellbrock

# 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, 2014. 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 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 annual financial statement in conformity with generally accepted accounting principles and by the Management Report are identified with adequate certainty. Knowledge of the business activities, economic environment and legal framework of the company as well as the expectations regarding possible errors are taken into account in the definition of the auditing procedures. The effectiveness of the accounting-related system of internal audits as well as documentary evidence for the data in the accounting, annual financial statement and Management Report are predominantly evaluated on the basis of spot checks within the framework of the audit. The audit encompasses evaluation of the accounting principles applied and of the main assessments of the legal representatives as well as an appraisal of the overall presentation of the annual financial statement and the Management Report. We are of the view that our audit forms an adequately reliable basis for our evaluation.

Our audit did not lead to any objections.

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

Bremen, April 16, 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Ludwig | Hantke |
| Auditor | Auditor |

# Group Management Report

BLG LOGISTICS

# Basic Group information

- » BLG Group: Seaport-oriented logistics provider with more than 100 subsidiaries and locations worldwide
- » AUTOMOBILE Division: Strong performance by the European automobile logistics division
- » CONTRACT Division: Service focus on specific logistics solutions for customers in industry and commerce
- » CONTAINER Division: Leading terminal operator in Europe

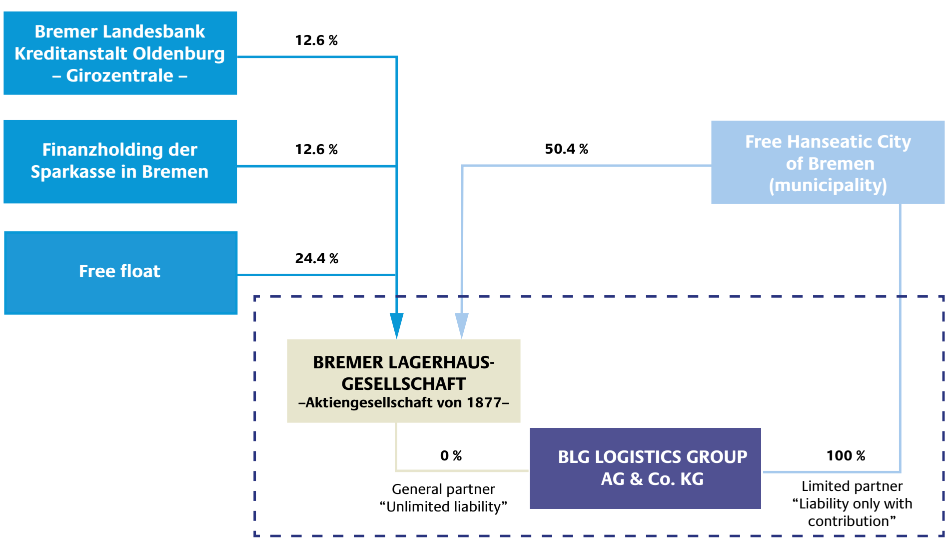
## Legal structure of the Group

The listed company BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– 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 organisational respects, have therefore prepared the group financial statements jointly.

BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– does not hold any share capital in BLG LOGISTICS GROUP AG & Co. 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 LOGISTICS GROUP AG & Co. KG are held by the Free Hanseatic City of Bremen (municipality). The business of BLG LOGISTICS GROUP AG & Co. KG is managed by the Board of Management of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– 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 LOGISTICS GROUP AG & Co. KG focuses on the strategic direction and development of the BLG Group with its three Divisions, AUTOMOBILE, CONTRACT and CONTAINER.

Legal structure of the Group



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.

## Business model and organisational 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 7.4 million vehicles, this division secured its position as Europe's leading automotive logistics specialist in 2014.

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 400 trucks and 1,275 railway wagons, are in operation there to transport cars. We also provide logistics services in Poland, Russia, Slovakia, Slovenia, the Czech Republic 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.

BLG LOGISTICS provides contract logistics services at logistics centres and special facilities in over 30 locations in Europe and overseas for well-known brands such as BMW, Bosch, Daimler, engelbert strauss, Griesson – de Beukelaer, Hansgrohe, Konica Minolta, Siemens and Tchibo.

**CONTAINER Division**
The CONTAINER Division has been 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 containerised goods.

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

**Changes to scope of consolidation**
BLG LOGISTIKA ADRIATIC d.o.o., Ploče, Croatia was established in February 2014 by BLG CarShipping GmbH & Co. KG. The purpose of the company is the provision of logistics services. The company has been included in the consolidation using the equity method of accounting.

## Management and control

34 ff.
Corporate Governance Report

**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 34 ff. 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**

The takeover-related disclosures are included in the Corporate Governance Report on pages 37 ff.

**Remuneration report**

The remuneration report in accordance with Section 315(2) No. 2 HGB is included in the Corporate Governance Report on pages 38 ff.

## 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.

## 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

Up to the end of 2013, all legal entities of the BLG Group were consistently managed on the basis of the International Financial Reporting Standards (IFRS) according to earnings before taxes (EBT) and return on capital employed (ROCE). A system of key corporate control indicators was developed jointly with a management consultant and this was applied across the Group starting from the 2014 financial year. The corporate control indicators EBT and ROCE will subsequently be extended by EBIT (operating income), EBIT margin and FCF (free cash flow).

# Business report

» Group sales increased again: EUR 882.8 million
» EBT: EUR 30.1 million
» Successful restructuring measures in the AUTOMOBILE Division

## Macroeconomic conditions[1]

There was uneven development in the global economy at the start of the 2014 financial year. While there was a mixed picture in the emerging markets, with growth slowing in the BRIC countries (Brazil, Russia, India and China), early economic indicators heralded improvements in the important developed countries (USA, Japan, euro zone countries). The euro zone seemed to be heading for the end of economic stagnation and recession. Due to the influence of these developed countries on the global economy, expectations for the 2014 financial year were very positive.[2]

The first in a series of political conflicts escalated at the start of 2014. These created lasting market uncertainty and reduced willingness to invest. The conflict between Russia and Ukraine was the cause of great uncertainty during this year and there was an escalation in several military conflicts in the Middle East. All these had the effect of dampening global economic development. As a result, global GDP grew by only 3.3 per cent.

**German gross domestic product rose by 1.6 per cent in 2014**
After a lively start to the year followed by a lull, the economic situation in Germany at year-end remained steady in a difficult global economic environment. Economic policy measures and political unrest had a particularly negative effect on the economy. Nevertheless, German gross domestic product (GDP) rose by 1.6 per cent in 2014.

Thus the German economy grew noticeably more strongly than the euro zone average. Positive trends in the employment market played a central role in creating domestic momentum. In view of the ongoing trends in disposable income in private households and a moderate increase in prices, consumer spending and the positive trend in investment in fixed assets are playing a leading role. The business climate has shown great improvement and overall production capacity is increasingly fully utilised.[3]

## Situation in the logistics sector[4]

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.

[1] Joint Economic Forecast Project Team (ed.): Autumn 2014 "German Economy Stagnating – Now is the Time to Strengthen Growth", Joint Economic Forecast Autumn 2014, 9 October 2014, Kiel.
[2] ifo Institute (ed.): "ifo Economic Forecast 2014/2015: German Economy Gradually Regains Impetus", 11 December 2014, www.ifo.de.
[3] Federal Statistical Office (ed.): "Detailed GDP results on the 4th quarter of 2014", www.destatis.de, 24 February 2015.
[4] Bundesvereinigung Logistik (BVL) e. V.: www.bvl.de, 10 October 2014.

As a result, the sector benefits from the increasing demand for logistics services, which is aided by the growth in e-commerce business and the high returns rate in business-to-customer business. To this extent, the logistics sector as reflected in the BLG Group's business model is highly dependent on economic trends. Challenges in the logistics sector concern in particular demographic trends and the resulting battle for professionals, managers and young talent. Other challenges include the required infrastructure investment, 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.

In addition, logistics companies are expected to be very willing to invest and highly innovative in the area of logistics outsourcing. A key focus here is to invest in transshipment, distribution and commissioning centres in conveniently situated locations. Because contracts with customers generally 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.

The transport and logistics sector recorded moderate growth of around 2 per cent in 2014. Significant negative effects resulted from the ongoing European sovereign debt crisis, the consequences of the geopolitical unrest in Eastern Europe and the slow progress on infrastructure projects in Germany and the rest of Europe.

According to the BVL/IfW logistics indicator, the assessment for business development is supported by improved capacity utilisation and sustained demand both domestically and abroad. The SCI Logistics Barometer for December 2014 reports strong capacity utilisation in the last few months of the reporting year and expects the business mood in the first quarter of 2015 to be positive.[5]

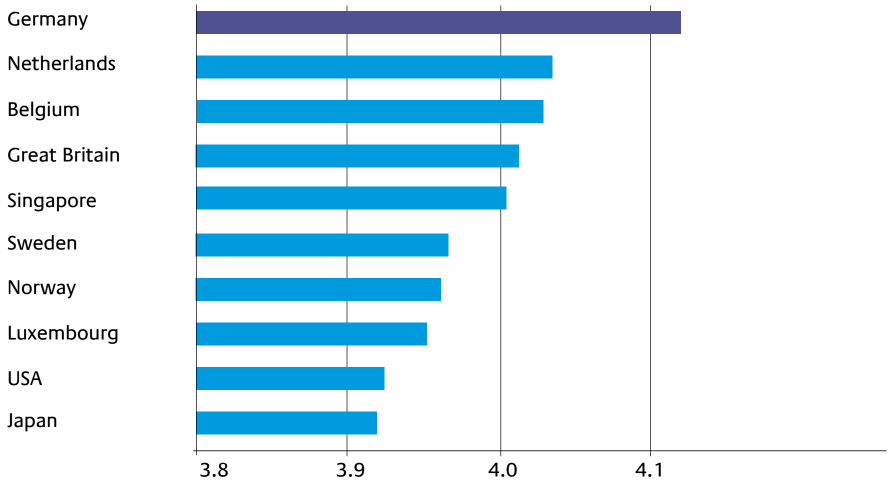
Revenue in the logistics sector in Germany increased in 2014 by a further EUR 5 billion to EUR 235 billion and thus once again exceeded the record set in 2013. The experts expect further moderate growth in the current year. Thus the German logistics market is the largest sub-sector in Europe by far.

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.[6]

This can also be seen in the Logistics Performance Index (LPI), calculated every two years by the World Bank, which shows Germany to be the leading logistics location once again in 2014. To calculate the total value, six categories are scored on a scale from 1 to 5. Germany is among the top 3 in the categories of infrastructure, tracking and tracing, logistics quality and competence and customs, and also takes first place in the overall ranking with a score of 4.12.

[5] SCI Verkehr GmbH (ed.): SCI/LOGISTICS BAROMETER December 2014 „Logistics Business Climate Continues to Improve", 16 January 2015, Cologne.
[6] Fraunhofer SCS task force: Top 100 in European Transport and Logistics Services, February 2015.

Top 10 Logistics Performance Index, 2014




Source: World Bank

## Statement by the Board of Management on the economic situation

There was limited growth in the global economy in the 2014 financial year. This was due to weak growth in the euro zone, the persistent geopolitical unrest and the modest momentum in economic growth in emerging markets. For the BLG Group, 2014 was also a year of challenges that mainly affected the CONTRACT Division. It is therefore all the more satisfying that we managed to achieve our target goals for sales and earnings (EBT) in 2014.

Earnings in the CONTRACT Division, which fell in year-on-year comparison, were offset by the growth in the AUTOMOBILE and CONTAINER Divisions. Particular highlights were the successful restructuring measures in the AUTOMOBILE Division, which had a positive effect on productivity and, thus, on earnings. Due to the volume-related growth and consistent process improvements, and the targeted exploitation of savings potential, we view the economic situation and development of our Group as sustainable yet challenging.

## Business performance

**Revenue situation**

| Sales by segment (in EUR million) | 2014 | 2013 (adjusted) | Change absolute | percentage |
|---|---|---|---|---|
| AUTOMOBILE | 448.4 | 434.7 | 13.7 | 3.1 |
| CONTRACT | 436.9 | 422.0 | 14.9 | 3.5 |
| CONTAINER | 283.0 | 268.7 | 14.3 | 5.3 |
| Reconciliation | -285.5 | -271.0 | -14.5 | -5.4 |
| **Total Group** | **882.8** | **854.5** | **28.3** | **3.3** |

In the 2014 financial year, Group revenues once again rose in year-on-year comparison by EUR 28.3 million to EUR 882.8 million. This increase is distributed equally across all divisions.

**3.3 %**
Rise in sales

The increase in sales of EUR 13.7 million in the AUTOMOBILE Division was due to the continued high volume of cars handled and to improved margins. The growth in sales of EUR 14.9 million to EUR 436.9 million in the CONTRACT Division was mainly due to the expansion of business with existing customers. The increase in sales in the CONTAINER Division of EUR 14.3 million to EUR 283.0 million was due to the high container volumes handled across Europe.

| Indicators for the revenue situation | | 2014 | 2013 (adjusted) | Change absolute | percentage |
|---|---|---|---|---|---|
| Sales | EUR million | 882.8 | 854.5 | 28.3 | 3.3 |
| Return on sales[1] | % | 4.2 | 4.6 | -0.4 | -8.7 |
| EBIT[2] | EUR million | 37.4 | 39.0 | -1.6 | -4.1 |
| EBT | EUR million | 30.1 | 12.7 | 17.4 | 137.0 |
| Group profit for the period | EUR million | 22.5 | -3.0 | 25.5 | 850.0 |

| EBIT by segment (in EUR million) | 2014 | 2013 (adjusted) | Change absolute | percentage |
|---|---|---|---|---|
| AUTOMOBILE[2] | 15.3 | 9.8 | 5.6 | 57.1 |
| CONTRACT | 7.2 | 16.7 | -9.5 | -56.9 |
| CONTAINER | 38.4 | 34.6 | 3.8 | 11.0 |
| Reconciliation[2] | -23.5 | -22.1 | -1.5 | 6.8 |
| **Total Group[2]** | **37.4** | **39.0** | **-1.6** | **-4.1** |

[1] Related to adjusted EBIT for 2013.
[2] 2013 adjusted for special effects from the restructuring of our involvement in the companies BLG ViDi LOGISTICS TOW and E.H. Harms Automobile Logistics Ukraine TOW in Ukraine.

Although sales rose, material expenses fell by EUR 6.8 million to EUR 441.0 million. A crucial factor in this was a change in the arrangements for packaging materials for a major customer in the CONTRACT Division.

Personnel expenses for 2014 were EUR 277.9 million (previous year: EUR 250.3 million). The rise was due to the increase in personnel within the Group of 599 to 6,425 employees. In addition, we made greater use of external personnel in the 2014 financial year to cover our staffing requirements. Expenses for external personnel increased accordingly from EUR 148.8 million to EUR 158.2 million.

The reduction in depreciation and amortisation on intangible and fixed assets fell by EUR 7.5 million in the 2014 financial year to EUR 32.1 million due to the high level of unscheduled depreciation and amortisation resulting from the restructuring of our involvement in Ukraine in 2013.

Other operating income and expenses rose slightly on balance by EUR 1.3 million to EUR 124.9 million. This increase is mainly due to the successful restructuring measures in the AUTOMOBILE Division and the business expansion in the CONTRACT Division.

Adjusted EBIT for the BLG Group fell by EUR 1.6 million compared to the previous-year period to EUR 37.4 million. Due to the increase in sales, return on sales for 2014, calculated as EBIT/revenue, is 4.2 per cent (previous year: 4.6 per cent).

The financial result improved by EUR 0.3 million in 2014 to EUR -7.3 million. Of this, EUR 0.7 million was accounted for by income from investments.

Earnings before taxes (EBT) increased by EUR 17.4 million to EUR 30.1 million. This increase was mainly due to the increase in earnings in the AUTOMOBILE Division and to the omission of the one-off effects from the 2013 financial year.

Taxes on income were EUR 7.7 million in 2014 (previous year: EUR 15.6 million), equalling a tax rate of 25.5 per cent calculated on earnings before taxes (EBT) (previous year: 25.4 per cent). Tax expenses for the reporting year include EUR 3.1 million of current taxes and EUR 4.6 million of deferred taxes. Tax expenses for the previous year were negatively affected by risk provisions of EUR 6.5 million. Further disclosures on income taxes can be found in note 16 on page 134.

Annual net profit for the Group rose by EUR 25.4 million to EUR 22.5 million in year-on-year comparison. The previous year's result was negatively affected mainly due to the restructuring of our involvement in Ukraine and the higher tax expenses.

**AUTOMOBILE Division**

| Key indicators | | 2014 | 2013 (adjusted) | Change absolute | Change percentage |
|---|---|---|---|---|---|
| Sales | EUR million | 448.4 | 434.7 | 13.7 | 3.2 |
| Return on sales[1] | % | 3.4 | 2.2 | 1.2 | 54.5 |
| EBIT[2] | EUR million | 15.3 | 9.8 | 5.5 | 56.1 |
| EBT | EUR million | 9.7 | -12.4 | 22.1 | 178.2 |

[1] Related to adjusted EBIT for 2013.
[2] 2013 adjusted for special effects from the restructuring of our involvement in the companies BLG ViDi LOGISTICS TOW and E.H. Harms Automobile Logistics Ukraine TOW in Ukraine.

The AUTOMOBILE Division offers a full range of finished vehicle logistics services to the seaport terminal, inland terminal, intermodal services and Eastern Europe segments. These services include cargo handling, storage and technical services, as well as freight forwarding and transport logistics by rail, road, and inland and coastal shipping, thus covering the majority of logistics services from vehicle manufacturer through to end customer.

At the car terminal Bremerhaven another transshipment record of 2.3 million vehicles was recorded. The volume of 7.4 million vehicles handled in 2014 remained almost at the previous year's level (7.5 million vehicles), thus securing the Division's position as Europe's leading automotive logistics specialist.

In the seaport logistics segment, the volume of cars handled remained at a high level and these were mainly intended for export. The reduction in pressure on space capacity utilisation at the Bremerhaven seaport terminal, which was deployed during 2014, made it possible to implement further processes in handling operations in accordance with the measures defined in the efficiency improvement programme. Productivity was accordingly improved in year-on-year comparison. The efficiency improvement programme in Bremerhaven will continue to be implemented as a top priority.

Constant price pressure from customers, as well as from shipowners and car manufacturers, has been a dominant factor. Due to increasing competition with the 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 2014 compared to 2013. However, the market's high volatility was reflected in the 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.

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 the North African ports directly and the volumes were not being managed as transshipments through the port of Gioia Tauro. In the inland terminals segment, new business with technical value added was acquired for the Duisburg car terminal in 2014. Large revenues were achieved from the Kelheim car terminal due to high levels of stock and a significant real net output ratio from technical services.

In the intermodal segment, declining HGV transport volumes were mainly offset by the reduced usage of subcontractors and third-party contractors. Traffic in the network mostly developed equally across the board. It was not possible to utilise the available wagon capacity as planned, which continued to rise until mid-2014. This was mainly due to lower transport volumes from the Eastern European plants of major customers.

Volumes in the freight forwarding segment fell by around 17 per cent year-on-year. The main reason for this was the entry of a major customer into the handling of freight forwarding. Development in the Eastern Europe segment was negatively affected by the fall in vehicle imports in Russia and the increasing fall in the value of the rouble. Due to the deconsolidation of the companies in Ukraine on 31 December 2013, the results from these companies are no longer included in the consolidated results of BLG LOGISTICS from 2014. The operating business in Ukraine will continue at present without the provision of additional financial resources from BLG LOGISTICS.

EBIT in the AUTOMOBILE Division rose from EUR 9.8 million to EUR 15.3 million compared to the adjusted EBIT for 2013. This is due to the sustainable implementation of productivity improvements, as well as increasing utilisation and a rise in technical value added in the inland terminals.

**CONTRACT Division**

| Key indicators | | 2014 | 2013 (adjusted) | Change absolute | Change percentage |
|---|---|---|---|---|---|
| Sales | EUR million | 436.9 | 422.0 | 14.9 | 3.5 |
| Return on sales | % | 1.7 | 4.0 | -2.3 | -57.5 |
| EBIT | EUR million | 7.2 | 16.7 | -9.5 | -56.9 |
| EBT | EUR million | 2.7 | 13.0 | -10.3 | -79.2 |

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

In the industrial logistics (Europe) segment, business in the Bremen logistics centre was defined by very high volumes for the handling of parts logistics in the USA and South Africa. This volume trend significantly exceeded the original plans of a major customer and the air freight volume to be handled was increased disproportionately due to supply bottlenecks on the part of the supplier. We reacted to this by increasing capacity accordingly.

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 new logistics centres in Falkensee and Krefeld were successfully put into operation. Business developed in line with expectations.

Earnings in the industrial logistics (overseas) segment were substantially negatively affected by the additional expenses relating to the new business in the USA. Significantly more staff had to be provided to handle the operations. An important reason for this was the migration of the IT system by the customer without a prior test phase. Longer process times, due to changes made by the customer to the work processes in the logistics centre, also had a negative effect on productivity. In Brazil, CKD volumes for car production fell sharply due to ongoing weak sales of new vehicles in the Argentinian and Brazilian markets. Sustainable business growth was recorded in South Africa.

Business development in the retail logistics segment proceeded as planned for existing business. The results from the Bremen site were distinguished by persistent difficulties on a major project where considerable challenges arose unexpectedly which had a significant effect on the financial performance. At the Frankfurt site we managed to further develop the textile logistics segment successfully in the 2014 financial year.

In the wind energy segment, the value-adding activities of building the Global Tech 1 offshore wind farm in the North Sea ended with the completion of the wind farm in September 2014. The manufacturers do not currently have any follow-up projects for the construction of further wind farms. This resulted in significant negative effects in the fourth quarter of 2014 due to fixed costs not being covered.

A significant rise in volumes handled was recorded in the port logistics segment in the second half of 2014 due to the handling of large pipes for a pipeline project. Sustained weak volume levels and ongoing price pressure were recorded in the traditional area of general cargo handling.

On a positive note, sales growth of EUR 14.9 million compared to 2013 demonstrates the potential and growth opportunities in the CONTRACT Division.

As a result of the business development described, operating profit (EBIT) fell in year-on-year comparison by EUR -9.5 million to EUR 7.2 million.

**CONTAINER Division**

| Key indicators | | 2014 | 2013 (adjusted) | Change absolute | Change percentage |
|---|---|---|---|---|---|
| Sales | EUR million | 283.0 | 268.7 | 14.3 | 5.3 |
| Return on sales | % | 13.6 | 12.9 | 0.7 | 5.4 |
| EBIT | EUR million | 38.4 | 34.6 | 3.8 | 11.0 |
| EBT | EUR million | 34.8 | 31.2 | 3.6 | 11.5 |

The CONTAINER Division of the BLG Group is represented by half of the shares in the joint venture EUROGATE GmbH & Co. KGaA, KG, which operates – sometimes with partners – container terminals in Bremerhaven, Hamburg and Wilhelmshaven (Germany), La Spezia, Gioia Tauro, Cagliari, Ravenna and Salerno (Italy), Lisbon (Portugal), 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 the terminals, repairs, warehousing and trading of containers, intermodal freight services and technical services.

The EUROGATE Group achieved sales of EUR 566.0 million in the 2014 financial year (previous year: EUR 537.5 million). Operating profit (EBIT) rose significantly year-on-year to EUR 76.5 million (previous year: EUR 69.4 million). The rise of 10.2 per cent is mainly due to the increase in the volumes handled in Germany. The subgroup annual surplus rose to EUR 64.9 million in the 2014 financial year (previous year: EUR 62.0 million) due to good levels of earnings from investments abroad and the high container volumes handled.

**Comparison of financial performance with the forecast for the 2014 financial year**

We forecasted revenue and earnings before taxes (EBT) at the previous year's level for 2014. These forecasts take into account the changes in the accounting standards (IFRS) in 2014 and the adjustment for the one-off effects in 2013.

We achieved our forecasted goal of a moderate increase in sales in all three divisions – AUTOMOBILE, CONTRACT and CONTAINER. In the 2014 financial year we achieved revenue of EUR 882.8 million for the BLG Group. EBT improved significantly by EUR 17.4 million and we were able to achieve the planned profits of EUR 30.1 million for the BLG Group.

Our forecasts were based on assumptions that deviated in part from the conditions that occurred in the 2014 financial year.

Targets for 2014:

EUR 882mn
Sales

EUR 30mn
Group EBT

The reason for the increase in earnings before taxes (EBT) was the welcome rise in the contribution to profits made by the AUTOMOBILE Division. We managed to increase EBT to EUR 9.7 million despite the low utilisation of the wagon capacity in rail transport and the poor economic development in Eastern Europe. This was due to the high export volumes of vehicles, improved margins and the effective programme to increase efficiency at the Bremerhaven car terminal.

In the CONTRACT Division, EBT was significantly lower than had been expected in the previous year. The industrial logistics (Europe) segment developed well once again, due to the high rates of increase in parts logistics for car manufacturers. An important reason for the fall in the division's earnings was the unexpected losses from the new business in the USA (industrial logistics (overseas) segment). The continuing uncertainties regarding the development of the offshore sector also had a negative effect on the division's earnings. In addition, the productivity losses in the retail logistics segment at the Bremen site were only partly offset by additional business from existing customers.

Despite the prevailing competitive pressure for the container terminals and the not yet full utilisation of the Wilhelmshaven container terminal, EBT for the CONTAINER Division improved to EUR 34.8 million in 2014. EBT was below 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 growth in volumes at the Hamburg container terminal.

**Financial position**

| Indicators for the financial position | | 31/12/2014 | 31/12/2013 (adjusted) | Change absolute | Change percentage |
|---|---|---|---|---|---|
| Total assets | EUR million | 675.3 | 696.7 | -21.4 | -3.1 |
| Capitalisation ratio | % | 44.0 | 43.7 | 0.3 | 0.7 |
| Working capital ratio | % | 97.9 | 96.7 | 1.2 | 1.2 |
| Equity | EUR million | 202.6 | 241.6 | -39.0 | -16.1 |
| Equity ratio | % | 30.0 | 34.7 | -4.7 | -13.5 |
| Net debt | EUR million | 260.6 | 282.3 | -21.7 | -7.7 |

In the reporting year total assets amounted to EUR 675.3 million and were therefore EUR 21.4 million below the figure for the previous year. This was accounted for by a fall in non-current assets of EUR 36.2 million and a year-on-year rise in current assets of EUR 14.8 million.

The fall in non-current assets was mainly due to a decline in financial assets (down EUR 25.3 million), fixed assets (down EUR 5.3 million) and intangible assets (down EUR 2.2 million). The fall in financial assets mainly affected the CONTAINER Division, where equity, and thus the carrying amount of equity, fell due to higher pension provisions as a consequence of the lower discount rate.

A total of EUR 26.2 million was invested in intangible assets and fixed assets. Divestments of EUR 1.0 million were made, and depreciation and amortisation of EUR 32.1 million was recognised.
The capitalisation ratio improved slightly compared to 31 December 2013.

| EUR million | Carrying amount 31/12/2014 | Fair value 31/12/2014 | Carrying amount 31/12/2013 (adjusted) | Fair value 31/12/2013 (adjusted) |
|---|---|---|---|---|
| Long-term loans | 170.0 | 173.4 | 179.0 | 181.4 |
| Finance lease liabilities | 1.3 | 1.3 | 1.0 | 1.0 |
| **Total** | **171.3** | **174.7** | **180.0** | **182.4** |

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

The Group's net debt was considerably reduced by EUR 21.7 million to EUR 260.6 million in the 2014 financial year (previous year: EUR 282.3 million).

| Net debt | 31/12/2014 EUR million | 31/12/2013 EUR million | Change absolute | Change percentage |
|---|---|---|---|---|
| Long-term loans | 150.1 | 161.4 | -11.3 | -7.0 |
| Other non-current financial liabilities | 14.0 | 17.8 | -3.8 | -21.3 |
| Current financial liabilities | 114.5 | 118.1 | -3.6 | -3.0 |
| **Financial liabilities** | **278.6** | **297.3** | -18.7 | -6.3 |
| Non-current financial receivables | 6.3 | 8.1 | -1.8 | -22.2 |
| Cash and cash equivalents | 11.7 | 6.9 | 4.8 | 69.6 |
| **Net debt** | **260.6** | **282.3** | -21.7 | -7.7 |

**Financial position**

| | 2014 EUR million | 2013 EUR million | Change absolute | Change percentage |
|---|---|---|---|---|
| Cash inflow from operating activities | 34.5 | 5.4 | 29.1 | 538.9 |
| Cash in/outflow from investing activities | 10.1 | -3.4 | 13.5 | 397.1 |
| Free cash flow | 44.6 | 2.0 | 42.6 | 2,130.0 |
| Cash in/outflow from financing activities | -51.4 | -12.0 | -63.4 | -528.3 |
| **Net cash change in cash and cash equivalents** | **-6.8** | **14.0** | **-20.8** | **-148.6** |
| Effect of exchange rate changes on cash and cash equivalents | -0.5 | -0.3 | -0.2 | -66.7 |
| Cash and cash equivalents at start of financial year | -29.4 | -43.1 | 13.7 | 31.8 |
| **Cash and cash equivalents at end of financial year** | **-36.7** | **-29.4** | **-7.3** | **-24.8** |
| **Composition of cash and cash equivalents** | | | | |
| Liquid funds | 11.7 | 6.9 | 4.8 | 69.6 |
| Current amounts owed to banks | -48.4 | -36.3 | -12.1 | -33.3 |
| **Cash and cash equivalents at end of financial year** | **-36.7** | **-29.4** | **-7.3** | **-24.8** |

Based on the earnings before taxes of EUR 30.1 million achieved in 2014, cash flows of EUR 34.5 million were generated from continuing operations (previous year: EUR 5.4 million).

Free cash flow increased significantly due to the increase in profit and from divestments for the year.

Against the background of the repayment of short-term financing from investment entities of EUR 20.0 million recorded in the previous year and the repayment of promissory note loans in the amount of EUR 31.0 million, cash flows from financing activities rose sharply.

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 36.6 million had been agreed but not used.

A detailed statement of cash flows can be found on page 110 of the group financial statements. Disclosures on the statement of cash flows can be found in note 37.

# Supplementary report

No events of particular significance have occurred since the end of the 2014 financial year.

# Non-financial performance indicators

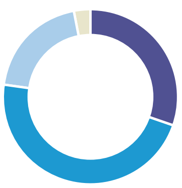
» In 2014, the average number of Group employees increased to 8,027 (including EUROGATE)
» Continued focus on: Reduction of $CO_2$ emissions by 20 per cent by 2020[7]
» Social commitment on a domestic and international level

## Employees

As an international seaport-oriented logistics service provider, BLG LOGISTICS requires committed, motivated and skilled employees in order to be successful in the market and to meet the challenges of globalisation 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 and the option to participate in a future social concept, 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):

Number of employees in 2014



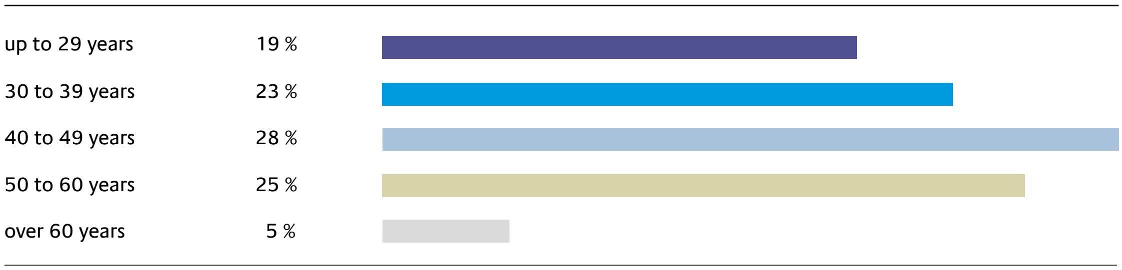
- 2,431 AUTOMOBILE
- 3,771 CONTRACT
- 1,602 CONTAINER
- 223 Services

| Division | 2014 | 2013 (adjusted) | Change in % |
|---|---|---|---|
| **AUTOMOBILE** | **2,431** | **2,262** | **+7.5** |
| thereof blue-collar workers | 1,967 | 1,816 | |
| thereof white-collar workers | 464 | 446 | |
| **CONTRACT** | **3,771** | **3,348** | **+12.6** |
| thereof blue-collar workers | 2,731 | 2,377 | |
| thereof white-collar workers | 1,040 | 971 | |
| **CONTAINER** | **1,602** | **1,640** | **-2.3** |
| thereof blue-collar workers | 1,159 | 1,190 | |
| thereof white-collar workers | 443 | 450 | |
| **Segment employees** | **7,804** | **7,250** | **+7.6** |
| thereof blue-collar workers | 5,857 | 5,383 | |
| thereof white-collar workers | 1,947 | 1,867 | |
| **Services** | **223** | **216** | **+3.2** |
| thereof blue-collar workers | 1 | 5 | |
| thereof white-collar workers | 222 | 211 | |
| **Reconciliation** | **-1,602** | **-1,640** | **+2.3** |
| thereof blue-collar workers | -1,159 | -1,190 | |
| thereof white-collar workers | -443 | -450 | |
| **Group employees** | **6,425** | **5,826** | **+10.3** |
| thereof blue-collar workers | 4,699 | 4,198 | |
| thereof white-collar workers | 1,726 | 1,628 | |

[7] Relative to the business activities, base year: 2011

In the reporting year, the average number of employees rose by 10.3 per cent in year-on-year comparison to 6,425. This increase is mainly due to new appointments in the industrial and retail logistics segment in the CONTRACT Division and to staff increases in the AUTOMOBILE Division. This affects the sites of both divisions in Bremen, Bremerhaven, Frankfurt and Tuscaloosa (USA).

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 minimised through planning, coordination and consideration when carrying out individual work assignments.

BLG LOGISTICS actively embraces the social responsibility of protecting its employees from accidents and ill-health. This is also apparent in the active participation of employees in the process of continuous improvement. Any corrections that need to be made to work processes are developed jointly and implemented quickly. Other results of the process of continuous improvement are technical improvements to machinery and ergonomic improvements, which also make working in the BLG Group safer.

**Employee survey**

BLG has carried out employee surveys since 2006. In 2012, for the first time, employees at all German sites were asked by the external market research institute 'Great Place to Work' about their experiences of work and their job, and what, in their view, makes a workplace a very good one. This survey was repeated in full in 2014, as planned. Ninety-six organisational units were created for the analysis. The dedicated employees of GHBV in Bremen and Bremerhaven were also included.

In the overall analysis, 56 per cent of all employees agreed with the statement "All things considered, I can say that this is a very good place to work". This is fairly similar to the preceding figure. We therefore continue to be on the verge of being a "good place to work", as the percentage agreeing to this question in the individual segments covers a large spectrum.

It will therefore be very challenging for BLG LOGISTICS to develop specific follow-up measures in the segments in 2015 in order to develop the organisation's culture in a positive way.

#### Future managers programme
With its future managers programme, BLG LOGISTICS offers graduates a training programme aimed at developing managers. The two-year programme prepares participants for a subsequent management role. For one-and-a-half years the trainees work on exciting business projects in a wide range of technical and subject areas with a high degree of autonomy. And after the programme finishes, many of the trainees remain at BLG LOGISTICS. In this respect, the programme is very important in terms of developing the company and nurturing future managers from within the company.

#### Work-life balance
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 carer. 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 $CO_2$ 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. Yet the market does not yet sufficiently appreciate companies that act in a more sustainable way, both environmentally and economically. For this reason we are focusing our attention mainly on individual projects that emphasise all three aspects – ecological, economical and social. A good example of this is the ongoing implementation of LED lighting, which saves energy, thus lowering costs, and can also improve workplace safety through better lighting.

As a company, we are always faced with competition and must remain competitive. In order to secure the future of the BLG Group over the long term, we are investing in innovation and expanding into new countries and markets. This is based on far-sighted and risk-aware financial policies to make us an altogether more dependable and beneficial partner to our customers, our employees, our owners and society. In terms of sustainability, we would like our customers to be our partners. We want to deepen and grow our collaboration, and, in the end, we hope that our activities as logistics suppliers are correspondingly appreciated.

#### Ecological sustainability
"Green logistics" focuses on reducing $CO_2$ emissions and thus mainly on reducing energy consumption. To do this we use tools such as continuous process improvement, energy management and the appropriate construction or modernisation of buildings and plants.

We have systematically recorded consumption data since 2012 and the use of new technologies such as telematics has played an important role in this. In 2014 we began trialling remote reading and system-supported interpretations of consumption data. New technologies are also crucial in using resources more efficiently and avoiding energy wastage. Our aim is to thoroughly scrutinise all processes and determine where our energy-saving efforts should be focused. We are already able to let our customers know the specific carbon footprint of our entire range of services.

Our joint venture EUROGATE has already been certified within the context of an energy management system. Our retail logistics segment participates in GS1 Germany's Lean and Green initiative and has promised to implement and document concrete measures to reduce greenhouse gases within five years. When it comes to "green" facilities management, the BLG Group relies on the use of renewable energies. We are already operating our own photovoltaic and wind energy plants and are planning additional ones. Technical improvements start with the intelligent management of heating plants and fully automatic high-bay warehouses, and even go as far as the radical reduction of fresh water consumption in washing facilities for cars and small load carriers.

**Social sustainability**
Our people are a key success factor in the development of the BLG Group and one of our most important resources. Attracting and retaining employees is the main contribution to added value made by the HR department. Even before the introduction of the minimum wage, BLG LOGISTICS took a stance on this issue with its obligatory "Employee relations code".

Managing health in the workplace is of top priority at BLG LOGISTICS and comprises the key areas of occupational safety, company doctor, staff support, social counselling and measures to promote health in the workplace. The cooperation with Martinshof, an approved workshop for the disabled, began in 2013 and was also continued in 2014. Staff exchanges are used to develop social skills and make a contribution towards improving employment opportunities for people with a wide range of disabilities.

As a Group with international operations, BLG LOGISTICS is also involved in projects outside of Germany. In 2014 we also continued our cooperation with the United Nations World Food Programme (WFP), which we established in 2012. By analysing the logistics capacities of seaports, BLG LOGISTICS can contribute towards locating possible emergency transport corridors in crisis regions.

**Economic sustainability**
In our view, satisfied customers, employees and shareholders are key elements of economic sustainability in the context of environmental and social responsibility. A good benchmark for this is net value added.

When introducing and managing sustainability criteria, BLG LOGISTICS focuses on its own, very varied activities and processes. In order to be competitive we work at a very high level of quality. This includes continuous innovation, customised IT systems and the use of some unique technologies.

After the introduction of "integrated liquidity-orientated corporate control" in 2013, the topics of a compliance system and risk management were further developed in 2014.

# Risk report

» 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 unfavourable to, jeopardise or even threaten the attainment of short-term strategic goals. Conversely, opportunities are uncertain events that increase the company's value and may be the outcome of developments that are more favourable than planned.

Risk management in the BLG Group is mainly derived from the goals and strategies of the individual segments. It aims to recognise 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.

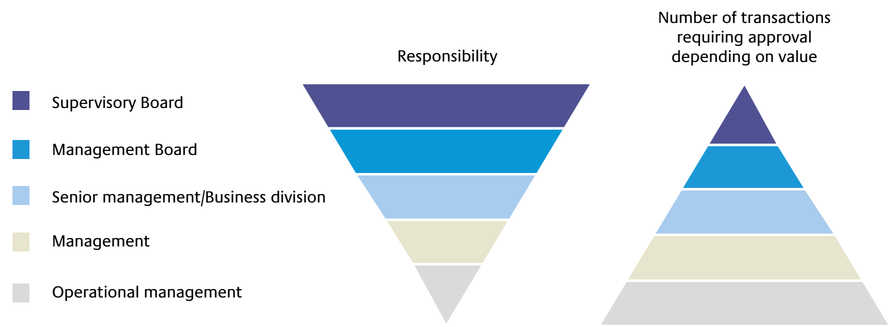
The strategic orientation of the BLG Group, which operates both within Germany and internationally, is highly diversified. Thus the structure of having three divisions together with a number of associated segments leads to a certain degree of autonomy in terms of economic influences, as well as individual 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 recognising and managing significant opportunities and risks is controlled centrally within the BLG Group with various levels and organisational 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. In the 2013 financial year, additional control indicators (free cash flow and EBIT margin) were identified, which have been reported monthly since 2014. 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 the 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 insurance or risk transfer) and opportunities are identified and evaluated in the area of the business where they actually arise. The controlling department is responsible for coordinating the Group-wide gathering and documenting of opportunities and risks.

Risks are detected and evaluated which, from a present-day perspective, can have a significant negative effect on our net assets, financial position and results of operations. 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 in 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 analysed 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 minimise 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 identified 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.

## Aims and methods of financial risk management

The main financial instruments used to finance the Group – with the exception of derivative financial instruments – are long-term loans, short-term borrowing and cash, including short-term bank deposits.

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. 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 91. At Group level, the existing market price risk is also monitored 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 2014, 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 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 guideline or purchasing guideline) 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 the accounting process, 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 summarises 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 standardised 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, standardised 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 standardised 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 the individual subsidiaries and the recoverability of the deferred tax assets is checked. Current and deferred taxes to be recognised 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 systems established cannot guarantee to identify and control the 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 in the 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 offer 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 that are unaffected by economic conditions. 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. 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 linked to 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 in Wilhelmshaven, 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

**Logistics services for products to and from China**
China is one of the most important partners at Bremen's ports, particularly for containers and cars. Thus China is currently the strongest market for German vehicles that are exported via our car terminal in Bremerhaven.

We assume that, with the rise in quality of Chinese vehicles, China's importance in the global automotive markets will continue to increase and Chinese vehicle manufacturers will soon also be exporting to demanding Western European markets.

With our logistics network in Europe we offer an ideal starting point for Chinese exports into the European market. This particularly affects the transport of finished vehicles by ship from China to Western Europe and the associated distribution of the vehicles via the AUTOMOBILE Division's network from seaports to the dealer networks in individual countries. This also includes a wide range of technical work on the imported vehicles in the technical centres.

**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 organisation of materials-handling technology.

BLG LOGISTICS has acquired the relevant experience and expertise over a number of years and has continuously extended or transferred this knowledge to or used it 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 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.

**AUTOMOBILE Division: Developing the rail transport segment by extending the Falkenberg site to include a wagon service and logistics centre**
By developing the Falkenberg railway station in Brandenburg into a wagon service and logistics centre, 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 permanent 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 in future. 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.

The wagon service and logistics centre was put into operation in 2014. The last stage of expanding the hall is scheduled to take place in the first half of 2015.

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 $CO_2$-related consumption (electricity, gas, fuel, etc.) in the 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 $CO_2$ emissions and opportunities to use renewable energy sources.

## 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 standardisation process has been specified for this procedure which involves dividing the 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 "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 in 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 there is no end to the conflict 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 the 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.
Due to the increasing shareholdings of shipping companies in seaport terminals on the Baltic Sea in Scandinavia, shifts in transshipment volumes at the expense of the Bremerhaven seaport terminal may .

In the CONTRACT Division the main risks are related to rapid replaceability as a service provider in the Industrial Logistics segment. The logistics services performed there are personnel-intensive as a rule. For customers it is relatively easy to change the service provider. We counter this by way of extensive customized optimization for individual customers.

For seaport logistics in 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.
In the Automotive segment the development of finished and unfinished parts logistics is of special importance for and based on Chinese automobile production.

The CONTAINER Division continues to feel that 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 bigger and bigger container vessels can call at Bremerhaven and Hamburg without any problem. In the 2014 financial year the nautical problems posed by the constantly rising number of container ships of increasing size intensified further, especially at the Hamburg location. 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. 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 2018.

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, which may lead to further overcapacity, ongoing high competition and corresponding pressure on handling rates,
- the commissioning of additional large container ships and their use, particularly in services between the Far East and Europe, and
- possible further changes to the structures of consortia and to the scheduled services of container shipowners (including direct access to the Baltic Sea) and the possible associated changes in price structures.

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

### Dependency on the economic cycle and macroeconomic risks

As a logistics service provider with a global focus and operations, 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 behaviour 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, particularly HGV drivers, and an above-average susceptibility to insolvency among both 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 centres 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 recognised 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 the 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 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 subsidised 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 these kinds 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 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 in the 2014 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 include such clauses in our contracts.

### Service and infrastructure risks

#### Risks from business relationships

Great attention must always be paid in all operating business divisions due to close customer relationships, particularly with a few major customers, the usual short contract terms, very demanding contract conditions, possible changes in the economy and demand/product life cycles and the consolidation processes taking place in the markets. 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, if required, but will result in higher costs.

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 minimise 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, harbours 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. The demographic changes in the employment market have a fundamental influence on the available staff and therefore on flexibility and availability at GHB.

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 emphasise 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 programmes, multi-disciplinary career paths, deployment in different Group companies and attractive training and development courses. We limit employee turnover risks by means of suitable deputising regulations and 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 unauthorised 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.

## 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 secured via central cash management at the BLG Group level. 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. All covenants were adhered to in the 2014 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. By far the majority 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. 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 amortised 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 holding – recognised in other comprehensive income – of hedging instruments at fair value affects the hedge reserve in equity and is therefore included in the equity-related 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 from interest rate swaps which are, as an exception, not contained in a hedge accounting 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 the 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 jeopardise 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 with acquisition activities and cooperative ventures
» Realise growth potentials in the industry and commerce logistics segments and in the CONTRACT Division
» Improve productivity through improved and consistently implemented cost and process management

## Future direction of the Group

**Retention of the business model**
We do not envisage any fundamental changes to our business model in the next few years. One future 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, we will seek continuous 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**[8]
Economic expansion is expected to improve only moderately in 2015. A reduction in bond purchases, a planned increase in the base rate by the US Federal Reserve and the continued increase in geopolitical risks leading to great uncertainty will have a determining influence on this development. Experts are forecasting a 3 per cent rise in global GDP in 2015 due to the increasing uncertainties. [9] According to this forecast, global trade will expand by 4 per cent in 2015, which is significantly below the average of 5.2 per cent over the last 20 years.

Economies in the euro zone are expected to enjoy slight year-on-year growth in 2015. Factors that could jeopardise the upturn are the persistent and necessary reforms in the euro zone and structural changes in some countries. The uncertain effects of the reduction in bond purchases by the US Federal Reserve and the geopolitical unrest present further uncertainties for the development of the European economy.

[8] Joint Economic Forecast Project Team (ed.): Autumn 2014 “German Economy Stagnating – Now is the Time to Strengthen Growth”, Joint Economic Forecast Autumn 2014, 9 October 2014, Kiel.
[9] World Economic Outlook Database, International Monetary Fund, www.imf.org; February 2015.

Germany is forecasted to grow more strongly than the rest of Europe in 2015. Contributing factors to this are the recovery of the domestic economy, private consumption, further improvements to the situation on the employment market and increasing investment due to the expansionary monetary policy. The main risks are the international crises and a weak recovery in the euro zone. However, a large increase in the base rate or a sharp rise in the price of oil could slow down the expected growth. Experts are therefore forecasting growth in German gross domestic product of 1.5 per cent in 2015.[10]

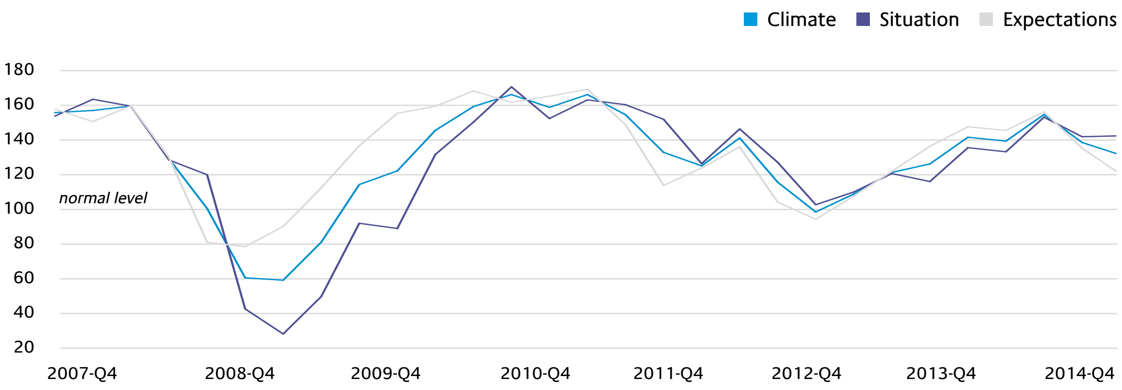
**Sector development**[11]

Despite a currently declining business climate, logistics experts are forecasting a positive year for the German logistics sector in 2015.[12]

After a strong sales year in 2014 (approx. EUR 235 billion) a further increase of around 2 per cent is forecasted for the current year.[13] Good capacity utilisation and markedly increasing numbers of orders received are forecasted throughout Germany. Service providers expect expansion in capacity and further expansion of the workforce in 2015, leading to an escalation in the battle for professionals, managers and young talent. However, this confidence is not felt as clearly in all areas of the sector. Logistics experts in trade and industry are expecting a significant boost in the domestic market, but rather subdued momentum in cross-border demand.

As a result, the economy will also be accompanied and influenced by complexity and cost increases in the 2015 financial year. Logistics experts in industry, services and academia must counter these factors with more in-depth collaboration and vertical cooperation.

Business climate among logistics providers




Source: BVL/IfW

http://www.bvl.de

Price stagnation in goods transport is 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 2015. The outlook for road freight transport is assessed as pessimistic here. This particularly applies to Eastern European transport where a reduction in transport volumes and a fall in prices are assumed. Experts expect falling transport volumes and lower prices for rail freight transport in the next few months, particularly due to Eastern European traffic.

[10] ifo Institute (ed.): "ifo Economic Forecast 2014/2015: „German Economy Gradually Regains Impetus", 11 December 2014, www.ifo.de.
[11] ProgTrans/ZEW Working Group (ed.): Transport Barometer, 4th quarter 2014.
[12] SCI Verkehr GmbH (ed.): SCI/LOGISTICS BAROMETER September 2014 „Logistics Business Climate Continues to Improve", 16 January 2015, Cologne.
[13] Fraunhofer SCS task force: Top 100 in European Transport and Logistics Services, February 2015.

Domestic transport volumes are viewed as stable overall, but freight prices are expected to fall. The majority of experts expect sea freight volumes in Europe to experience a declining trend. Only volumes from North America will level off. Overall in the transport segment, prices for ocean shipping are expected to rise slightly over the next few months. Key factors for future sector development are increasing customer demands on performance and quality, the attainment of sustainability goals, changing consumer behaviour 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 organised Group and management structure that enables fast and customer-oriented decision-making.

**Development of the Group over the next two years**

**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 over 2.2 million vehicles in 2015 and are assuming that export volumes from premium German manufacturers to the Chinese and US markets will remain high. We are also assuming that continued growth rates can be achieved in the two main export markets for the premium German manufacturers. The plans of the German OEMs (original equipment manufacturers) assume increasing export volumes in the following years up to 2017. Because shipping capacity will not grow correspondingly at the same time, warehoused volumes at the seaport terminals will increase. For this purpose, BLG LOGISTICS is investing in the construction of a parking deck with over 6,000 additional parking spaces at the Bremerhaven seaport terminal. Completion is planned for the end of 2015.

The trend in previous years, where imported vehicles were not processed in the technical centres or only processed with low technical value added, will continue in 2015 and the following years. Measures for the required adjustment to technical capacity in Bremerhaven have been included in the 2015 plan. Potential for technical value added is expected in export vehicles processing. We expect an increase in employment in this technical processing segment over the next two years which will partly offset the reduction in the area of technical services for imported vehicles. In order to be able to implement the expected improvements in results from the adjustment of technical capacity, 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 developments in international markets. Volumes handled in this segment are determined by capital equipment for the construction industry and agriculture.

In the inland terminals and car transport segments, volumes are determined by the registration of new cars in Germany. Here we expect only slight growth rates in 2015 compared to the previous year. Volumes will also only show a slight increase in the following years up to 2017. In the inland terminals segment we also see further growth potential in the additional integration of finished vehicle logistics into the network of BLG LOGISTICS. As a consequence of this, the Dodendorf site near Magdeburg will be further developed. In the car transport segment we are expecting improvements in results due to the introduction of the latest IT systems for optimal HGV capacity planning.

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 market environment for rail transport of finished vehicles will become more difficult during the coming year. The main reason for this is that the competition, contrary to expectations, has not yet scrapped its old wagons (more than 40 years old), leading to temporary overcapacity in the market. For the next few years 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. We are therefore assuming an 80 per cent utilisation of wagon capacity. Additional potential will emerge from the opening of the Falkenberg railway station in Brandenburg as a wagon service and logistics centre in 2015.

In the Eastern Europe segment the continued decline in the market for new vehicles in Russia will affect business development.

### 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 over the following years. Our business model will enable us to participate in this growth and achieve long-term competitive cost structures through ongoing productivity improvements.

In the USA there are still great challenges to solid growth. In Brazil we are planning for slight increases in sales and income in 2015, based on a low starting point in the car parts logistics segment. We are assuming continued positive business development in South Africa.

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 2015. Positive performance is particularly expected as a result of the planned expansion in the textile logistics segment. We are assuming high levels of warehouse capacity utilisation for the cold store in Bremerhaven.

Overall, the price pressure on the part of customers experienced in 2014 will remain the same in the 2015 financial year.

In the wind energy segment, we have not been notified by manufacturers of any major projects for the construction of offshore wind farms in 2015. Limited work from the organisation of land transport, the storage of parts, the loan of large appliances and consultancy services is planned for 2015. New offshore wind farms are currently in the final planning phases. Production of the components for these wind farms will be accommodated subsequently. We are therefore currently assuming that we will be carrying out further logistics activities for heavy-duty components for the offshore industry starting from the fourth quarter of 2015.

The general cargo field in the harbour logistics segment continues to be characterised by a difficult market environment. We are therefore assuming that there will be no growth in this field. However, we are expecting slight growth from the expansion of project shipment business and from the handling of large pipes for pipeline projects.

In addition, freight forwarding activities will be integrated into the CONTRACT Division in 2015 and further developed. We envisage good development prospects for the following 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 utilise 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 as described in the following.

The cooperation between the two largest container shipowners, Maersk Line and MSC, as "2M" may aggravate this situation in particular. 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 globalisation and global trade. As a result of globalisation and the deeper integration of the emerging markets in Asia and Central and Eastern Europe in the global economy, we expect to obtain above-average benefits once again from an upturn in the medium term.

The 2015 financial year for the EUROGATE Group will once again be characterised by appropriate capacity utilisation and successful marketing of the EUROGATE container terminal in Wilhelmshaven. Results will be unchanged, mainly due to the container terminals segment, and handling volumes and rates which are significant influencing factors here.

### Planned capital expenditure

We continually adjust our capital expenditure plans to the current market conditions. In 2015 we envisage capital expenditure in the AUTOMOBILE Division for the expansion of outdoor space capacity at the Bremerhaven seaport terminal and at the Dodendorf site. In the CONTRACT Division this involves the construction of new sites and the expansion of existing business in the industrial and retail logistics segments with capital expenditure of around EUR 40 million. There is also planned capital expenditure in 2015 of approximately EUR 40 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 taking place in the second half of 2014 continued at the start of 2015. The slow economic recovery and structural adjustments in the euro zone also reduced growth potential in some countries, the emerging markets grew more slowly and geopolitical unrest had a negative effect on the global economy.

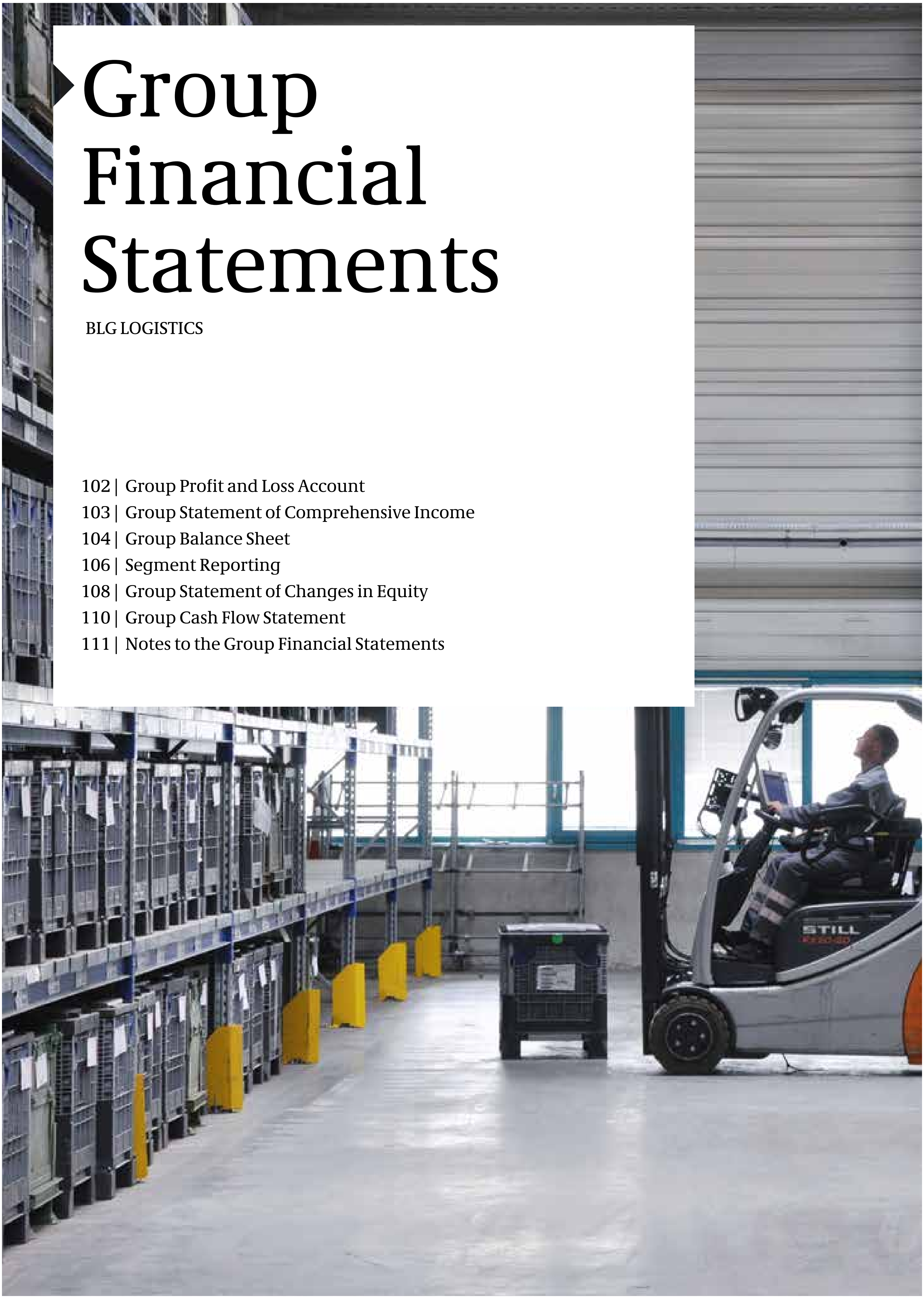
Nevertheless, we expect increased sales of around EUR 925 million for the BLG Group in the 2015 financial year, coupled with earnings before taxes (EBT) of between EUR 30.0 million and EUR 32.0 million.

We are assuming that sales will increase by 5.1 per cent in the CONTRACT Division, by 4.1 per cent in the AUTOMOBILE Division and by 3.4 per cent in the CONTAINER Division. These sales increases will have the effect of significantly increasing EBT in the AUTOMOBILE and CONTRACT Divisions. In view of the previously described prospects for the CONTAINER Division and the planned start-up losses for the Wilhelmshaven container terminal, which are still expected, we envisage a slight fall in EBT for this division in 2015.

In 2016 we expect a positive environment, 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 a slight rise in container handling volumes but full utilisation of capacity at the Wilhelmshaven container terminal will not be achieved. The effects of the efficiency improvement measures introduced in all divisions in previous years will be fully felt in the results. Therefore we are expecting a further increase in Group sales to around EUR 965.0 million and Group EBT of between EUR 42.0 million and EUR 46.0 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) in the current version. 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.




# Group Financial Statements

BLG LOGISTICS

# Group Profit and Loss Account

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Sales | 882,760 | 854,460 |
| Other operating income | 40,055 | 43,540 |
| Cost of materials | -440,994 | -447,798 |
| Personnel expenses | -277,948 | -250,327 |
| Depreciation of long-term intangible fixed assets and tangible fixed assets | -32,117 | -39,659 |
| Other operating expenses | -164,905 | -167,167 |
| Income from long-term financial receivables | 264 | 275 |
| Other interest and similar income | 1,074 | 1,017 |
| Interest and similar expenses | -8,643 | -8,253 |
| Income from long-term equity investments in associated enterprises | 31,101 | 27,263 |
| Income from other long-term equity investments and affiliated companies | 26 | 84 |
| Depreciation of financial assets and long-term financial receivables | -545 | -750 |
| **Results before taxes** | **30,128** | **12,685** |
| Taxes on income | -7,673 | -15,644 |
| **Group Profit and Loss Account** | **22,455** | **-2,959** |

| | | |
|---|---|---|
| Group Profit and Loss Account is allocated as follows: | | |
| BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– | 1,673 | 2,248 |
| BLG LOGISTICS GROUP AG & Co. KG | 19,438 | -1,012 |
| Other minorities | 1,344 | -4,195 |
| | **22,455** | **-2,959** |

| | | |
|---|---|---|
| **Earnings per share (diluted and undiluted)** | **EUR 0.44** | **EUR 0.59** |
| of that from continued operations | EUR 0.44 | EUR 0.59 |
| **Dividend of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–** | **EUR 0.40** | **EUR 0.40** |

# Group Statement of Comprehensive Income

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| **Group Net Income / Net Loss** | **22,455** | **-2,959** |
| **Other earnings after taxes on income** | | |
| **Items that are not transferred to the Income Statement henceforth** | | |
| Revaluation of net pension liabilities | -18,397 | -3,322 |
| Taxes on income on items that are not transferred to the income statement henceforth | 2,860 | 2,051 |
| Share of investments accounted for using the equity method that are not transferred to the income statement henceforth | -15,534 | -2,429 |
| | **-31,071** | **-3,700** |
| **Items that can be transferred to the Income Statement henceforth** | | |
| Currency translation | -2,041 | -1,489 |
| Share in currency translation of associated enterprises | -944 | 1,295 |
| Taxes on income on items that can be transferred to the income statement henceforth | 157 | -182 |
| Share of investments accounted for using the equity method that are transferred to the income statement henceforth | -5,714 | 374 |
| | **-8,542** | **-2** |
| **Other earnings after taxes on income** | **-39,613** | **-3,702** |
| | | |
| **Total Group Income** | **-17,158** | **-6,661** |
| | | |
| Total Group Income is allocated as follows:: | | |
| BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– | 1,673 | 2,248 |
| BLG LOGISTICS GROUP AG & Co. KG | -20,147 | -5,016 |
| Other minorities | 1,316 | -3,893 |
| | **-17,158** | **-6,661** |

# Group Balance Sheet

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) | 01/01/2013 (adjusted) |
|---|---|---|---|
| **ASSETS** | | | |
| **Long-term assets** | | | |
| Intangible fixed assets | | | |
| Goodwill | 5,973 | 7,881 | 6,565 |
| Other intangible fixed assets | 9,526 | 11,245 | 10,108 |
| Prepayments on account of intangible fixed assets | 5,915 | 4,519 | 5,306 |
| | **21,414** | **23,645** | **21,979** |
| | | | |
| Tangible fixed assets | | | |
| Land, land rights and buildings, including those on third-party land | 181,686 | 187,789 | 193,963 |
| Technical equipment and machinery | 70,611 | 73,293 | 63,085 |
| Other equipment, operating and office equipment | 17,205 | 17,135 | 14,091 |
| Prepayments and assets under construction | 6,321 | 2,870 | 28,796 |
| | **275,823** | **281,087** | **299,935** |
| | | | |
| Financial assets | | | |
| Shares in affiliated companies | 343 | 343 | 373 |
| Shares in companies that are accounted by the equity method | 119,431 | 144,719 | 151,255 |
| Other financial assets | 3,718 | 3,711 | 113 |
| | **123,492** | **148,773** | **151,741** |
| | | | |
| Long-term financial receivables | 6,265 | 8,115 | 8,087 |
| Other long-term assets | 5 | 65 | 63 |
| Deferred taxes | 2,446 | 3,910 | 9,607 |
| | **429,445** | **465,595** | **491,412** |
| **Short-term assets** | | | |
| Inventories | 4,904 | 4,364 | 5,714 |
| Trade receivables | 170,909 | 151,499 | 142,093 |
| Other assets | 55,624 | 66,402 | 57,490 |
| Refund claims from taxes on income | 2,712 | 1,870 | 834 |
| Cash and cash equivalents | 11,724 | 6,935 | 10,811 |
| | **245,873** | **231,070** | **216,942** |
| | **675,318** | **696,665** | **708,354** |

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) | 01/01/2013 (adjusted) |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– | | | |
| Subscribed capital | 9,984 | 9,984 | 9,984 |
| Revenue reserves | | | |
| Legal reserves | 998 | 998 | 998 |
| Other revenue reserves | 6,583 | 6,446 | 5,734 |
| Balance sheet profit | 1,521 | 1,521 | 1,521 |
| | **19,086** | **18,949** | **18,237** |
| | | | |
| Capital of BLG LOGISTICS GROUP AG & Co. KG included | | | |
| Limited liability capital | 51,000 | 51,000 | 51,000 |
| Capital reserves | 50,182 | 50,182 | 50,182 |
| Revenue reserves | 184,651 | 179,907 | 175,868 |
| Other reserves | -49,640 | -18,600 | -13,629 |
| Reserves from fair value measurement of financial instruments | -3,847 | -2,053 | -4,273 |
| Foreign currency adjustment items | -7,932 | -1,167 | 532 |
| Balance sheet result of companies included | -67,951 | -62,074 | -38,218 |
| Balance sheet profit | 20,421 | 19,591 | 23,054 |
| | **176,884** | **216,786** | **244,516** |
| | | | |
| Equity of other minorities | **6,621** | **5,893** | **11,493** |
| | **202,591** | **241,628** | **274,246** |
| | | | |
| **Long-term liabilities** | | | |
| Long-term loans (excluding short-term share) | 150,120 | 161,438 | 144,879 |
| Other long-term financial liabilities | 14,029 | 17,828 | 21,360 |
| Deferred government grants | 809 | 254 | 221 |
| Other long-term liabilities | 42 | 883 | 2,931 |
| Long-term provisions | 54,545 | 33,870 | 29,883 |
| Deferred taxes | 1,940 | 1,725 | 4,277 |
| | **221,485** | **215,998** | **203,551** |
| | | | |
| **Short-term liabilities** | | | |
| Trade payables | 78,981 | 71,431 | 62,358 |
| Short-term financial liabilities | 114,477 | 118,066 | 117,684 |
| Short-term share for government grants | 16 | 6 | 196 |
| Other short-term liabilities | 32,961 | 30,461 | 32,304 |
| Liabilities on taxes on income | 8,999 | 9,674 | 5,210 |
| Short-term provisions | 15,808 | 9,401 | 12,805 |
| | **251,242** | **239,039** | **230,557** |
| | | | |
| | **675,318** | **696,665** | **708,354** |

# Segment Reporting

| TEUR | AUTOMOBILE 2014 | AUTOMOBILE 2013 (adjusted) | CONTRACT 2014 | CONTRACT 2013 (adjusted) |
|---|---|---|---|---|
| **Sales with external third parties** | **448,359** | **434,683** | **436,861** | **421,986** |
| Inter-segment sales | 1,632 | 1,583 | 828 | 776 |
| Income according to the equity method | -950 | -6 | 3,676 | 1,018 |
| EBITDA | 29,906 | 33,239 | 23,713 | 31,800 |
| Depreciation | -14,571 | -23,465 | -16,494 | -15,110 |
| **Segment result adjusted (EBIT)** | **15,335** | **9,774** | **7,219** | **16,690** |
| in % of sales | 3.4 % | 2.2 % | 1.7 % | 4.0 % |
| Effects from adjustment[1] | 0 | -16,649 | 0 | 0 |
| **Segment result (EBIT)** | **15,335** | **-6,875** | **7,219** | **16,690** |
| | | | | |
| Interest income | 66 | 197 | 1,117 | 974 |
| Interest expenses | -5,689 | -5,770 | -5,662 | -4,701 |
| Result from other equity investments | 6 | 8 | 9 | 69 |
| Depreciation of financial assets | 0 | 0 | 0 | 0 |
| **Earnings before taxes (EBT)** | **9,718** | **-12,440** | **2,683** | **13,032** |
| | | | | |
| **Other information** | | | | |
| Other non-cash-related items | -406 | 8,695 | -925 | -144 |
| Impairments | -1,908 | -10,620 | -886 | -322 |
| Shares in companies that are accounted by the equity method | 6,989 | 8,632 | 4,091 | 4,257 |
| Goodwill contained in segment assets | 5,972 | 7,881 | 0 | 0 |
| Segment assets | 253,078 | 242,371 | 247,898 | 257,940 |
| Investments in long-term intangible fixed assets and tangible fixed assets | 14,076 | 11,724 | 11,619 | 14,612 |
| Segment liabilities | 147,110 | 129,001 | 138,017 | 125,508 |
| Equity | 42,412 | 42,407 | 34,381 | 47,390 |
| Employees | 2,431 | 2,262 | 3,771 | 3,348 |

[1] In 2013, adjusted for the special effects resulting from reorganisation of our commitment regarding the companies BLG ViDi LOGISTICS TOW, Kiev, Ukraine and E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine.

[2] The number of employees relates to companies included on proportionate basis (50 per cent).

| CONTAINER | | Total of reportable Segments | | Reconciliation | | GROUP | |
|---|---|---|---|---|---|---|---|
| 2014 | 2013 (adjusted) | 2014 | 2013 (adjusted) | 2014 | 2013 (adjusted) | 2014 | 2013 (adjusted) |
| **283,009** | **268,741** | **1,168,229** | **1,125,410** | **-285,469** | **-270,950** | **882,760** | **854,460** |
| 3,333 | 2,407 | 5,793 | 4,766 | -5,793 | -4,766 | 0 | 0 |
| 120 | -109 | 2,846 | 903 | 27,710 | 26,360 | 30,556 | 27,263 |
| 67,051 | 64,200 | 120,670 | 129,239 | -51,146 | -50,569 | 69,524 | 78,670 |
| -28,677 | -29,603 | -59,742 | -68,178 | 27,625 | 28,519 | -32,117 | -39,659 |
| **38,374** | **34,597** | **60,928** | **61,061** | **-23,521** | **-22,050** | **37,407** | **39,011** |
| 13.6 % | 12.9 % | 5.2 % | 5.4 % | n.i. | n.i. | 4.2 % | 4.6 % |
| 0 | 0 | 0 | -16,649 | 0 | -2,050 | 0 | -18,699 |
| **38,374** | **34,597** | **60,928** | **44,412** | **-23,521** | **-24,100** | **37,407** | **20,312** |
| | | | | | | | |
| 3,184 | 4,852 | 4,367 | 6,023 | -3,029 | -4,731 | 1,338 | 1,292 |
| -7,493 | -8,848 | -18,844 | -19,319 | 10,201 | 11,066 | -8,643 | -8,253 |
| 717 | 645 | 732 | 722 | -706 | -638 | 26 | 84 |
| 0 | -27 | 0 | -27 | 0 | -723 | 0 | -750 |
| **34,782** | **31,219** | **47,183** | **31,811** | **-17,055** | **-19,126** | **30,128** | **12,685** |
| | | | | | | | |
| | | | | | | | |
| -1,007 | -2,670 | -2,338 | 5,881 | 1,016 | -1,114 | -1,322 | 4,767 |
| -985 | -881 | -3,779 | -11,823 | 985 | 881 | -2,794 | -10,942 |
| 83,091 | 74,317 | 94,171 | 87,206 | 25,260 | 57,513 | 119,431 | 144,719 |
| 512 | 512 | 6,484 | 8,393 | -512 | -512 | 5,972 | 7,881 |
| 406,395 | 425,295 | 907,371 | 925,606 | -356,644 | -379,440 | 550,727 | 546,166 |
| 19,197 | 12,011 | 44,892 | 38,347 | -18,674 | -10,470 | 26,218 | 27,877 |
| 188,856 | 161,771 | 473,983 | 416,280 | -187,443 | -159,911 | 286,540 | 256,369 |
| 185,306 | 208,966 | 262,099 | 298,763 | -59,508 | -57,135 | 202,591 | 241,628 |
| 1,602 [2] | 1,640 [2] | 7,804 | 7,250 | -1,379 | -1,424 | 6,425 | 5,826 |

# Group Statement of Changes in Equity

| TEUR | I. Capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– included | | | |
|---|---|---|---|---|
| | Subscribed capital | Revenue reserves | Balance sheet profit | Total |
| **As of January 1, 2013 prior IFRS 11-adjustments** | **9,984** | **6,732** | **1,521** | **18,237** |
| Adjustments for IFRS 11[1] | 0 | 0 | 0 | 0 |
| **As of January 1, 2013 after IFRS 11-adjustments** | **9,984** | **6,732** | **1,521** | **18,237** |
| | | | | |
| Changes in financial year | | | | |
| | | | | |
| Group Net Loss | 0 | 712 | 1,536 | 2,248 |
| Earnings and expenses reported directly in equity | 0 | 0 | 0 | 0 |
| **Total Group Income** | **0** | **712** | **1,536** | **2,248** |
| | | | | |
| Dividends/withdrawals | 0 | 0 | -1,536 | -1,536 |
| Other changes | 0 | 0 | 0 | 0 |
| | | | | |
| **As of December 31, 2013** | **9,984** | **7,444** | **1,521** | **18,949** |
| | | | | |
| Changes in financial year | | | | |
| | | | | |
| Group Net Income | 0 | 137 | 1,536 | 1,673 |
| Earnings and expenses reported directly in equity | 0 | 0 | 0 | 0 |
| **Total Group Income** | **0** | **137** | **1,536** | **1,673** |
| | | | | |
| Dividends/withdrawals | 0 | 0 | -1,536 | -1,536 |
| Other changes | 0 | 0 | 0 | 0 |
| | | | | |
| **As of December 31, 2014** | **9,984** | **7,581** | **1,521** | **19,086** |

[1] Regarding adjustments according to IFRS we refer to disclosure no. 1 in the notes to the Group Financial Statements on page 111.

| II. Capital of BLG LOGISTICS GROUP AG & Co. KG | | | | | | | | | III. Equity of the other minorities | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Limited liability capital | Capital reserves | Revenue reserves | Other reserves | Reserves from fair value measure-ment of financial instru-ments | Foreign currency adjust-ment items | Balance sheet result of companies included | Balance sheet profit | Total | Hybrid equity | Other minorities | Total |
| **51,000** | **50,182** | **188,084** | **-13,544** | **-4,286** | **532** | **-50,519** | **23,054** | **244,503** | **78,010** | **11,967** | **352,717** |
| 0 | 0 | -12,216 | -85 | 13 | 0 | 12,301 | 0 | 13 | -78,010 | -474 | -78,471 |
| **51,000** | **50,182** | **175,868** | **-13,629** | **-4,273** | **532** | **-38,218** | **23,054** | **244,516** | **0** | **11,493** | **274,246** |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 0 | 0 | -366 | 0 | 0 | 0 | -19,342 | 18,696 | -1,012 | 0 | -4,195 | -2,959 |
| 0 | 0 | 0 | -4,249 | 2,220 | -1,890 | -85 | 0 | -4,004 | 0 | 302 | -3,702 |
| **0** | **0** | **-366** | **-4,249** | **2,220** | **-1,890** | **-19,427** | **18,696** | **-5,016** | **0** | **-3,893** | **-6,661** |
| | | | | | | | | | | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | -22,159 | -22,159 | 0 | -617 | -24,312 |
| 0 | 0 | 4,405 | -722 | 0 | 191 | -4,429 | 0 | -555 | 0 | -1,090 | -1,645 |
| | | | | | | | | | | | |
| **51,000** | **50,182** | **179,907** | **-18,600** | **-2,053** | **-1,167** | **-62,074** | **19,591** | **216,786** | **0** | **5,893** | **241,628** |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 0 | 0 | 2,730 | 0 | 0 | 0 | -3,713 | 20,421 | 19,438 | 0 | 1,344 | 22,455 |
| 0 | 0 | 0 | -31,040 | -1,794 | -6,751 | 0 | 0 | -39,585 | 0 | -28 | -39,613 |
| **0** | **0** | **2,730** | **-31,040** | **-1,794** | **-6,751** | **-3,713** | **20,421** | **-20,147** | **0** | **1,316** | **-17,158** |
| | | | | | | | | | | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | -19,591 | -19,591 | 0 | -752 | -21,879 |
| 0 | 0 | 2,014 | 0 | 0 | -14 | -2,164 | 0 | -164 | 0 | 164 | 0 |
| | | | | | | | | | | | |
| **51,000** | **50,182** | **184,651** | **-49,640** | **-3,847** | **-7,932** | **-67,951** | **20,421** | **176,884** | **0** | **6,621** | **202,591** |

# Group Cash Flow Statement

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Result before taxes | 30,128 | 12,685 |
| Depreciation of long-term intangible fixed assets, tangible fixed assets, financial assets and long-term financial receivables | 32,660 | 40,409 |
| Result from disposals of fixed assets | -1,258 | -458 |
| Result from associated enterprises | -31,101 | -27,263 |
| Result from other long-term equity investments | -26 | -84 |
| Interest result | 7,305 | 6,961 |
| Other cash-neutral expenses and income | -1,322 | 4,767 |
| | **36,386** | **37,017** |
| Change in trade receivables | -19,410 | -8,311 |
| Change in other assets | 14,489 | -7,048 |
| Change in inventories | -540 | 1,421 |
| Change in government grants | 567 | -158 |
| Change in provisions | 9,571 | -3,882 |
| Change in trade payables | 7,550 | 8,363 |
| Change in other liabilities | -1,376 | -7,988 |
| | **10,851** | **-17,603** |
| Proceeds from interest | 1,298 | 1,291 |
| Payments for interest | -6,658 | -6,988 |
| Payments for taxes on income | -7,354 | -8,330 |
| | **-12,714** | **-14,027** |
| **Cash flow from current operating activities** | **34,523** | **5,387** |
| Proceeds from disposals of fixed tangible assets and intangible fixed assets | 2,320 | 2,468 |
| Payments for investments in fixed tangible assets and intangible fixed assets | -26,218 | -27,249 |
| Proceeds from disposals of financial assets | 0 | 30 |
| Payments for investments in financial assets | -4,336 | -8,167 |
| Payments for granting loans to companies in which long-term equity is held | 0 | -4,389 |
| Proceeds from repayment of loans to companies in which long-term equity is held | -677 | 1,248 |
| Payments for company acquisitions minus liquid funds acquired | 0 | -3,458 |
| Proceeds from dividends received | 38,976 | 36,161 |
| **Cash flow from investment activities** | **10,065** | **-3,356** |
| Proceeds from repayment of loans to company owners | 463 | 1,013 |
| Payments for granting loans to company owners | -888 | -463 |
| Payments to company owners | -21,879 | -22,312 |
| Proceeds from issuing promissory note loans | -31,000 | 0 |
| Proceeds from taking out financial loans | 40,031 | 40,000 |
| Proceeds from borrowing short-term financing funds from companies in which long-term equity is held | -18,016 | -27,163 |
| Payments for repayment of loans from companies in which long-term equity is held | 0 | 20,000 |
| Payments from borrowing short-term financing funds from companies in which long-term equity is held | -20,000 | 0 |
| Proceeds from repayment of leasing receivables | 163 | 97 |
| Taking out leasing liabilities | 0 | 890 |
| Payment to repay leasing liabilities | -232 | -73 |
| **Cash flow from financial activities** | **-51,358** | **11,989** |
| Net increase/decrease in financial resource fund | -6,770 | 14,020 |
| Change in cash and cash equivalents due to currency translation influences | -512 | -335 |
| Financial resource fund at beginning of financial year | -29,425 | -43,110 |
| **Financial resource fund at end of financial year** | **-36,707** | **-29,425** |
| Composition of financial resource fund at end of financial year | | |
| Liquid funds | 11,724 | 6,935 |
| Short-term liabilities to banks | -48,431 | -36,360 |
| | **-36,707** | **-29,425** |

# 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 organisationally closely affiliated due to their identical management bodies and special ownership structure, form the head of the BLG Group (BLG LOGISTICS). As part of the initial application of IFRS 10 "Consolidated Financial Statements", BLG AG has reviewed its relationships with its subsidiaries. The new standard provides for a stronger focus on the level of returns in determining whether control exists. Against this background, BLG AG does not consider control over BLG KG to exist within the meaning of IFRS 10 and is therefore for the first time preparing voluntary group 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.

In the past, BLG KG was included in the consolidated financial statements of BLG AG as a subsidiary. With the following exception this will not have any impact on the net assets, financial position and results of operations of the Group. To date, the limited liability capital of BLG KG was classified as equity to avoid the contradictory accounting consequences of IAS 32, even though it involved "non-controlling interests" (minority interests) in accordance with IAS 32AG.29A that should have been reported as borrowings. When BLG AG and BLG KG are viewed as a single parent company, the limited liability capital of BLG KG is the original equity of BLG LOGISTICS. The presentation of the limited liability capital of BLG KG as the equity of BLG LOGISTICS, as was done in the past, is now in compliance with IAS 32

The group financial statements for BLG LOGISTICS for the 2014 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 31 December 2014. All IFRS and IFRIC were observed that have been published and adopted in the context of the endorsement process of the European Union and whose use is mandatory.

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

The financial year of BLG AG and BLG KG and of their group 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, Präsident-Kennedy-Platz 1.

The consolidated financial statements are prepared in euros. All amounts are in EUR thousand, 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.

**Judgements 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.

### Judgements

Information on judgements 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 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 value 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 following new/revised standards and interpretations that are relevant to BLG LOGISTICS and whose use was mandatory for the first time in the 2014 financial year.

| Standards | Content and significance |
| --- | --- |
| IFRS 10<br>“Consolidated Financial Statements” | IFRS 10 provides a single definition for the concept of control and an extensive system for assessing the existence of a parent-subsidiary relationship and for delimiting the group of consolidated companies. The new standard replaces the consolidation requirements in the previous IAS 27 “Separate Financial Statements” and SIC-12 “Consolidation – Special Purpose Entities”.<br><br>In accordance with IFRS 10 a subsidiary is controlled by a parent company if<br><br>■ it has the authority to determine the relevant activities of the subsidiary<br>■ it is entitled to variable results from the investment in the subsidiary and<br>■ it can exercise its authority over the subsidiary to influence variable results.<br><br>Compared to IAS 27, the criteria in IFRS 10 have a stronger causal relationship. In addition, greater emphasis is given to the economic approach in the assessment of individual items. Under these criteria, the mere existence of a voting majority is not sufficient to determine possible control. |
| IFRS 11<br>“Joint Arrangements” | The standard replaces IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers” and includes provisions for identifying, classifying and accounting for joint arrangements. The most significant change in IFRS 11 compared with IAS 31 is the abolition of proportionate consolidation for joint ventures, which in future are always to be accounted for under the equity method.<br><br>This applies fully to the CONTAINER Division, which was previously included via the equity investment in the operational management company EUROGATE GmbH & Co. KGaA, KG using proportionate consolidation in accordance with the equity ratio of 50 per cent. The initial application of IFRS 11 in the reporting year requires the inclusion, retroactive from 1 January 2013, under the equity method. In this context, 25 domestic companies and one foreign company have been converted from the proportionate consolidation to the equity method.<br><br>In the segment reporting the results from companies accounted for using the equity method were reported as part of EBIT in accordance with internal control (see Annex 2). In addition to EUROGATE this applies to 12 domestic and 16 foreign companies that were previously accounted for using the equity method.<br><br>The effects that resulted from the initial application of the standard are presented in detail in the section “Effects of changes in accounting policies” on page 114 ff. The adjusted Group of consolidated companies is found in note number 4 “Group of consolidated companies”. |

| Standards | Content and significance |
|---|---|
| IFRS 12<br>"Disclosure of Interests in Other Entities" | IFRS 12 combines the revised reporting requirements of IAS 27/IFRS 10, IAS 31/IFRS 11 and IAS 28 into a single standard. According to IFRS 12 disclosures must be made that will allow users of the financial statements to assess the type of involvement and the other risks and financial implications associated with the involvement for subsidiaries, associates, joint arrangements and unconsolidated special purpose entities.<br><br>The application of the standards results in additional disclosure requirements that are set out in note number 22 "Investments". |
| Amendments to the transitional provisions of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" | The amendments clarify that the date of initial application of IFRS 10 is the beginning of the reporting period in which the standard is first applied. In addition, it is established that comparative information for the mandatory disclosure requirements of IFRS 12 in connection with subsidiaries, associates and joint arrangements must be provided upon initial adoption of the new consolidation rules only for the immediately preceding period. The information on unconsolidated structured companies is completely exempt from the obligation to provide comparative figures. |
| IAS 28<br>"Investments in Associates and Joint Ventures" (revised) | The standard was renamed "Investments in Associates and Joint Ventures". Most of the changes result from the inclusion of joint ventures in IAS 28. The basic approach to accounting using the equity method was not changed. |

The following new/revised standards whose use was mandatory for the first time in the 2014 financial year had no impact or no material impact on the group financial statements:

| Standards | Application required for financial years starting from |
|---|---|
| Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" (investment entities) | 1 January 2014 |
| IAS 27 "Separate Financial Statements" (revised) | 1 January 2014 |
| Amendments to IAS 32 "Financial Instruments: Presentation" (offsetting financial assets and financial liabilities) | 1 January 2014 |
| Amendments to IAS 36 "Impairment of Assets" (information about the recoverable amount for non-financial assets) | 1 January 2014 |
| Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" (novation of derivatives and continuation of hedge accounting) | 1 January 2014 |

**Effects of changes in accounting policies**

The effects of the initial application of IFRS 11 on the group financial statements are described below. Due to the retrospective application as at 1 January 2013, figures from the beginning of the most recent comparative period were added to the group statement of financial position.

The changes on the balance sheet date of 31 December 2013 and on the comparative period 1 January to 31 December 2013 are presented below.

BLG LOGISTICS has made use of the relief offered by the transitional provisions of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" with regard to the indication of the changes arising from the initial application of the standards. The changes resulting from the conversion of CONTAINER Division from proportionate consolidation to the equity method as at 1 January 2013 and on the balance sheet date 31 December 2014 were not included in the following presentation.
.

| TEUR | Group notes | Adjusted figures 01/01 - 31/12/2013 | Previous amount 01/01 - 31/12/2013 | Change |
|---|---|---|---|---|
| **Consolidated income statement** | | | | |
| Revenue | 7 | 854,460 | 1,179,869 | -325,409 |
| Other operating income | 8 | 43,540 | 76,674 | -33,134 |
| Cost of materials | 9 | -447,798 | -551,397 | 103,599 |
| Personnel costs | 10 | -250,327 | -399,929 | 149,602 |
| Depreciation and amortisation of non-current intangible assets and fixed assets | 11 | -39,659 | -78,818 | 39,159 |
| Other operating expenses | 12 | -167,167 | -194,802 | 27,635 |
| Income from non-current financial receivables | 13 | 275 | 2,274 | -1,999 |
| Other interest and similar income | 13 | 1,017 | 2,129 | -1,112 |
| Interest and similar expenses | 13 | -8,253 | -18,393 | 10,140 |
| Profit/loss from companies accounted for under the equity method | 14 | 27,263 | 2,621 | 24,642 |
| Income from other investments and related entities | 14 | 84 | 730 | -646 |
| Depreciation and amortisation of investments and non-current financial receivables | 15 | -750 | -777 | 27 |
| **Earnings before taxes** | | **12,685** | **20,181** | **-7,496** |
| Income taxes | 16 | -15,644 | -18,149 | 2,505 |
| **Group profit for the year** | | **-2,959** | **2,032** | **-4,991** |

There are no effects on earnings per share.

| TEUR | Group notes | Adjusted figures 01/01 - 31/12/2013 | Previous amount 01/01 - 31/12/2013 | Change |
|---|---|---|---|---|
| **Consolidated statement of comprehensive income** | | | | |
| **Group profit for the year** | | **-2,959** | **2,032** | **-4,991** |
| **Other comprehensive income after income taxes** | | | | |
| **Items that are not subsequently reclassified in the income statement** | 19 | | | |
| Remeasurement of net pension obligations | | -3,322 | -6,204 | 2,882 |
| Income taxes on items that are not subsequently reclassified in the income statement | | 2,051 | 2,504 | -453 |
| Proportion of companies accounted for using the equity method of items that are not subsequently reclassified in the income statement | | -2,429 | 0 | -2,429 |
| | | **-3,700** | **-3,700** | **0** |
| **Items that can subsequently be reclassified in the income statement** | 19 | | | |
| Foreign exchange translation | | -1,489 | -1,545 | 56 |
| Share of foreign exchange translation of associates | | 0 | -677 | 677 |
| Change in the measurement of derivative financial instruments | | 1,295 | 2,608 | -1,313 |
| Share of changes in the measurement of derivative financial instruments of associates | | 0 | 11 | -11 |
| Income taxes on items that can subsequently be reclassified in the income statement | | -182 | -392 | 210 |
| Proportion of companies accounted for using the equity method of items that can subsequently be reclassified in the income statement | | 374 | 0 | 374 |
| | | **-2** | **5** | **-7** |
| **Other comprehensive income after income taxes** | | **-3,702** | **-3,695** | **-7** |
| **Total comprehensive income** | | **-6,661** | **-1,663** | **-4,998** |

| TEUR | Group notes | Adjusted figures 31/12/2013 | Previous amount 31/12/2013 | Change |
|---|---|---|---|---|
| **Consolidated statement of financial position (assets)** | | | | |
| Intangible assets | 20 | | | |
| Goodwill | | 7,881 | 8,393 | -512 |
| Other intangible assets | | 11,245 | 37,003 | -25,758 |
| Advance payments on intangible assets | | 4,519 | 4,655 | -136 |
| | | **23,645** | **50,051** | **-26,406** |
| Fixed assets | 21 | | | |
| Real estate, leasehold rights and buildings, including buildings on third-party land | | 187,789 | 347,246 | -159,457 |
| Technical plant and equipment | | 73,293 | 244,339 | -171,046 |
| Other property, plant and equipment | | 17,135 | 23,961 | -6,826 |
| Advance payments and assets under construction | | 2,870 | 11,689 | -8,819 |
| | | **281,087** | **627,235** | **-346,148** |
| Investments | 22 | | | |
| Interests in associates | | 343 | 343 | 0 |
| Interests in companies accounted for using the equity method | | 144,719 | 38,447 | 106,272 |
| Other financial investments | | 3,711 | 4,465 | -754 |
| | | **148,773** | **43,255** | **105,518** |
| Non-current financial receivables | 23 | 8,115 | 37,984 | -29,869 |
| Other non-current assets | 25 | 65 | 88 | -23 |
| Deferred taxes | 16 | 3,910 | 9,376 | -5,466 |
| **Non-current assets** | | **465,595** | **767,989** | **-302,394** |
| Inventories | 24 | 4,364 | 10,791 | -6,427 |
| Trade receivables | 25 | 151,499 | 196,444 | -44,945 |
| Other assets | 25 | 66,402 | 52,649 | 13,753 |
| Reimbursement rights from income taxes | 26 | 1,870 | 2,038 | -168 |
| Cash and cash equivalents | 27 | 6,935 | 61,872 | -54,937 |
| **Current assets** | | **231,070** | **323,794** | **-92,724** |
| **Total assets** | | **696,665** | **1,091,783** | **-395,118** |

| TEUR | Group notes | Adjusted figures 31/12/2013 | Previous amount 31/12/2013 | Change |
|---|---|---|---|---|
| **Consolidated statement of financial position (liabilities)** | | | | |
| Consolidated capital of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– | | **18,949** | **18,949** | **0** |
| Consolidated capital of BLG LOGISTICS GROUP AG & Co. KG | | | | |
| Limited liability capital | | 51,000 | 51,000 | 0 |
| Capital reserve | | 50,182 | 50,182 | 0 |
| Retained earnings | | 179,907 | 202,989 | -23,082 |
| Other reserves | | -18,600 | -18,600 | 0 |
| Reserve for the fair value measurement of financial instruments | | -2,053 | -2,059 | 6 |
| Foreign currency translation reserve | | -1,167 | -1,167 | 0 |
| Retained earnings of consolidated companies | | -62,074 | -85,165 | 23,091 |
| Net earnings | | 19,591 | 19,591 | 0 |
| | | **216,786** | **216,771** | **15** |
| Equity of non-controlling interests | | | | |
| Hybrid equity | | 0 | 78,010 | -78,010 |
| Other non-controlling interests | | 5,893 | 6,166 | -273 |
| | | **5,893** | **84,176** | **-78,283** |
| **Equity** | 28 | **241,628** | **319,896** | **-78,268** |
| Non-current borrowings (not including the short-term portion) | 29 | 161,438 | 250,485 | -89,047 |
| Other non-current financial liabilities | 30 | 17,828 | 79,507 | -61,679 |
| Deferred government grants | 31 | 254 | 29,622 | -29,368 |
| Other non-current liabilities | 34 | 883 | 976 | -93 |
| Non-current provisions | 32 | 33,870 | 81,407 | -47,537 |
| Deferred taxes | 16 | 1,725 | 2,360 | -635 |
| **Non-current liabilities** | | **215,998** | **444,357** | **-228,359** |
| Trade payables | 33 | 71,431 | 88,492 | -17,061 |
| Other current financial liabilities | 30 | 118,066 | 168,162 | -50,096 |
| Current proportion of government grants | 31 | 6 | 2,108 | -2,102 |
| Other current liabilities | 34 | 30,461 | 45,727 | -15,266 |
| Payment obligations from income taxes | 35 | 9,674 | 11,142 | -1,468 |
| Current provisions | 36 | 9,401 | 11,899 | -2,498 |
| **Current liabilities** | | **239,039** | **327,530** | **-88,491** |
| **Total assets** | | **696,665** | **1,091,783** | **-395,118** |

With the exception of additional disclosures, 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 previous-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 2014:

| Standards/interpretations | Application required for financial years starting from | Adoption by the EU Commission |
|---|---|---|
| **Standards** | | |
| IFRS 9 "Financial Instruments" | 1 January 2018 | No |
| Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures" (application of the exemption on consolidation) | 1 January 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) | 1 January 2016 | No |
| Amendments to IFRS 11 "Joint Arrangements" (accounting for the acquisition of shares in joint operations) | 1 January 2016 | No |
| IFRS 14 "Regulatory Deferral Accounts" | 1 January 2016 | No |
| IFRS 15 "Revenue from Contracts with Customers" | 1 January 2017 | No |
| Amendments to IAS 1 "Presentation of Financial Statements" as part of the Disclosure Initiative | 1 January 2016 | No |
| Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" (clarification of allowable depreciation methods) | 1 January 2016 | No |
| Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" (fruit-bearing plants) | 1 January 2016 | No |
| Amendments to IAS 19 "Employee Benefits" (defined benefit plans: employee contributions) | 1 February 2015[1] | Yes |
| Amendments to IAS 27 "Separate Financial Statements" (equity method in separate financial statements) | 1 January 2016 | No |
| Various standards: Annual Improvements Project 2010-12 | 1 February 2015[1] | Yes |
| Various standards: Annual Improvements Project 2011-13 | 1 January 2015[1] | Yes |
| Various standards: Annual Improvements Project 2012-14 | 1 January 2016 | No |
| **Interpretations** | | |
| IFRIC 21 "Levies" | 17 June 2014[1] | Yes |

[1]Initial application under EU law

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 in the group financial statements.

The Board of Management of BLG AG submitted the consolidated financial statements to the Supervisory Board on 17 March 2015. The Supervisory Board has the task of reviewing the consolidated 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 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 represented by several maritime and inland terminals in Poland, Russia, Ukraine, the Czech Republic and Slovakia.

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. This network creates reliable logistics chains – from car manufacturers around the world to car dealers in the countries of destination. In addition, technical centres for pre-delivery inspections (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 customised logistics solutions. The main focal points of the services are car parts logistics, industrial and production logistics, retail and distribution logistics and seaport logistics for conventional cargo in Bremen. Logistics activities for the offshore wind industry are also bundled in this division.

The industrial logistics segment represents all the logistics activities in the B2B area (business to business). 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 centres and supplier logistics centres 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 optimises 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 optimisation of material and information flows. The company's in-house IT expertise used in providing individual solutions for prestigious customers ensures comprehensive information and the movement of goods. 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 segment operates multifunctional terminals in Bremen where customised logistics solutions for goods with special requirements are offered. Specifically this includes the transshipment, storage and proper handling of steel and forest products, tubes, sheets and project cargoes. Logistics for offshore wind energy is integrated into this segment. This area develops customised, 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. With the initial application of IFRS 11, the companies of the EUROGATE Group are now included in the group financial statements using the equity method, rather than proportionate consolidation which was used previously.

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 and Wilhelmshaven in Germany, La Spezia, Gioia Tauro, Cagliari, Ravenna and Salerno in Italy, in Lisbon, Portugal and 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 associate 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 the investment 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 recognised at their fair values and previously unrecognised intangible assets that can be accounted for under IFRS and contingent liabilities are recognised at fair value under assets or liabilities. In subsequent consolidations, the hidden assets and liabilities disclosed in this way are carried forward, amortised or reversed in the same way that 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 recognised 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 recognised 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.

Associates are companies in which BLG LOGISTICS has material influence over the financial and operational policies, but does not exercise control or joint management.

With the initial application of IFRS 11, the CONTAINER Division, which was previously included via the equity investment in the operational management company EUROGATE GmbH & Co. KGaA, KG, Bremen, using proportionate consolidation in accordance with the equity ratio of 50 per cent, is now being consolidated using the equity method retroactively from 1 January 2013.

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 associate 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 recognised in equity. Gains and losses which are realised on the disposal of non-controlling interests are also recognised 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 remeasured 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 recognised 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

In addition to BLG AG and BLG KG the group financial statements include the companies listed below:

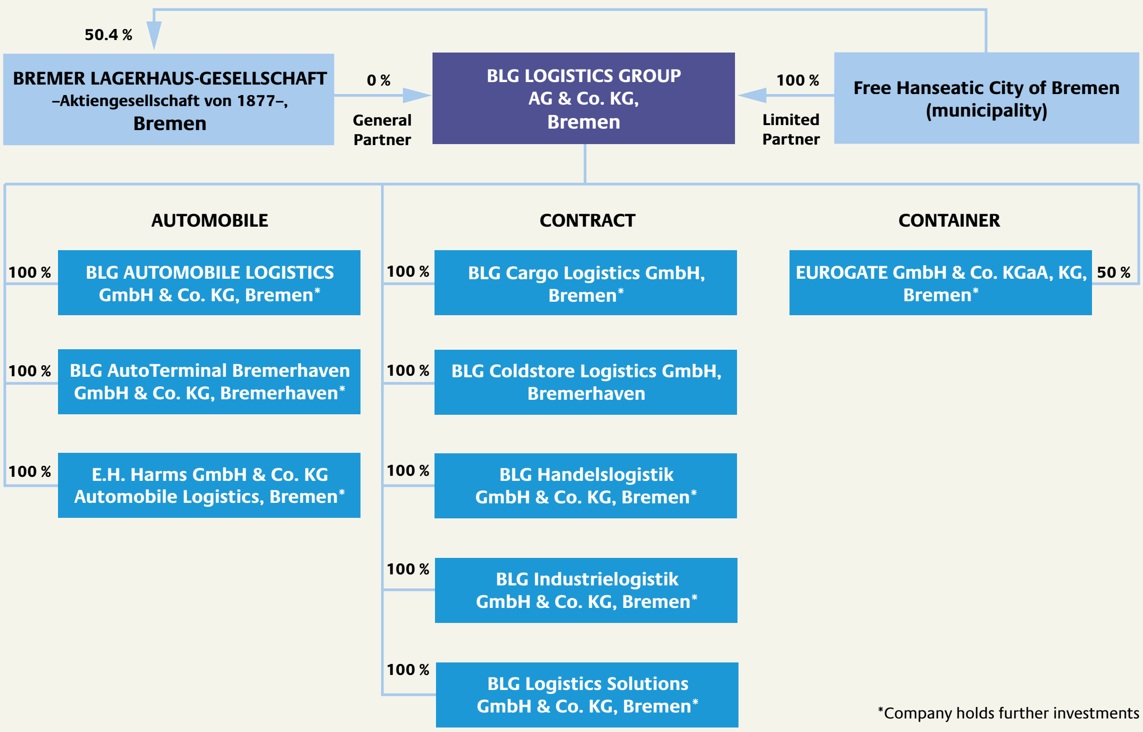
| Group of consolidated companies | 31/12/2014 | 31/12/2013 (adjusted) | 31/12/2013 | Change 31/12/2013 |
|---|---|---|---|---|
| **Number of fully consolidated companies** | | | | |
| Domestic | 17 | 17 | 17 | 0 |
| Foreign | 11 | 11 | 11 | 0 |
| **Number of proportionately consolidated joint ventures** | | | | |
| Domestic | 0 | 0 | 25 | -25 |
| Foreign | 0 | 0 | 1 | -1 |
| **Number of companies accounted for using the equity method** | | | | |
| Domestic | 36 | 37 | 12 | 25 |
| Foreign | 18 | 17 | 16 | 1 |

The CONTAINER Division converted from the proportionate consolidation method to the equity method as at 1 January 2013 due to the initial application of IFRS 11. The group of consolidated companies was adjusted accordingly. The changes resulting from the application of IFRS 11 are described in detail in note number 1 in the section "Effects of changes in accounting policies" on page 114 ff.

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 total assets of the four companies consolidated using the equity method was EUR 875,000 in 2014.

A total of 15 companies in which a majority shareholding and voting rights exist are not fully consolidated due to immateriality. These are general partner 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 AUTOMOBILE and CONTRACT divisions and the division accounted for using the equity method, CONTAINER.




A complete list of subsidiaries, joint ventures, associates and other investments is attached to the Group notes on page 188 ff.

## Number of fully consolidated companies (subsidiaries)

**AUTOMOBILE Division**

**BLG AutoRail 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, Falkenberg/Elster (shareholding: 50 per cent)**

The 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.

**CONTRACT Division**

BLG Automotive Logistics GmbH & Co. KG, Bremen, was renamed BLG Industrielogistik GmbH & Co. KG, Bremen, in the reporting year.

**Business combinations**

No business combinations took place during the reporting period.

## Companies accounted for under the equity method

**Associates**

In February 2014, BLG LOGISTIKA ADRIATIC d.o.o., Ploče, Croatia, was established by BLG CarShipping GmbH & Co. KG, Bremen. The purpose of the company is the provision of logistics services. The company is consolidated using the equity method.

**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 Board of Management 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 exchange translation

In accordance with IAS 21, the financial statements of consolidated companies prepared in foreign currency are translated into euros 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 organisational 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 recognised directly in equity with no effect on the income statement.

As at 31 December 2014, currency translation differences of EUR 7,932,000 (previous year: EUR 1,167,000) are recognised in equity (see also the statement of changes in equity).

Currency translation is based on the following exchange rates:

| Unit/currency in EUR | Year-end exchange rate 31/12/14 | Average exchange rate in 2014 | Year-end exchange rate 31/12/13 | Average exchange rate in 2013 |
|---|---|---|---|---|
| 1 US Dollar | 0.8227 | 0.7536 | 0.7264 | 0.7532 |
| 1 Brazilian Real | 0.3065 | 0.3208 | 0.3084 | 0.3507 |
| 1 British Pound | 1.2779 | 1.2406 | 1.1978 | 1.1780 |
| 1 Chinese Yuan Renminbi | 0.1339 | 0.1226 | 0.1189 | 0.1216 |
| 1 Indian Rupee | 0.0129 | 0.0124 | 0.0117 | 0.0129 |
| 1 Croatian Kuna | 0.1306 | 0.1310 | 0.1312 | 0.1320 |
| 1 Malaysian Ringgit | 0.2350 | 0.2303 | 0.2206 | 0.2394 |
| 1 Polish Zloty | 0.2325 | 0.2390 | 0.2411 | 0.2384 |
| 1 Russian Rouble | 0.0145 | 0.0199 | 0.0222 | 0.0237 |
| 1 South African Rand | 0.0709 | 0.0695 | 0.0692 | 0.0784 |
| 1 Czech Koruna | 0.0361 | 0.0363 | 0.0365 | 0.0385 |

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 recognised 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 recognised when the service has been provided and it is sufficiently likely that this will result in economic benefits that can be measured reliably. Income and expenses from the same transactions or events are recognised in accordance with the “matching principle” in the same period.

Services revenues according to the stage of completion method (SoC) in accordance with IAS 18 in conjunction with IAS 11, are recognised according to the stage of completion. 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 recognised pro rata temporis, taking into account the effective yield of a financial asset.

Profit shares from partnerships are realised 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 recognised 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 recognised in intangible assets. The goodwill recognised 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 capitalised at cost, internally generated intangible assets from which the Group expects to derive future benefit and which can be measured reliably are capitalised at cost and amortised 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 capitalised if they are attributable to qualifying assets.

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

If there are indications of impairment and if the recoverable amount is less than the amortised cost, an impairment loss is recognised for the intangible assets. An impairment test is carried out at least once a year on intangible assets with an indefinite useful life including capitalised 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 recognised 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 remeasurement 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 capitalised individually and depreciated over their useful lives.

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

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

If there are indications of impairment and if the recoverable amount is less than the amortised cost, an impairment loss is recognised for the fixed assets (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 all the substantial risks and rewards of ownership of the leased asset. If the beneficial ownership is attributable to BLG LOGISTICS, the asset is capitalised 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 recognised in income over the term of the agreement.

**e) Investments and non-current financial receivables**

Financial assets are generally recognised 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 capitalised until the date of performance.

Shares in associates and joint ventures are generally 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 recognised at their fair value to the extent this can be reliably determined. Fluctuations in value between balance sheet dates are generally recognised in other comprehensive income in the reserve from the fair valuation of financial instruments. The reversal of provisions recognised in income takes place either upon disposal or when the fair value falls sustainably below the cost (impairment). Also see note number 6 m on unscheduled 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 amortised cost using the effective interest method. If the recoverable amount is less than the carrying amount, an unscheduled impairment loss is recognised on the income statement (see also note number 6 m).

Financial assets classified as loans and receivables which include mainly loans are valued at amortised 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 recognised on the income statement (see also note number 6 m).

Financial assets are generally derecognised 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 utilisation. 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 realisable 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 receivables are attributed to the IAS 39 category Loans and receivables attributed and accounted for as at the settlement date. Accordingly, these are measured at amortised acquisition cost using the effective interest method. If the recoverable amount is less than the carrying amount, an unscheduled impairment loss is recognised on the income statement (see also 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 recognised in income. Impaired receivables are derecognised if the inflow of cash is unlikely.

Trade receivables are derecognised upon realisation (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, securities classified as current assets.

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

Financial assets classified as available for sale are recognised at their fair value to the extent this can be reliably determined. Fluctuations in value between balance sheet dates are generally recognised in other comprehensive income in the reserve from the fair valuation of financial instruments. The reversal of provisions recognised 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 recognised at their fair value. Fluctuations in value between balance sheet dates are recognised 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 amortised acquisition cost using the effective interest method. If the recoverable amount is less than the carrying amount, an impairment loss is recognised on the income statement (see note number 6 m).

Financial assets are generally derecognised 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.

**i) Derivative financial instruments and financial risk management**
Derivative financial instruments are recognised 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 only hedging transactions entered into were for the purpose of hedging interest-rate risk arising from floating interest payments on loans (cash flow hedges). The credit spread is not the subject of the hedging relationship. 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 recognised 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 recognised in profit or loss in the income statement.

Like other financial assets, derivatives are derecognised 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 recognised 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 optimise loan conditions and to limit interest rate risk in the context of matching maturities with financing strategies. 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 recognised 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) Unscheduled impairment losses (Loss of Value – Impairments)**
**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, are estimated on each balance sheet date regardless of whether there are any indications of impairment.

In accordance with IAS 36, an impairment is recognised 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 6.9 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 (2.0 per cent), the market risk premium (5.75 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 scheduled reduction in the acquisition or manufacturing costs that would have resulted without the unscheduled depreciation.

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.

Unscheduled depreciation on financial assets classified as held to maturity and loans and receivables as well as debt instruments classified as available for sale is reversed through profit or loss if the reasons for the unscheduled depreciation cease to exist. For equity instruments classified as available for sale, the impairment loss is reversed through and recognised in other comprehensive income via the reserve from the fair valuation of financial instruments.

**n) Government grants**

Investment grants from the government are not recognised 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 amortised pro rata in accordance with the depreciation of the subsidised 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 recognised 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 recognised 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 capitalised 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 amortisation of the asset and the unwinding of the discount of the provision.

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

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

Finance lease liabilities are reported at the present value of the lease payments and amortised 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 derecognised after settlement, decree or expiration.

The claims of shareholders to dividend payments are recognised 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 recognised 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 utilisation of tax loss carryforwards are capitalised if it is probable that future taxable profit will be generated.

In accordance with IAS 12, the calculation of deferred taxes is based on the application of the tax rate expected at the time of realisation. The measurement takes place using the tax rates of the individual Group companies. For domestic partnerships these comprise only trade tax and vary between 11.9 per cent and 17.7 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 15.0 per cent and 38.0 per cent.

**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, interests 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.

No business combinations took place during the reporting period.

**Summary of selected valuation methods**

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

## Notes to the group income statement

### 7. Revenue

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Forwarding and transport services | 411,550 | 426,031 |
| Handling income | 195,677 | 168,971 |
| Technical services and advisory services | 65,302 | 66,035 |
| Rental and storage income | 55,327 | 54,548 |
| Logistics services | 39,734 | 36,642 |
| Provision of personnel and equipment | 18,362 | 19,070 |
| Material sales | 15,041 | 9,133 |
| Shipping income | 8,581 | 11,311 |
| Container packing | 6,083 | 4,980 |
| Other | 67,103 | 57,739 |
| **Total** | **882,760** | **854,460** |

Revenues increased compared to the previous year by a total of EUR 28,300,000 or 3.3 per cent. The increase is mainly due to new business. Revenues are generated primarily in the areas of seaport logistics, procurement, production and distribution logistics and automobile transport and technical vehicle support.

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 | 2014 | 2013 (adjusted) |
|---|---|---|
| Ground rent and rental income | 7,867 | 7,884 |
| Income from the passing on of expenses | 6,648 | 5,271 |
| Insurance reimbursements and other reimbursements | 6,638 | 9,464 |
| Income from the settlement of debts | 5,518 | 9,125 |
| Income from prior periods | 3,773 | 3,006 |
| Gain on disposal of fixed assets | 1,676 | 688 |
| Income from the provision of personnel | 1,506 | 1,350 |
| Income from grants | 1,233 | 927 |
| Income from capital gains | 856 | 169 |
| Employment agency grants | 696 | 1,206 |
| Income from recycling | 520 | 586 |
| Income for discounts and rebates | 387 | 566 |
| Other | 2,737 | 3,298 |
| **Total** | **40,055** | **43,540** |

### 9. Cost of materials

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Expenses for raw materials, consumables and supplies | 61,909 | 79,497 |
| Expenses for external personnel | 158,210 | 149,269 |
| Expenses for other purchased services | 220,874 | 219,008 |
| Changes in inventory of work and services in progress and finished goods | 1 | 24 |
| **Total** | **440,994** | **447,798** |

### 10. Personnel costs

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Wages and salaries | 230,239 | 206,658 |
| Statutory social expenses | 43,726 | 39,984 |
| Expenses for retirement benefits, support and anniversaries | 4,891 | 4,469 |
| Other | 48 | 57 |
| | **278,904** | **251,168** |
| Capitalized costs for internally generated intangible assets and fixed assets | -956 | -841 |
| **Total** | **277,948** | **250,327** |

Personnel expenses increased compared to the previous year by a total of EUR 27,621,000 or 11.0 per cent. 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 18,464,000 (previous year $_{\text{[adjusted]}}$: EUR 16,656,000). Of this amount EUR 219,000 (previous year: EUR 210,000) is attributable to key management personnel.

In 2014, there was average of 6,425 employees in the Group (previous year $_{\text{[adjusted]}}$: 5,826). Of these employees, 4,699 (previous year $_{\text{[adjusted]}}$: 4,198) were active in the industrial areas and 1,726 (previous year $_{\text{[adjusted]}}$: 1,628) in the business areas. Please refer to the Group management report and the segment reporting for additional information.

### 11. Depreciation and amortisation of non-current intangible assets and fixed assets

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Scheduled depreciation | 29,322 | 28,717 |
| Unscheduled depreciation | 2,795 | 10,942 |
| **Total** | **32,117** | **39,659** |

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 | 2014 | 2013 (adjusted) |
|---|---|---|
| Ground rent and rents | 89,374 | 85,710 |
| Security costs and other property expenses | 9,829 | 9,971 |
| IT expenses | 8,139 | 8,583 |
| Expenses for loss events | 6,556 | 9,502 |
| Expenses for insurance premiums | 6,016 | 5,834 |
| Expenses for warranty obligations | 4,985 | 1,688 |
| Legal, advisory and audit fees | 4,835 | 5,606 |
| Travel expenses | 4,341 | 5,077 |
| Other expenses from prior periods | 4,193 | 3,845 |
| Other personnel expenses | 4,183 | 4,132 |
| Other neutral expenses | 3,555 | 9,752 |
| Marketing expenses | 2,649 | 2,846 |
| Other taxes | 2,544 | 2,495 |
| Expenses passed on | 2,498 | 2,044 |
| Administrative expenses and contributions | 2,158 | 2,028 |
| Training expenses | 1,736 | 2,230 |
| Postal and telephone expenses | 1,611 | 1,465 |
| Expenses for office supplies | 1,117 | 1,046 |
| Expenses for the disposal of assets | 418 | 230 |
| Other | 4,168 | 3,083 |
| **Total** | **164,905** | **167,167** |

The other neutral expenses of the previous year comprise EUR 6,029,000 from the initial consolidation of a Ukrainian subsidiary and a Ukrainian associate and EUR 2,050,000 due to a provision for onerous contracts.

## 13. Interest income

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| **Other interest and similar income** | | |
| Income from non-current financial receivables | **264** | **275** |
| | | |
| Interest income on bank deposits | 548 | 595 |
| Interest income from finance leases | 254 | 170 |
| Interest income on interest rate swaps | 123 | 103 |
| Interest income from amortisation of other assets | 40 | 0 |
| Other interest income | 109 | 149 |
| | **1,074** | **1,017** |
| **Interest and similar expenses** | | |
| Interest expense on non-current debt and other financial liabilities | -4,106 | -4,303 |
| Unwinding of provisions and liabilities | -1,985 | -1,987 |
| Interest expense on interest rate swaps | -1,250 | -1,335 |
| Interest expense on current liabilities to banks | -177 | -425 |
| Interest expense on finance leases | -129 | -15 |
| Other interest expense | -996 | -909 |
| Capitalised borrowing costs | 0 | 721 |
| | **-8,463** | **-8,253** |
| **Total** | **-7,305** | **-6,961** |

## 14. Income from investments

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| **Income from companies accounted for using the equity method** | | |
| Joint ventures | 28,881 | 26,782 |
| Associates | 2,220 | 481 |
| | **31,101** | **27,263** |
| **Income from other investments and related entities** | **26** | **84** |
| **Total** | **31,127** | **27,347** |

Due to the first-time adoption of IFRS 11, the investment results of the CONTAINER Division are no longer reported separately; instead, the amount of EUR 27,650,000 (previous year: EUR 25,972,000) is included in investment income from joint ventures.

## 15. Depreciation and amortisation of investments and non-current financial receivables

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| **Depreciation and amortisation of investments** | | |
| Depreciation and amortisation of investments in associates and other investments | 545 | 0 |
| **Depreciation and amortisation of non-current financial receivables** | | |
| Depreciation and amortisation of other borrowings | 0 | 750 |
| **Total** | **545** | **750** |

## 16. Income taxes

Key components of income tax expense break down as follows:

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| **Current taxes** | | |
| Tax expense for the period | 3,085 | 3,819 |
| Tax expense for prior periods | 111 | 6,620 |
| Income from tax reimbursements | -112 | -898 |
| **Total current taxes** | **3,084** | **9,541** |
| thereof Tax expense – domestic | 2,534 | 9,957 |
| Tax income – domestic | -113 | -771 |
| Tax expense – foreign | 663 | 482 |
| Tax income – foreign | 0 | -127 |
| | **3,084** | **9,541** |
| **Deferred taxes** | | |
| Deferred taxes on temporary differences | 2,887 | 2,549 |
| Deferred tax loss carry forwards | 1,702 | 3,554 |
| **Total deferred taxes** | **4,589** | **6,103** |
| thereof Deferred taxes – domestic | 3,578 | 6,812 |
| Deferred taxes – foreign | 1,011 | -709 |
| | **4,589** | **6,103** |
| **Total** | **7,673** | **15,644** |

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 capitalised, from the elimination of loss carryforwards and from the initial recognition of deferred tax assets.

The tax rates valid at the time of realisation of the asset or the settlement of the liability are used to calculate deferred tax assets and liabilities.

**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:

| Deferred tax assets TEUR | 2013 (previous status) | Adjustment IAS 11 | 2013 (adjusted) | Change: Recognise in the income statement | Change: Recognise in equity | 2014 |
|---|---|---|---|---|---|---|
| Recognition of goodwill in the tax balance sheet | 737 | -20 | 717 | -186 | 0 | 531 |
| Recognition and measurement of intangible assets | 963 | 0 | 963 | -664 | 0 | 299 |
| Measurement of fixed assets | 4,279 | -92 | 4,187 | -424 | -169 | 3,594 |
| Recognition and measurement of other assets | 148 | 0 | 148 | -89 | 0 | 59 |
| Recognition of liabilities from finance leases | 8,308 | -8,283 | 25 | 95 | 0 | 120 |
| Measurement of provisions for personnel | 9,693 | -4,309 | 5,384 | 266 | 2,922 | 8,572 |
| Measurement of provisions for demolition obligations | 1,737 | -1,737 | 0 | 0 | 0 | 0 |
| Recognition and measurement of miscellaneous other provisions | 1,202 | -388 | 814 | 345 | 0 | 1,159 |
| Recognition of derivative financial instruments | 599 | -226 | 373 | -9 | 157 | 521 |
| Recognition of deferred income | 280 | 0 | 280 | -163 | 0 | 117 |
| Recognition and measurement of other liabilities | 395 | 0 | 395 | -32 | 0 | 363 |
| Write-down of deferred taxes arising from temporary differences | -3,948 | 0 | -3,948 | -2,787 | 0 | -6,735 |
| Consideration of tax loss carryforwards | 3,878 | 0 | 3,878 | -1,702 | 0 | 2,176 |
| **Gross deferred taxes** | **28,271** | **-15,055** | **13,216** | **-5,350** | **2,910** | **10,776** |
| Offset | -18,895 | 9,589 | -9,306 | | | -8,330 |
| **Recognised deferred taxes** | **9,376** | | **3,910** | | | **2,446** |

Of the changes in equity EUR 2,922,000 was recognised as revaluation surplus, EUR -78,000 as currency translation differences and EUR 66,000 as other.

| Deferred tax liabilities TEUR | 2013 (previous status) | Adjustment IAS 11 | 2013 (adjusted) | Change: Recognise in the income statement | Change: Recognise in equity | 2014 |
|---|---|---|---|---|---|---|
| Recognition and measurement of intangible assets | -2,838 | 189 | -2,649 | 580 | 0 | -2,069 |
| Measurement of fixed assets | -9,954 | 1,776 | -8,178 | 266 | 0 | -7,912 |
| Capitalisation of finance leases | -8,135 | 8,093 | -42 | 18 | 0 | -24 |
| Recognition of a special reserve item in the tax balance sheet | -81 | 81 | 0 | 0 | 0 | 0 |
| Recognition and measurement of other assets | -84 | -7 | -91 | -58 | 0 | -149 |
| Measurement of provisions for personnel | -21 | 0 | -21 | -7 | 0 | -28 |
| Recognition and measurement of miscellaneous other provisions | -25 | 0 | -25 | -26 | 0 | -51 |
| Recognition and measurement of other liabilities | -29 | 4 | -25 | -12 | 0 | -37 |
| Elimination of interim results | -88 | 88 | 0 | 0 | 0 | 0 |
| **Gross deferred taxes** | **-21,255** | **10,224** | **-11,031** | **761** | **0** | **-10,270** |
| Offset | 18,895 | -9,589 | 9,306 | | | 8,330 |
| **Recognised deferred taxes** | **-2,360** | | **-1,725** | | | **-1,940** |

The following deferred tax assets have not been capitalised:

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Deductible temporary differences | 6,735 | 4,018 |
| Loss carryforwards | 34,253 | 27,444 |
| **Total** | **40,988** | **31,462** |

The estimation of the probability of the reversal of the temporary measurement differences and the utilisation 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 2,132,000 (previous year: EUR 2,930,000) were reported due to the improved earnings outlook.

As at 31 December 2014, the Group has tax loss carryforwards of EUR 215,667,000 (previous year $_{[adjusted]}$: EUR 196,348,000). As at 31 December 2014, no deferred tax assets were capitalised for the tax loss carryforwards of EUR 202,401,000 (previous year $_{[adjusted]}$: EUR 176,022,000) of various subsidiaries. No deferred tax assets were recognised 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 recognised on 31 December 2014 and 31 December 2013 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 | | 2014 | | 2013 (adjusted) |
|---|---|---|---|---|
| Profit for the year before income taxes under IFRS | | 30,128 | | 12,685 |
| Group tax rate in per cent | 16.1 % | | 15.4 % | |
| Expected income tax expense in the financial year | | 4,851 | | 1,953 |
| **Reconciliation items** | | | | |
| Effects of changes in tax rates | | 6 | | -53 |
| Tax-free earnings/trade tax cuts | | -5,579 | | -4,508 |
| Non-deductible business expenses/trade tax additions/effects of the interest barrier | | 2,727 | | 4,657 |
| Use of additional special tax operating expenditure | | -2,982 | | -2,789 |
| Current tax expense/income from prior periods | | 1 | | 5,723 |
| Deferred tax expense/income from prior periods | | -51 | | -123 |
| Effects of different tax rates | | -978 | | 914 |
| Effects of unrecognised loss carryforwards in the reporting year | | 6,992 | | 8,296 |
| Effects of corrections in the recognition of loss carryforwards from previous years | | -176 | | 658 |
| Effects of corrections in tax loss carryforwards in the reporting year | | 255 | | -1,117 |
| Corrections in recognition of deferred taxes on temporary differences | | 2,707 | | 2,467 |
| Other effects | | -100 | | -434 |
| **Total of the reconciliation items** | **9.4 %** | **2,822** | **107.9 %** | **13,691** |
| **Income tax expense reported in the Group** | **25.5** | **7,673** | **123.3 %** | **15,644** |

The Group tax rate of 16.1 per cent (previous year: 15.4 per cent) used to calculate the expected income tax expense includes, as in the previous year, only trade tax in Germany on the basis of the trade tax rate applicable to BLG LOGISTICS GROUP AG & Co. KG, which, as a partnership, is not subject to corporation tax or the 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 are calculated by dividing the Group net income attributable to BLG AG by the average number of shares. Undiluted earnings per share for the 2014 financial year are EUR 0.44 (previous year: EUR 0.59). This calculation is based on the part of the Group net income attributable to BLG AG of EUR 1,673,000 (previous year: EUR 2,248,000) 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 30 May 2014, 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 earnings of EUR 1,536,000 reported on 31 December 2013 to pay a dividend of EUR 0.40 per share. This represents a payout ratio of 68 per cent. The dividend was distributed to shareholders on 2 June 2014.

A distribution of EUR 1,536,000 (previous year: EUR 1,536,000) is proposed for the 2014 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 recognised directly in equity

| TEUR | 2014 Gross amount | 2014 Tax expense/ income | 2014 Net amount | 2013 (adjusted) Gross amount | 2013 (adjusted) Tax expense/ income | 2013 (adjusted) Net amount |
|---|---|---|---|---|---|---|
| **Items that are not subsequently reclassified in the income statement** | | | | | | |
| Revaluation of net pension obligations | -18,597 | 2,922 | -15,675 | -3,322 | 752 | -2,570 |
| Changes in tax rates | 0 | -62 | -62 | 0 | 1,299 | 1,299 |
| Proportion of consolidated companies accounted for under the equity method for items that are not reclassified in the income statement | -15,334 | 0 | -15,334 | -2,429 | 0 | -2,429 |
| | **-33,931** | **2,860** | **-31,071** | **-5,751** | **2,051** | **-3,700** |
| **Items that can subsequently be reclassified in the income statement** | | | | | | |
| Foreign exchange translation | -2,041 | 0 | -2,041 | -1,489 | 0 | -1,489 |
| Change in fair value of derivative financial instruments (cash flow hedges) | -944 | 157 | -787 | 1,295 | -182 | 1,113 |
| Proportion of consolidated companies accounted for under the equity method for items that can subsequently be reclassified in the income statement | -5,714 | 0 | -5,714 | 374 | 0 | 374 |
| | **-8,699** | **157** | **-8,542** | **180** | **-182** | **-2** |
| **Total** | **-42,630** | **3,017** | **-39,613** | **-5,571** | **1,869** | **-3,702** |

# Notes to the group statement of financial position

## 20. Intangible assets

| 2014 financial year<br>TEUR | Goodwill | Licences, trademarks and similar rights and assets and licences in such rights and assets | Advance payments on intangible assets | Total |
|---|---|---|---|---|
| **Acquisition costs** | | | | |
| As at 1 January 2014 (adjusted) | 16,666 | 30,406 | 4,519 | 51,591 |
| 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 at 31 December 2014** | **16,666** | **29,639** | **5,915** | **52,220** |
| **Depreciation** | | | | |
| As at 1 January 2014 (adjusted) | 8,785 | 19,161 | 0 | 27,946 |
| 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 at 31 December 2014** | **10,693** | **20,113** | **0** | **30,806** |
| **Carrying amounts as at 31 December 2014** | **5,973** | **9,526** | **5,915** | **21,414** |

| 2013 financial year (adjusted)<br>TEUR | Goodwill | Licences, trademarks and similar rights and assets and licences in such rights and assets | Advance payments on intangible assets | Total |
|---|---|---|---|---|
| **Acquisition costs** | | | | |
| As at 1 January 2013 | 13,430 | 26,794 | 5,306 | 45,530 |
| Changes in group of consolidated companies | 3,593 | -23 | 0 | 3,570 |
| Additions | 0 | 1,371 | 1,510 | 2,881 |
| Disposals | 0 | -57 | 0 | -57 |
| Reclassifications | 0 | 2,355 | -2,297 | 58 |
| Currency translation differences | -357 | -34 | 0 | -391 |
| **As at 31 December 2013** | **16,666** | **30,406** | **4,519** | **51,591** |
| **Depreciation** | | | | |
| As at 1 January 2013 | 6,865 | 16,686 | 0 | 23,551 |
| Changes in group of consolidated companies | 0 | -15 | 0 | -15 |
| Additions | 1,920 | 2,544 | 0 | 4,464 |
| Disposals | 0 | -38 | 0 | -38 |
| Reclassifications | 0 | 0 | 0 | 0 |
| Currency translation differences | 0 | -16 | 0 | -16 |
| **As at 31 December 2013** | **8,785** | **19,161** | **0** | **27,946** |
| **Carrying amounts as at 31 December 2013** | **7,881** | **11,245** | **4,519** | **23,645** |
| Carrying amounts as at 1 January 2013 | 6,565 | 10,108 | 5,306 | 21,979 |

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:

| Impairment test | | |
|---|---|---|
| Name of CGU | **BLG AutoRail GmbH, Bremen** | **BLG Automobile Logistics Russia LTD, Nicosia / Cyprus** |
| Division | AUTOMOBILE | AUTOMOBILE |
| Goodwill carrying amount | EUR 4,288,000 | EUR 3,593,000 |
| Recoverable amount | -- | EUR 1,685,000 |
| Unscheduled depreciation | -- | EUR 1,908,000 |
| Sales growth p.a. (planning period) | 9.7 % – 22.2 % | 15.1 % - 25.5 % |
| Other parameters for corporate planning | Utilisation, price per vehicle | Utilisation, productivity, price per vehicle |
| Duration of the planning period | 3 years | 3 years |
| Sales growth p.a. after the end of the planning period | 0.00% | 0.00 % |
| Discount rate | 6.65% | 9.30 % |

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 utilisation of rail cars based on the experience of previous years. In 2014, the further expansion of the rail car fleet resulted in the addition of 75 cars. 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 shares and customer surveys.

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 the previous year. 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 Russia LTD are almost entirely limited to investments in BLG Automobile Logistics St. Petersburg Co. Ltd., St. Petersburg, Russia, and 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 has been formed (BLG Automobile Logistics Russia), which is allocated to the Eastern Europe segment for determining the value in use of goodwill from these three companies.

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 on a carrying amount of EUR 1,685,000. A 10% decrease in EBIT would result in a further impairment loss of EUR 242,000, while a one percentage point increase in the discount rate would lead to further write-downs of EUR 199,000.

The straight-line method is the sole method used for scheduled depreciation and amortisation, which is presented in the income statement in the item “Depreciation and amortisation of non-current intangible assets and fixed assets”. The following useful lives forming the basis:

| Useful life of the intangible assets | 2014 | 2013 (adjusted) |
|---|---|---|
| Software licenses | 2–5 years | 2–5 years |
| Internally-generated software | 3–5 years | 3–5 years |

Impairments totalled EUR 0 (previous year: EUR 10,000).

Impairment losses are recognised in the item “Depreciation and amortisation of non-current intangible assets and fixed assets”.

No financing costs were capitalised for qualifying assets.

### 21. Fixed assets

| 2014 financial year<br>TEUR | Real estate, leasehold rights and buildings, including buildings on third-party land | Technical plant and equipment | Other property, plant and equipment | Advance payments and assets under construction | Total |
|---|---|---|---|---|---|
| **Acquisition and production costs** | | | | | |
| As at 1 January 2014 (adjusted) | 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 at 31 December 2014** | **357,599** | **174,679** | **54,306** | **6,321** | **592,905** |
| **Depreciation** | | | | | |
| As at 1 January 2014 (adjusted) | 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 at 31 December 2014** | **175,913** | **104,068** | **37,101** | **0** | **317,082** |
| **Carrying amounts as at 31 December 2014** | **181,686** | **70,611** | **17,205** | **6,321** | **275,823** |

| 2013 financial year (adjusted)<br>TEUR | Real estate, leasehold rights and buildings, including buildings on third-party land | Technical plant and equipment | Other property, plant and equipment | Advance payments and assets under construction | Total |
|---|---|---|---|---|---|
| **Acquisition and production costs** | | | | | |
| As at 1 January 2013 | 347,826 | 152,238 | 44,767 | 28,796 | 573,627 |
| Changes in group of consolidated companies | -15,101 | 1,404 | -137 | -123 | -13,957 |
| Additions | 2,487 | 13,679 | 6,599 | 2,230 | 24,995 |
| Disposals | -850 | -3,434 | -2,328 | 0 | -6,612 |
| Reclassifications | 18,858 | 6,751 | 2,032 | -27,699 | -58 |
| Currency translation differences | -801 | -75 | -145 | -334 | -1,355 |
| **As at 31 December 2013** | **352,419** | **170,563** | **50,788** | **2,870** | **576,640** |
| **Depreciation** | | | | | |
| As at 1 January 2013 | 153,863 | 89,153 | 30,676 | 0 | 273,692 |
| Changes in group of consolidated companies | -8,637 | 265 | -124 | -70 | -8,566 |
| Additions | 20,221 | 9,653 | 5,251 | 70 | 35,195 |
| Disposals | -814 | -1,769 | -2,038 | 0 | -4,621 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 |
| Currency translation differences | -3 | -32 | -112 | 0 | -147 |
| **As at 31 December 2013** | **164,630** | **97,270** | **33,653** | **0** | **295,553** |
| **Carrying amounts as at 31 December 2013** | **187,789** | **73,293** | **17,135** | **2,870** | **281,087** |
| Carrying amounts as at 1 January 2013 | 193,963 | 63,085 | 14,091 | 28,796 | 299,935 |

The straight-line method is the sole method used for scheduled depreciation and amortisation, which is presented in the group income statement in the item "Depreciation and amortisation of non-current intangible assets and fixed assets".

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

| Useful life of the intangible assets | 2014 | 2013 (adjusted) |
|---|---|---|
| Buildings, lightweight | 10 years | 10 years |
| Buildings, solid construction | 20–40 years | 20–40 years |
| Open spaces | 10–20 years | 10–20 years |
| Floating cranes | 40 years | 40 years |
| Other handling equipment | 4–34 years | 4–34 years |
| Technical plant and equipment | 5–20 years | 5–20 years |
| Plant and equipment | 4–20 years | 4–20 years |
| Low-value assets | 1 year | 1 year |

Impairments totalling EUR 887,000 (previous year [adjusted]: EUR 9,012,000) were made in the 2014 financial year.

In the CONTRACT Division, in two locations the residual value of staging and racking systems were impaired in the amount of EUR 887,000 after customer contracts expired. EUR 755,000 of the impairments were on technical plant and equipment and EUR 132,000 on other property, plant and equipment.

Impairment losses are recognised in the item "Depreciation and amortisation of non-current intangible assets and fixed assets".

Advance payments and assets under construction of EUR 6,321,000 (previous year [adjusted]: EUR 2,870,000) relate exclusively to assets under construction.

No financing costs were capitalised for qualifying assets. In the previous year financing costs in the amount of EUR 721,000 were capitalised at an average interest rate of 3.21 per cent.

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

| Finance leases<br>Carrying amount TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Buildings | 147 | 171 |
| Technical plant and equipment | 722 | 1,510 |
| Plant and equipment | 0 | 92 |
| **Total** | **869** | **1,773** |

Rented or leased assets are offset by lease obligations totalling EUR 1,272,000 (previous year [adjusted]: EUR 1,031,000); see note number 30. The leasing obligations have maturities of up to six years.

The assets capitalised under finance leases and hire purchase contracts are legally owned by the respective lessors. More information on assets reported under fixed assets that are pledged as collateral on non-current loans can be found in note number 29.

## 22. Investments

| 2014 financial year TEUR | Investments in affiliates | Investments accounted for using the equity method | Other investments | Securities | Total |
|---|---|---|---|---|---|
| **Acquisition costs** | | | | | |
| As at 1 January 2014 (adjusted) | 343 | 144,859 | 3,708 | 3 | 148,913 |
| Changes in group of consolidated companies | 0 | 0 | 0 | 0 | 0 |
| Additions | 0 | 1,044 | 7 | 0 | 1,051 |
| Disposals[1] | 0 | -21,099 | 0 | 0 | -21,099 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 |
| Currency translation differences | 0 | -4,688 | 0 | 0 | -4,688 |
| **As at 31 December 2014** | **343** | **120,116** | **3,715** | **3** | **124,177** |
| **Depreciation** | | | | | |
| As at 1 January 2014 (adjusted) | 0 | 140 | 0 | 0 | 140 |
| 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 at 31 December 2014** | **0** | **685** | **0** | **0** | **685** |
| **Carrying amounts as at 31 December 2014** | **343** | **119,431** | **3,715** | **3** | **123,492** |
| Carrying amounts as at 31 December 2013 | 343 | 144,719 | 3,708 | 3 | 148,773 |

[1] The disposals include profit neutral effects of TEUR 16,531 from EUROGATE.

| 2013 financial year TEUR | Investments in affiliates | Investments accounted for using the equity method | Other investments | Securities | Total |
|---|---|---|---|---|---|
| **Acquisition costs** | | | | | |
| As at 1 January 2013 | 383 | 151,395 | 110 | 3 | 151,891 |
| Changes in group of consolidated companies | 0 | -2,392 | 0 | 0 | -2,392 |
| Additions | 0 | 2,506 | 3,598 | 0 | 6,104 |
| Disposals | -40 | -5,497 | 0 | 0 | -5,537 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 |
| Currency translation differences | 0 | -1,153 | 0 | 0 | -1,153 |
| **As at 31 December 2013** | **343** | **144,859** | **3,708** | **3** | **148,913** |
| **Depreciation** | | | | | |
| As at 1 January 2013 | 10 | 140 | 0 | 0 | 150 |
| Changes in group of consolidated companies | 0 | 0 | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 | 0 | 0 |
| Disposals | -10 | 0 | 0 | 0 | -10 |
| Currency translation differences | 0 | 0 | 0 | 0 | 0 |
| **As at 31 December 2013** | **0** | **140** | **0** | **0** | **140** |
| **Carrying amounts as at 31 December 2013** | **343** | **144,719** | **3,708** | **3** | **148,773** |
| Carrying amounts as at 1 January 2013 | 373 | 151,255 | 110 | 3 | 151,741 |

### Interests in associates

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

### Companies accounted for using the equity method

| TEUR | 31/12/2014 | 2013 (adjusted) |
|---|---|---|
| Interests in joint ventures | 115,616 | 139,630 |
| Interests in associates | 3,815 | 5,089 |
| **Total** | **119,431** | **144,719** |

### 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 28,881,000) and capital increases (EUR 11,051,000) as well as losses through distributions (EUR -42,320,000), changes in revaluation reserves (EUR -15,534,000) and currency translation differences (EUR -4,715,000).

Due to the conversion of the inclusion of the CONTAINER Division from proportionate consolidation to the equity method due to the initial application of IFRS 11 on 1 January 2014, the assets and liabilities previously proportionately consolidated were replaced as at 1 January 2013 by joint ventures in the amount of EUR 132,569,000 as a result of combined recognition. The following table breaks down the changes resulting from the transition:

| TEUR | 01/01/2013 Effects |
|---|---|
| **Consolidated statement of financial position (assets)** | **-566,803** |
| **Non-current assets** | **-469,436** |
| Intangible assets | -27,074 |
| Fixed assets | -374,693 |
| Investments | -23,393 |
| Non-current financial receivables | -38,743 |
| Other non-current assets | -21 |
| Deferred taxes | -5,512 |
| **Current assets** | **-97,367** |
| Inventories | -7,337 |
| Trade receivables | -37,884 |
| Other assets | 12,188 |
| Reimbursement rights from income taxes | -9 |
| Cash and cash equivalents | -64,325 |
| **Consolidated statement of financial position (liabilities)** | **-434,234** |
| **Equity** | **-78,471** |
| **Non-current liabilities** | **-242,154** |
| Non-current loans | -98,944 |
| Other non-current financial liabilities | -67,937 |
| Deferred government grants | -31,639 |
| Other non-current liabilities | -775 |
| Non-current provisions | -42,132 |
| Deferred taxes | -727 |
| **Current liabilities** | **-113,609** |
| Trade payables | -25,091 |
| Current financial liabilities | -63,866 |
| Current proportion of government grants | -2,138 |
| Other current liabilities | -16,632 |
| Payment obligations from income taxes | -4,115 |
| Current provisions | -1,767 |
| **Investment in EUROGATE GmbH & Co. KGaA, KG** | **132,569** |

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 1 January 2008.

In the segment reporting (Annex 2 and note number 38), this joint venture is represented by the CONTAINER Division.

The following table summarises 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 | 2014 | 2013 (adjusted) |
|---|---|---|
| Non-current assets | 772,324 | 804,336 |
| Current assets | 224,178 | 186,458 |
| Non-current liabilities | -397,804 | -382,843 |
| Current liabilities | -228,086 | -190,020 |
| **Net assets** | **370,612** | **417,931** |
| **Shareholding** | **50 %** | **50 %** |
| Share of net assets | 185,306 | 208,966 |
| of hybrid equity attributable to non-controlling interests | -78,010 | -78,010 |
| of other equity attributable to non-controlling interests | -56 | -272 |
| **Group share of net assets (= equity carrying amount)** | **107,240** | **130,684** |

Current assets include cash and cash equivalents of EUR 121,698,000 (previous year: EUR 91,875,000).

EUR 204,333,000 (previous year: EUR 229,917,000) of the non-current liabilities and EUR 184,560,000 (previous year: EUR 151,738,000) of the current liabilities are attributable to financial liabilities (in each case excluding trade payables, other liabilities and provisions).

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Revenue | 566,018 | 537,481 |
| Scheduled depreciation | -55,384 | -57,445 |
| Other interest and similar income | 6,368 | 9,704 |
| Interest and similar expenses | -14,985 | -17,695 |
| Taxes on income and earnings | -4,698 | -477 |
| Profit for the year | 64,866 | 61,961 |
| Other comprehensive income | -42,375 | -2,756 |
| **Total comprehensive income** | **22,491** | **59,205** |

Profit for the year of EUR 27,560,000 (previous year: EUR 25,972,000) and other comprehensive income after income taxes of EUR -21,252,000 (previous year: EUR -1,372,000) is attributable to the BLG Group.

Dividends received by EUROGATE GmbH & Co. KGaA, KG total EUR 40,894,000 (previous year: EUR 36,838,000). Payment is made in the following year.

| Cash flow TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Cash flow from operating activities | 110,523 | 65,383 |
| Cash flow from investment activities | -17,114 | 8,381 |
| Cash flow from financing activities | -63,500 | -104,828 |
| **Net change in cash and cash equivalents** | **29,909** | **-31,064** |
| Cash and cash equivalents at start of the financial year | 91,371 | 122,435 |
| **Cash and cash equivalents at the end of the financial year** | **121,280** | **91,371** |
| **Composition of cash and cash equivalents** | | |
| Liquid funds | 121,698 | 91,875 |
| Current amounts owed to banks | -418 | -504 |
| **Cash and cash equivalents at the end of the financial year** | **121,280** | **91,371** |

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

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Carrying amount of interests in other joint ventures | 8,376 | 8,946 |
| Share of | | |
| Profit for the year | 1,231 | 801 |
| Other comprehensive income | -4 | -725 |
| **Share of total comprehensive income** | **1,227** | **76** |

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

In the 2014 financial year proportionate losses of joint ventures of EUR 226,000 (previous year: EUR 42,000) were not recognised in the Group result. At the reporting date, the cumulative share of losses in joint ventures not recognised in the Group result total EUR 241,000 (previous year: EUR 42,000).

**Associates**

The change in the carrying amount of investments in associates results mainly from increases in the proportionate profit for the year (EUR 2,220,000) and decreases due to distributions (EUR -3,071,000) and currency translation differences (EUR -244,000).

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

The following table summarises the carrying amounts, the share of profit for the year and the share of the other comprehensive income of these interests:

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Carrying amount of interests in associates | 3,815 | 5,089 |
| Share of | | |
| Profit for the year | 2,183 | 448 |
| Other comprehensive income | -244 | -223 |
| **Share of total comprehensive income** | **1,939** | **225** |

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

In the 2014 financial year proportionate losses of associates of EUR 46,000 (previous year: EUR 47,000) were not recognised in the Group result. At the reporting date, the cumulative share of losses in associates not recognised in the Group result total EUR 244,000 (previous year: EUR 198,000).

**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 net assets, financial position and results of operations of the BLG Group are presented at their acquisition cost or the lower fair value in the group financial statements.

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

## 23. Financial receivables

| 2014 financial year<br>TEUR | 31/12/2014<br>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 loans | 0 | 0 | 0 | 0 |
| 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** |

| 2013 financial year<br>TEUR | 31/12/2013 (adjusted)<br>Up to 1 year | 1–5 years | More than 5 years | Total |
|---|---|---|---|---|
| Loans to consolidated companies accounted for using the equity method | 1,025 | 1,431 | 1,774 | 4,230 |
| Loans to other investments | 0 | 1,201 | 0 | 1,201 |
| Other loans | 0 | 0 | 0 | 0 |
| Other receivables from shareholders | 0 | 0 | 0 | 0 |
| Financial receivables from shareholders' accounts at companies accounted for under the equity method | 37,493 | 0 | 0 | 37,493 |
| Receivables from leasing companies | 16,481 | 0 | 0 | 16,481 |
| Financial receivables from finance leases | 105 | 503 | 2,885 | 3,493 |
| Miscellaneous other financial receivables | 552 | 264 | 57 | 873 |
| **Total** | **55,656** | **3,399** | **4,716** | **63,771** |

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

Non-current loans to companies consolidated using the equity method are made at interest rates between 3 and 6 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 | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Neither past due nor impaired receivables | 54,116 | 63,295 |
| Past due but not impaired receivables | 611 | 476 |
| Impaired receivables | 0 | 0 |
| **Carrying amounts** | **54,727** | **63,771** |

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

| Impaired financial receivables TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Nominal amounts | 750 | 750 |
| Impairment losses | -750 | -750 |
| **Carrying amounts** | **0** | **0** |

| Impairment losses on financial receivables TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Amount as at the beginning of the financial year | 750 | 0 |
| Impairment losses during the financial year - Additions | 0 | 750 |
| **Amount as at the end of the financial year** | **750** | **750** |

Income and expenses from the impairments shown above are reported under “Other operating income” or “Other operating expenses”.

## 24. Inventories

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Raw materials, consumables and supplies | 4,699 | 3,952 |
| Works in progress | 0 | 177 |
| Finished goods and merchandise | 205 | 235 |
| **Total** | **4,904** | **4,364** |

Inventories are not pledged as collateral for liabilities. Impairment losses on inventories totalling EUR 128,000 (previous year $_{\text{[adjusted]}}$: EUR 63,000) were recorded as at 31 December 2014.

## 25. Trade receivables and other assets

### Trade receivables

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Receivables from third parties | 167,965 | 149,543 |
| Receivables from associates | 311 | 2 |
| Receivables from investment entities | 2,633 | 1,954 |
| **Total** | **170,909** | **151,499** |

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 $_{\text{[adjusted]}}$: 64 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 | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Neither past due nor impaired receivables | 129,536 | 119,968 |
| Past due but not impaired receivables | 38,677 | 30,581 |
| Impaired receivables | 2,696 | 950 |
| **Total** | **170,909** | **151,499** |

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

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Less than 30 days | 19,361 | 19,963 |
| Between 30 and 60 days | 3,894 | 5,089 |
| Between 61 and 90 days | 2,596 | 2,284 |
| Between 91 and 180 days | 3,991 | 2,922 |
| Between 181 and 360 days | 5,163 | 160 |
| More than 360 days | 3,672 | 163 |
| **Total** | **38,677** | **30,581** |

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

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Nominal amounts | 5,837 | 2,385 |
| Impairment losses | -3,141 | -1,435 |
| **Carrying amounts** | **2,696** | **950** |

Impairment losses on trade receivables developed as follows:

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Amount as at the beginning of the financial year | 1,435 | 1,537 |
| Impairment losses during the financial year | | |
| - Additions | 2,262 | 984 |
| - Reversals | -179 | -761 |
| - Changes in exchange rates | 45 | -1 |
| Use/derecognition of receivables | -422 | -324 |
| **Amount as at the end of the financial year** | **3,141** | **1,435** |

In addition, in the reporting year, trade receivables in the amount of EUR 403,000 (previous year: EUR 285,000) reported under other operating expenses were derecognised.

**Other assets**

| Other assets TEUR | 31/12/2014 current | 31/12/2014 non-current | 31/12/2013 (adjusted) current | 31/12/2013 (adjusted) non-current |
|---|---|---|---|---|
| Current financial receivables (note number 23) | 48,462 | -- | 55,656 | -- |
| Tax office receivables | 3,255 | -- | 3,412 | -- |
| Receivables from warranty claims | 0 | -- | 2,950 | -- |
| Accruals | 666 | -- | 1,700 | -- |
| Reimbursement claims from insurance policies | 576 | -- | 1,251 | -- |
| Derivatives with a positive fair value | 0 | -- | 15 | -- |
| Receivables from employees | 171 | -- | 292 | -- |
| Employment agency receivables | 24 | -- | 274 | -- |
| Receivables from shareholders | 52 | -- | 223 | -- |
| Claims to government grants | 1,327 | -- | 0 | -- |
| Other assets | 1,091 | 5 | 629 | 65 |
| **Total** | **55,624** | **5** | **66,402** | **65** |

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

## 26. Reimbursement rights from income taxes

The tax assets relate to reimbursement rights for the year amounting to EUR 1,663,000 (previous year $_{\text{[adjusted]}}$: EUR 962,000) and reimbursement rights for prior years in the amount of EUR 1,049,000 (previous year: EUR 908,000).

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

## 27. Cash and cash equivalents

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Current accounts | 6,073 | 4,859 |
| Overnight loans and short-term deposits | 5,500 | 1,998 |
| Cash | 151 | 78 |
| **Total** | **11,724** | **6,935** |

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 2014 and 2013 financial years is presented as a separate component of the group financial statements as at 31 December 2014 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 at 31 December 2014.

Retained earnings include 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 6,583,000 (previous year: EUR 6,446,000). In financial year 2014, EUR 137,000 (previous year: EUR 712,000) 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 recognised. The limited liability capital and the capital reserves were almost exclusively provided by contributions in kind.

The capital reserve includes allocations of capitalised 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 scope of consolidation recognised in other comprehensive income, and other changes and shares of Group net income. In addition, retained earnings also include the differences between German HGB and IFRS existing at 1 January 2004 (date of transition).

The actuarial gains and losses recognised in other comprehensive income 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 recognised 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.

| Development of hedge reserve TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| As at 1 January | -2,053 | -4,273 |
| Change in reserves | -1,794 | 2,220 |
| **As at 31 December** | **-3,847** | **-2,053** |

At the balance sheet date, the reserve is composed of the fair value of the interest rate swaps that qualify as hedges of EUR -3,212,000 (previous year $_{[adjusted]}$: EUR -2,268,000), accrued deferred taxes recognised in other comprehensive income of EUR 515,000 (previous year $_{[adjusted]}$: EUR 358,000) and from the fair value of derivative financial instruments with associates recognised in other comprehensive income of EUR -1,150,000 (previous year $_{[adjusted]}$: EUR -143,000).

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 result of consolidated companies totalling EUR -67,951,000 (previous year $_{[adjusted]}$: EUR -62,074,000) concern subsidiaries of BLG KG.

The net earnings of EUR 20,421,000 correspond to the disclosure in the financial statements as at 31 December 2014 of BLG KG. Dividend payments are recognised 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 6,621,000 (previous year $_{\text{[adjusted]}}$: EUR 5,893,000) are recognised.

The hybrid equity previously also reported under this item, which concerned a bond issued by the EUROGATE Group including the pro rata interest to hybrid capital holders as profit sharing, has been eliminated in the framework of the conversion of the inclusion of the CONTAINER Division from proportionate consolidation to the equity method.

For the development of the individual equity components, please see the separate group statement of changes in equity (Annex 3).

## 29. Non-current loans

Non-current loans from banks can be broken down by residual maturity bands and interest rate bands as follows:

| 31/12/2014 TEUR | Interest rate | Residual maturities 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** |

| 31/12/2013 (adjusted) TEUR | Interest rate | Residual maturities Up to 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| | 1.092 - 1.999 % | 11,948 | 61,045 | 31,237 | 104,230 |
| | 2.000 - 2.999 % | 339 | 32,364 | 0 | 32,703 |
| | 3.000 - 3.999 % | 875 | 2,625 | 0 | 3,500 |
| | 4.000 - 4.690 % | 4,351 | 32,244 | 1,923 | 38,518 |
| **Total** | | **17,513** | **128,278** | **33,160** | **178,951** |

The presentation above includes unsubordinated, unsecured promissory note loans totalling EUR 29.0 million (previous year: EUR 60.0 million). In the reporting year, EUR 31.0 million in promissory note loans was repaid ahead of schedule. The remaining promissory note loans 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 note loans have fixed interest rates and EUR 10.0 million have floating interest rates.

Credit lines with banks were not adjusted during the reporting year.

Of loans from banks, a total of EUR 67.7 million (previous year $_{[adjusted]}$: EUR 43.7 million) were fixed interest, while EUR 102.2 million (previous year $_{[adjusted]}$: EUR 135.2 million) were floating interest.

Liabilities to banks totalling EUR 18.4 million (previous year: EUR 22.1 million) were secured by mortgages. For loan liabilities totalling EUR 151.5 million (previous year $_{[adjusted]}$: EUR 156.8 million), customary covenants were secured for the lending banks based on the equity ratio and net debt. This amount includes EUR 29.0 million from the promissory note loans and EUR 40.0 million from newly acquired loans.

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. In the reporting year, all covenants were complied with.

Non-compliance with a limit of the agreed net debt ratio in the 2013 financial year could have resulted in an interest charge of 0.5 per cent on the share of non-current financial loans and the promissory note loan for the next interest rate period. All banks with long-term commitments, however, have granted a one-time waiver of the interest rate hike in favour of BLG LOGISTICS. Only for promissory note loans of over EUR 50,000,000 were no waivers granted for an interest rate period of six months, since the promissory note loans were placed on the capital market with many different financial institutions, which generally are not in a direct business relationship with BLG LOGISTICS.

Owing to compliance with the covenants in the reporting period, the basis for the rate increase by 0.5 per cent has been eliminated. This is based on the demonstration of compliance with the financial ratios in these audited group financial statements and compliance with the group interim financial statements of 30 June 2014. The retraction of the interest rate hike was carried out for the obligations under the promissory notes with the interest rate period following the group interim financial statements of 30 June 2014. This means that for financial year 2014, there was only an additional interest expense of EUR 125,000 for exceeding the covenants. The risks in this regard from the interest rate hike reported in the 2013 annual report were not incurred in the forecast amount.

## 30. Other financial liabilities

Other financial liabilities break down as follows:

The carrying amounts, with the exception of liabilities from finance leases, correspond to the fair values of the liabilities.

| TEUR | 31/12/2014 current | 31/12/2014 non-current | 31/12/2013 (adjusted) current | 31/12/2013 (adjusted) non-current |
|---|---|---|---|---|
| Short-term portion of non-current borrowings | 19,846 | -- | 17,513 | -- |
| Finance leases | 252 | 1,020 | 165 | 866 |
| Bank overdrafts | 48,431 | -- | 36,360 | -- |
| Loans BLG Unterstützungskasse GmbH | 25,600 | -- | 25,600 | -- |
| Obligations under revenue deductions | 6,884 | 412 | 4,598 | 542 |
| Loans of joint ventures | 0 | -- | 20,000 | -- |
| Derivatives with a negative fair value | 3,292 | -- | 2,475 | -- |
| Accruals and deferrals (liabilities) | 1,341 | 962 | 1,895 | 2,062 |
| Future social concept | 869 | 2,466 | 709 | 2,201 |
| Other | 7,962 | 9,169 | 8,751 | 12,157 |
| **Total** | **114,477** | **14,029** | **118,066** | **17,828** |

Other miscellaneous financial liabilities include obligations from the acquisition of shares in E.H. Harms GmbH & Co. KG Automobile-Logistics in the amount of EUR 11,156,000 (previous year [adjusted]: EUR 12,635,000). Of this amount, EUR 9,169,000 is attributable to the non-current segment and EUR 1,987,000 to the current segment.

Miscellaneous other current financial liabilities also include, in the amount of EUR 3,446,000 (previous year [adjusted]: EUR 3,447,000), cash management settlement accounts against investments.

The average effective interest rates at the balance sheet date of the material groups of current financial liabilities are as follows:

| | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Overdrafts due to banks | 0.88 % | 1.24 % |

The discounted value of future cash flows from liabilities from finance leases are as follows:

| TEUR | 31/12/2014 Minimum leasing payments | 31/12/2014 of which repayment | 31/12/2014 of which interest | 31/12/2013 (adjusted) Minimum leasing payments | 31/12/2013 (adjusted) of which repayment | 31/12/2013 (adjusted) of which interest |
|---|---|---|---|---|---|---|
| Up to 1 year | 334 | 252 | 82 | 247 | 165 | 82 |
| Between 1 and 5 years | 1,219 | 1,020 | 199 | 902 | 730 | 172 |
| More than 5 years | 0 | 0 | 0 | 143 | 136 | 7 |
| **Total** | **1,553** | **1,272** | **281** | **1,292** | **1,031** | **261** |

## 31. Deferred government grants

| TEUR | 31/12/2014 current | 31/12/2014 non-current | 31/12/2013 (adjusted) current | 31/12/2013 (adjusted) non-current |
|---|---|---|---|---|
| AUTOMOBILE Division | 11 | 614 | 0 | 221 |
| CONTRACT Division | 5 | 195 | 6 | 33 |
| **Total** | **16** | **809** | **6** | **254** |

The items set forth in the table above are deferrals for asset-related grants, which are recognised separately using the gross method. The deferrals are reversed in line with the depreciation of the subsidised assets. Total income from the reversal of the deferrals totalling EUR 29,000 (previous year $_{[adjusted]}$: EUR 212,000) was recorded in 2014.

During the year, other income totalling EUR 1,233,000 (previous year: EUR 927,000) was recognised in profit or loss, of which EUR 1,231,000 (previous year: EUR 927,000) concern grants recognised in profit or loss and EUR 2,000 concern reversals during the year of deferrals established for asset-related grants.

## 32. Non-current provisions

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| **Employee provisions** | | |
| Direct commitments | 6,132 | 3,088 |
| Port pensions | 20,082 | 15,808 |
| Future social concept | 22,206 | 10,070 |
| Anniversary provisions | 6,125 | 4,811 |
| | **54,545** | **33,777** |
| **Other reserves** | | |
| Provision for demolition obligations | 0 | 93 |
| Miscellaneous other non-current provisions | 0 | 0 |
| | **0** | **93** |
| **Total** | **54,545** | **33,870** |

| Non-current employee benefits TEUR | As at 01/01/2014 (adjusted) | Use | Reversal | Addition | Transfer | As at 31/12/2014 |
|---|---|---|---|---|---|---|
| Direct commitments | 3,088 | 273 | 0 | 3,328 | -11 | 6,132 |
| Port pensions | 15,808 | 58 | 90 | 4,422 | 0 | 20,082 |
| Future social concept | 10,070 | 0 | 0 | 12,139 | -3 | 22,206 |
| **Pension provisions** | **28,966** | **331** | **90** | **19,889** | **-14** | **48,420** |
| Anniversary provisions | 4,811 | 0 | 20 | 1,334 | 0 | 6,125 |
| **Total** | **33,777** | **331** | **110** | **21,223** | **-14** | **54,545** |

| Current employee benefits TEUR | As at 01/01/2014 (adjusted) | Use | Reversal | Addition | Transfer | As at 31/12/2014 |
|---|---|---|---|---|---|---|
| Direct commitments | 31 | 31 | 0 | 34 | 0 | 34 |
| Port pensions | 810 | 810 | 0 | 855 | 0 | 855 |
| **Pension provisions** | **841** | **841** | **0** | **889** | **0** | **889** |
| Anniversary provisions | 732 | 615 | 0 | 237 | 0 | 354 |
| **Total** | **1,573** | **1,456** | **0** | **1,126** | **0** | **1,243** |

**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 pension and a retirement pension from the collective framework agreement for the port employees of German seaport companies, including the special provisions for the ports in the state of Bremen, of 12 May 1992.

On 1 January 1998, the pension obligations of the Free Hanseatic City of Bremen (municipality) existing up to this point were assumed at BLG AG. The legal basis for determining the amount of the contributions is the collective framework agreement for the port employees of German seaport companies, including the special provisions for the ports in the state of Bremen, of 12 May 1992.

There are also pension obligations in accordance with the guidelines of the Siemens pension insurance for employees who were transferred as at 1 October 2001 from SRI Radio Systems GmbH, Durach, as well as for employees who were transferred as at 1 May 2003 by Siemens AG, Berlin, to BLG Logistics Solutions GmbH & Co. KG, Bremen.

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 15 March 2005 (future social 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 future social 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 recognised as fair values.

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Reinsurance policies | 40,634 | 38,086 |
| **Fair value of plan assets** | **40,634** | **38,086** |

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.

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Present value of defined benefit obligations | 89,943 | 67,893 |
| Fair value of plan assets | -40,634 | -38,086 |
| **Shortfall (net debt)** | **49,309** | **29,807** |

**Present value of pension obligations**

The present value of the defined benefit obligations changed as follows:

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Balance at beginning of year | 67,893 | 61,976 |
| + Current service cost | 3,051 | 2,744 |
| + Deferred compensation expense | 1,142 | 1,032 |
| + Interest expense | 2,452 | 2,379 |
| +/- Revaluations | | |
| Experience-based adjustments | -156 | 703 |
| Actuarial gains/losses from changes in financial assumptions | 18,536 | 2,570 |
| - Use (pension payments) | -2,666 | -2,638 |
| +/- Reversals | -295 | -47 |
| +/- Transfers | -14 | -826 |
| +/- Changes in scope of consolidation | 0 | 0 |
| **Balance at end of year** | **89,943** | **67,893** |

The weighted average maturity (duration) of the defined benefit obligations is as follows:

| Duration | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Direct commitments and working-life accounts | 23 years | 21 years |
| Port pensions | 16 years | 14 years |
| Future social concept | 14 years | 13 years |

**Fair value of plan assets**

The fair value of the plan assets has changed as follows:

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Balance at beginning of year | 38,086 | 35,976 |
| + Interest income | 1,267 | 1,281 |
| + Expenses/income from plan assets (excluding interest income)) | -363 | 78 |
| + Additions of the employees included in the plan (e.g. deferred compensation) | 2,061 | 2,348 |
| + Employer contributions | 1,280 | 1,032 |
| - Use (pension payments) | -1,494 | -1,814 |
| +/- Reversals | -205 | -44 |
| +/- Transfers | 2 | -771 |
| +/- Changes in scope of consolidation | 0 | 0 |
| **Balance at end of year** | **40,634** | **38,086** |

**Net pension expense**

The part of the net pension expense recognised in profit or loss for the period is made up as follows:

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Current service cost | 3,051 | 2,744 |
| Interest expenses | 1,185 | 1,098 |
| **Total** | **4,236** | **3,842** |

The service cost is recognised in the group income statement as personnel expense, and accrued interest on the expected pension obligations is recognised as interest expense. The expected return on plan assets reduces the interest expense.

The actual return on plan assets to be recognised as at 31 December 2014 totals EUR 904,000 (previous year $_{\text{(adjusted)}}$: TEUR 1.359).

**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):

| 31/12/2014 in % | Direct commitments | Port pensions | Future social 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 |

| 31/12/2013 (adjusted) in % | Direct commitments and working-life accounts | Port pensions | Future social concept |
|---|---|---|---|
| Discount rate | 3.80 | 3.50 | 3.50 |
| Rate of salary increase | 1.10 | 0.00 | 0.00 |
| Rate of pension increase | 1.20 | 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 previous year, on the 2005 G mortality tables by 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:

| | 31/12/2014 | | 31/12/2013 (adjusted) | |
|---|---|---|---|---|
| TEUR | higher | lower | higher | lower |
| Discount rate (50 basis points) | -6,178 | 6,901 | -4,171 | 4,615 |
| Rate of salary increase (50 basis points) | 28 | -23 | 26 | -25 |
| Rate of pension increase (50 basis points) | 1,729 | -1,580 | 1,177 | -1,083 |

The sensitivity calculations are based on the average maturity of the pension obligations determined as at 31 December 2014. 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 favour of the beneficiaries. The pension contracts are solely funded by the employer; the future social 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 totalling EUR 1,317,000 (previous year $_{\text{[adjusted]}}$: EUR 1,316,000) in 2014.

**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 1.4 per cent (previous year: 3.1 per cent). Accrued interest of EUR 161,000 is included in the addition of the reporting year in the amount of EUR 1,571,000.

## 33. Trade payables

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Liabilities to third parties | 59,643 | 55,494 |
| Obligations from outstanding invoices | 15,477 | 11,610 |
| Liabilities to investment entities | 3,729 | 3,583 |
| Liabilities to associates | 132 | 744 |
| **Total** | **78,981** | **71,431** |

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 | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Partial retirement obligations | 30 | 881 |
| Other | 12 | 2 |
| **Total** | **42** | **883** |

A liability is recognised 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 of less than one year (previous year: 0.80 per cent).

**Other non-current provisions**

| TEUR | As at 01/01/2014 | Use | Reversal | Addition | Reclassification | As at 31/12/2014 |
|---|---|---|---|---|---|---|
| Demolition obligations | 93 | 42 | 51 | 0 | 0 | 0 |
| **Total** | **93** | **42** | **51** | **0** | **0** | **0** |

The miscellaneous other non-current provisions reported in the previous year's report related to the EUROGATE Group and were eliminated with the initial application of IFRS 11.

| Other current liabilities TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Obligations from outstanding holiday leave | 8,195 | 7,641 |
| VAT liabilities | 7,991 | 6,336 |
| Liabilities to employees from wages and salaries | 7,784 | 6,480 |
| Accruals and deferrals | 2,973 | 3,588 |
| Advance duties | 1,696 | 272 |
| Current employee benefits | 1,243 | 1,573 |
| Partial retirement obligations | 903 | 2,077 |
| Other | 2,176 | 2,494 |
| **Total** | **32,961** | **30,461** |

## 35. Payment obligations from income taxes

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Corporation and trade tax for the reporting year | 986 | 1,172 |
| Corporation and trade tax for previous years | 8,013 | 8,502 |
| **Obligations from current income taxes** | **8,999** | **9,674** |

For information on obligations arising from deferred taxes, please see note number 16.

## 36. Current provisions

| Provisions TEUR | As at 01/01/2014 (adjusted) | Use | Reversal | Reclassification | Addition | As at 31/12/2014 |
|---|---|---|---|---|---|---|
| Insurance contributions | 63 | 57 | 6 | -3,081 | 4,103 | 1,022 |
| Onerous contracts | 3,240 | 0 | 70 | 0 | 1,013 | 4,183 |
| Warranty risks | 1,695 | 670 | 89 | 0 | 4,985 | 5,921 |
| Claims | 0 | 0 | 0 | 0 | 0 | 0 |
| Restructuring | 671 | 503 | 0 | 27 | 378 | 573 |
| Miscellaneous other provisions | 3,732 | 894 | 298 | -27 | 1,596 | 4,109 |
| **Total** | **9,401** | **2,124** | **463** | **-3,081** | **12,075** | **15,808** |

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 2,050,000 to BLG KG, EUR 1,933,000 to the CONTRACT Division and EUR 200,000 to the AUTOMOBILE Division. The provision at BLG KG concerns the expected use of a guarantee for the bank liabilities of an investment. In the CONTRACT area, the provision in the amount of EUR 1,060,000 is due to vacancies. The 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 936,000 have been carried forward from previous years and EUR 4,985,000 in provisions have been newly recognised. Overall, there is broad discretion in measuring these provisions, as there are no comparable items or other values based on experience.

Other provisions include other operating taxes in the amount of EUR 1,031,000 (previous year $_{\text{[adjusted]}}$: EUR 1,072,000).

Provisions are primarily due in the amount recognised during 2015.

## Notes to the group statement of cash flows

### 37. Notes to the group statement of cash flows

The group statement of cash flows 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<br>TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Cash and cash equivalents on statement of financial position | 11,724 | 6,935 |
| Current liabilities to banks[1] | -48,431 | -36,360 |
| **Total** | **-36,707** | **-29,425** |

[1] Recognised on the statement of financial position under the item "Current financial liabilities" (see note number 30)

## Notes on segment reporting

### 38. Notes on segment reporting

The elimination of proportionate consolidation for joint ventures has a significant impact on the financial statements of the BLG Group, although there are no economic changes or changes in the internal control of the BLG Group.

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 be reported as part of EBIT in accordance with internal control. This also applies to 12 domestic and 16 foreign companies that were previously 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 summarised 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 Boards of Management are responsible for the success of the divisions that report to the Group Board of Management of BLG AG.

The AUTOMOBILE Division essentially comprises BLG AutoTerminal Bremerhaven GmbH & Co. KG, BLG AutoTransport GmbH & Co. KG, BLG CarShipping GmbH & Co. KG and BLG AutoRail GmbH.

The significant companies of the CONTRACT Division are BLG Industrielogistik GmbH & Co. KG (formerly BLG Automotive Logistics GmbH & Co. KG), BLG Handelslogistik GmbH & Co. KG 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 have been proportionately consolidated in the group financial statements. The initial application of IFRS 11 requires inclusion, retroactive from 1 January 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.

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 “Services” central areas for information on employees. The relevant disclosures can be found on page 74 in the group management report.

The BLG Group is predominantly active in Germany. EUR 819,279,000 of Group revenues (previous year $_{[adjusted]}$: EUR 799,395,000) is attributable to domestic operations and EUR 63,481,000 (previous year: EUR 55,065,000) is attributable to foreign operations. The basis for this allocation is the location at which the Group performs services. EUR 293,088,000 (previous year $_{[adjusted]}$: EUR 300,171,000) of the non-current intangible assets and of the fixed assets of the Group is located in Germany and EUR 4,149,000 (previous year $_{[adjusted]}$: EUR 4,561,000) is located abroad.

Revenue of EUR 134,534,000 (previous year: EUR 139,590,000) was generated by the largest customers of the Group, making up at least 15 per cent of total Group revenue.

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 principal measure of segment performance is earnings before taxes (EBT).

Depreciation and amortisation 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<br>TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Total of the reportable segments | 1,168,229 | 1,125,410 |
| Central areas/other revenues | 0 | 0 |
| CONTAINER Division | -283,009 | -268,741 |
| Consolidation | -2,460 | -2,209 |
| **Group revenues** | **882,760** | **854,460** |

| Adjusted EBIT<br>TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| Total of the reportable segments | 60,928 | 61,061 |
| Central areas/other EBIT | -23,909 | -12,684 |
| CONTAINER Division | -38,374 | -34,597 |
| Consolidation | 38,762 | 25,231 |
| **Adjusted Group EBIT** | **37,407** | **39,011** |

The adjustment effect in the previous year is the result of the reorganisation of activities in Ukraine. For more information on this, please refer to our comments in the annual report of the previous year.

| EBIT<br>TEUR | 2014 | 2013<br>(adjusted) |
|---|---|---|
| Total of the reportable segments | 60,928 | 44,412 |
| Central areas/other EBIT | -23,909 | -14,734 |
| CONTAINER Division | -38,374 | -34,597 |
| Consolidation | 38,762 | 25,231 |
| **Group EBIT** | **37,407** | **20,312** |

| Segment earnings/<br>Earnings before taxes (EBT)<br>TEUR | 2014 | 2013<br>(adjusted) |
|---|---|---|
| Total of the reportable segments | 47,183 | 31,811 |
| Central areas/other EBT | 29,267 | 37,223 |
| CONTAINER Division | -34,782 | -31,219 |
| Consolidation | -11,540 | -25,130 |
| **Group segment earnings (EBT)** | **30,128** | **12,685** |

| Assets<br>TEUR | 31/12/2014 | 31/12/2013<br>(adjusted) |
|---|---|---|
| Total of the reportable segments | 907,371 | 925,606 |
| Central areas/other assets | 615,740 | 610,039 |
| Proportion of consolidated companies accounted for under the equity method | 119,431 | 144,719 |
| Deferred tax assets | 2,446 | 3,910 |
| Reimbursement rights from income taxes | 2,712 | 1,870 |
| CONTAINER Division | -406,395 | -425,295 |
| Consolidation | -565,987 | -564,184 |
| **Group assets (assets)** | **675,318** | **696,665** |

| Liabilities<br>TEUR | 31/12/2014 | 31/12/2013<br>(adjusted) |
|---|---|---|
| Total of the reportable segments | 473,983 | 416,280 |
| Central areas/other liabilities | 133,837 | 123,399 |
| Equity | 202,591 | 241,628 |
| Non-current borrowings (not including the short-term portion) | 150,120 | 161,438 |
| Other non-current financial liabilities | 14,029 | 17,828 |
| Deferred tax liabilities | 1,940 | 1,725 |
| Short-term portion of non-current borrowings | 19,845 | 17,513 |
| Short-term portion of finance leases | 252 | 165 |
| CONTAINER Division | -188,856 | -161,771 |
| Consolidation | -132,423 | -121,540 |
| **Group liabilities (liabilities)** | **675,318** | **696,665** |

# 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 Group. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from 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. 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 summarised 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 credit risk of the Group results mainly from trade receivables. The amounts shown in the 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 at management level, the Group is not currently exposed to any significant credit risk. 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 recognised 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 1,861,000 (previous year $_{\text{[adjusted]}}$: EUR 1,921,000).

There are no significant concentrations of credit risk in the Group.

**Transferred, but not completely derecognised financial assets**

For short-term improvement in the liquidity situation, an arrangement has been entered to with a bank on the conclusion of dubious repurchase transactions pursuant to Section 340b(1), (3) and (5) of the German Commercial Code (HGB) covering trade receivables, which was not made use of as at the balance sheet date of the reporting year (previous year: use of EUR 9,837,000). The framework agreement gives the lender the right to resell or pledge the receivables purchased in favour of third parties. As a result of this, the BLG relinquished control over the receivables.

The transactions are recorded in the group financial statements in the amount of outstanding receivables under current financial liabilities as liabilities to banks. Since the default risk remains at BLG and the dubious repurchase transactions therefore do not qualify for derecognition in accordance with IAS 39, the recognition of trade receivables has no impact.

At the balance sheet date, the dubious repurchase transactions gave rise to outstanding receivables and payables in the following amounts:

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Trade receivables | 0 | 7,713 |
| Liabilities to banks | 0 | 7,713 |
| **Total** | **0** | **0** |

The fair values of the receivables and payables approximate their carrying amount.

**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.

| Carrying amounts of financial instruments classified by balance sheet item, classes and categories<br><br>31/12/2014<br>TEUR | Group notes | Carrying amounts | | | | | | Fair values | |
|---|---|---|---|---|---|---|---|---|---|
| | | Loans and receiv-ables | Financial liabilities at acquisi-tion cost | Available for sale | Held for trading | Fair value – hed-ging | Total carrying amount | Fair Value level | Fair value |
| **ASSETS** | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | |
| **current** | | | | | | | | | |
| Hedged derivative | 25 | -- | -- | -- | -- | -- | -- | 2 | -- |
| Unhedged derivative | 25 | -- | -- | -- | -- | -- | -- | 2 | -- |
| | | **0** | **0** | **0** | **0** | **0** | **0** | | |
| **Financial assets not measured at fair value** | | | | | | | | | |
| **non-current** | | | | | | | | | |
| Interests in associates and other investments | 22 | -- | -- | 4,058 | -- | -- | 4,058 | | n.r.m. |
| Other financial investments | 22 | -- | -- | 3 | -- | -- | 3 | | n.r.m. |
| Other non-current financial receivables | 23 | 6,265 | -- | -- | -- | -- | 6,265 | 2 | 6,265 |
| Miscellaneous other non-current assets | 25 | 5 | -- | -- | -- | -- | 5 | 2 | 5 |
| **current** | | | | | | | | | |
| Trade receivables | 25 | 170,909 | -- | -- | -- | -- | 170,909 | | n.i. |
| Current financial receivables | 23 | 48,462 | -- | -- | -- | -- | 48,462 | | n.i. |
| Miscellaneous other current assets | 25 | 3,241 | -- | -- | -- | -- | 3,241 | | n.i. |
| Cash and cash equivalents | 27 | 11,724 | -- | -- | -- | -- | 11,724 | | n.i. |
| | | **240,606** | **0** | **4,061** | **0** | **0** | **244,667** | | |
| **LIABILITIES** | | | | | | | | | |
| **Financial liabilities measured at fair value** | | | | | | | | | |
| **current** | | | | | | | | | |
| Hedged derivative | 30 | -- | -- | -- | -- | 3,240 | 3,240 | 2 | 3,240 |
| Unhedged derivative | 30 | -- | -- | -- | 52 | -- | 52 | 2 | 52 |
| | | **0** | **0** | **0** | **52** | **3,240** | **3,292** | | |
| **Financial liabilities not measured at fair value** | | | | | | | | | |
| **non-current** | | | | | | | | | |
| Non-current loans | 29 | -- | 150,120 | -- | -- | -- | 150,120 | 2 | 153,508 |
| Liabilities from finance leases | 30 | -- | 1,020 | -- | -- | -- | 1,020 | 2 | 1,000 |
| Other non-current financial liabilities | 30 | -- | 13,009 | -- | -- | -- | 13,009 | 2 | 13,009 |
| Miscellaneous other non-current liabilities | 34 | -- | 12 | -- | -- | -- | 12 | 2 | 12 |
| **current** | | | | | | | | | |
| Trade payables | 33 | -- | 78,981 | -- | -- | -- | 78,981 | | n.i. |
| Current financial liabilities to banks | 30 | -- | 68,277 | -- | -- | -- | 68,277 | 2 | 68,277 |
| Liabilities from finance leases | 30 | -- | 252 | -- | -- | -- | 252 | 2 | 263 |
| Other current financial liabilities | 30 | -- | 42,656 | -- | -- | -- | 42,656 | | n.i. |
| Other current liabilities | 34 | -- | 9,006 | -- | -- | -- | 9,006 | | n.i. |
| | | **0** | **363,333** | **0** | **0** | **0** | **363,333** | | |

n.r.m. = not reliably measurable  n.i. = no information

| Carrying amounts of financial instruments classified by balance sheet item, classes and categories 31/12/2013 TEUR | Group notes | Carrying amounts | | | | | | Fair values | |
|---|---|---|---|---|---|---|---|---|---|
| | | Loans and receiv-ables | Financial liabilities at acquisi-tion cost | Available for sale | Held for trading | Fair value – hed-ging | Total carrying amount | Fair Value level | Fair value |
| **ASSETS** | | | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | | |
| **current** | | | | | | | | | |
| Hedged derivative | 25 | -- | -- | -- | -- | 15 | 15 | 2 | 15 |
| Unhedged derivative | 25 | -- | -- | -- | 0 | -- | 0 | 2 | 0 |
| | | **0** | **0** | **0** | **0** | **15** | **15** | | |
| **Financial assets not measured at fair value** | | | | | | | | | |
| **non-current** | | | | | | | | | |
| Interests in associates and other investments | 22 | -- | -- | 4,051 | -- | -- | 4,051 | | n.r.m. |
| Other financial investments | 22 | -- | -- | 3 | -- | -- | 3 | | n.r.m. |
| Other non-current financial receivables | 23 | 8,115 | -- | -- | -- | -- | 8,115 | 2 | 8,115 |
| Miscellaneous other non-current assets | 25 | 65 | -- | -- | -- | -- | 65 | 2 | 65 |
| **current** | | | | | | | | | |
| Trade receivables | 25 | 151,499 | -- | -- | -- | -- | 151,499 | | n.i. |
| Current financial receivables | 23 | 55,656 | -- | -- | -- | -- | 55,656 | | n.i. |
| Miscellaneous other current assets | 25 | 5,619 | -- | -- | -- | -- | 5,619 | | n.i. |
| Cash and cash equivalents | 27 | 6,935 | -- | -- | -- | -- | 6,935 | | n.i. |
| | | **227,889** | **0** | **4,054** | **0** | **0** | **231,943** | | |
| **LIABILITIES** | | | | | | | | | |
| **Financial liabilities measured at fair value** | | | | | | | | | |
| **current** | | | | | | | | | |
| Hedged derivative | 30 | -- | -- | -- | -- | 2,362 | 2,362 | 2 | 2,362 |
| Unhedged derivative | 30 | -- | -- | -- | 113 | -- | 113 | 2 | 113 |
| | | **0** | **0** | **0** | **113** | **2,362** | **2,475** | | |
| **Financial liabilities not measured at fair value** | | | | | | | | | |
| **non-current** | | | | | | | | | |
| Non-current loans | 29 | -- | 161,438 | -- | -- | -- | 161,438 | 2 | 163,842 |
| Liabilities from finance leases | 30 | -- | 866 | -- | -- | -- | 866 | 2 | 871 |
| Other non-current financial liabilities | 30 | -- | 16,962 | -- | -- | -- | 16,962 | 2 | 16,962 |
| Miscellaneous other non-current liabilities | 34 | -- | 2 | -- | -- | -- | 2 | 2 | 2 |
| **current** | | | | | | | | | |
| Trade payables | 33 | -- | 71,431 | -- | -- | -- | 71,431 | | n.i. |
| Current financial liabilities to banks | 30 | -- | 53,873 | -- | -- | -- | 53,873 | 2 | 53,959 |
| Liabilities from finance leases | 30 | -- | 165 | -- | -- | -- | 165 | 2 | 171 |
| Other current financial liabilities | 30 | -- | 61,553 | -- | -- | -- | 61,553 | | n.i. |
| Other current liabilities | 34 | -- | 7,949 | -- | -- | -- | 7,949 | | n.i. |
| | | **0** | **374,239** | **0** | **0** | **0** | **374,239** | | |

n.r.m. = not reliably measurable  n.i. = no information

Available-for-sale financial assets in the amount of EUR 4,061,000 (previous year [adjusted]: EUR 4,054,000) 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 period, no investments in these corporations and partnerships were sold. There are no plans to sell or derecognise 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 on 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 (interest rate swaps) is based on the fair value information from banks. These fair values 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.

Movements between the different levels of the fair value hierarchy are recognised 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:

| 2014<br>TEUR | From interest | Subsequent measurement | | From disposals | Net result |
|---|---|---|---|---|---|
| | | Fair value | Impairment | | |
| Loans and receivables (lar) | 1,216 | 0 | -2,083 | -1,142 | -2,009 |
| Financial instruments held for trading (hft) | -58 | 61 | 0 | 0 | 3 |
| Hedging instruments | -1,071 | 0 | 0 | 0 | -1,071 |
| Financial liabilities at amortised cost (flac) | -7,392 | 0 | 0 | 0 | -7,392 |
| **Total** | **-7,305** | **61** | **-2,083** | **-1,142** | **-10,469** |

| 2013<br>TEUR (adjusted) | From interest | Subsequent measurement | | From disposals | Net result |
|---|---|---|---|---|---|
| | | Fair value | Impairment | | |
| Loans and receivables (lar) | 1,190 | 0 | -1,018 | -286 | -114 |
| Available-for-sale financial assets (afs) | -70 | 75 | 0 | 0 | 5 |
| Hedging instruments | -1,163 | 0 | 0 | 0 | -1,163 |
| Financial liabilities at amortised cost (flac) | -6,918 | 0 | 0 | 0 | -6,918 |
| **Total** | **-6,961** | **75** | **-1,018** | **-286** | **-8,190** |

**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.

At 31 December 2014 and 31 December 2013 there were no significant currency risks in the Group.

**Capital risk management**
The main objective of the Group with respect to capital management is to ensure the continuation of the company in order to continue to provide shareholders with income and other stakeholders the benefits due to them. A further goal is to maintain an optimal capital structure in order to reduce the costs of capital.

The Group monitors capital using the equity ratio and the debt ratio, calculated as the ratio of net debt to EBITDA. These two metrics are calculated based on the criteria for the covenants of the BLG Group with the lending banks.

In 2014 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 at 31 December 2014, the Group had unused current account credit lines of about EUR 37 million (previous year $_{[adjusted]}$: EUR 48 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).

| 31/12/2014<br>TEUR | | Cash flows<br>Non-current loans from banks | Other non-current loans | Liabilities from finance leases | Interest rate swaps |
|---|---|---|---|---|---|
| Cash flows 2015 | Fixed interest rate | 1,848 | 0 | 83 | 837 |
| | Floating interest rate | 1,325 | 0 | 0 | -57 |
| | Repayment | 19,846 | 0 | 252 | 0 |
| Cash flows 2016 | Fixed interest rate | 1,594 | 0 | 64 | 521 |
| | Floating interest rate | 1,225 | 0 | 0 | -16 |
| | Repayment | 19,115 | 0 | 264 | 0 |
| Cash flows 2017 - 2019 | Fixed interest rate | 2,971 | 0 | 134 | 1,388 |
| | Floating interest rate | 2,427 | 0 | 0 | -31 |
| | Repayment | 87,526 | 0 | 756 | 0 |
| Cash flows 2020 - 2024 | Fixed interest rate | 784 | 0 | 0 | 639 |
| | Floating interest rate | 676 | 0 | 0 | -13 |
| | Repayment | 43,479 | 0 | 0 | 0 |
| Cash flows 2025 ff. | Fixed interest rate | 0 | 0 | 0 | 0 |
| | Floating interest rate | 0 | 0 | 0 | 0 |
| | Repayment | 0 | 0 | 0 | 0 |
| **Total** | | **182,816** | **0** | **1,553** | **3,268** |
| **Carrying amount (derivatives offset)** | | **169,966** | **0** | **1,272** | **-3,292** |

| 31/12/2013 (adjusted) TEUR | | Cash flows Non-current loans from banks | Other non-current loans | Liabilities from finance leases | Interest rate swaps |
|---|---|---|---|---|---|
| Cash flows 2014 | Fixed interest rate | 1,737 | 0 | 82 | 1,360 |
| | Floating interest rate | 2,253 | 0 | 0 | -146 |
| | Repayment | 17,513 | 0 | 165 | 0 |
| Cash flows 2015 | Fixed interest rate | 1,520 | 0 | 66 | 1,091 |
| | Floating interest rate | 2,009 | 0 | 0 | -118 |
| | Repayment | 18,846 | 0 | 181 | 0 |
| Cash flows 2016 - 2018 | Fixed interest rate | 3,088 | 0 | 106 | 1,476 |
| | Floating interest rate | 5,077 | 0 | 0 | -180 |
| | Repayment | 109,432 | 0 | 549 | 0 |
| Cash flows 2019 - 2023 | Fixed interest rate | 0 | 0 | 7 | 1,073 |
| | Floating interest rate | 1,028 | 0 | 0 | -117 |
| | Repayment | 33,160 | 0 | 136 | 0 |
| Cash flows 2024 ff. | Fixed interest rate | 0 | 0 | 0 | 0 |
| | Floating interest rate | 0 | 0 | 0 | 0 |
| | Repayment | 0 | 0 | 0 | 0 |
| **Total** | | **195,663** | **0** | **1,292** | **4,439** |
| **Carrying amount (derivatives offset)** | | **178,951** | **0** | **1,031** | **-2,460** |

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 were 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. All covenants were adhered to in the 2014 financial year. For further details on the covenants please see our comments in note number 29.

**Interest rate risk**

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

The Group manages its interest rate risk with a combination of fixed-interest and variable-interest loan capital. By far the majority 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. 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 amortised cost are not subject to interest rate risks within the meaning of IFRS 7. This applies to all fixed-interest loan liabilities of the 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 holding – recognised in other comprehensive income – of hedging instruments at fair value affects the hedge reserve in equity and is therefore included in the equity-related 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 from interest rate swaps which are, as an exception, not contained in a hedge accounting 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):

| | 31/12/2014 | | 31/12/2013 (adjusted) | |
|---|---|---|---|---|
| TEUR | higher | lower | higher | lower |
| Effect on profit | -2,850 | 2,850 | -1,897 | 1,897 |
| Effect on equity (excluding effect on profit) | 1,364 | -1,401 | 1,759 | -1,772 |

**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.

| 31/12/2014 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 |
| Other non-current loans from third parties | 0 | 0 | 0 | 0 |
| Interest rate swaps | 15,441 | 8,000 | 17,000 | 40,441 |
| Liabilities from finance leases | 252 | 1,020 | 0 | 1,272 |
| **Total** | **21,219** | **53,649** | **34,529** | **109,397** |

| 31/12/2013 (adjusted) TEUR | Residual maturities | | | |
|---|---|---|---|---|
| | Up to 1 year | Between 1 and 5 years | More than 5 years | Total |
| Non-current loans from banks | 5,565 | 36,233 | 1,923 | 43,721 |
| Other non-current loans from third parties | 0 | 0 | 0 | 0 |
| Interest rate swaps | 13,208 | 21,441 | 19,000 | 53,649 |
| Liabilities from finance leases | 165 | 730 | 136 | 1,031 |
| **Total** | **18,938** | **58,404** | **21,059** | **98,401** |

The fixed interest rate for fixed-interest liabilities to banks, which stood at EUR 5,000,000 on the balance sheet date (previous year $_{\text{[adjusted]}}$: EUR 15,807,000), expires before the end of maturity. The remaining value of these loans when the fixed interest term expires is as follows:

| 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** |

| 31/12/2013 (adjusted) 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 | 1,667 | 9,615 | 1,923 | 13,205 |
| **Total** | **1,667** | **9,615** | **1,923** | **13,205** |

**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.

| 31/12/2014<br>TEUR | Residual maturities<br>Up to 1 year | Between<br>1 and 5 years | More than<br>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** |

| 31/12/2013 (adjusted)<br>TEUR | Residual maturities<br>Up to 1 year | Between<br>1 and 5 years | More than<br>5 years | Total |
|---|---|---|---|---|
| Non-current loans from banks | 11,948 | 92,045 | 31,237 | 135,230 |
| Interest rate swaps | -13,208 | -21,441 | -9,000 | -43,649 |
| **Total** | **-1,260** | **70,604** | **22,237** | **91,581** |

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.

**Derivative financial instruments**

To reduce the interest rate risk of existing bank liabilities, interest rate swaps with a notional amount of EUR 40,441,000 (previous year: [adjusted]: EUR 53,649,000) 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.

The interest rate swaps involve the exchange of floating interest payments for fixed-rate payments. The Group is payer of the fixed interest and recipient of the floating interest rates. In accordance with the risk management strategy, the swaps were entered into solely for hedging purposes.

The main conditions of the interest rate swaps are as follows:

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 a 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 interest rate swaps, 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 interest rate swaps. 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.

| Nominal amount (reference figure) 31/12/2014 TEUR | Underlying hedged transaction | Floating interest rate | Fixed interest rate | Term through | Fair value 31/12/2014 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** |

| Nominal amount (reference figure) 31/12/2013 (adjusted) TEUR | Underlying hedged transaction | Floating interest rate | Fixed interest rate | Term through | Fair value 31/12/2013 TEUR |
|---|---|---|---|---|---|
| 43,649 | Loans | 3/6M EURIBOR | 1.32 - 4.27 % | 2023 | -1,194 |
| 10,000 | Call money lines | EONIA | 3.085 % | 2021 | -1,266 |
| **53,649** | | | | | **-2,460** |

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 swaps existing as at 31 December 2014, interest rate swaps with a nominal value of EUR 40,441,000 (previous year $_{[adjusted]}$: EUR 53,649,000) fulfil the criteria for cash flow hedges. The changes in the fair value of the effective portion of cash flow hedges were recognised directly in equity, taking into account deferred taxes (EUR -1,794,000, previous year $_{[adjusted]}$: EUR 2,220,000).

The changes in the fair value of the ineffective portion of cash flow hedges were recognised in income, taking into account deferred taxes (EUR +61,000, previous year $_{[adjusted]}$: EUR +75,000).

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 values of the interest rate swaps are reported under other current assets (EUR 0, previous year $_{[adjusted]}$: EUR 15,000) and under current financial liabilities (EUR 3,292,000, previous year $_{[adjusted]}$: EUR 2,475,000).

The remaining maturities of the interest rate swaps are as follows:

| Interest rate swaps – nominal amounts 31/12/2014 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 scheduled loans | 0 | 0 | 0 | 0 |
| for call money lines | 0 | 0 | 10,000 | 10,000 |
| not allocated | 0 | 0 | 0 | 0 |
| **Total** | **15,441** | **8,000** | **17,000** | **40,441** |

| Interest rate swaps – nominal amounts 31/12/2013 (adjusted) TEUR | Residual maturities | | | |
|---|---|---|---|---|
| | Up to 1 year | Between 1 and 5 years | More than 5 years | Total |
| for outstanding loans | 13,208 | 21,441 | 9,000 | 43,649 |
| for scheduled loans | 0 | 0 | 0 | 0 |
| for call money lines | 0 | 0 | 10,000 | 10,000 |
| not allocated | 0 | 0 | 0 | 0 |
| **Total** | **13.208** | **21.441** | **19.000** | **53.649** |

## 40. Contingent liabilities

The existing contingencies in the BLG Group in favour of investment entities are presented in the following section. The adjustments result mainly from the conversion of the CONTAINER Division from the proportionate consolidation method to the equity method.

| TEUR | 2014 | 2013 (adjusted) |
|---|---|---|
| **Overall share of contingent liabilities** | | |
| of joint ventures | 448 | 409 |
| of associates | 1,400 | 1,350 |
| of non-consolidated companies | 400 | 400 |
| **Total** | **2,248** | **2,159** |

Contingent liabilities are stated at their nominal amounts. Maximum guarantees are recognised 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 1,861,000 (previous year $_{\text{[adjusted]}}$: EUR 1,921,000).

All of the above-mentioned contingent liabilities relate to the collateralisation of credit lines. In addition, in a letter of comfort a Group company has undertaken to equip an associate company with sufficient financial resources due to start-up losses 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.

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Purchase commitments | 30,094 | 25,803 |
| Joint ventures' share of purchase commitments | 0 | 0 |
| Minimum lease payments under operating leases | 185,432 | 134,170 |
| Minimum payment obligations under rental agreements for land, buildings and wharfs | 640,294 | 653,160 |
| **Total** | **855,820** | **813,133** |

## 41. Other financial obligations

Other financial obligations are stated at their nominal amounts.

The purchase commitments result from contracts entered into for the purchase of fixed assets. Most of the net obligations arising from the purchase commitments are due within the next two years.

The proportion of purchase commitments attributable to joint ventures reported in the previous year's report related entirely to the EUROGATE Group and was eliminated with the initial application of IFRS 11.

Operating leases relate in particular to industrial trucks, conveyor systems, HGVs, tractor trucks and railroad cars and mainly have matur-

| | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Due up to one year after the balance sheet date | 30,597 | 28,053 |
| Due in between one and 5 years | 94,581 | 72,586 |
| Due in more than 5 years | 60,254 | 33,531 |
| **Total** | **185,432** | **134,170** |

ities of between three and ten years. Obligations from operating leases are broken down by due dates as follows:

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 34 years. The Group thus secures

tions are broken down by maturity as follows:

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Due up to one year after the balance sheet date | 40,595 | 34,035 |
| Due in between one and 5 years | 115,675 | 113,698 |
| Due in more than 5 years | 484,024 | 505,427 |
| **Total** | **640,294** | **653,160** |

**Claims arising from operating leases – Group as lessor**

ating equipment:

| TEUR | 31/12/2014 | 31/12/2013 (adjusted) |
|---|---|---|
| Due up to one year after the balance sheet date | 7,615 | 7,040 |
| Due in between one and 5 years | 30,462 | 29,562 |
| Due in more than 5 years | 251,993 | 252,865 |
| **Total** | **290,070** | **289,467** |

The terms of these sub-leases substantially correspond with those of the main leases.

In the reporting year, payments totalling EUR 89,073,000 (previous year [adjusted]: EUR 86,104,000) from leases and EUR 7,045,000 (previous year: EUR 7,040,000) from sub-leases were recognised in profit or loss.

## 42. Notifications of voting rights

Pursuant to Section 160(1) No. 8 of the German Stock Corporation Act (Aktiengesetz; AktG), information must be provided on the existence of investments of which the company has been notified pursuant to Section 21(1) or (1a) of the German Securities Trading Act (Wertpapierhandelsgesetz; WpHG).

A reporting obligation pursuant to the Securities Trading Act arises if a certain percentage of voting rights of the company is reached, exceeded or undershot through purchase, sale or in another way; the notification must be provided both to the company and to the German Federal Financial Supervisory Authority (BaFin). The lowest threshold for the disclosure requirement is 3 per cent of the voting rights.

The following table shows all notifications from shareholders made in

| Shareholder | Notification pursuant to Section 41(2) Sentence 1 WpHG as at | Voting rights in % | |
|---|---|---|---|
| | | direct | indirect |
| 1. Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen | April 2, 2002 | 12.61 | |
| 2. Norddeutsche Landesbank Girozentrale, Hannover | April 2, 2002 | | More than 1. |
| 3. Finanzholding der Sparkasse in Bremen, Bremen | April 8, 2002 | 12.61 | |
| 4. Free Hanseatic City of Bremen (municipality) | April 9, 2002 | 50.42 | |

accordance with Section 41(2) of the Securities Trading Act regarding the level of voting rights:

## 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 Board of Management 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 Board of Management, the Supervisory Board, level 1 executives and their family members and the BLG Group during the 2014 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 heritable building rights with a remaining term of up to 34 years for the land used by the company and its subsidiaries. The BLG Group paid a total EUR 13.6 million (previous year: EUR 13.5 million) in ground rent in 2014.

**Transactions with affiliates of the Free Hanseatic City of Bremen (municipality) and (state)**
Individual companies of the BLG Group maintain ongoing business relationships with affiliates of the Free Hanseatic City of Bremen (municipality).

BLG LOGISTICS GROUP AG & Co. KG has taken out various loans from the Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –. The loan liabilities amounted to EUR 45,536,000 as at 31 December 2014. In the reporting year loan liabilities in the amount of EUR 6,404,000 were paid and a new loan of EUR 10,000,000 was taken out. Current accounts are maintained for ongoing business. As at the reporting date, bank overdrafts amounted to EUR 12,853,000. In addition, three interest rate swaps to hedge interest rate risk were concluded for floating-rate liabilities. 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 at 31 December 2014. 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 1 September 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 618,000.

**Relationships with unconsolidated subsidiaries, joint ventures and associates**

Transactions by the Group companies with joint ventures, associates and unconsolidated companies are all arose in the ordinary course of

| Balance at 31 December TEUR | 2014 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 |

| Balance at 31 December TEUR | 2013 (adjusted) Income | Expenditure | Receivables | Liabilities |
|---|---|---|---|---|
| Affiliates | 14 | 28 | 0 | 277 |
| Joint ventures | 52,999 | 13,263 | 38,271 | 22,439 |
| Associates | 909 | 2,750 | 592 | 63 |

Accounts receivable from unconsolidated affiliates, joint ventures and associated companies were as against the previous year neither impaired nor fully booked.

## 44. Information on the Supervisory Board and the Board of Management

Information about the Supervisory Board and Board of Management had been proved by the group auditor. 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 184 and page 182 ff.

**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 the BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– as 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 42 ff.

## 45. Exercise of exemption options by subsidiaries

The following subsidiaries that are included in the present group financial statements by way of full consolidation exercise the option of exemption from the disclosure requirements pursuant to Section 325 of the German Commercial Code and the option of exemption from the obligation to draw up a management report pursuant to Section 264(3) and Section 264b of the German Commercial Code.

- BLG LOGISTICS GROUP AG & Co. KG, Bremen
- BLG AUTOMOBILE LOGISTICS GmbH & Co. KG, Bremen
- BLG Industrielogistik GmbH & Co. KG, Bremen (formerly BLG Automotive Logistics GmbH & Co. KG, Bremen)
- BLG AutoRail GmbH, Bremen
- BLG AutoTec GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven
- BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven
- BLG AutoTerminal Duisburg GmbH & Co. KG, Duisburg
- BLG AutoTerminal Hamburg GmbH & Co. KG, Hamburg
- BLG AutoTerminal Kelheim GmbH & Co. KG, Saal an der Donau
- BLG AutoTransport GmbH & Co. KG, Bremen
- BLG Cargo Logistics GmbH, Bremen
- BLG CarShipping GmbH & Co. KG, Bremen
- BLG Coldstore Logistics GmbH, Bremerhaven
- BLG Handelslogistik GmbH & Co. KG, Bremen
- BLG Logistics Solutions GmbH & Co. KG, Bremen
- BLG RailTec GmbH, Falkenberg/Elster
- 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

German Commercial Code for the 2014 financial year is as follows:

| TEUR | 2014 |
|---|---:|
| Audits | 370 |
| Other certifications | 21 |
| Tax advisory services | 2 |
| Other services | 23 |
| **Total** | **416** |

The fees for audit services primarily include the fees for the Group audit and the financial statements of BLG AG, BLG KG and the domestic subsidiaries. The other certification services primarily relate to the audit review of the interim group financial statements.

## 48. Corporate Governance Code

The Board of Management (on 25 November 2014) and the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– (on 19 December 2014) issued the 13th Declaration of Conformity with the German Corporate Governance Code as amended on 24 June 2014. The Declaration has been made permanently available on our website: www.ir.blg.de.

Bremen, 17 March 2015

BLG LOGISTICS

THE BOARD OF MANAGEMENT

# Further Information

BLG LOGISTICS



# The Supervisory Board and its mandates

| Name | Town | Function / Profession |
|---|---|---|
| **Dr. Stephan-Andreas Kaulvers** | Bremen | Chairman |
| appointed since June 21, 2006 | | Chairman of the Board of Management of |
| | | Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – |
| **Christine Behle** | Berlin | Deputy Chairwoman |
| appointed since May 23, 2013 | | Member of national executive board of the trade union |
| | | ver.di Vereinte Dienstleistungsgewerkschaft |
| **Karl-Heinz Dammann** | Langen | Chairman of the corporate works council of EUROGATE GmbH & Co. KGaA, KG |
| appointed since July 1, 2009 | | Chairman of the works council of EUROGATE Container Terminal |
| | | Bremerhaven GmbH, Bremerhaven |
| **Melf Grantz** | Bremerhaven | Mayor of Bremerhaven |
| appointed since March 1, 2011 | | |
| **Martin Günthner** | Bremerhaven | Senator of Economics, Labor and Ports of the Free Hanseatic City of Bremen |
| appointed since May 1, 2010 | | Senator of Justice and Constitution of the Free Hanseatic City of Bremen |
| **Wolfgang Lemke** | Langen | Chairman of the corporate works council of |
| appointed since June 30, 2003 | | BLG LOGISTICS GROUP AG & Co. KG, Bremen |
| **Karoline Linnert** | Bremen | Mayor and Senator of Finance of the Free Hanseatic City of Bremen |
| appointed since September 11, 2007 | | |
| **Dr. Klaus Meier** | Bremen | Managing partner of wpd windmanager GmbH & Co. KG, Bremen |
| appointed since May 31, 2012 | | Lawyer |
| **Dr. Tim Nesemann** | Bremen | Chairman of the Board of Management of |
| appointed since April 1, 2011 | | Finanzholding der Sparkasse in Bremen |
| | | Chairman of Die Sparkasse Bremen AG, Bremen |
| | | |
| **Dirk Reimers** | Lehrte | Department Manager at ver.di Vereinte Dienstleistungsgewerkschaft |
| appointed since February 1, 2011 | | district Niedersachsen-Bremen |
| **Dieter Schumacher** | Bremen | Human Resources Manager of BLG LOGISTICS GROUP AG & Co. KG, Bremen |
| appointed since March 28, 2007 | | |
| **Gerrit Schützenmeister** | Bremerhaven | Member of the works council of BLG AutoTec GmbH & Co. KG , Bremerhaven |
| appointed since June 5, 2008 | | |
| **Dieter Strerath** | Bremen | Chairman of the Bremen works council of |
| appointed since March 1, 2011 | | BLG LOGISTICS GROUP AG & Co. KG, Bremen |
| **Reiner Thau** | Schenefeld | Chairman of the works council of |
| appointed since October 15, 2013 | | EUROGATE Container Terminal Hamburg GmbH, Hamburg |
| **Dr. h. c. Klaus Wedemeier** | Bremen | Retired senator of the Free Hanseatic City of Bremen |
| appointed since May 30, 2014 | | |
| **Dr. Patrick Wendisch** | Bremen | Managing Partner of Lampe & Schwartze KG, Bremen |
| appointed since June 5, 2008 | | |

| Committees | | | | |
|---|---|---|---|---|
| Audit Committee | Human Resources Committee | Investment Committee | Committee acc. to Section 27 (3) MitbestG | Other mandates[1] |
| | ■ Chairman | ■ Chairman | ■ Chairman | EWE Aktiengesellschaft, Oldenburg |
| | | | | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| | | | | |
| | ■ Deputy chairman | ■ | ■ Deputy chairman | Deputy chairman of Supervisory Board of Deutsche Lufthansa AG |
| | | | | Bochum-Gelsenkirchener-Straßenbahn AG, Bochum |
| | | | | |
| ■ | ■ | | ■ | EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven |
| | | | | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| | | | | |
| | ■ | | ■ | Klinikum Bremerhaven-Reinkenheide gGmbH, Bremerhaven |
| | | | | |
| | ■ | ■ | ■ | swb AG, Bremen |
| | | | | Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen |
| ■ | ■ | ■ | ■ | no membership in other bodies |
| | | | | |
| ■ | | ■ | | Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale –, Bremen |
| | | | | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| | ■ | | ■ | Chairman of Supervisory Board of Deutsche Windtechnik AG, Bremen |
| | | | | Chairman of Supervisory Board of wpd AG, Bremen |
| ■ | | | | Chairman of Supervisory Board of Freie Internationale Sparkasse S.A., Luxembourg |
| | | | | GEWOBA Aktiengesellschaft Wohnen und Bauen, Bremen |
| | | | | NRS Norddeutsche Retail-Services AG, Bremen and Hamburg |
| ■ | | | | no membership in other bodies |
| | | | | |
| | | | | no membership in other bodies |
| | | | | |
| | | | | no membership in other bodies |
| | | | | |
| | ■ | ■ | ■ | no membership in other bodies |
| | | | | |
| | | | | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| | | | | EUROGATE Container Terminal Hamburg GmbH, Hamburg |
| | | | | no membership in other bodies |
| | | | | |
| ■ Chairman | | | | OAS Aktiengesellschaft, Bremen |
| | | | | |

[1] The information relates to memberships in legally required Supervisory Boards as well as memberships in comparable domestic and foreign control bodies of commercial enterprises.

# The Board of Management and its mandates

| Name | Town | Function / Departments | Other Mandates [1] |
|---|---|---|---|
| **Frank Dreeke** | Ganderkesee | Chairman | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| born 1959 | | Executive Staff | Chairman |
| appointed until 31/12/2017 | | Board of Management Coordination | |
| | | Corporate Strategy | |
| | | Corporate Communications | |
| | | Compliance | |
| | | Transport Policy | |
| | | Sustainability/New Technologies | |
| **Jens Bieniek** | Delmenhorst | Treasury | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen |
| born 1964 | | Controlling / Risk Management | |
| appointed until 31/05/2016 | | Corporate Services | |
| | | IT | |
| | | Purchasing | |
| | | Legal | |
| | | International Corporate Finance / M&A | |
| **Michael Blach** | Bremen | AUTOMOBILE Division | no membership in other bodies |
| born 1964 | | | |
| appointed until 31/05/2016 | | | |
| **Hartmut Mekelburg** | Bremen | Human Resources [2] | no membership in other bodies |
| born 1952 | | Occupational Safety | |
| appointed until 31/12/2015 | | Audit | |
| | | Environmental | |
| **Emanuel Schiffer** | Bremerhaven | CONTAINER Division | EUROGATE Container Terminal Bremerhaven GmbH, |
| born 1951 | | | Bremerhaven, Chairman |
| appointed until 31/12/2016 | | | EUROGATE Container Terminal Hamburg GmbH, Hamburg |
| | | | Chairman |
| | | | Lloyd Werft Bremerhaven AG, Bremerhaven |
| **Andreas Wellbrock** | Bremen | CONTRACT Division | no membership in other bodies |
| born 1964 | | | |
| appointed until 31/05/2016 | | | |

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

# The Advisory Board

A body of renowned external experts advises BLG LOGISTICS in its strategic international development.

| Name | Function / Organisation |
|---|---|
| **Prof. Dr.-Ing. Frank Straube** | Chairman |
| | Managing Director / Head of Logistics Division Technical University Berlin |
| **Jens Böhrnsen** | Mayor and President of the Senate Free Hanseatic City of Bremen |
| **Dr. Dieter Flechsenberger** (until Oktober 17, 2014) | Former managing partner DVV Media Group GmbH |
| **Dr. Ottmar Gast** | Spokesman of the Board of Management of Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft KG |
| **Prof. Dr. Bernd Gottschalk** | Managing Director AutoValue GmbH |
| **Dr. Hans-Jörg Grundmann** (until Oktober 17, 2014) | Former Chief Compliance Officer Siemens AG |
| **Hans-Jörg Hager** | President of Unternehmer-Colloquiums Spedition (UCS) |
| **Ewald Kaiser** (since May 9, 2014) | Member of the Supervisory Board Schenker AG |
| **Dr. Stephan-Andreas Kaulvers** | Chairman of the Board of Management of Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale – |
| | Chairman of the Supervisory Board BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- |
| **Dr. h.c. Michael Kubenz** (until May 9, 2014) | Managing partner Kube & Kubenz Unternehmensgruppe |
| | Vice President of Deutschen Speditions- und Logistikverbands e.V. |
| **Volker Lange** | Retired senator / President of Verband der Internationalen Kraftfahrzeughersteller e.V. |
| **Dr. Karl May** | Head of Vehicle Distribution and VDCs BMW AG |
| **Dr. Karl-Friedrich Rausch** | Director of Transport and Logistics DB Mobility Logistics AG |
| **Markus Schäfer** | Member of the divisional board of Mercedes-Benz Cars for manufacturing and procurement Mercedes-Benz Cars Daimler AG |
| **Dr. Florian Schupp** (since Oktober 17, 2014) | Vice President Purchasing Automotive Europe and India Schaeffler AG |
| **Martin Weber** (since Oktober 17, 2014) | Managing Director DVV Media Group GmbH |
| **Michael Westhagemann** | CEO Region Nord Siemens AG |
| **Prof. Dr.-Ing. Katja Windt** | President Jacobs University Bremen gGmbH |
| **Prof. Dr. Dr. h. c. Joachim Zentes** | Head of Chair for Global Production Logistics Universität des Saarlandes |
| **Thomas Zernechel** | Head of Group Logistics |
| | Spokesman of the Board of Management Volkswagen Logistics GmbH & Co. OHG |

# Assurance of the Legal Representatives

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

Bremen, March 17, 2015

THE BOARD OF MANAGEMENT

Frank Dreeke

Jens Bieniek

Michael Blach

Hartmut Mekelburg

Emanuel Schiffer

Andreas Wellbrock

# Auditors' 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, 2014. The legal representatives of the company assume responsibility for preparation of the Group Financial Statement and the Group Management Report in accordance with the 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 Statement in conformity with generally accepted accounting principles and by the Group Management Report are identified with adequate certainty. Knowledge of the business activities, economic environment and legal framework of the Group as well as the expectations regarding possible errors are taken into account in the definition of the auditing procedures. The effectiveness of the accounting-related system of internal audits as well as documentary evidence for the data in the Group Financial Statement and Group Management Report are predominantly evaluated on the basis of spot checks within the framework of the audit. The audit encompasses evaluation of the annual financial statements of the companies included in the Group Financial Statement, 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 Statement 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 Statement conforms to the IFRS, as they have to be applied in the EU, and to the provisions of German commercial law to be applied additionally in accordance with Section 315a (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 Statement, conveys overall an accurate view of the situation of the Group and presents the opportunities and risks of future development accurately.

Bremen, April 16, 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Ludwig<br>Auditor | Hantke<br>Auditor |

# List of Shareholdings

## Condensed list of the investment holdings of the Group of BLG LOGISTICS

| Cons. no. | Name, headquarters | Share in % | held through cons. no. |
|---|---|---|---|
| 1 | BLG LOGISTICS GROUP AG & Co. KG, Bremen | 0.00 | |
| | **Companies included on basis of full consolidation** | | |
| 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, Great Britain | 100.00 | 3 |
| 5 | BLG Logistics Solutions Italia S.r.l., Mailand, Italy | 100.00 | 3 |
| 6 | BLG Industrielogistik GmbH & Co. KG, Bremen<br>(formerly BLG Automotive Logistics GmbH & Co. KG, Bremen) | 100.00 | 1 |
| 7 | BLG Automotive Logistics of South America Ltda., São Paulo, Brazil | 100.00 | 6 |
| 8 | BLG Logistics, Inc., Atlanta, USA | 100.00 | 6 |
| 9 | BLG Logistics of South Africa (Pty) Ltd., Port Elizabeth, South Africa | 89.82 | 6 |
| 10 | BLG Soluciones Logisticas Integradas España S.L.U., Vitoria, Spain | 100.00 | 6 |
| 11 | BLG Logistics Solutions GmbH & Co. KG, Bremen | 100.00 | 1 |
| 12 | BLG Cargo Logistics GmbH, Bremen | 100.00 | 1 |
| 13 | BLG AUTOMOBILE LOGISTICS GmbH & Co. KG, Bremen | 100.00 | 1 |
| 14 | BLG AutoRail GmbH, Bremen | 50.00 | 13 |
| 15 | BLG RailTec GmbH, Falkenberg / Elster | 50.00 | 14 |
| 16 | BLG Automobile Logistics Russia LTD, Nicosia, Cyprus | 100.00 | 13 |
| 17 | BLG Logistics Automobile St. Petersburg Co. Ltd., St. Petersburg, Russia | 100.00 | 16 |
| 18 | Car Logistic JSC, Moskow, Russia | 100.00 | 16 |
| 19 | BLG AutoTerminal Bremerhaven GmbH & Co. KG, Bremerhaven | 100.00 | 1 |
| 20 | BLG AutoTec GmbH & Co. KG, Bremerhaven | 100.00 | 19 |
| 21 | BLG Automobile Logistics Italia S.r.l., Gioia Tauro, Italy | 98.77 | 19 |
| 22 | E.H. Harms GmbH & Co. KG Automobile-Logistics, Bremen | 100.00 | 1 |
| 23 | BLG AutoTerminal Cuxhaven GmbH & Co. KG, Cuxhaven | 100.00 | 22 |
| 24 | BLG AutoTerminal Hamburg GmbH & Co. KG, Hamburg | 100.00 | 22 |
| 25 | BLG AutoTerminal Kelheim GmbH & Co. KG, Saal an der Donau | 100.00 | 22 |
| 26 | BLG CarShipping GmbH & Co. KG, Bremen | 100.00 | 22 |
| 27 | BLG AutoTransport GmbH & Co. KG, Bremen | 100.00 | 22 |
| 28 | BLG AutoTerminal Duisburg GmbH & Co. KG, Duisburg | 100.00 | 27 |
| 29 | BLG AutoTerminal Gdansk Sp. z o.o., Gdansk, Poland | 100.00 | 27 |
| | **Companies included on basis of equity method** | | |
| 30 | EUROGATE GmbH & Co. KGaA, KG, Bremen | 50.00 | 1 |
| 31 | ZLB Zentrallager Bremen GmbH & Co. KG, Bremen | 33.33 | 1 |
| 32 | dbh Logistics IT AG, Bremen | 26.75 | 57 |
| 33 | AutoLogistics International GmbH, Bremen | 50.00 | 6 |
| 34 | BLG MILS Logistics Sdn. Bhd., Kuala Lumpur, Malaysia | 60.00 | 6 |
| 35 | BLG Parekh Logistics Pvt. Ltd., Mumbai, India | 50.00 | 6 |
| 36 | BMS Logistica Ltda., São Paulo, Brazil | 50.00 | 7 |
| 37 | NYK Logistics & BLL (NLB) of South Africa Pty. Ltd., Port Elizabeth, South Africa | 44.01 | 9 |
| 38 | OLB Offshore Logistics Bremerhaven GmbH, Bremerhaven | 42.50 | 11 |
| 39 | DCP Dettmer Container Packing GmbH & Co. KG, Bremen | 50.00 | 12 |
| 40 | Hansa Marine Logistics GmbH, Bremen | 100.00 | 12 |

| Cons. no. | Name, headquarters | Share in % | held through cons. no. |
|---|---|---|---|
| 41 | BLG-ESF Warehouse GmbH, Bremen | 50.00 | 12 |
| 42 | Schultze Stevedoring GmbH & Co. KG, Bremen | 50.00 | 12 |
| 43 | ICC Independent Cargo Control GmbH, Bremen | 33.33 | 12 |
| 44 | BLG-Cinko Auto Logistics (Tianjin) Co., Ltd., Tianjin, People's Republic of China | 50.00 | 13 |
| 45 | BLG Logistics Consulting (Beijing) Co., Ltd., Beijing, People's Republic of China | 100.00 | 13 |
| 46 | Automobile Logistics Slovakia s.r.o., Bratislava, Slovakia | 50.00 | 19 |
| 47 | AUTOMOBILE LOGISTICS CZECH s.r.o., Nošovice, Czech Republic | 50.00 | 19 |
| 48 | ICO BLG Automobile Logistics Italia S.p.A., Gioia Tauro, Italy | 49.49 | 21 |
| 49 | ATN Autoterminal Neuss GmbH & Co. KG, Neuss | 50.00 | 22 |
| 50 | Autoterminal Slask Logistic Sp. z o.o., Dabrowka Gornicza, Poland | 50.00 | 22 |
| 51 | BLG CarShipping Koper d.o.o., Koper, Slovenia | 100.00 | 26 |
| 52 | BLG LOGISTIKA ADRIATIC d.o.o., Ploče, Croatia | 100.00 | 26 |
| 53 | BLG Interrijn Auto Transport RoRo B.V., Rotterdam, Netherlands | 50.00 | 27 |
| | **Companies not included** | | |
| 54 | Lloyd Werft Bremerhaven AG, Bremerhaven | 13.16 | 1 |
| 55 | Lloyd Investitions- und Verwaltungs GmbH, Bremerhaven | 13.16 | 1 |
| 56 | ZLB Zentrallager Bremen GmbH, Bremen | 33.33 | 1 |
| 57 | Interessengemeinschaft Datenbank Umschlagbetriebe GbR, Bremen | 94.00 | 1 |
| 58 | Ausbildungsverbund Bremerhaven gemeinnützige Gesellschaft mbH, Bremerhaven | 33.40 | 1 |
| 59 | EUROGATE Beteiligungsgesellschaft mbH, Bremen | 50.00 | 1 |
| 60 | EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen | 50.00 | 1 |
| 61 | BLG Industrielogistik Beteiligungs-GmbH, Bremen (formerly BLG Automotive Logistics Beteiligungs-GmbH, Bremen) | 100.00 | 1 |
| 62 | BLG Handelslogistik Beteiligungs GmbH, Bremen | 100.00 | 1 |
| 63 | BLG Logistics Solutions Beteiligungs-GmbH, Bremen | 100.00 | 1 |
| 64 | Paul Günther S.r.l. Italia i. L., Genua, Italy | 90.00 | 11 |
| 65 | DCP Dettmer Container Packing GmbH, Bremen | 50.00 | 12 |
| 66 | Schultze Stevedoring Beteiligungs-GmbH, Bremen | 50.00 | 12 |
| 67 | BLG AUTOMOBILE LOGISTICS Beteiligungs-GmbH, Bremen | 100.00 | 1 |
| 68 | BLG AutoTerminal Bremerhaven Beteiligungs-GmbH, Bremerhaven | 100.00 | 1 |
| 69 | BLG AutoTec Beteiligungs-GmbH, Bremerhaven | 100.00 | 19 |
| 70 | E.H. Harms Automobile-Logistics Beteiligungs-GmbH, Bremen | 100.00 | 1 |
| 71 | BLG ViDi LOGISTICS TOW, Kiew, Ukraine | 50.00 | 22 |
| 72 | E.H. Harms Automobile Logistics Ukraine TOW, Kiev, Ukraine | 50.00 | 22 |
| 73 | BLG AutoTerminal Duisburg Beteiligungs-GmbH, Duisburg | 100.00 | 22 |
| 74 | BLG AutoTerminal Hamburg Beteiligungs-GmbH, Bremen | 100.00 | 22 |
| 75 | BLG AutoTerminal Kelheim Beteiligungs-GmbH, Saal an der Donau | 100.00 | 22 |
| 76 | BLG CarShipping Beteiligungs-GmbH, Bremen | 100.00 | 22 |
| 77 | ATN Autoterminal Neuss Verwaltungs-GmbH, Neuss | 50.00 | 49 |
| 78 | BLG AutoTransport Beteiligungs-GmbH, Bremen | 100.00 | 22 |
| 79 | BLG AutoTerminal Cuxhaven Beteiligungs-GmbH, Cuxhaven | 100.00 | 27 |
| 80 | Cuxcargo Hafenbetrieb Verwaltungs-GmbH, Cuxhaven | 50.00 | 27 |
| 81 | Cuxcargo Hafenbetrieb GmbH & Co. KG, Cuxhaven | 50.00 | 27 |

# Glossary

## Commercial glossary

**Amortisation**
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 statement on the basis of full consolidation with all assets and liabilities. The carrying amount of the participation is increased or decreased by the development of the proportionate equity of the participation. This change goes into the income statement of the parent company.

**Available for sale**
Category of financial instruments in accordance with IFRS.

**Cash flow**
Key figure that describes the addition to cash and cash equivalents within the financial year.

**Cash-generating unit**
Smallest identifiable group of assets that, by virtue of continued use, generates inflow of liquidity, which, in turn, is extensively independent of the cash inflows of other assets.

**Compliance**
The totality of measures taken to ensure compliance with all legal obligations, provisions and directives relevant for a company as well as with corporate governance. Another objective of compliance is to achieve a harmonisation between corporate actions and social values.

**Corporate Governance**
Rights and obligations of the various parties involved in the company, in particular the shareholders, Board of Management and Supervisory Board.

**Covenant**
Special binding commitment of the borrower to the lender.

**Current account**
Designation for an account on which all transactions of two business partners are conducted and the mutual receivables are set off (balanced) against each other at regular intervals.

**Current account credit**
Credit limit contractually pledged to a customer by the bank up to which the customer may overdraw beyond his credit balance.

**DBO**
Defined Benefit Obligation = benefit-oriented pension 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 amortisation.

**EBT**
Earnings before taxes.

**Finance leasing**
Method for financing investments in intangible or tangible assets that involves a series of payments over the entire expected period of use of an investment. The investment appears on the assets side, the leasing liability on the liabilities side of the balance sheet of the lessee.

**Forward interest rate swap**
A forward interest rate swap is an agreement on a swap in the future whose terms are defined immediately.

**Full consolidation**
Method for recognition of subsidiaries that are included in the group financial statement with all assets and liabilities.

**Functional currency**
The currency in which a company carries out the majority of its business activities and reports its financial results to the parent company.

**Hedging**
A strategy of protection against interest rate, currency and price risks through derivative financial instruments (options, swaps, forward transactions, etc.).

**Held for trading**
Category of financial instruments in accordance with IFRS.

**Held to maturity**
Category of financial instruments in accordance with IFRS.

**Hybrid loan**
Loan allocated to equity, with above average interest, without a defined term and is the last of all liabilities served in the event of insolvency.

**Hypothetical derivative method**
Method of measuring the effectiveness of derivative financial instruments by comparing the change in market value of the derivative to that of a hypothetical derivative that perfectly hedges against the risk to be hedged against.

**IAS**
International Accounting Standards (see also IFRS).

**IASB**
International Accounting Standards Board: body which develops and publishes international accounting regulations.

**IFRIC**
International Financial Reporting Interpretations Committee: body which publishes interpretations regarding the IFRS accounting standards. After approval by the IASB the interpretations are binding for all IFRS users.

**IFRS**
International Financial Reporting Standards (up to 2001 IAS): international accounting regulations that are published by an international independent body (IASB) with the aim of creating a transparent and comparable accounting system which can be applied by companies and organisations all over the world.

**Impairment test**
Test to determine change in value in accordance with IFRS.

**Interest rate swap**
An interest rate swap describes a contractual agreement on the exchange of interest payment flows in the same currency where the cash flows are based on a defined amount of capital.

**Investment properties**
Land, buildings and/or parts of buildings that are maintained to earn rental income and/or for the purpose of value enhancement.

**Joint venture**
Legally and organisationally independent company that is jointly established or acquired by at least two independent partners.

**Leasehold**
Right of the leaseholder to have a building on third-party land in return for payment of consideration (so-called ground rent).

**Liability method**
Method of measurement of deferred tax claims and deferred tax liabilities. A measurement is carried out on the basis of the tax rate that is expected at the time when the future tax burden or relief arises.

**Line-by-line method**
IFRS: Method for recognizing joint ventures on a proportionate consolidation basis.

**Matching principle**
IFRS: Recognition of income and expenses of the same events in the same period.

**Operate leasing**
Method of renting intangible or tangible assets for a certain period that is shorter than the expected life of the asset. In the case of operate leasing, neither the asset nor a liability appears in the balance sheet of the lessee.

**Other comprehensive income**
The totality of all income and expenses that are not contained in the net income for the year. It includes, for example, foreign currency gains and losses from the translation of foreign financial statements that are reported directly in equity in accordance with IAS 21.

**Other long-term benefits**
Additional long-term benefits to employees that are reported under long-term provisions.

**Percentage of completion method (PoC)**
IFRS: Allocation of order costs incurred according to degree of completion to order proceeds.

**Post-employment benefits**
Benefits after termination of employment contract.

**Pro rata temporis**
Proportionate to the period.

**Profit retention**
Retention of profits.

**Projected unit credit method**
Special method for measurement of pension and similar liabilities in accordance with IFRS.

**Promissory note loan**
Large long-term loan similar to a security.

**Proportionate consolidation**
Method for recognition of joint ventures that are included in the group financial statement with their assets and liabilities on a proportionate basis.

**Recoverable amount**
Amount presumed to be achievable through use or sale of an asset.

**ROCE**
Return on capital employed. Key economic parameter for measuring the effectiveness and profitability of the capital employed by a company, calculated as a quotient of EBIT and total capital minus short-term, non-interest-bearing liabilities and liquid funds.

**Sale and leaseback**
Special form of leasing in which intangible or tangible assets are sold to a leasing company and at the same time leased back for further use.

**Stage of completion method (SoC)**
IFRS: Recognition of service orders according to their progress.

**Working capital**
Difference between short-term assets and short-term liabilities. Used to evaluate the liquidity of the company.

## Logistics glossary

**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.

**Finishing**
Formation of units ready for sale.

**GHBV**
Gesamthafenbetriebsverein im Lande Bremen e.V./Gesamthafenbetriebs GmbH Hamburg: Special personnel provider for the transport and warehousing sector, particularly for port operation companies. Enterprises that employ GHB staff members pay contributions into the GHB guaranteed wage fund.

**Hub port**
Seaport with regional distribution function.

**Intermodal chain of transport**
Use of different means of transportation (air, water, rail, road) for a shipment.

**Order picking**
Putting together the articles requested according to a customer's order or an equipment order.

**Outsourcing**
Assignment of logistics functions to external suppliers.

**RFID transponder**
Radio communication device that enables automatic identification and localisation 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.

**TEU**
Twenty-foot container equivalent unit. Standardized container unit with a length of 20 feet (1 foot = 30 cm).

# Publishing information


## Publishing information

**Publisher**
BREMER LAGERHAUS-GESELLSCHAFT
–Aktiengesellschaft von 1877–
Präsident-Kennedy-Platz 1
28203 Bremen, Germany

www.ir.blg.de

**Conception and coordination**
**Investor Relations**
Ina Oeing
Keis Mourani

**Communications**
Andreas Hoetzel
Diana Storm

**Design**
HGB Hamburger Geschäftsberichte

**Production**
ZERTANI, Bremen


## Contact persons

We will be glad to assist you:


**Investor Relations**
Ina Oeing
Tel.: +49 (0) 421 398 3385
Fax: +49 (0) 421 398 3233

Keis Mourani
Tel.: +49 (0) 421 398 3756
Fax: +49 (0) 421 398 3233

E-mail: ir@blg.de

**Communications**
Andreas Hoetzel
Tel.: +49 (0) 421 398 3475
Fax: +49 (0) 421 398 3404

Hartmut Schwerdtfeger
Tel.: +49 (0) 421 398 3391
Fax: +49 (0) 421 398 3404

E-mail: hschwerdtfeger@blg.de

**Address**
BREMER LAGERHAUS-GESELLSCHAFT
–Aktiengesellschaft von 1877–
Präsident-Kennedy-Platz 1
28203 Bremen, Germany

www.blg-logistics.com


## To order the Annual Report, please contact:


**Investor Relations**
E-mail: ir@blg.de
Internet: www.ir.blg.de
Fax: +49 (0) 421 398 3233

# Financial calendar 2015

| Financial calendar 2015 | |
|---|---|
| Interim Report January to March 2015 | 8 May 2015 |
| Annual General Meeting 2015 | 27 May 2015 |
| Interim Report January to June 2015 | 28 August 2015 |
| Interim Report January to September 2015 | 13 November 2015 |

**Future-related statements**

This Annual Report contains future-related statements that are based on current assessments of the Management on future developments. Such statements are subject to risks and uncertainties that lie outside the scope of control or precise assessment of BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877–, for example in connection with the future market environment and the economic conditional framework, the behavior of other market players, successful integration of new acquisitions and realization of expected synergy effects as well as measures taken by government agencies. If one of these or other uncertainty factors and imponderables should arise or should the assumptions on which these statements are based turn out to be incorrect, the actual results may differ significantly from the results explicitly specified or implicitly contained in these statements. BREMER LAGERHAUS-GESELLSCHAFT –Aktiengesellschaft von 1877– neither intends to update future-related statements nor does it assume any specific obligation to update such statements in order to adjust them to events or developments after the date of this report.



**Deviations for technical reasons**

For technical reasons (e.g. conversion of electronic formats) deviations may arise between the accounting documents contained in this Annual Report and those submitted to the “Bundesanzeiger” (Federal Gazette). In this case the version submitted to the Bundesanzeiger shall be considered to be the binding version.

**Paper and print from responsible sources**

The German issue of the Annual Report is printed on Circle Silk Premium white paper made of 100 percent recycled paper, which is certified with the EU Ecolabel. The printing shop uses a climate-neutral printing process.

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