

ANNUAL REPORT 2009

# CREATING CHAINS OF TRUST



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## Consolidated Financial Statements as of 31 December 2009

Röhlig & Co. Holding GmbH & Co. KG, Bremen

<b>in Euro '000</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Balance sheet total	87,853	86,520	93,482	70,799	64,691
Fixed assets	13,349	14,846	12,280	10,518	11,305
Current assets	73,267	70,492	80,197	59,707	52,865
Equity <sup>1</sup>	23,037	24,559	21,514	19,698	16,007
Liabilities <sup>2</sup>	55,784	49,078	56,116	37,613	36,381
Gross profit	67,515	77,850	73,853	54,232	48,010
Personnel costs	46,215	48,201	43,334	32,022	28,466
Depreciation	903	866	858	734	855
Income taxes	1,028	3,038	2,634	2,170	1,408
EBIT	2,158	10,345	14,594	10,556	7,293
Net income	65	6,007	11,104	7,559	4,975
Cash flow	1,013	6,923	11,948	8,238	5,878
Investments	1,961	3,398	1,727	703	1,995
Average no. of employees	997	990	911	739	645
Equity ratio <sup>3</sup> in %	26.2	28.4	23.0	27.8	24.7
before income taxes <sup>3</sup> in %	4.7	36.8	63.9	49.4	39.9

<sup>1</sup> Balance sheet equity plus payables due to shareholders, third party accounts and silent partnership

<sup>2</sup> Excluding payables to shareholders and third party accounts

<sup>3</sup> As related to the equity expanded by payables to shareholders, third party accounts and silent partnership as of 31 December



The Röhlig Executive Board:  
Ian Hamon, Hans-Ludger Körner, Thomas W. Herwig und Quentin Lacoste

**Ladies and Gentlemen,  
Dear Röhlig Customers and Partners,**

In 2009, after a long and sustained period of growth, Röhlig recorded a decline in sales and gross profit. In the wake of the global economic crisis, transport volumes fell sharply, resulting in a dramatic drop in sea and air freight rates. The usual annual upswing in autumn failed to materialize, intensifying pressure on the operating results: gross profit in the consolidated companies fell back from Euro 77.85 million to 67.52 million, and in the group from Euro 108.01 million to 95.18 million. With an EBIT of Euro 2.16 million, a positive result could still just be achieved.

We responded promptly to these developments. After expanding our sales personnel at the end of 2008, we could increase our market share. The new business generated enabled us to keep the number of orders at the same level. In the first quarter of 2009, we prepared a crisis scenario, comprising four escalation steps, for each individual subsidiary. The various options were then applied in line with business development. We optimised operative work processes by investing in efficient IT systems. In addition, we focused on maintaining liquidity and avoiding high-risk business.

Unfortunately, we also had to take the decision to freeze present pay levels. In some of our country offices, our staff elected to introduce a voluntary salary waiver to avoid redundancies. At this point, I would especially like to thank the Röhlig employees for bearing their share of these measures. You have performed exceptionally well in this crisis and, both through increased output and your salary waiver, have shown considerable loyalty toward the company.

All of these measures will help to ensure that Röhlig emerges even stronger from the current economic crisis. The first signs of recovery are already visible in some regions of the world. The increasing freight rates lead us to expect strong growth in sales in 2010 and a moderate improvement in our gross profit. We are therefore looking to the new year with confidence.

The global economy does not only bring challenges for business, but also creates numerous opportunities. Companies wanting to leverage these chances need a reliable, committed and trustworthy partner at their side. Röhlig aspires to be more than just a logistics provider. We advise businesses and support them in the process of expanding their business globally, creating partnerships going far beyond the mere business relations between two companies. In times of crisis, trust is the essential factor.

On the following pages, we would like to present three such partnerships. The customers profiled here also embody a corporate philosophy similar to Röhlig's – resourceful and dynamic entrepreneurs who view mutual trust as the basis of every partnership. For this reason, we have decided to call this year's annual report "Creating Chains of Trust".

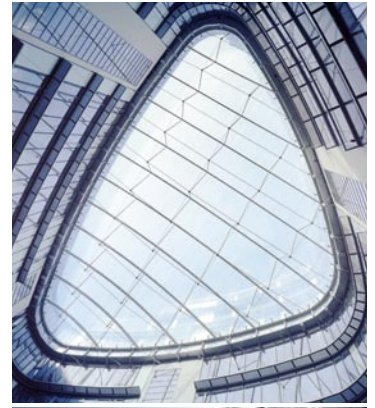
I would like to thank all of our customers and partners for the successful cooperation over the previous year. I am looking forward to continuing these partnerships of trust.

Thomas W. Herwig  
Managing Partner

Dr. Stefan Lehnert, Managing Director of Vector-Foiltec GmbH

**“YOU NEED A  
STRONG PARTNER  
TO ACHIEVE TRULY  
GREAT GOALS.”**





In 1982, the Bremen-based Vector-Foiltec company developed an innovative production process for plastic roofs and facades. This new cladding, long-lasting and UV stable, has created new architectural possibilities and is increasingly preferred to the classic glass roof. Vector-Foiltec, the global market leader in its field, has built many well-known projects, including the renowned National Aquatics Centre at the 2008 Olympics in Beijing.

“We do over 90 per cent of our business outside Germany. That presents us with a particular set of challenges. Several years ago, in a project in Greece, we took on the entire logistics ourselves. So we had to buy the material in the USA, transport it to India to be processed, and then ship the products to Europe. Unfortunately, we ran into serious problems with transport and customs clearance, and the project was threatened by a damaging delay. Röhlig took over and, with considerable commitment, arranged all the transport from then on.

This made it obvious to us that we had to pass on complex logistics tasks to an expert. We needed a partner with a presence in all the key markets – and one able to deal with matters on-site effectively. With Röhlig, we’ve found that partner. The special thing about this partnership is that we only need to outline what we want to do. Röhlig immediately understands our concerns and finds solutions. And that’s why we’ve entrusted Röhlig with the entire material logistics of the stadiums we’re building for the 2012 Rugby World Cup in New Zealand.

Our cooperation goes far beyond the classic customer-services relationship. Röhlig not only arranges transport and storage for our goods, but also supports us in opening up markets. When we want to establish our business in a new country, Röhlig provides us with contacts and expertise and even allows us to use its offices for meetings with prospective customers. And if, in some rare case, Röhlig isn’t represented directly on site, we know the company can still put us in touch with the right contact partners.”

Chris Matthews, General Manager of Sappi Export Services

**A SUCCESSFUL  
PARTNERSHIP  
IS LIKE A  
HAPPY MARRIAGE.”**





Sappi is the world's leading coated fine paper and chemical cellulose producer. The company produces 6.1 million tonnes of coated fine paper every year. All over the world, annual reports, books, high-gloss magazines and catalogues are printed on Sappi fine paper. Founded in Johannesburg 74 years ago, this South African company now has more than 15,400 employees in business units and mills on four continents and customers in over 100 countries worldwide.

Every year, we export over 900,000 tonnes of paper and cellulose pulp from South Africa all over the world. As global market leader, the main challenge we face is to ensure that we can keep our promise of just-in-time delivery wherever we do business. And this is where Röhlig-Grindrod plays a crucial role. Röhlig-Grindrod manages all the documentation for both our export cargo and imported raw materials. They are responsible for all the clearing and freight forwarding functions for both air and sea freight.

Together we are continuously working to improve our logistics. For example, Röhlig-Grindrod has helped us to optimise the importing of our raw materials – and saved us money in the process. Of course, you need an exceptionally close relationship to work in this way. We hold daily meetings with our partner to discuss operative tasks and in Durban our staff are even in the same office block.

This collaboration with Röhlig-Grindrod goes back over 30 years. I'd describe it as rather like a happy marriage. Each partner knows exactly what the other expects. We are open and honest with each other, and we both know we can rely on our partner. For example, if there's a delay or a problem, Röhlig-Grindrod pro-actively takes the initiative and finds a suitable solution."

Peter van Dijk, European Operations Manager of Garth Living

**IT'S CRUCIAL  
TO UNDERSTAND  
YOUR CUSTOMERS'  
BUSINESS."**





Garth Living was founded in 1972 in Melbourne, Australia, and is a second generation family business specializing in the production of gas barbecues. From humble beginnings Garth is universally known as a design house for new products and grilling concepts, and is now numbered among the leading producers of gas barbecues and outdoor kitchens. The company manufactures its products in southern China and, from there, supplies customers all over the world.

“We supply retailers across the globe with gas barbecues and outdoor kitchens. But our sales partners get much more than just products – they also have access to vital know-how. Thanks to our many years of experience and excellent knowledge of individual markets, we can give our retailers strategic advice on how to successfully assert themselves in a competitive market. In brief – our customers know that we understand their business.

Naturally, we also have the same expectations about our contractors and suppliers. With Röhlig, there’s absolutely no doubt – our partner understands our requirements and knows how to fulfil them. That’s why we have entrusted Röhlig with the entire import logistics for Garth Living products manufactured in southern China.

At present, we are trying to establish our company in the USA – a difficult market where we are relatively unknown. We have to plan our expansion step-by-step, taking into account all eventualities and working hard to gain the trust of our customers. In this process, a partner who can advise us on all logistics issues is invaluable. The Röhlig San Francisco branch office has detailed knowledge of the market and the situation on the ground, and ensures that our Garth Living gas barbecues always reach our customers quickly and reliably.”

# Röhlig steers safe course through the economic crisis

## Transport markets experiences the most dramatic collapse for 60 years

As a consequence of the worst recession since the end of the Second World War, the volumes have dropped notably. For the moment, this has ended the period of growth Röhlig has been enjoying for over ten years. From the high in April 2008 to the low in May 2009, world trade dropped by 20.4 per cent. For the Röhlig Group, this development resulted in a significant fall in gross profit for the last business year.

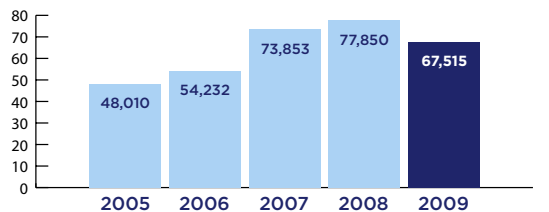
Drewry & Clarkson consultancy reported a downturn in transport volumes for container shipping in trans-Pacific traffic of 19.1 per cent and a drop of 17.4 per cent on the North Atlantic route. Traffic between Asia and Europe declined by 13.1 per cent. In contrast, the north-south routes from Europe to Latin America proved to be far more robust and only fell by 3.4 per cent.

In addition, over-capacities resulted in a marked drop in rates, which stabilised again in the fourth quarter. The shipping lines laid off more than 400 container ships with a total capacity of 1.35 million TEU. Moreover, the speed of their ships was reduced from 22 to just 14 knots. In European-Asian traffic, this measure cut capacity by a further 22 per cent and stabilised the rates.

In air freight, demand in 2009 fell back by 17 per cent. With 125 billion tonne kilometres, demand was equivalent to the 2003 level. In November 2009, 15.1 per cent of the widebody freighters were inoperative – 2.5 times more than at the start of the year. According to an IATA study, the average revenue for one air freight kilogram in the second quarter of 2009 was 33 per cent down on the previous year. As a result, the global air freight sales of airlines declined by a third from US\$ 60.7 bn to US\$ 44.4 bn.

Since the vast majority of Röhlig's services are in sea and air freight, sales in the consolidated companies fell by 20 per cent. However, through increased efforts in new business acquisition, our companies succeeded in keeping the volume of orders constant in comparison to last year and, hence, limited the fall in the consolidated companies profit to minus 13.3 per cent.

**Consolidated Companies – Gross Profit Development**  
2005-2009 in TEUR



This had an impact on the profit and loss account: The Group's EBIT fell by Euro 8.19 million to Euro 2.16 million; the cost-cutting measures in the first two quarters only began to fully take effect in the last two quarters. Consequently, due to the growth in sales capacities, salary costs in the first six months of 2009 were equivalent to the previous year, but were 15 per cent lower in the second half of the year. In a year-on-year comparison, salary costs had been reduced by 8 per cent – amounting to Euro 4 million – even though Röhlig avoided laying-off permanent staff as far as possible. Instead, the country offices and their staff reacted to the fall in revenues with voluntary salary sacrifices and a freeze on further recruitment.

Gross Profit in Euro '000	2009	2008
Gross profit consolidated companies	67,515	77,850
Gross profit associated companies	27,661	30,222
<b>Total</b>	<b>95,176</b>	<b>108,072</b>

### Number of employees remains largely stable

As a yearly average, the number of employees only changed minimally over the previous year. As per balance sheet date, staffing levels in December 2009 were down by almost 100 full-time jobs as compared to December 2008.

In 2009, Röhlig also reduced the backlog of overtime and holiday entitlement. However, unlike some other competitors, Röhlig continued its full programme of training measures. Since we view our staff as a crucial factor in the sustainability of our company, we regard capacity building in skills and expertise as a top priority.

Employees	2009	2008
Germany	295	292
Belgium	17	16
Denmark	4	-
France	100	102
Great Britain	37	36
Italy	35	34
The Netherlands	20	22
Spain	22	26
Australia	136	149
New Zealand	55	61
Hong Kong	98	97
Singapore	24	23
South Korea	30	-
USA	90	95
Canada	11	11
Chile	23	26
<b>Total Röhlig consolidated companies</b>	<b>997</b>	<b>990</b>
South Africa	418	454
China	205	199
India	171	-
Japan	3	-
South Korea	-	32
Taiwan	18	17
Thailand	14	-
UAE	24	19
<b>Total associated companies</b>	<b>853</b>	<b>721</b>
<b>Total Röhlig Group</b>	<b>1,850</b>	<b>1,711</b>

**Divisions**

**Increased Sales Activities Slows Negative Economic Influences**

In the context of global economic conditions, a downturn of 11.8 per cent in sea freight still represents a satisfactory result. This was primarily due to the transfer of transport flows from air to sea freight and the strengthened sales structures, especially in the USA. As a result, the decline in air freight of 17.2 per cent was correspondingly higher than in sea freight.

In addition, air freight is regarded as a forward indicator for economic development. The difficult market conditions in 2009 were already foreshadowed in the massive drop in quantities and rates in late 2008. However, by the end of the reporting year, a significant increase in air freight transport volumes was noticeable again. We are thus expecting an increase in air freight from the second quarter in 2010, with a subsequent growth in sea freight as well.

With respect to all products, our transport volumes fell by 13.3 per cent over the previous year. However, this drop in volume is significantly less than the fall in those markets relevant for us. One reason for this can be found in the sales offensive already launched in 2008. This shows how anti-cyclic actions can result in a significant positive contribution to the successful long-term development of the company.

Gross profit by division in Euro '000 / Shares	2009	%	2008	%
Sea freight	40,694	60.3%	46,136	59.3%
Air freight	26,028	38.6%	31,423	40.3%
Other	793	1.1%	290	0.4%
<b>Total</b>	<b>67,515</b>	<b>100%</b>	<b>77,850</b>	<b>100%</b>

**Regions**

**Dynamism in the Overseas Regions**

In the course of the reporting year, our various

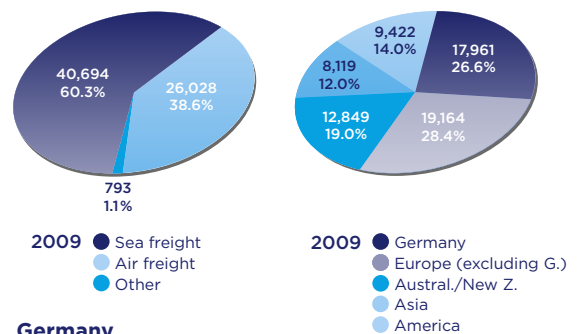
regions were facing very different economic influences. For example, as early as late 2009, we observed a marked recovery in the markets in the Far East and Australia. As Europe and Germany are lagging behind this development by about three months, an improvement in the situation was noticeable as well in spring 2010. The growth in sales activities in the USA also have to be highlighted here, since their positive impact was obvious, first and foremost, on the nearly unchanged gross profit.

The differing regional developments resulted in a shift in the share of gross profit with the overseas subsidiaries playing a larger role.

Gross profit by regions in Euro '000 / Shares	2009	2008
Germany	17,961 26.6%	21,489 27.6%
Europe**	19,164 28.4%	23,366 30.0%
Australia/New Zealand	12,849 19.0%	15,521 19.9%
Asia*	8,119 12.0%	7,866 10.1%
America	9,422 14.0%	9,608 12.4%
<b>Total</b>	<b>67,515 100%</b>	<b>77,850 100%</b>

\* incl. South Korea; \*\* incl. Denmark

**Gross profit by regions in Euro '000 / Shares**



**Germany**

The traces of the overall situation in the global economy are clearly visible in our German subsidiary's

results. Here, gross profit in the reporting year fell by 16.4 per cent. However, in terms of the fall in transport volumes in the entire economy, this is disproportionately small. New sales programmes, such as the “Blue Tiger” programme which establishes new company business with network partners in Hong Kong and China, have developed very positively. The main focus here is on developing vertical markets.

At the end of the year, preparations were already underway to found the R+C Commodity company. From 2010, this company will bring together logistics expertise in the granite, natural stone and recyclable material sector. In the course of this strategic re-alignment, the management of Röhlrig Deutschland GmbH & Co. KG was also re-staffed.

The implementation of our Corporate Strategy 2018 has meant that additional management and coordination tasks will have to be taken on, especially in Röhlrig & Co. Holding GmbH & Co. KG as well as Röhlrig & Co. Internationale Beteiligungsgesellschaft mbH. Consequently, not only was International Controlling enlarged in 2009, but structures in the internal audit sector were also created to allow the latest compliance requirements to be pro-actively implemented.

In this way, functions are available that, in terms of quality and quantity, create a basis for sustained growth above average market development. These services are proportionally divided under service contracts with the subsidiaries.

As a service centre, the Holding Group is taking over the accounting for the companies in Germany, Denmark and Holland. Twenty-two staff are employed for these tasks. Roehlig blue-net GmbH operates the consolidated companies’ IT centre, providing its own staff for the helpdesk functions and system development capacities. Given the entire Group’s alignment to global services, 24/7 availability is guaranteed. Roehlig blue-net is an integral element in implementing our growth strategy via new and innovative IT products.



Germany in Euro '000	2009	2008
Gross profit	17,961	21,489
Thereof: Air freight	6,905	9,186
Sea freight	11,066	12,204
Other*	-10	99
Adjusted net income	519	-1,298
Thereof: Air and Seafreight	-756	1,938
Holding / IBG	1,275	-3,236
Staff	295	292
Trainees	30	30

\* Röhlrig & Co. Holding GmbH & Co. KG, Röhlrig & Co. Internationale Beteiligungsgesellschaft mbH, Roehlig blue-net GmbH

Maintaining a high quota of trainees in Germany plays an important part in securing the company’s future. We continue to train thirty young people to meet the demands in international logistics. Low fluctuation levels help to retain accumulated expertise and thus provide customers with constant service quality.



The subsidiary in Spain responded to the weak economic data there with a general and substantial voluntary salary waive since no fundamental changes through new business were to be expected in the short-term.

Röhlig Italia's enhanced sales efforts led to a growth in air freight business in the reporting year.

In our UK subsidiary, our EDI Cargowise business tool was implemented together with SAP for the first time. We are expecting this to result in a significant increase in efficiency in future.

For the first time, Röhlig Belgium managed to achieve a share of 40 per cent of self-generated business, with the other 60 per cent from the network. In addition, our LCL Hub in Antwerp with weekly sea freight transport to Australia, South Africa and the USA is showing a very positive development.

All consolidated companies have considerably reduced personnel costs and other costs by a range of individual measures.

**Europe (excluding Germany)**

Röhlig France contributed half of the gross profit in Europe and is thus our largest subsidiary in this region.

In this reporting year, the subsidiary in Denmark, founded in the second half of 2008, was fully consolidated for the first time. The start-up loss was within the parameters expected and also included special items from the shortened fiscal year in 2008.

In the Netherlands, the new management team appointed in May optimised the business processes. By the end of the year, it was already clear that these measures were having a positive effect. It proved possible both to acquire new customers and successfully adapt the cost structures.

Europe (excluding Germany) in Euro '000	2009	2008
Gross profit	19,164	23,366
Thereof: Air freight	6,807	8,127
Sea freight	11,827	14,936
Other	530	303
Adjusted net income	-1,583	127
Employees	235	236

\* Belgium, Denmark, France, Great Britain, Italy, the Netherlands and Spain

**Pacific (Australia/New Zealand)**

Business development in the Pacific region was markedly different in the two half-years in 2009.

The drop in volumes reached its low point in June, the end of the Australian fiscal year. In the following months, businesses restocked their inventories and air freight in particular revived significantly. As the prices of raw materials rose in the second half of 2009, sea freight imports also increased again.

Despite gross profit falling by 17.2 per cent, Röhlig was still able to achieve a positive result in the Pacific region. Since the labour market is more flexible than in Europe, personnel alignments already took effect in the first quarter of 2009. By the middle of the year, the two country offices employed 9 per cent fewer staff than in the previous year.

Australia/New Zealand in Euro '000	2009	2008
Gross profit	12,849	15,521
Thereof: Air freight	4,747	6,112
Sea freight	7,947	9,409
Other	155	0
Adjusted net income	551	1,972
Staff	191	210

## Asia

In the reporting year, the share in Röhlig Korea Ltd. was increased from 40 to 70 per cent. The remaining 30 per cent continue to be held by S.Y. Hong, our local director. Due to the consolidation of this company for the first time, gross profit in this region increased over the previous year.

All three country offices generated clearly positive results. Consequently, Asia remains the most profitable region for the consolidated companies. We consider there is significant potential for development here, above all in our offices in southern China - Shenzhen, Guangzhou and Zhanjiang - which are managed from Hong Kong.

Asia* in Euro '000	2009	2008
Gross profit	8,119	7,866
Thereof: Air freight	3,361	3,807
Sea freight	4,640	3,962
Other	118	97
Adjusted net income	2,883	2,864
Staff	152	120

\*Hong Kong, South Korea, Singapore (previous year without South Korea)

## America

In 2007, we launched the "Transpac" programme to further enhance Röhlig's position on the largest shipping market in the world - the transpacific traffic between Asia and North America. This cooperation between our branches in China, Hong Kong and the USA is designed to achieve the aim of constantly increasing volume and thus gaining new shares of the market. The programme has been a success. In 2009, we could increase the number of transported TEU by 41 per cent in a falling market, and grow air freight tonnage by 65 per cent.

Thus, gross profit for transpacific traffic rose correspondingly by 62 per cent, largely compensating for the falls on other routes. Overall, although there was only a slight downward tendency in gross profit for sea freight in the America region, gross profit for air freight actually recorded an increase.

America* in Euro '000	2009	2008
Gross profit	9,422	9,608
Thereof: Air freight	4,208	4,035
Sea freight	5,214	5,573
Other	0	0
Adjusted net income	-564	32
Staff	124	132

\* Chile, Canada, USA

Röhlig-Group

**Röhlig-Group**

The Röhlig Group not only includes the consolidated companies but also the associated companies in South Africa, China, India, Japan, Taiwan, Thailand, and the United Arab Emirates. These companies all have considerable strategic significance for the global Röhlig network and are included “at equity” in the consolidated accounts.

**South Africa**

In 2009, South Africa’s economic development was negatively impacted by the global economic crisis and falling prices for raw materials. However, the World Cup has brought the country an industry-specific boom since many infrastructure projects are being implemented in the transport-, sport-, and tourism-industries.

The South African Rand, which dropped in value against the Euro by over 30 per cent in 2008, compensated this loss completely and on 31 December 2009 was trading again at the same level as in January 2008.

Despite the fall in gross profit and the strong squeeze on profit margins, Röhlig-Grindrod was still able to achieve a clearly positive result. In agreement with our partner Grindrod, due to the volatility of the South African Rand and to reduce the country risk, we have distributed the 2009 profit to the full amount .

South Africa* 50% share in capital) in Euro '000	2009	2008
Gross profit	18,264	20,785
Net income after taxes	1,283	3,428
Net income from equity consolidation	642	1,714
Employees	418	454

\*Republic of South Africa, Botswana, Mozambique, Tanzania

**East Asia**

This is the first time that we have categorised the China, Taiwan and Japan country offices as the East Asia region. The fall in cargo volume from this region to Europe and the USA led to considerable distortions in container shipping. Although the ship owners took capacity out of the market by cutting speeds, so-called slow steaming, and laying up tonnage, container rates nonetheless dramatically collapsed in the first half year. This created a corresponding pressure on our margins.

In addition, the cost cutting programmes by some shipping lines resulted in service seriously deteriorating. In the third and fourth quarters in 2009, many of the booked containers could not be loaded punctually. At times, there were not enough empty 40’ containers available in China.

Through cost-intensive sales measures and the launch of our “Blue Tiger” programme with Röhlig Deutschland, the region’s gross profit could be kept at nearly the same level as in the previous year. Nevertheless, earnings before tax also fell in China and Taiwan.



East Asia* in Euro '000	2009	2008
Gross profit	6,906	6,760
Net income after taxes	673	1,375
Net income from equity consolidation	324	656
Employees	226	216

\*China (50%), Japan (50%), Taiwan (35%)

## India

Since last year, our Indian associated company, headquartered in Chennai, has been trading under the name Weiss-Röhlig India Private Ltd. We have 14 other offices to cover the key industrial centres on the Indian sub-continent. We have a financial participation of 25 per cent in Weiss-Röhlig India Private Ltd.; Gebr. Weiss, our alliance partner, holds another 25 per cent. The remaining 50 per cent is held by our Indian partner.

To increase efficiency, the Indian company is steadily being integrated into the Röhlig systems, with the SAP and EDI Cargowise software scheduled to be introduced in the course of 2010.

India (25% share in capital) in Euro '000 (01.04.2008 - 31.03.2009)	2009	2008
Gross profit	1,365	-
Net income after taxes	-286	-
Net income from equity consolidation	-	-
Staff	171	-

## Thailand

For more than ten years, Röhlig had a delegate office in Thailand dealing with our business in cooperation with our partner, East-West. In late 2008, together with Gebr. Weiss and East-West, we founded Weiss-Röhlig (Thailand) Ltd. and have a 35 per cent holding in the company.

In Bangkok, in addition to our core business – sea and air freight logistics and project activities –,

office services, such as the electronic recording of orders, are also provided for other Röhlig branches.

Thailand (35% share in capital) in Euro '000	2009	2008
Gross profit	232	-
Net income after taxes	-25	-
Net income from equity consolidation	-9	-
Staff	14	-

## Middle East

For the time being, the economic and financial crisis has put an end to the building boom in the Emirate of Dubai which had been on-going for years. In November, there was also a local crisis on the real estate market, leading numerous investors and speculators in particular to withdraw from Dubai.

Despite these difficulties, we are firmly convinced of the region's future. Dubai remains interesting as a logistics location due to its rapid ability to adjust, intelligent links between different modes of transport and attractive conditions.

Thanks to our policy of cautious operations, we have not yet been affected by the current difficulties. For example, we have deliberately refrained from investing in prestigious logistics real estate. Weiss-Röhlig UAE (L.L.C.) is the only company in the Röhlig Group able to increase gross profit and earnings in 2009.

Middle East* in Euro '000	2009	2008
Gross profit	893	809
Net income after taxes	332	290
Net income from equity consolidation	166	145
Employees	24	19

\*Weiss-Röhlig Middle East Ltd. (50%) and Weiss-Röhlig UAE (L.L.C.) (24,5%)

# Corporate Responsibility

The upheavals on the international financial markets and their impact will continue to be a public issue for many years to come. In addition, the developments over the past two years will influence future business in a variety of ways.

In our opinion, companies should not solely put a main emphasis on striving to optimise short-term results. Many examples show how such an approach erodes company expertise and jeopardises their trustful cooperation with customers. We regard ourselves as under an obligation to be a reliable partner for both our customers and our employees. Consequently, apart from regularly aligning business processes to meet challenges, we consider it as absolutely vital to have a responsible corporate policy directed to long-term goals.

We are therefore holding firm to our Strategy 2018, pursuing the course of solid growth already set while implementing a policy of strict cost management. Therefore, we have driven forward the development of our operative data processing systems, successfully introducing new and more efficient systems in the UK and Germany. Over the coming years, we will continue efforts to unify our IT landscape and, in this way, build a foundation for the highly efficient processing of our international business.

## Risk Management

“Cash is king” – the ideal maxim describing our efforts to ensure the company always has a sufficient level of liquidity to facilitate the stable development of our business. Especially in financially difficult times, liquidity is one key factor supporting the trust of our customers and employees. Moreover, this business policy allows us to increase existing participations. In the 2009 business year, we were thus able to increase our participation in South-Korea from 40 per cent to 70 per cent. Through active working capital management, we could also largely minimise the impact of the global financial crisis in 2009. At Euro 23 million, business equity remained largely the

same (previous year: Euro 24.6 million). The risk-bearing ability of the Röhlig Group thus maintains its stability.

In 2009, steps were taken to provide the requisite organisational structure to facilitate active risk management across the Group. A dedicated organisational unit is developing systems and concepts to reduce the inherent business risk.

In this process, a distinction is made between risks that can restrain a company’s development and those that may threaten its continued existence. At present, we are not aware of any risks that could threaten the company’s continued existence. We would classify the individual risks below as restraining development.

## Exchange Rate Risks

The nature of the Röhlig consolidated companies’ operative business involves exposure to the risks of interest rate and currency fluctuations. It is therefore part of our company policy to exclude or limit these risks by concluding cover transactions and preventing any speculative engagements.

We have established a cross-border dividend compass. This enables us to provide country offices solely with the capital needed to foster the budgeted growth.

All interest and currency cover transactions are coordinated and implemented by a central global treasury office. Forward exchange transactions and options are used to cover currency risk. To safeguard against rising market interest rates, measures were taken to consolidate long-term liabilities. Covering transactions have not been concluded for short-term funding since interest expenditure does not presently pose a significant earnings risk.

As we anticipate an increase in long-term interest, we are planning to further increase the security quota in the 2010 business year.

### Del Credere Management

The financial crisis has given a new dynamic to del credere management. In 2009, for example, all reputable underwriters changed their business policy, sometimes dramatically. The year was marked by a high level of nervousness and volatility among the insurers. Despite considerable increases in loading at times, we decided to continue with insurance cover for 2010. At present, insurance cover is provided for Germany, Belgium, Great Britain, the Netherlands, France, South Africa, and Australia.

According to an insolvency prediction by the Euler Hermes credit insurance company, insolvencies are expected to increase by around 15 per cent in 2010. Some of Germany's key trading partners were given an even higher risk rating. For example, in the USA Euler Hermes is expecting insolvencies to increase by 45 per cent.

Not solely for the reasons mentioned above, Röhlig has internal measures active in all consolidated companies to control the risk on receivables. These measures include provisions on credit limit assignment, regular credit status checks on the customer base and well-organised collection processes. In addition, customers holding accounts with several consolidated companies are centrally monitored.

The management's clear message is: "Exit bad payers". In this way, we ensure that the staff can also focus clearly on the customers' paying habits and are provided with definite guidelines on robust debtor management.

### Working Capital Management

The amount of banks' equity is crucial in decisions on customer credit provision. Here, customer insolvency and other depreciation on financial products may further reduce the proportion of equity and lead to a technical tightening of the total lendings available. However, through strict working capital management as well as adequate funding lines, the Group is well positioned to meet the upcoming challenges.

### Transport Damage / Financial Damage

In general, working in the international transport and logistics sector, we have to expect possible transport damage. Under our General Terms and Conditions we only have a limited liability for such damage. We have insured this liability and any damages resulting from faulty processing through a global forwarding indemnity insurance with the TT Club in London. In the organisation, we counter these risks through coordinated IT solutions as well as by well-established and accepted quality management.

Furthermore, since all business insurances in Germany were tendered in 2009, they have not only been optimised in the structure of premiums but also in terms of coverage.

### **Inherent Business Risks**

A growing proportion of the value chain in our group of companies is generated outside Germany. Consequently, it is imperative to develop and provide suitable systems and structures to control the particular risks abroad. For this reason, the existing controlling was significantly extended and strengthened in this business year. In addition, advances in unifying the worldwide IT systems have also been implemented. We are expecting a further improvement through the planned changeover in the IT systems in four subsidiaries scheduled in 2010. Quality management, treasury office and personnel development have already been centralised and are contributing substantially to the development of the entire Group.

We have implemented global risk management within the organisation which will provide key impulses to controlling and optimising the Group in process management and internal auditing. In addition, we have also entrusted external consultants with auditing tasks in 2009.

### **Structural Changes**

In 2009, we continued to pursue our policy of expanding our network by opening at least one new branch office abroad per annum. In Thailand, a joint venture company with Gebrüder Weiss and a local partner started operations. As announced in the last annual report, a 25 per cent share in the TRICON Shipping Private Ltd. in India has been passed on to Gebrüder Weiss. Tricon Shipping has now been renamed Weiss-Röhlig India Private Ltd.

In Germany, R+C Commodity GmbH & Co. KG was founded as a new company. It started business operations on 1.1.2010. The company integrates the palate of special logistics services in the area of granite and natural stone as well as the recovery of recyclable materials. We expect this specialisation to ensure even better levels of market presence and penetration.

The downturns triggered by the financial crisis in the amounts to be transported and the achievable returns led to a significant slowdown in some areas of the Röhlig Group. Gross profit fell back by 11.9 per cent. We have already reacted to the challenges presented by these changes through a multistage cost-cutting programme. These measures are directed to material costs as well as personnel costs. Aside from the required alignments, they were also supported by voluntary salary waivers to avoid redundancies.

In addition to the cost-cutting measures, further investment was committed to creating an efficient IT landscape. By strengthening sales, it proved possible in the present crisis to gain market share in some countries.

### **The Crisis as a Chance - Flexibility as Basis for Success**

The measures taken confirm our view that the global economic and financial crisis also reached the Röhlig Group in 2009 - but the Röhlig Group is not itself in a crisis. Instead, it has set a course for a successful future.

In the years to come, the speed at which an organisation can adapt to meet changing conditions will be an increasingly important plank in a company's overall success. In terms of dynamic processes and sustainable implementation, we believe our company is well positioned to meet future challenges.

## Cost Discipline and Expanding Market Share

### Crisis strategy pays dividends in the first quarter 2010

Röhlig too had not anticipated the general extent of the downturn in transport volumes in 2008 and 2009. We were surprised by the unprecedented fall in freight rates. However, we had the right instruments available to react appropriately to this challenge.

We designed a programme to cut the costs of material and personnel in the different countries. The aim of our programme was, on the one hand, to keep our regular staff and, on the other, to acquire new prospective customers in a market experiencing a strong downward trend.

The increased sales efforts led to near constant order figures in 2009. On the one hand, this ensured gross profit only fell by 13.3 per cent, a moderate decline compared to the large companies on the market. On the other, in the first quarter of 2010 sales have risen again by approximately 18 per cent. With lower costs and rising gross profit, Röhlig was able to achieve a very positive quarterly result.

One other reason why our company could successfully assert itself in the economic crisis was due to the partnerships of trust established over the years with our customers and service providers. They form a key building block in our company strategy. In early 2009, we therefore also took the crisis as a chance to further develop this strategy and prepare our new brand presence.

We are taking a cautiously optimistic view of 2010 as a whole. With the continuing dynamic economic development in Brazil, China and India as well as the growth forecast in the industrial countries, a continual rise in transport volumes is to be expected. In Germany, we are already noticing an increase in demand for freight space for capital goods. Along with the upward movement in the prices of steel and raw materials, this is a further indicator of a global economic recovery.

We have continued to drive forward the development of our organisation: In 2009, measures to reduce costs and increase gross profit were introduced in Chile, Canada and the Netherlands to facilitate a sustainable return to profitability. In 2010, Belgium, France, Italy and India will be launching a new, operational software and adopting the SAP accounting system used by our headquarters in Bremen.

In personnel development, we have revamped our "Blue Arena" programme for managerial staff from all over the world. In future, in cooperation with the Jacobs University in Bremen, 12 selected staff members will take part in three training units for a period of 15 months in Bremen, Houston/USA and Chennai/India to prepare them for later managerial tasks. In this way, we are supporting the further extension of our worldwide network by training skilled young managers who have proved their expertise within the Group and who share set of our corporate values.

Providing the moderate global economic recovery continues and is not slowed by renewed financial or currency crises, our aim is to achieve the 2008 levels of gross profit and earnings by the end of 2010. The developments in the first quarter of 2010 have strengthened us in our belief that we can achieve this goal.

Bremen, 24 April 2010



Thomas W. Herwig

Executive Directors:  
Quentin Lacoste, Ian Hamon, Hans-Ludger Körner

## Consolidated balance sheet as of 31 December 2009

Röhlig &amp; Co. Holding GmbH &amp; Co. KG, Bremen

## ASSETS

	2009 Euro '000	Prev. year Euro '000
<b>A. Start-up business expansion expenses</b>	<b>0</b>	<b>6</b>
<b>B. Fixed assets</b>		
I. Intangible assets		
1. Goodwill	10	9
2. Software	47	39
	<b>57</b>	<b>48</b>
II. Tangible assets		
1. Land, leasehold rights and buildings	0	116
2. Technical equipment and machinery		
3. Other equipment, fixtures and fittings	4,299	3,024
4. Pre-payment on tangible assets	0	40
	<b>4,299</b>	<b>3,180</b>
III. Financial assets		
1. Shares in affiliated companies	157	343
2. Shares in associated companies	8,754	9,425
3. Participations	51	1,619
4. Loans to companies in which shareholdings are held	0	193
5. Other loans	31	38
	<b>8,993</b>	<b>11,618</b>
	<b>13,349</b>	<b>14,846</b>
<b>C. Current assets</b>		
I. Inventories		
Work in progress	2,250	1,351
	<b>2,250</b>	<b>1,351</b>
II. Receivables and other assets		
- with residual term of up to one year		
1. Trade receivables	59,906	60,556
2. Receivables from affiliated companies	4	223
3. Receivables from companies in which participations are held	2,580	3,055
4. Other assets	4,533	3,189
	<b>67,023</b>	<b>67,023</b>
III. Cash and due from banks	<b>3,994</b>	<b>2,118</b>
	<b>73,267</b>	<b>70,492</b>
<b>D. Prepayment (other)</b>	<b>903</b>	<b>930</b>
<b>E. Tax deferment</b>	<b>334</b>	<b>246</b>
<b>Total of assets</b>	<b>87,853</b>	<b>86,520</b>

## EQUITY AND LIABILITIES

	2009 Euro '000	Prev. year Euro '000
<b>A. Equity</b>		
I. Equity of limited partners	5,000	5,000
II. Retained earnings		
- other earnings	6,734	6,987
III. Difference of consolidated balance sheet equity cost of investment	-3,046	-1,624
IV. Exchange equalisation	-2,801	-5,031
V. Consolidated net earnings	6,586	6,867
VI. Other shareholders' equity	3,689	4,168
	<b>16,162</b>	<b>16,367</b>
<b>B. Silent partnerships</b>	<b>5,000</b>	<b>5,000</b>
<b>C. Provisions and accruals</b>		
1. Provisions for pensions and similar obligations	1,100	1,055
2. Tax accruals	325	597
3. Other provisions and accruals	7,464	11,002
	<b>8,889</b>	<b>12,654</b>
<b>D. Liabilities</b>		
1. Liabilities due to banks	11,457	8,270
2. Payments received on account	15	16
3. Trade payables	37,179	33,010
4. Payables to affiliated companies	179	200
5. Payables due to companies in which a participation is held	1,761	1,931
6. Payables due to shareholders	1,286	2,411
7. Payables due to third-party associates	589	781
8. Other liabilities	5,193	5,651
- thereof taxes: 729 Euro '000 (previous year: 1.096 Euro '000)		
- thereof social security: 1.211 Euro '000 (previous year: 922 Euro '000)		
	<b>57,659</b>	<b>52,270</b>
<b>E. Deferred income</b>	<b>143</b>	<b>229</b>
<b>Total of equity and liabilities</b>	<b>87,853</b>	<b>86,520</b>

## Consolidated income statement for the period from 1 January to 31 December 2009

Röhlig &amp; Co. Holding GmbH &amp; Co. KG, Bremen

	2009 Euro '000	Prev. year Euro '000
1. Sales		
a) Sales incl. customs duties and VAT	483,889	602,263
b) of which excise and import turnover taxes	-175,115	-198,377
	<b>308,774</b>	<b>403,886</b>
2. Reduction/increase of work in progress	628	-814
3. Cost of purchased services	241,887	325,222
<b>4. Gross profit</b>	<b>67,515</b>	<b>77,850</b>
5. Other operating income	3,492	2,773
6. Personnel expenses:		
a) Wages and salaries	38,844	40,821
b) Social security and pensions	7,371	7,380
- thereof pensions: 854 Euro '000 (prev. year: 909 Euro '000)		
	46,215	48,201
7. Depreciation and amortisation costs on intangible fixed assets and tangible assets as well as incurred expenditure on start-up and business expansion	903	866
8. Other operating expenses	22,921	23,982
	<b>968</b>	<b>7,574</b>
9. Income from shareholdings in associated companies	1,200	2,697
10. Income from participations	67	74
11. Income from loans of financial assets	4	52
12. Other interest and similar income	286	102
13. Depreciation on financial assets	77	0
14. Interest and similar expenditure	640	972
	<b>840</b>	<b>1,953</b>
<b>15. Net income from ordinary operations</b>	<b>1,808</b>	<b>9,527</b>
16. Taxes on income	1,028	3,038
17. Other taxes	115	64
	<b>1,143</b>	<b>3,102</b>
18. Partial profit transfer	600	418
<b>19. Consolidated net income</b>	<b>65</b>	<b>6,007</b>
20. Profit carried over from previous year	6,867	4,313
21. Profit due to other partnership interests	599	1,409
22. Distribution of profits to partnerships accounts	0	2,044
23. Offsetting against retained earnings	-253	0
<b>24. Consolidated net earnings</b>	<b>6,586</b>	<b>6,867</b>

## Cash flow statement for the period from 1st January to 31st December 2009

Röhlig &amp; Co. Holding GmbH &amp; Co. KG, Bremen

	2009 Euro '000	Prev. year Euro '000
1. Consolidated net income (including proportional earnings from minority shareholders)	65	6,007
2. Depreciation on assets	902	867
3. Adjustment of proportional assessed value of associated companies	-1,123	-2,697
4. Changes in pension provisions	40	55
5. Changes in other reserves	-4,429	-1,502
6. Miscellaneous non-cash item transactions	-76	20
7. Loss from disposal of fixed assets and the sale of consolidated companies	39	12
8. Changes in inventories, trade accounts receivable and other assets, not classified as investment or financing activities	4,083	6,679
9. Changes in trade accounts payable and other liabilities not classified as investment or financing activities	135	-1,581
<b>10. Cash flow from operating activities</b>	<b>-364</b>	<b>6,924</b>
11. Receipts from retirement of fixed assets	97	150
12. Payments for fixed asset investment	-1,821	-1,558
13. Payments for intangible fixed asset investment	-24	-22
14. Receipts from associated companies' dividends	2,865	391
15. Receipts from retirement of non-trading assets	882	456
16. Payments for investment in non-trading assets	-80	-1,818
17. Payments for consolidated companies and acquisition of minority shareholdings	-172	-126
<b>18. Cash flow from financing activities</b>	<b>1,747</b>	<b>-2,527</b>
19. Payments to shareholders and third party accounts	-1,317	-2,375
20. Payments to minority shareholders	-1,357	-854
21. Changes in financial liabilities	3,041	-2,888
22. Receipts from silent partnerships	0	2,700
<b>23. Cash flow from financing activities</b>	<b>367</b>	<b>-3,417</b>
<b>24. Change in capital funds</b>	<b>1,750</b>	<b>980</b>
25. Change in capital fund cash items	1,750	980
26. Exchange-related capital funds changes	113	-532
27. Consolidation-related capital funds changes	13	0
28. Capital funds at the start of the period	2,118	1,670
<b>29. Capital funds at the end of the period</b>	<b>3,994</b>	<b>2,118</b>

**The auditors have issued the following report on the completed consolidated accounts and the consolidated companies situation:**

“We have audited the consolidated accounts for Röhlig & Co. Holding GmbH & Co. KG, Bremen – comprising the balance sheet, profit and loss account, notes to the consolidated financial statements, consolidated equity schedule, sources and applications of funds – and the consolidated management report for the accounting year from 1 January to 31 December 2009. The preparation of the consolidated financial statements and the consolidated companies management report in accordance with German commercial regulations lie within the responsibility of the legal representative of the consolidated company. Our responsibility is to express an opinion on the consolidated financial statements and the consolidated companies management report on the basis of the audit we have carried out.

We conducted our audit of the consolidated financial statements pursuant to § 317 of the Commercial Code (HGB) and in compliance with the generally accepted German auditing standards adopted by the Institute of Public Auditors in Germany (IDW). Those standards require that an audit is planned and performed in such a way that misstatements and infringements of accounting principles that would materially affect the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable principles of proper accounting and in the consolidated companies management report can be detected with reasonable assurance. In determining the audit procedures, we took into account our knowledge of the business activities and the economic and legal environment of the consolidated companies and an assessment of possible misstatements. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the consolidated companies management report are examined primarily

on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those companies in the consolidated accounts, the scope of the consolidated companies, the accounting and consolidation principles applied and significant estimates made by the legal representative, as well as evaluating the overall presentation of the consolidated financial statements and the consolidated companies management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings obtained from the audit, the consolidated accounts accord with the legal requirements and provide in agreement with the principles of correct accounting procedures a picture of the actual state of the assets, finances and earnings of the consolidated companies. The consolidated balance sheet agrees with the consolidated management report and imparts in total an accurate picture of the consolidated companies' situation and appropriately represents the opportunities and risks of future development.”

Oldenburg, 30 April 2010

Treuhand Oldenburg GmbH  
Auditing Company



Schwecke  
Auditor



Schürmann  
Auditor

**Dear Sir or Madam,**

The past business year was marked by economic difficulties. As always, the Advisory Board for the Röhlig Group Holding supported the executive management through consultation and advice.

It proved possible for the North and South American subsidiaries to at least partially balance the decline in sales in Europe and Asia. In agreement with the employees of the Röhlig Group, restructuring and economy measures were also taken in good time to react to current developments and prepare for the future.

It is to be welcomed that a balanced overall result can be reported in the 2009 crisis year.

The Advisory Board held three meetings during the 2009 business year – on 17 March, 9 June and 27 October. On the basis of given information on the particular state of business trends and the expected development of the Group, the Advisory Board put forward proposals and made recommendations.

The accounts for the 2009 financial year were audited by Treuhand Oldenburg GmbH Accountancy Company and certified without qualification, confirming that the management report aptly reflects the RÖHLIG Group's economic and financial position. The Advisory Board accepts the result of this audit.

The Advisory Board thanks all employees and the executive management for their hard work in the 2009 crisis year, as well as their prudence, understanding and commitment.



The Röhlig Advisory Board (from left to right):  
Prof. Dr. Peer Witten, Dr. Hans-Edgar Schütte, Thomas Bagus, Dr. Andreas M. Odefe

Bremen, 25 May 2010

Dr. Hans-Edgar Schütte  
Chairman of the Advisory Board

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