

ONE NAME
ONE TEAM
ONE NETWORK

ANNUAL REPORT 2017



THANK YOU

I would like to express my great appreciation to all Röhlig employees for their enormous commitment during the past year. Every day, you contribute your knowledge, your experience and your personal strengths to make Röhlig even better and to bring even more satisfaction to our customers.

Many of you showed particular commitment in 2017 and worked hard to develop our independent Röhlig network. Within a very short time, you opened offices in Asia and the USA, helping to further establish the Röhlig brand in the world. This was an outstanding achievement.

My heartfelt thanks go to all of you and your families.

Philip W. Herwig

EDITORIAL

Independence and growth – these are key words that characterised the past year. And they will remain of vital importance to us in the future as well. After all, the changes that we set in train recently will yield all kinds of benefits in the years to come.

We decided to go for independence and, having separated from our former joint venture partner, we have now achieved this goal completely. Today, we are positioned in all relevant markets with our own, independent brand and as guarantors of our own promise of Röhlig quality. We are “One Name. One Team. One Network.” We are Röhlig. We support our customers worldwide, and work with them prudently in a spirit of partnership and mutual trust. Moreover, our work is as quick, as flexible and as responsive to individual needs as our customers expect.

In order to ensure proximity to our customers, we invested sustainably in the expansion of our structures in 2017. In China, we opened a total of six new offices in Shanghai, Ningbo, Qingdao, Beijing, Dalian and Tianjin. Further new offices were opened in Taiwan, Indonesia and Vietnam. In developing these new locations, we were helped by the fact that we can draw on uniform standards worldwide with regard to IT and our processes. As a result, having hired more than 100 employees for these offices, we were able to familiarise them with our processes within a very short time.

In the USA, where we handed over offices in the course of dissolving our joint venture, we are currently in the process of opening new Röhlig offices in Atlanta, Boston and Los Angeles.

Röhlig Logistics

- owner-operated
- independent
- in touch with local markets

With our 2,200 employees worldwide, we develop tailor-made solutions for our customers in the areas of air freight, sea freight, project logistics and contract logistics. We combine the professionalism of a large company with the values of a family business.

Key Performance Figures

Consolidated companies

in EUR m	2017	2016
Turnover	871.0	821.8
Gross profit	133.9	131.6
EBIT	2.2	5.4
Balance	158.1	140.5

Group

in EUR m	2017	2016
Turnover	1,293.8	1,255.0
Gross profit	162.0	159.4



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In the USA, where we handed over offices in the course of dissolving our joint venture, we are currently in the process of opening new Röhlig offices in Atlanta, Boston and Los Angeles.

Our company is economically stable, and we have considerable room for manoeuvre, which enables us to invest in further growth and digitisation projects in the future.

In spite of the restructuring of our network, our profits continued to improve in 2017: of course, not to the extent that would have been possible without these additional tasks, but still in such a way that we can be satisfied with our results in the financial year 2017. The fact that we succeeded in this is due to the enormous commitment of our 2,200 employees. Together, we were able to achieve the operational goals we had set for the year and, in doing so, keep our costs well within budget.

Most of the organisational and structural changes arising from Blue Future, our programme for growth, have now been implemented successfully. As a result, we are able to operate in all our markets in a way that is very efficient and customer-oriented.

I am proud and delighted that, from now on, we can make a pure promise of Röhlig service to all our customers and service providers. We are where our customers need us. And we will continue to support them in such a way that they will not want to be without us in future either.

Philip W. Herwig
Managing Partner

CONTENT

- 01 Editorial
- 02 **One Name. One Team. One Network.**
- 10 **Business development 2017**
- 10 Overall development
- 11 Earnings, financial position and net assets
- 13 Developments in the divisions and regions
- 16 Outlook
- 18 **Ö-Day 2017**
- 20 **Annual financial statement (excerpts)**
- 21 Consolidated profit and loss statement
- 22 Consolidated balance sheet
- 24 **Boards**
- 26 **Contact**



OLE SANDER



MARIA MEDINA



NDESHI VATILIFA

ONE NAME. ONE TEAM. ONE NETWORK.

Speed, teamwork, commitment and foresight - by working with us, our customers have a reliable partner by their side who adds value to their business.

Our 2,200 employees worldwide are our strongest asset. Their aim is to attend our customers' needs, on both global and local base, in the best possible way. To this end, they apply all their experience, their knowledge and their individual strengths. Representing the diversity of personalities united by Röhlig, we would like to present three of them to you in this annual report.

MARIA MEDINA
Import Sea and Air Supervisor
New York

NDESHI VATILIFA
Global Key Accounts Program Manager
Hamburg

OLE SANDER
Managing Director - Greater China
Hong Kong





OLE SANDER

"In 2017, we were once tasked to move and consolidate 10,000 cbm from 25 factories in China to over 60 countries worldwide. In 6 weeks. Any sane person would have said we cannot, but together with our customer we pulled it off and we pulled it off literally through blood, sweat and tears, sheer teamwork and hard work. Managed by our key account team, it is a testament to the fact that we are accountable till the last pod has been delivered and the last payment received."



"Any sane person would have said we cannot, but together with our customer we pulled it off..."



COPENHAGEN
Denmark



OLE SANDER, 47
Managing Director – Greater China

I grew up in Denmark, a tiny country where you learn from a very young age to adapt and be agile, a trait that has helped a lot over the years living in many different areas of the world and working with different people and cultures.

Indonesia was my first overseas posting and it was one of my proudest moments when I left Denmark in January 1997 to embark on my new life as an expatriate. Later on, I had the chance to work for a global logistics company in the USA, where I learned what hard work is all about, transparency, just get the job done and what you can accomplish with a strong company culture. I came to Hong Kong for the first time in 1995 and I was so fascinated by the city, I just HAD to work there. No regrets it took me 12 years to get here as I learned a lot on the way before I finally landed in Hong Kong in 2007.

CREATE VALUE – EVERY DAY
In my day-to-day work, it is all about creating value for our customers. To know you contribute, to know you make a difference to a customer, to your employees and to Röhlig. To balance these in making sure you have a strong company culture. To challenge yourself and your team to always do better and never settle.

The worst feeling is if you go home one day and question any of above. Then you have not done your job.

2017 was a year that required me to use everything I had been taught over the years. **All projects were done with a team and based on incredible hard work, leadership, team support and trust in the ability we could get it done.**

JUST TO MENTION TWO HIGHLIGHTS:

Opening Röhlig Greater China:
In only six months we set up two companies from scratch in two countries, opened six new offices, hired and trained over 100 employees and best of all – we did not lose one customer.

I am very, very proud of the team we put together, as well as humbled and honored they trusted us enough to join at a time when we had no infrastructure, offices or a place to work except a plan and a strategy.

Sirius.VM:
In 2017 we signed the first contract for Sirius.VM, our new vendor management system. This is a system that will create amazing value for our customers and I cannot wait to see this system being rolled out further in the years to come.



MARIA MEDINA

“Our main customer benefit is our accessibility. Being able to call and speak to a person rather than answering a device. We are very flexible, versatile, determined, and work as one global team. This ensures our customers that we are able to get the jobs done.”



aria Medina

GETTING THE JOB DONE

I am Import Sea and Air Supervisor. My special duty is to inform the customer timely of the rapid changes and obstacles that we face within the industry that could potentially affect their business. What is important to me is the outcome. I get enormous pleasure from the feedback of the customer when the cargo get to be delivered where it needs to go. It gives me satisfaction to ensure the proper steps are taken to prevent delays and get the job done.

In 2017, we once had a project delivered at Times Square in New York City at midnight during a big festival. When we manage and handle delicate projects that require exact precision, working cohesively with our customers makes it much easier to achieve success.

EXCITING! CHALLENGING! ENGAGING!

Working with the customers is a great feeling, and it gives me a great sense of pleasure and responsibility they have chosen Röhlig as their partner to handle their freight and manage their business.

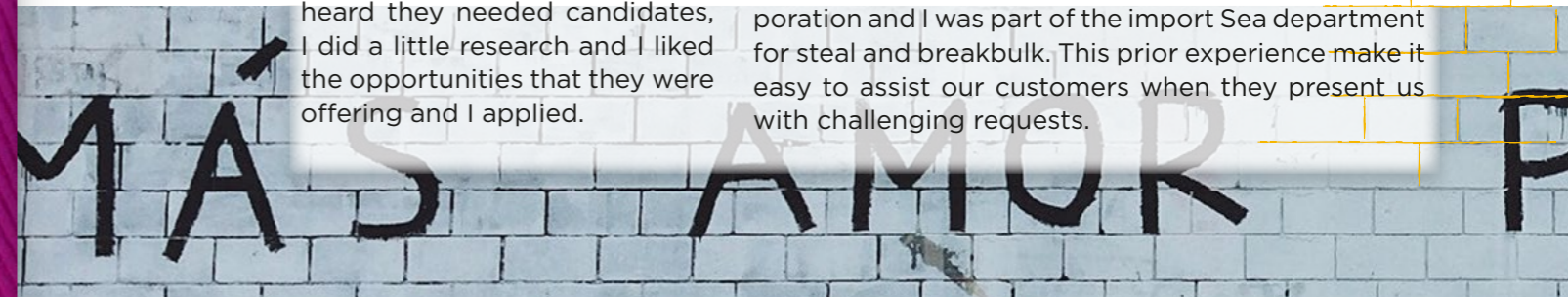
Having worked on many areas in the Logistics fields has given me a broader knowledge that I can utilize and apply on my daily work. When I moved to the USA, I worked as a purchasing agent placing orders for a manufacturer. At later time I joined a larger corporation and I was part of the import Sea department for steal and breakbulk. This prior experience make it easy to assist our customers when they present us with challenging requests.

MARIA MEDINA, 48

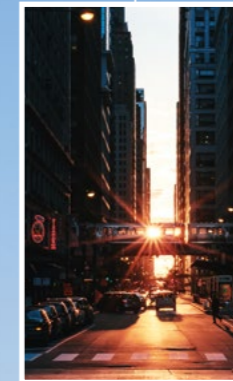
**Import Sea and Air Supervisor
Röhlig USA**

The countries and regions that have been part of my life’s journey have been Mexico, the USA and some parts of South America.

Living in Mexico with the USA and South American countries as neighbors gave me the opportunity to learn about the different cultures. Living in the USA and working at Röhlig help me to serve the customers of those countries with assertiveness and confidence. Sometime after I moved to the USA, I used to be a vendor that worked with Röhlig and often had contact with the Sea Freight Department. When I heard they needed candidates, I did a little research and I liked the opportunities that they were offering and I applied.



NDESHI VATILIFA



NDESHI VATILIFA, 31

**Global Key Accounts Program Manager
Röhlig Logistics**

I was born and bred in Namibia, a country with 2.5 million people and at least eleven dominant ethnic groups each with its own unique culture, heritage, traditions and beliefs, yet bound together by essential human virtues, compassion and humanity. My ethos and values are largely influenced by my Namibian upbringing.

I also lived and worked in the United States for nearly two years and it was fascinating to realize how the world is connected, and how we all need one another in order for us to realize the change we so yearn.

Likewise, living and working in Germany has given me an unparalleled opportunity to immerse myself with the European way of life. In my journey thus far I have met many great people and have learnt to go through life with an open mind. Each person and each place has a story. You never know what you will learn next.

MY UN EXPERIENCE

Prior to joining Röhlig I worked for the United Nations for two years. During this time I worked on multiple projects relating to advocating for accelerated, comprehensive and coordinated global action on healthcare, inequality and development. Working at the UN was stimulating as it gave me an opportunity to work with international teams both from the public and private sector on issues of genuine global importance. Serving others and making a difference has always been a great part of me and is at the center of my core being.

A HAPPY TEAM LEADS TO...

In my daily work, keeping my team happy and motivated is crucial to me, as nothing beats a vibrant and positive working environment. This also creates and cultivates trust and builds sustainable transformational focus. There is a correlation between a happy team and positive results, which leads to greater customer satisfaction.

... SATISFIED CUSTOMERS

As a GKAM Manager, I engage with our global key accounts on a regular basis both on a global and regional level. Emphasis is mainly on listening to their needs, understanding their global supply chains and operations processes as well as identifying gaps and devising solutions unique to their requirements.

Each customer is different and it is always an adventure to work with each and every one of them. It's amazing how much new information I gain from each project, but it's even better to challenge myself with designing solutions for business that have been in existence for a long time and trying to influence change.

**"... AND HAVE LEARNT TO GO
THROUGH LIFE WITH AN OPEN MIND."**

NDESHI VATILIFA

"At Röhlig we work on multiple and challenging but exciting projects with different teams across the globe – all with one goal of delivering the best possible service to our customer.

It brings me the greatest satisfaction to know that I have made my customer's life easier by doing what I do."

BUSINESS DEVELOPMENT 2017

Overall development

Market environment: continuing tight competition in a positive overall environment

At the beginning of 2017, we were looking at the year ahead with a lot of scepticism and concern. Our estimates were influenced by political uncertainties in several regions of the world. From today's perspective, we would have to say that our assumptions were too sceptical. In 2017, the growth of the global economy accelerated markedly to 3.8 per cent – the highest increase since 2011. Moreover, in comparison to the previous year, the economy grew in Germany (+2.3 per cent) and the eurozone (+2.4 per cent). These growth figures meant that particularly the economy in Germany was reaching the limits of its capacity. And yet, despite this fact, the logistics sector continued to be characterised by volatility in 2017.

The currency markets were also affected by fluctuations, whereby the euro, when viewed over the whole year, grew in strength. Positive economic figures for the eurozone and receding hopes of fresh impetus in economic policy in the USA caused the euro to rise by 14 per cent against the US dollar. As of the reporting date, the exchange rate was EUR/USD 1.1993. In 2017, the euro finished the year with an increase in value against the South African rand of 2.4 per cent, having experienced much greater increases during the year. Overall, these changes in the currency exchange rates have a noticeably negative impact on our earnings.

Key developments: the year of independence

The financial year 2017 was characterised by two topics. On the one hand, we were able to successfully complete the separation from our former joint venture partner. On the other hand, we successfully implemented the organisational and structural changes arising from Blue Future, our growth and restructuring programme. This

means that everything is now set for sustainable and profitable growth in 2018.

In separating from our former partner, we decided in favour of independence. As a result, we will be present in all markets with our own brand and our own guarantee of quality in the future. As part of this process of separation, we opened new Röhlig offices in China, Taiwan, Vietnam and the USA. In China, we opened a total of six new offices in Shanghai, Ningbo, Qingdao, Beijing, Dalian and Tianjin. There were also further new offices in Indonesia and Vietnam. Indeed, we were able to integrate all these new offices into Röhlig's global processes smoothly and within a very short space of time.

In terms of personnel, this expansion in our network of offices meant that we hired and trained more than 100 qualified employees during the reporting year. To ensure that our customers continued to feel well supported during this transition phase, we informed them in good time about these changes. The transfer of customer care to the employees who were responsible for these regions in the new offices was carried out in person and with proper consideration for the individual situation of the customer.

In 2017, we were able to push ahead successfully with the changes in our global structures that we had embarked upon in previous years. The investments in Blue Future, our growth and restructuring programme, and in our IT processes were in line with the sums we had budgeted for. With the help of our new structure, we are now in a position to provide our services worldwide with our own employees, our own IT and with standardised processes.

The measures we took concerning our structure and processes had a positive influence on our business in 2017, and it was possible to further improve productivity. Moreover, the Global

Tender Team succeeded in developing new business significantly by acquiring major customers.

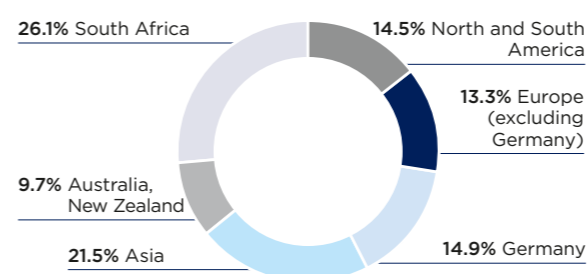
Employees: the number remains steady

With the help of an efficiency programme which we initiated within the company, we were able to keep the number of employees more or less steady in comparison to the previous year. As of the reporting date, there were 1,625 employees in the consolidated companies. Moreover, the number of employees in the group, i.e. including our subsidiary in South Africa, remained almost unchanged at 2,200.

Number of employees

	2017
North and South America	318
Europe (excluding Germany)	293
Germany	328
Asia	473
Australia, New Zealand	213
South Africa	575
Total	2,200

Employees by region



It is particularly important to highlight the fact that these numbers remained stable because in the financial year 2017 we not only hired 100 new employees but also dealt with 4.6 per cent more orders.

At a regional level, the change in employee numbers was as stated below: Through the opening of new offices in Shanghai, Ningbo, Qingdao, Beijing, Dalian and Tianjin, we doubled the number of our employees with Röhlig China. We also hired additional employees with the opening of offices in Taiwan, Indonesia and Vietnam. At the same time, we reduced the number of our employees in the USA in the short term because we transferred three offices to our former joint venture partner there.

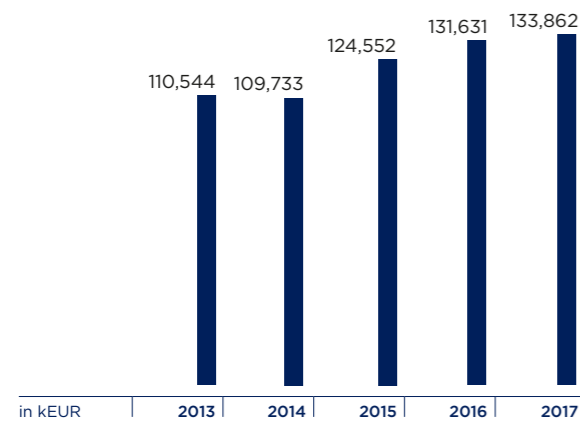
In our human resources management, we focussed on quickly familiarising our newly acquired employees with our systems and processes. This was made considerably easier because of the globally applicable processes that we established as part of our Blue Future programme. A helpful tool in this induction process was a modern e-learning programme, which can be used by all of our employees at any time.

Earnings, financial position and net assets

Earnings situation: further increase in gross profit

We were able to increase consolidated turnover in comparison to the previous year by 6.0 per cent to EUR 871 million. Despite an increase in pressure on prices and the transfer of business to our former joint venture partner, our gross profit increased by 1.7 per cent to 133.9 million. If we remove the special effect created by the transfer of business, gross profit rose in line with turnover by approximately 6 per cent. Including our South African subsidiary Röhlig-Grindrod, the turnover of the group rose by 5.6 per cent to EUR 1,293.8 and the gross profit of the group by 1.6 per cent to EUR 162.0 million.

Consolidated gross profit



The development of new offices put particular pressure on our cost structure. We responded to this challenge with an internal efficiency programme and succeeded in keeping overall costs below budget. Nevertheless, our EBIT for the year under review was only EUR 2.2 million compared with EUR 5.4 million in the previous year.

Despite this weaker figure in our profit and loss account, we are very satisfied with the overall development of the company in the reporting year. After all, in spite of the need to restructure our network last year and the challenges associated with this, we were able to achieve a further marked increase in “adjusted” gross profit. On this operational basis, we expect to see a very dynamic development in the current financial year.

Whilst increasing the number of our employees in Asia, we transferred three offices in the USA to our former joint venture partner as part of the separation process. Following this transfer of business, however, we began to hire new employees of our own in the USA. There were also overlaps, as is usual in such cases, in terms of personnel and office rents. Furthermore, we invested in rebranding and corresponding marketing measures in order to keep our customers

well informed during the process of change. Initially, this led to considerable extra costs because gross profit can only be generated after a business has gone into operation. Consequently, these costs had a negative impact on the net income of the group.

We had anticipated this special expenditure when planning for the year under review and, in response, had launched a cost-saving programme. The programme involved analysing the operational productivity and profitability of individual countries and regions, and identifying and realising possible savings. In the course of this programme, we were able to achieve a reduction in costs of EUR 5.2 million in the reporting year.

Financial position and net assets: stability ensured

The balance sheet total of the consolidated companies rose by 12.6 per cent to EUR 158 million in comparison to the previous year. Fixed assets rose by 6.0 per cent to EUR 18.7 million whilst, in view of a significant increase in inventories, current assets rose by 15.0 per cent to EUR 137.4 million.

The equity ratio, including the silent partnership, fell slightly by 1.1 percentage points to 18.1 per cent. In order to increase stability and to secure our long-term growth targets, we have decided to increase the existing silent partnership in the amount of EUR 1.3 million by EUR 8.7 million to EUR 10 million. Our long-standing financing partner Nordholding in Hanover will continue to play a key role in supporting our long-term development.

In addition, we decided to change our existing financing to a syndicated loan in the reporting year. Under the joint leadership of Deutsche Bank and Commerzbank, we were able to develop and implement a very effective financing partner structure.

In the course of managing our liquidity, we regularly monitor the key figures Days Sales Outstanding (DSO) and Days Payable Outstanding (DPO). We use big data analyses to discover more potential for optimisation. Following these analyses, we develop individual action plans in collaboration with our countries, aiming at making sustainable improvements to our working capital management. We are focusing on our large subsidiaries in Germany, the USA, the UK, France, Australia and New Zealand.

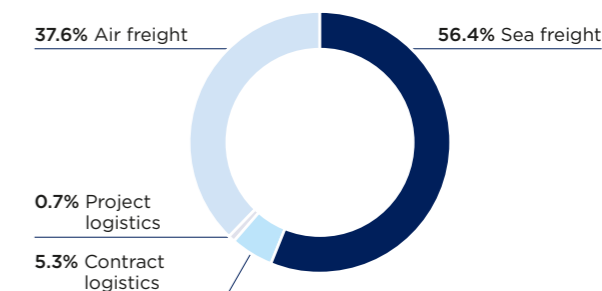
Developments in the divisions and regions

A broad upwards trend but an expected slump in the USA

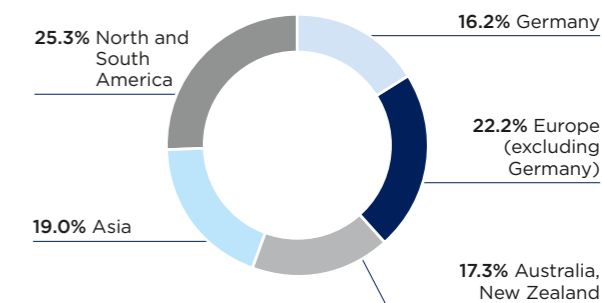
Irrespective of the general trading conditions in 2017, which were in part difficult to assess, both our divisions and our regions basically continued to grow.

In contrast to the previous year, the air freight division, in particular, was able to increase its gross profit significantly. Moreover, the contract logistics unit achieved very significant growth. However, our sea freight division did not quite achieve previous year’s level. Already at a low level, the gross profit in project logistics contracted considerably.

Gross profit by division (consolidated companies)



Gross profit by region (consolidated companies)



On a regional level, Asia achieved very significant growth last year. Here, our consistent investment in expansion paid off extremely quickly. Our business in Australia and New Zealand also expanded noticeably. After the upwards trend of the year before, business in Germany decreased again slightly. As a result of restructuring, business in North America contracted. However, we are assuming that we will be able to recover the market share we have lost in the near future.

Divisions

Sea freight

in kEUR	2017	2016	Change in %
Gross profit	75,569	76,519	-1.2%

Following a few difficult years, the situation on the global sea freight market changed significantly during the reporting year. After a poor first half-year, demand for sea freight picked up considerably in August – a development that led to a corresponding rise in cargo rates. Over the entire year, global sea freight business grew by approximately 4 per cent. Overall, however, the market remained volatile, a fact that was reflected in the continued formation of shipping alliances and mergers.

Against this background, the container volume transported by Röhlig grew by 11 per cent, with all key trade lanes contributing to this growth. In addition to our FCL business, our LCL business also recorded rising volumes. Due to lower margins, the gross profit over the full year fell by 1.2 per cent. For the current year, there is a clear upward trend in our sea freight business.

Air freight

in kEUR	2017	2016	Change in %
Gross profit	50,277	47,837	5.1%

After a rather weak start to the year, the situation on the global air freight market improved significantly in the course of the reporting year. Demand rose strongly, particularly in the third quarter, and was able to maintain this level until the end of the year. In total, the air freight market grew by 9 per cent, whilst capacities grew by 3 to 4 per cent. This meant that there were bottlenecks at periods of high demand.

We were able to take advantage of this positive environment and increased our gross profit markedly by 5.1 per cent. This growth was also supported by our successful trade lane programme. On the routes from Germany to South Africa and from China to Germany, the cargo volume rose by up to 40 per cent compared to the previous year. In total, the volume of air freight transported by Röhlig in 2017 rose by 11.6 per cent. From September, growing capacity problems led to correspondingly rising cargo rates.

Contract logistics

in kEUR	2017	2016	Change in %
Gross profit	7,121	5,628	26.5%

Driven by expanding business with e-commerce providers like Amazon, Alibaba and other online retailers, the global market for contract logistics grew by 4.5 per cent in 2017. Speed of delivery is particularly important in this sector. As part of our network strategy, we continued to gear our contract logistics division to this requirement in 2017 and, as planned, we created additional storage capacities in South Africa and New Zealand, among others. We are currently expanding our capacities in China as well. As a result, we now have a very strong storage network with good global coverage.

Last year, these efforts at our various locations led to growth rates of up to 50 per cent. This was also reflected in a marked increase of 26.5 per cent in gross profit. In the coming years, we expect this decidedly positive trend to continue.

Project logistics

in kEUR	2017	2016	Change in %
Gross profit	895	1,647	-45.6%

After successful organisational changes, project logistics is now completely managed by our London site.

Overall, our project logistics business developed rather poorly last year. A contributing factor here was that some project business found itself carried over into the current year. Only in Germany were we able to record higher volumes last year. Accordingly, our gross profit fell by 45.6 per cent. We plan to be considerably more active in bidding processes in 2018.

Regions

Germany

in kEUR	2017	2016	Change in %
Gross profit	21,584	22,317	-3.3%

Our domestic restructuring work of the past few years continued to pay off in 2017, and we were able to further improve both productivity and profitability in Germany. We achieved a significant expansion in our transport business to China and South Africa by as much as 40 per cent, with air freight making a major contribution here. However, our sea freight business developed markedly weaker than in the previous year. After a strong increase in 2016, gross profit for Germany last year was slightly down on the previous year's figure by 3.3 per cent. Nevertheless, with our current locations, we are very well positioned in the German market, so we anticipate a positive development for 2018.

Europe

in kEUR	2017	2016	Change in %
Gross profit	29,687	28,910	2.7%

We were able to expand our business in Europe in comparison to the previous year. Gross profit was up on the figure for 2016 by 2.7 per cent. In particular, the developments in Spain, Denmark and Italy were positive compared to the previous year. With its good air freight business, Spain achieved a turnaround, whilst Italy benefitted from a sharp increase in volumes on the South Africa trade lane. Moreover, Denmark made use of a sales offensive to achieve good results. Business in the Netherlands and Belgium was at the level of the previous year. In France, margins came under pressure in what was a weaker economic environment. By contrast, we were able to acquire further customers in Great Britain. For the coming year, the outlook for our European business is positive.

North and South America

in kEUR	2017	2016	Change in %
Gross profit	33,898	37,327	-9.2%

As a result of achieving our complete independence, gross profit in North and South America fell significantly by 9.2 per cent. 2017 was a year of transition, particularly for North America. For example, joint venture locations were handed over as planned and, instead of these, two new offices of our own were opened in Los Angeles and Atlanta. The transition went according to plan, so we are expecting business to be at a normal level again in 2018. In the South American countries, business was stable and developed predominantly as planned.

Asia			
in kEUR	2017	2016	Change in %
Gross profit	25,553	21,467	19.0%

Following our investments in expansion in this region, business in Asia developed very successfully. Gross profit rose by 19.0 per cent in comparison to the previous year. In order to serve these markets more efficiently and with greater benefits for the customer, we have formed two clusters for Asia: a China cluster comprising China, Taiwan and Hong Kong, and a South-East Asia cluster comprising India, Thailand, Vietnam, Malaysia, Singapore and Indonesia. In this way, we can reduce the complexity of our regional organisation and secure the effective use of shared services within the consolidated companies. By opening offices in northern China, Taiwan, Vietnam and Indonesia, we strengthened our market presence in both clusters.

Australia/New Zealand

in kEUR	2017	2016	Change in %
Gross profit	23,140	21,610	7.1%

Business also developed very positively in Australia and New Zealand. Following the stagnation of the previous year, gross profit rose markedly by 7.1 per cent. In New Zealand, we moved our storage facilities to a location with much greater capacity for our contract logistics business. This new location provides us with enough capacity for growth in our business over the next five years. In Sydney too, we relocated our storage facility and significantly increased our capacity. We expect marked growth for Australia and New Zealand this year.

Africa			
in kEUR	2017	2016	Change in %
Gross profit	28,143	27,766	1.4%

In South Africa, Mozambique and Namibia, we developed our business via Röhlig-Grindrod, a company we have a 42.5 per cent share in. Due to its geographical situation, South Africa is an important strategic market for us. However, in 2017, net income in South Africa fell short of expectations - despite a slight increase in gross profit. Parallel to investing as planned in a new, state-of-the-art storage and office building in Johannesburg, we lost a major customer. This meant that the capacity in our new storage facility was initially not fully utilised. However, thanks to this expansion in storage capacity, we anticipate significant growth in the area of contract logistics during the coming years.

Outlook

Positive outlook for 2018

After making good progress in implementing Blue Future, our programme for growth, and having successfully established our independence, we can once again concentrate on achieving our growth targets in the current year.

In the early months of the year, business developed well, thus, we expect a significant improvement in net income for 2018. To the latter will contribute that the most important investment projects have already been carried out. We will conclude Blue Future, our programme for growth, in 2018 as planned. We also intend to achieve moderate growth in geographical terms.

Our confidence with regard to the development of our business is supported by positive general economic conditions. The economies in almost all major countries are growing, and this trend will

strengthen slightly during the current year. The fact that growth will not be more pronounced is due primarily to production capacities already being at or near their limit. For Germany, economic upswing is broadly based, and thus very robust. The tendency to self-reinforcement can be clearly seen. In the eurozone, economies have also picked up significantly. China will undoubtedly remain on its robust course of growth. In the USA, surveys of consumer and business confidence are in part at very high levels, which indicates an economic upswing.

A considerable level of uncertainty for our global business is being created by the ongoing trade disputes between the USA and the world.

A key focus in the current year will be our digitisation projects. One of these projects is the analysis of our customer and shipment data, which we started in the USA last year. This analysis helps us to identify and make use of potential for further business. In 2018, we will continue these analyses in further countries and derive from them corresponding measures to promote our business.

Another project is to examine options for automating our processes and services with the help of robotics. We want to be very targeted in the deployment of technology and to focus on points where it can enhance overall value for our customers in a "smart" way without calling into question our core brand values, which are characterised by direct dialogue, personal involvement and our focus on people. Irrespective of this, it is important to us that our customers, in making use of our services, can choose as far as possible between having analogue or digital access to us. With the service-oriented development of our online tools, they will have this choice in future - for example, when it comes to quotations or bookings.

Röhlig Real Time is already being used successfully. This track and trace tool, which we developed internally and which allows the status of a shipment to be monitored at any time and the entire process to be managed online, has been very well received by our customers. In 2018, we will further develop this tool with new features and will encourage more of our customers to make use of it.

In the area of digitisation we are also working on Sirius.VM, our vendor management system, with which our customers will be able to manage their entire supply chain effectively in future. Our first customers are already registered with the system, and system expansion will proceed quickly.

In parallel to concluding Blue Future, our programme for growth, we will develop our next strategic targets in the current year. This will ensure that we have a clear sense of direction for our further development in the years to come.

Bremen, 15 April 2018
Global Executive Board



RÖHLIG - YOUR COMPANY WITH THE Ö.

In order to honour our team, our network set-up, our worldwide Röhlig brand, for short: our Röhlig future, all Röhlig offices celebrated the worldwide Ö-Day on 29 June 2017.



ANNUAL FINANCIAL STATEMENT (EXCERPTS)

CONSOLIDATED PROFIT AND LOSS STATEMENT

Röhlig Logistics GmbH & Co. KG, 1 January to 31 December 2017

in kEUR	2017	2016	Change in %	Change in kEUR
1. Sales				
a) Sales incl. excise and import turnover taxes	871,031	821,837	5.99	49,194
b) of which excise and import turnover taxes	-261,843	-272,418	-3.88	10,575
	609,188	549,419	10.88	59,769
2. Decrease/increase of work in progress	10,511	1,941	441.52	8,570
3. Cost of purchased services	485,837	419,729	15.75	66,108
4. Gross profit	133,862	131,631	1.69	2,231
5. Other operating income	3,780	2,933	28.88	847
6. Personnel				
a) Wages and salaries	77,190	75,607	2.09	1,583
b) Social security and pensions	14,226	13,707	3.79	519
- of which pensions: kEUR 2,571 (previous year: kEUR 2,442)				
	91,416	89,314	2.35	2,102
7. Depreciation and amortisation on the intangible assets of fixed capital investments and property, plant and equipment	2,631	2,931	-10.24	-300
8. Other operating expenses	42,464	39,074	8.68	3,390
	1,131	3,245	-65.15	-2,114
9. Income from participations in associated companies	1,025	2,081	-50.74	-1,056
10. Income from participations	103	113	-8.85	-10
11. Income from loans of financial assets	0	0		0
12. Other interest and similar income	142	65	118.46	77
13. Depreciation of financial assets	14	0		14
14. Expenditure on assumption of losses from associated companies	0	0		0
15. Interest and similar expenditure	1,797	1,272	41.27	525
	-541	987	-154.81	-1,528
16. Net income from ordinary operations	590	4,232	-86.06	-3,642
17. Extraordinary expenditure	0	0	0	0
18. Taxes on income and revenue	2,497	3,176	-21.38	-679
- of which deferred taxes: kEUR 0 (previous year: kEUR 0)				
19. Other taxes	252	158	59.49	94
	2,749	3,334	-17.55	-585
20. Costs for partial profit transfer	271	345	-21.45	-74
21. Consolidated profit for the financial year	-2,430	553	-539.42	-2,983
- of which attributable to non-controlling interests	300	611		-311

CONSOLIDATED BALANCE SHEET

Röhlig Logistics GmbH & Co. KG, as of 31 December 2017

ASSETS

in kEUR	2017	2016	Change in %	Change in kEUR
A. Assets				
I. Intangible assets				
1. Goodwill	38	321	-88.16	-283
2. Software	1,335	1,076	24.07	259
3. Payments on account	0	682		-682
	1,373	2,079	-33.96	-706
II. Tangible assets				
- Real property and equivalent rights and buildings				
- Other equipment, fixtures and fittings	8,152	7,497	8.74	655
- Payments on account and plant under construction	0	86		-86
	8,152	7,583	7.50	569
III. Financial assets				
1. Shares in affiliated companies	77	102	-24.51	-25
2. Shares in associated companies	8,894	9,853	-9.73	-959
3. Equity participations	50	50	0	0
4. Loans to companies in which shareholdings are held	0	0	0	0
5. Investment securities	0	0	0	0
6. Other loans	193	266	-27.44	-73
	9,214	10,271	-10.29	-1,057
	18,739	19,933	-5.99	-1,194
B. Current assets				
I. Inventories				
Work in progress	19,680	10,215	92.66	9,465
	19,680	10,215	92.66	9,465
II. Receivables and other assets				
- With a residual term of up to one year				
1. Trade receivables	95,517	94,216	1.38	1,301
2. Receivables from affiliated companies	1	105	-99.05	-104
3. Receivables from companies in which equity participations are held	3,911	2,094	86.77	1,817
4. Other assets	10,569	8,997	17.47	1,572
	109,998	105,412	4.35	4,586
III. Cash at hand and cash at banks	7,714	3,808	102.57	3,906
	137,392	119,435	15.03	17,957
C. Accruals and deferrals				
Other	2,007	1,127	78.08	880
D. Deferred taxes	0	0	0	0
Total assets	158,138	140,495	12.56	17,643

EQUITY AND LIABILITIES

in kEUR	2017	2016	Change in %	Change in kEUR
A. Equity and liabilities				
I. Equity of limited partners	10,000	10,000	0	0
II. Consolidated reserves	12,988	15,609	-16.79	-2,621
III. Difference in equity due to currency conversion	-4,943	-3,632	36.10	-1,311
IV. Non-controlling interests	586	3,652	-83.95	-3,066
	18,631	25,629	-27.31	-6,998
B. Silent partnerships	10,000	1,300	669.23	8,700
C. Provisions and accruals				
1. Provisions for pensions and similar obligations	1,343	1,297	3.55	46
2. Tax accruals	510	430	18.60	80
3. Other provisions and accruals	40,822	38,921	4.88	1,901
	42,675	40,648	4.99	2,027
D. Liabilities				
1. Liabilities to banks	24,833	22,883	8.52	1,950
2. Advance payments on orders	60	72	-16.67	-12
3. Trade payables	52,801	38,104	38.57	14,697
4. Payables to affiliated companies	136	229	-40.61	-93
5. Payables to companies in which an equity participation is held	81	28	189.29	53
6. Payables to shareholders	1,243	1,866	-33.39	-623
7. Payables to third-party associates	1,643	1,672	-1.73	-29
8. Other liabilities	6,008	8,064	-25.50	-2,056
- of which taxes: kEUR 703 (previous year: kEUR 870)				
- of which social security: kEUR 1,386 (previous year: kEUR 1,369)				
	86,805	72,918	19.04	13,887
E. Deferred income	27	0	0	27
Total equity and liabilities	158,138	140,495	12.56	17,643

BOARDS

GLOBAL EXECUTIVE BOARD

Röhlig's executive board members are based not only in Europe but also in the dynamic regions of Asia, Africa and America. This means that Röhlig is even closer to its customers, can keep decision-making simple and can drive its development even more efficiently.



(from left to right)

Hans-Ludger Körner, Chief Financial Officer (Bremen/Germany)

Hylton Gray, CEO Air Freight, Sea Freight, Contract Logistics and Projects (Johannesburg/South Africa)

Ulrike Baum, Chief Human Resource Officer (Bremen/Germany)

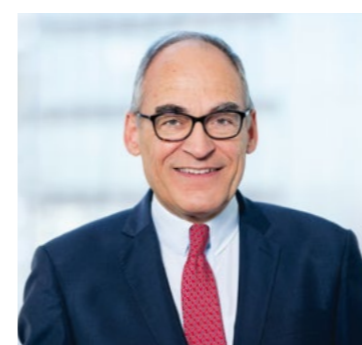
Jan Skovgaard, CEO Network & Agents (Hong Kong/China)

Philip W. Herwig, Managing Partner (Bremen/Germany)

Thomas R. Hansen, Chief Sales Officer (Miami/USA)

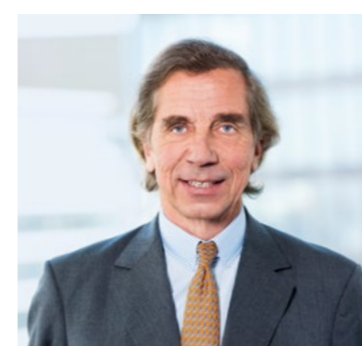
ADVISORY BOARD

With its broad range of skills and extensive experience of the industry, the Advisory Board supports the senior managers of the company in an advisory capacity.



“Medium-sized enterprises often use the opportunities presented by joint ventures and alliances to accelerate their growth or to access new markets. These co-operative ventures usually come to an end when the strategies of the parties involved are no longer aligned. Following a partial disengagement in 2013, the two partners have now terminated their long-standing cooperative venture. Nevertheless, Röhlig was able to increase its consolidated gross profit once again in 2017. This shows the ability of the management and the employees to react to challenges quickly and appropriately.”

Thomas W. Herwig,
Chairman of the Advisory Board



(from left to right)

Dr Andreas M. Odefey

Prof Dr Peer Witten

Dr Thomas Noth

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Imprint

Publisher: Röhlig Logistics GmbH & Co. KG

Project management: Annika Schütz, Marion Weiner, Röhlig Logistics GmbH & Co. KG

Concept: Marion Weiner, Röhlig Logistics GmbH & Co. KG

Consultancy and realisation: Berichtsmanufaktur GmbH, Hamburg

Photos: photograph of Philip W. Herwig > Thilo Müller Photodesign,
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**Please note**

The annual report is available in German and English. The German version is authoritative. You can find further information about the company on our website at www.rohlig.com

