



Half-Year Report
January - June 2004



Key figures January 1 - June 30, 2004

(in accordance with US GAAP)

in € '000	2004	2003 ¹	Change in %
Net sales			
Industry Solutions	301,031	286,737	5.0
Air & Ocean	142,120	127,250	11.7
Regional Logistics Services	415,754	392,820	5.8
Other	628	717	-12.4
Total	859,533	807,524	6.4
Segment results			
Industry Solutions	3,846	3,889	-1.1
Air & Ocean	2,182	(1,304)	N/A
Regional Logistics Services	11,644	6,345	83.5
Non-allocated results	(6,961)	(11,545)	39.7
Operating Income	10,711	(2,615)⁴	N/A
Net income (loss)	(365)	(103,860)	99.6
Earnings per share in €	0.00	(1.21)	N/A
Operating cash flow	23,212	15,737	47.5
Capital expenditures	(14,544)	(19,319)	24.7
Depreciation and amortization	20,305	21,460	-5.4
Share capital	139,344	107,187²	30.0
Total shareholders' equity	374,028	279,753²	33.7
Number of employees	9,248³	9,908³	-6.7

¹ Reclassification according to US GAAP SFAS 144 (discontinued operations)

² Comparison to December 31, 2003

³ Comparison to December 31, 2003 (discontinued operations not included)

⁴ Before restructuring and impairment

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Our new Company brochure and media information are available for download as a pdf file on our website www.thiel-logistik.com





Thiel Logistik CEO Dr. Klaus Eierhoff at the Management meeting in June 2004

Dear Shareholders

Our expectations have been met during the first six months of fiscal year 2004. Sales growth in both quarters resulting in total sales of EUR 859.5 million (prior year: EUR 807.5 million) as well as operating income of EUR 10.7 million (prior year: operating loss of EUR 2.6 million), both significantly exceeding last year's figures, demonstrate the success of our restructuring, new positioning and reinforced customer trust.

Strong swing in second quarter 2004 earnings

In the logistics business, the second quarter tends to be weaker than other quarters due to seasonal influences particularly in the area of Fashion & Lifestyle. The specialized business unit Fashion & Lifestyle is closely linked to consumption. As expected, this business unit was impacted by the seasonal dependence on consumer confidence in the second quarter, which led to a considerable earnings decline compared to the preceding quarter. Nevertheless, positive earnings were achieved compared to the previous year. In addition, earnings in the Automotive business unit and its lead company Microlog deteriorated. On the whole, the Industry Solutions business segment showed slightly negative results in the second quarter of 2004.

The fact that, nevertheless, significant improvements could be achieved in the Thiel Logistik Group is due in part to the rise in operating performance and partly the result of special items. Excluding the seasonal effects of Fashion & Lifestyle, the positive trend in gross margin continued to strengthen during the second quarter of 2004.

The first half of 2004 also showed gratifying growth for the extremely successful regional logistics services providers as a result of their outstanding market positioning.

Rising sales in air and sea transport activities ensured stable earnings for the Air & Ocean business segment.

The total increase in operating earnings of the Thiel Logistics Group over the first half of the previous year amounts to EUR 13.3 million. In the second quarter of 2004, positive net income was reported for the first time since the second quarter of 2002.

Special items impacted second quarter earnings

The organic sales rise from EUR 417.9 million in the previous year to EUR 427.6 million this year resulted in operating income of EUR 5.6 million as opposed to an operating loss of EUR 3.5 million in the same period of 2003.

In the case of Microlog, universally acknowledged difficulties in the automotive sector, an absence of new business as well as compensation and closure costs, have prevented the achievement of sales and earnings targets by a significant margin. Given the personnel changes in the Executive Board and a more sharply defined market penetration, however, conditions should now be in place to ensure that Microlog will achieve a balanced result for the year as a whole.

In the case of Südkraft, a provision for indemnification costs with respect to a departed manager also needed to be created. On the other hand, the positive effects in Südkraft's operating earnings arising from the sale of the public transport businesses in Ingolstadt and Munich should also be taken into account. The selling price, which exceeded the carrying value of the assets sold, resulted in a book profit of over EUR 3 million. Special items have thus been compensated for in the second quarter except for an amount of EUR 1 million.

New market - new clients

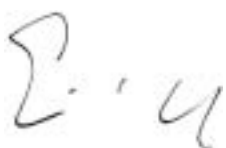
With over 50 locations in 13 countries in Central and Eastern Europe and a specific focus on EU accession countries, Thiel Logistics consistently developed one of the largest logistical networks in these countries over the past few years.

Birkart Globistics as lead company of the business segment Air & Ocean has been engaged in the Far East with 25 own sites for 30 years. Three new branches were opened in China alone during the first half of 2004. The high sales growth rates in this area are spurred by customized supply chain processes, offered as part of comprehensive individual customer solutions. Orders for value added services, however, also came from the Far East, such as from new customers in the area of Fashion & Lifestyle in textile packaging and labelling. The high degree of specialization in logistical services to the chemical industry has also resulted in increases for the Group from this market segment, which is becoming ever more substantial.

Outlook

The companies in the Thiel Group have focused on comprehensive logistics services. The mapping and seamless management of logistical processes is a central requirement and is met by customer and industry-specific IT and software solutions, materials management systems and service modules. The Thiel Logistik Group will continue to grow organically in sales, due in equal parts to new customers and the expansion of business with existing customers. In the third quarter, traditionally the strongest season, we anticipate again significantly improved figures over the previous year with respect to both sales and operating income.

Grevenmacher/Luxembourg August 2004



Dr. Klaus Eierhoff
CEO and Executive Member of the Board of Directors

PERFORMANCE OF THE THIEL SHARE

The price of the Thiel Logistik AG share showed an improvement of 25.0% from the first trading day of 2004 (January 2, 2004) until June 30, despite continuing turbulence in the capital markets. The MDax evidenced an increase of 14.36% during the same period.

Opening price on January 2, 2004	EUR 4.02
High	EUR 7.45 on Feb. 17, 2004
Low	EUR 3.98 on Jan. 7, 2004
Closing price on June 30, 2004	EUR 4.98

During this period, 40.18 million shares of Thiel Logistik AG were traded, representing a volume of EUR 234.57 million. The average trading volume per day was EUR 1.85 million, with an average of 316,238 shares traded a day.

Opening (MDax) on January 2, 2004	4,472.33 points
High	5,110.93 points on June 30, 2004
Low	4,469.23 points on Feb. 2, 2004
Closing (MDax) on June 30, 2004	5,110.93 points

Source: German stock exchange

At the end of the first half of the year, the Dax, at 4,058 points, was only slightly above the level at the beginning of the year (3,965 points). The EuroStoxx 50 also stagnated during this period, while the Dow Jones even suffered moderate losses. In July all key indicators continued to move downwards.

Source: Börse ARD

MDax (Performance-Index) – Thiel Logistik AG



- 1 March 01, 2004 Press Conference
- 2 March 11, 2004 Start trade of subscription rights
- 3 April 14, 2004 General Shareholders Meeting
- 4 May 13, 2004 Publication of Quarterly Report 2004

Thiel Logistik AG's Annual General Meeting

Thiel Logistik AG's Annual General Meeting took place in Luxembourg on April 14, 2004.

The individual and consolidated financial statements for the fiscal year ending December 31, 2003, as well as the management and audit (réviseur d'entreprises) reports, were approved.

The net loss of Thiel Logistik AG for the fiscal year ending December 31, 2003 of EUR 40,295,881 was carried forward.

The acts of management of the Board of Directors for the fiscal year ending December 31, 2003 were ratified nearly unanimously.

The audit firm Ernst & Young S.A. in L-2180 Luxembourg was appointed as independent auditor for fiscal year 2004.

Capital increase of Thiel Logistik AG

The capital increase, commenced on March 11, 2004, was concluded successfully on April 13, 2004. Share capital rose from EUR 107,187,487.50 to its current level of EUR 139,343,733.75. The number of shares now amounts to 111,474,987. As of June 30, 2004 the majority shareholder DELTON AG holds a share of 50.26% of Thiel Logistik AG capital even after the capital increase. Free float is 49.74%.

Analyst recommendations

The Thiel Logistik AG share is covered by 13 renowned institutes and analysts. As a result of the successful capital increase, the following analysts have changed their recommendations for the Thiel Logistik AG share:

Bank	Analyst	Previous recommendation		New recommendation	
Equinet	Jochen Rothenbacher	HOLD	March 18, 2004	BUY	April 13, 2004
Bankhaus Lampe	Christoph Schlienkamp	SELL	March 9, 2004	HOLD	April 28, 2004
LBBW	Achim Wittmann	SELL	March 3, 2004	HOLD	May 19, 2004
Deutsche Bank	Dr. Lars Slomka	HOLD	Feb. 23, 2004	BUY	June 7, 2004
M.M. Warburg	Nils Machemehl	HOLD	March 2004	BUY	June 17, 2004

All analyst recommendations are available from our website: [www.thiel-logistik.com/investor relations](http://www.thiel-logistik.com/investor%20relations)

It is the goal of our investor relations efforts to continue to expand coverage by analysts and to draw more attention to the Thiel Logistik AG share by conducting road shows at international stock exchanges.

Director's holdings

Dr. Klaus Eierhoff, member of the Board of Directors and the Executive Board, holds 15,000 Thiel Logistik shares. Mr. Stefan Delacher, member of the Executive Board, holds 8,000 options on Thiel Logistik shares. The remaining members of the Board of Directors and the Executive Board have neither shares nor options.

ECONOMIC DEVELOPMENTS

In the first half of 2004, the German economy experienced subdued growth following the economic upswing at the end of 2003. Experts expect a rise of 1.6% in real gross domestic product for the first half of 2004 as a whole compared to the first half of 2003. This means that Germany is still below the EU average growth rate estimated at 1.8%. Only the export-oriented industries and their subcontractors have benefited from the world-wide economic boom. Sweeping economic recovery is held back by weak domestic demand. According to estimates, real gross domestic product rose by 0.6% in the second quarter compared to the first quarter (source: DIW). Moreover, the ifo economic climate index, an early indicator of the German economic sentiment, sank again in May for the fourth time in a row (source: ifo Institute). An average growth rate of 1.5% is expected for the entire year 2004 in Germany, contrasted with 1.7% for the Euro zone (source: Association of German scientific research institutes). Despite continuing cost pressures, the logistics market showed indications of a positive climate on a seasonal basis.

In particular, the steady increase in crude oil prices and costs associated with the planned toll introduction have had negative effects on the business climate in the logistics industry. The sector is not anticipating an upswing in the second half of the year, but rather is assuming an unchanging business environment. The large logistics groups are expecting positive stimuli to arise particularly from the EU eastward expansion and burgeoning demand for logistics services in the growth market China (source: SCI-Logistikbarometer).

THE COMPANY AT A GLANCE

The new group structure consisting of three business segments was implemented at the conclusion of the restructuring process in fiscal year 2003, and related divestments have been completed. The focus now is on further consolidation and expansion of the business activities of the Thiel Logistik Group companies.

The results of the first half of the year indicate that Thiel Logistik is once again showing sustained positive sales and earnings performance:

- three quarters in a row of organic sales growth,
- the third quarter in a row showing positive EBIT
- first quarter returning to positive net income.

Sales rose from EUR 807.5 million to EUR 859.5 million. Moreover, the gross profit margin increased to 7.2 percent. As a result, the Thiel Logistik Group is reporting operating profits (EBIT) of EUR 10.7 million in the first half of 2004. The second quarter of 2004 is showing positive net income for the period for the first time since the second quarter of 2002.

New projects for more synergy within the Group

The Group has initiated a number of projects during the first half of 2004 that aim at improving cross-selling, collaboration and cost efficiencies in the Group. For instance, the joint use of infrastructures such as office and warehousing space enhances efficiencies in logistics processes.

The Group project for implementation of Customer Relationship Management (CRM) was expanded. This system, a central interface, helps to supplement the local logistics range with additional service offers, creating clear added value for the customer. In order to effect a sustained increase in profit margins, purchasing will continue to become more professional, by centralizing tendering activities for external services, thereby obtaining more favorable conditions. In the area of human resources, the introduction of a performance-related and more variable remuneration system will create higher performance incentives that will guarantee competitive compensation geared to individual performance. Furthermore, working capital management is to take a more professional approach in order to strengthen the power of the Group for self-financing by improving liquidity.

Divestments and successful capital increase

As part of Thiel Logistik divestment strategy, Südkraft, a business unit of the Group, sold its public transport businesses in Ingolstadt and Munich. The Ingolstadt portion, consisting of scheduled operation in Ingolstadt, as well as the Airport Express between Ingolstadt and the Munich airport, was acquired by the previous partner, the transport association of the City of Ingolstadt, with retroactive effect as of January 1, 2004, including transfer of real property in Ingolstadt. The Munich public transport business was also sold. The Group achieved a book profit of about EUR 3 million as a result of this sale. This essentially concludes the process of concentrating on the three business segments of "Industry Solutions", "Air & Ocean" and "Regional Logistics Services".

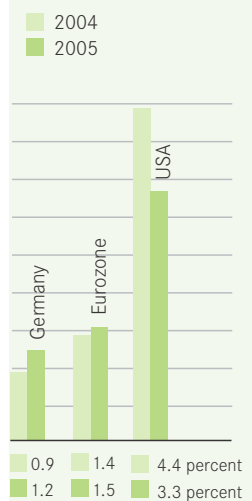
During the first half of the year, Thiel Logistik successfully conducted a capital increase from authorized capital with subscription rights in the amount of approx. EUR 100 million. The goal of the capital increase was to strengthen the equity base and settle short-term liabilities. The subscription period for the new non-par bearer shares extended from March 11 to April 13 (in accordance with Luxembourg law). Shareholders could acquire 3 new shares at a price of EUR 3.90 for every 10 old shares.

The rights issue, managed by Deutsche Bank, resulted in an increase in share capital from EUR 107.2 million to EUR 139.3 million. The number of shares rose by 25,724,997 to 111,474,987. As of June 30, 2004, the majority shareholder DELTON AG acquired new shares commensurate with its previous holdings and continues to hold a 50.26% share of Thiel Logistik AG capital after the capital increase. The free float is still 49.74 %.

Allocation of holding costs

In reviewing the presentation of segment results below, it should be taken into account that a portion of the holding costs has been allocated to the lead companies according to the input involved. As a result, segment results are impacted and comparability to the previous year is slightly affected.

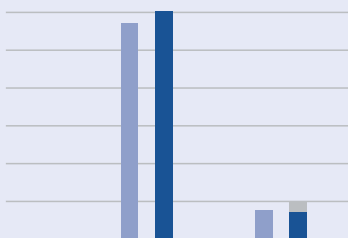
Growth forecasts GDP
(in percent)



Source: HVB Group Economic Research

Industry Solutions
(in € million)

	Sales	Result
2003	286.7	3.9
2004	301.0	3.8 / 5.0



INDUSTRY SOLUTIONS

The business segment Industry Solutions offers customers individualized logistics services optimally tailored to their needs. The four business units of Automotive, Fashion & Lifestyle, Media and Furniture are supplemented by the potential business unit Fresh-net. During the first half of 2004, Thiel Logistik achieved sales of EUR 301.0 million as well as segment results of EUR 3.8 million.

Thiel Automotive

The Automotive business unit with its lead company Microlog provides selected manufacturers and subcontractors from the automotive sector with logistical services for procurement, production and distribution processes. Thiel Automotive in particular supports supply chain integration between manufacturers and subcontractors by means of customized IT concepts and modern logistics solutions. This area of the Company achieved consolidated sales of EUR 105.9 million during the first six months of 2004.

The absence of economic stimuli in a still difficult market environment, as well as special items, impacted sales and earnings. Special items include provisions for compensation of departed Executive Board members. In order to achieve a stronger focus on operational activities, Microlog's Supervisory Board resolved changes to the Executive Board; in consequence Dr. Jürgen Harland and Henning Zurmühlen separated from the Company on June 30, 2004. Jörn Peter Struck was named as the new speaker of the Executive Board. The Annual General Meeting, furthermore, decided to expand the Supervisory Board from three to six members reflecting the requirements of the German Co-determination Act.

The divestment of the Qmark Group in the US was implemented at the end of the period under review. This step concludes the restructuring of the IT area, and the regional concentration of Thiel Automotive has made another significant stride forward. With respect to existing customers, in some cases the service spectrum was expanded to foreign sites as well. For example, in April of this year, the entire internal transport range for the Czech production site of a German customer was taken over. After a weak first half year, the Automotive division expects increasing demand for sophisticated logistics services due to rising cost pressures in the automotive sector. Management is therefore confident of reaching budgeted sales and earnings figures for the year on the whole.

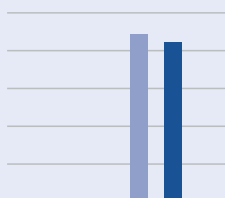
Thiel FashionLifestyle

The service spectrum of the Fashion & Lifestyle business unit extends over the complete logistics network, from collection at the manufacturer through air, land and sea transport to delivery at the point of sale. Full warehousing as well as a variety of value-added services complete the service range. Sales were held almost steady in a market environment that continues to be marked by sales declines.

In the first half of 2004, the sector achieved sales of EUR 106.5 million, compared to EUR 109.1 million in the previous year. After negative earnings in the first half of 2003, Thiel FashionLifestyle has moved into the black in the first half of 2004. Transport volumes of shelf goods in particular rose considerably. This had only a moderate impact on sales growth, however, since transport of shelf goods generates distinctly less compensation than that of hanging garments. Foreign business developed most satisfactorily,



Sales (in € million)	
2003	111.2
2004	105.9



particularly in Spain and the Czech Republic, where forecast sales were significantly exceeded. The opening of a branch office in Valencia contributed positively to business development in this area.

Moreover, the Industry Solutions Thiel FashionLifestyle won a large new customer in supply management from the clothing industry. The customer project that begun during the first quarter with the fashion group Charles Vögele should be highlighted especially. As 4PL or lead logistics provider (LLP), this business unit supports the Group in managing the entire logistics chain from quality control during manufacture through shipping, preparation and warehousing up to delivery to retailers' shelves. As part of this process, the entire value creation chain is subjected to painstaking review using specially developed software, in order to determine the best logistics service provider for individual links in the logistics chain and in order to optimize the complete flow of goods and data in the supply chain.

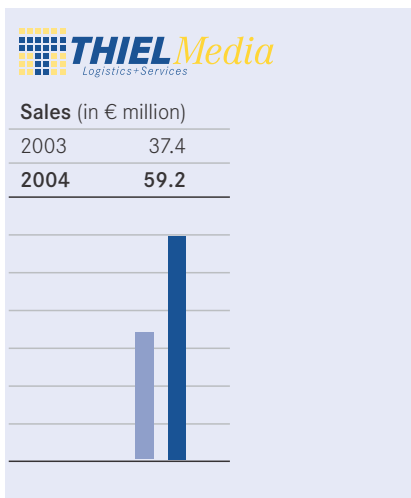
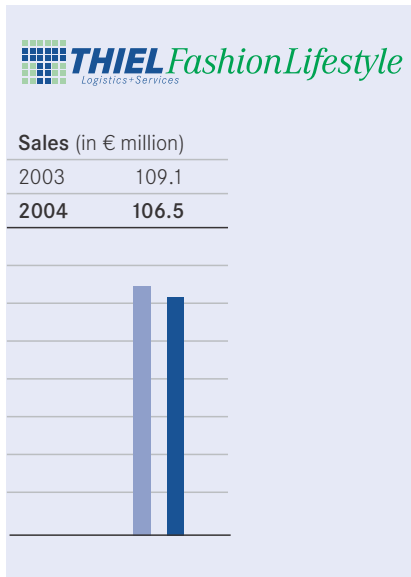
Dependence on economic influences and low warehousing levels with accompanying short order intervals would tend to signify an increase in sales in the upcoming quarter. Due to the usual season fluctuations in the textile industry, sales decreases are anticipated for the fourth quarter. Budgeted targets should, however, be achieved for the year as a whole.

Thiel Media

Thiel Media, market leader for press logistics in Germany, develops logistic solutions for timely delivery of press products to wholesalers, as well as for the transport of paper products from manufacturer to printer. The Thiel Media business unit generated sales of EUR 59.2 million during the first half of 2004. Comparisons to the same period in the previous year are only marginally possible as a result of the initial consolidation in the second quarter of 2003 and various special factors, such as the spin-off of Air & Sea Non-Press activities to the Air & Ocean segment as part of the restructuring process. In the course of this year, a moderate sales increase resulted in a disproportionately higher rise in earnings.

The lead company, Overbruck, was able to slightly improve sales on a comparative basis, despite the still difficult market environment for the press and media industry, with some publications registering shrinking circulation figures and low advertising volumes. Cost reduction measures initiated also helped to improve earnings compared to last year. The subsidiary, VerlagsService Eichberg, has been awarded a new contract for mailings (circulars and letters) by EP Europost, replacing the contract with Royal Mail which is approaching the end of its term. Under this contract, mailings are delivered by EP Europost, sorted into various delivery zones by Eichberg and transported to the recipients using the newspaper networks.

Since the beginning of May, Overbruck has taken over all air freight processes for the "Frankfurter Allgemeine Zeitung" and "Frankfurter Allgemeine Sonntagszeitung" and transports both papers to all key commercial and tourist centers around the world. Overbruck was awarded the contract by Medienservice GmbH & Co. KG, a joint venture between the Frankfurter Allgemeine Zeitung GmbH and F-Log AG (Fiege Group). At the beginning of the year, Overbruck Logistics successfully achieved certification



according to the new process-oriented ISO standard 9001:2000. This attests to high-quality process and customer-oriented work, encompassing sales, forecasting and performance of logistical services in the press logistics, air and sea freight sectors, as well as courier services. Budgeted targets for the first half-year were surpassed on the whole. Management believes that this positive business trend will continue.

Thiel Furniture

Thiel Furniture offers logistics services for the entire supply chain in the furniture industry as part of the global Thiel network. The furniture market was characterized by slow sales in the first half of 2004. Despite this difficult environment, the Thiel Furniture business unit, comprising six operating companies from Germany and Poland, was able to keep sales at EUR 24.8 million almost at the prior year's level of EUR 24.9 million. Sales increases in cross-border traffic, particularly with the Eastern European countries, as well as new acquisitions, have compensated sales declines in the German market. Special factors such as continuous rises in the cost of gasoline have impacted earnings. As part of sustainable corporate management, biological gasoline was used increasingly, as it is both ecologically friendly and distinctly more affordable.

This year, Thiel Furniture invested in a modern furniture distribution center in Vossheide in Northrhine-Westphalia, providing 22 loading and unloading ramps over a surface of 25,000 square meters. Optimally, furniture is only handled once, so as to lower both the risk of damage and the traditionally high complaint rates in the furniture industry. This decreases costs for all participants. The Polish site Ilawa, where Thiel Furniture organizes furniture logistics for several Polish importers from production to warehousing to final delivery, has demonstrated positive growth rates. This satisfactory business growth in Poland is being accommodated by a planned expansion of the logistics warehouse and fleet replenishment. In addition to expansion in Eastern European business, commercial activities in Asia have been extended and furniture has been imported from Malaysia for the first time.

In the first half of 2004, Thiel Furniture managed to attract well-known new customers, including Euro Diffusion, Kerkhoff International, Luxima and Black Red White. Economic recovery in the German furniture industry is not expected in the next few quarters. As a result, attracting new customers is a core focus. Thiel Furniture is confident that, particularly considering the strategic orientation towards Eastern Europe, budgeted targets will be achieved.

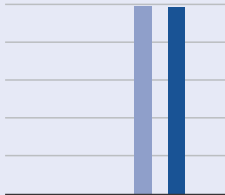
Thiel FreshNet

During the first half of 2004, logistics sales rose to EUR 4.7 million from EUR 4.1 million in the prior year period. Thiel FreshNet gained the new customer Häagen Dazs, and has been effecting deliveries to cafés in Germany, Austria and Switzerland since April 2004. Thiel FreshNet is geared to food and restaurant chains and has been confronted with a stagnating German restaurant market characterized by some serious losses in sales volume. Even the generally rising trend of eating out did not positively impact the market as a whole. Only a few restaurant chains, such as the major customer Burger King, posted growth, which benefited Thiel FreshNet.



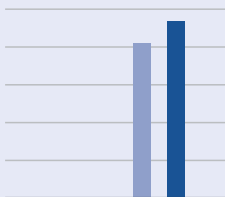
Sales (in € million)

2003	24.9
2004	24.8



Sales (in € million)

2003	4.1
2004	4.7



Continued Burger King expansion holds promise for future growth in distribution volume. Management expects that targets for 2004 and moderate positive earnings will be achieved.

AIR & OCEAN

The Air & Ocean segment, led by Birkart Globistics, is responsible for the air and sea transport activities of the Thiel Group and supports the business segments Industry Solutions and Regional Logistics Services.

The first six months of 2004 showed a rise in sales in the Air & Ocean segment to EUR 142.1 million from EUR 127.3 million in the prior year period. Earnings also improved and are well above budget.

Advancing globalization in goods flows is resulting in higher demand in the intercontinental air and sea freight business to the advantage of the Air & Ocean segment. For example, business in Asia rose at double-digit rates.

As part of its expansion into Asian territory, the lead company Birkart Globistics opened three new branch offices in China during the first half of 2004 – in Beijing, Nanjing and Xiamen – in order to establish direct connections to the capital and other key industrial centers. Furthermore the product "Fashion-X-Press", an intercontinental express service for textiles, was launched in cooperation with Lufthansa Cargo and with the participation of dks Deutsche Kleiderspedition. Initially, this fashion express service will connect Germany to the important target regions of Hong Kong, Singapore, Shanghai and Jakarta. Additional core markets in the fashion field will be added in the coming weeks and months.

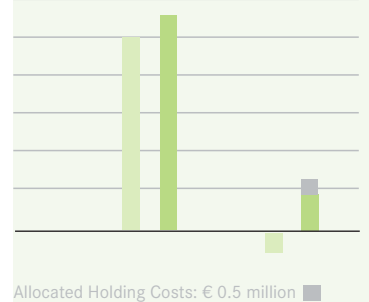
The Air & Ocean segment has exceeded targets for the period under review. In particular, business in Germany, Great Britain and Asia has developed favorably. This trend should continue, since commercial entities are seeking more affordable production opportunities due to significant price pressure and are likely to exploit further cost advantages afforded by international work distribution. This, in turn, will trigger a continued rise in air and sea freight.

REGIONAL LOGISTICS SERVICES

Local roots and firm customer loyalty cultivated in many cases over a number of years qualify Quehenberger, Südkraft and delacher as lead companies in the Regional Logistics Services segment. Their range extends from transport to contract logistics services with a focus on Central and Eastern Europe. The segment is profiting from a continued trend towards outsourcing of the logistics function. The Thiel Group recorded sales of EUR 415.8 million in this segment during the first half of 2004 along with segment earnings of EUR 11.6 million.

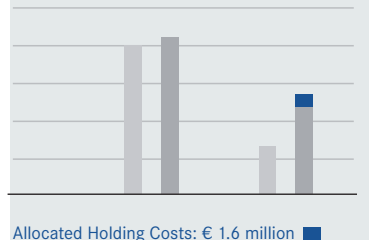
Air & Ocean
(in € million)

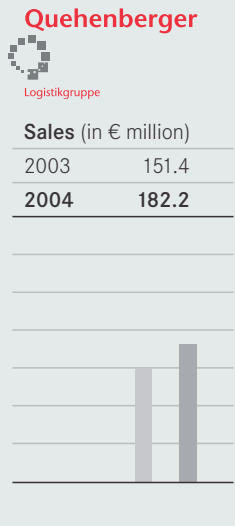
	Sales	Result
2003	127.3	-1.3
2004	142.1	2.2 / 2.7



Regional Logistics Services
(in € million)

	Sales	Result
2003	392.8	6.3
2004	415.8	11.6 / 13.2





Quehenberger

Quehenberger, one of the major logistics providers in Austria, offers comprehensive logistics services for outsourcing of high-tech products, consumer items and the chemical industry, and operates a comprehensive network in the Central and Eastern European countries. This segment demonstrated extremely positive business growth during the first half of 2004. Quehenberger sales rose to EUR 182.2 million in the first half of 2004 from a total of EUR 151.4 million in the first half of 2003. This means that the lead company for Austria and Eastern Europe is above sales and earnings figures not only compared to the previous year, but also compared to budget.

Sales growth has been stimulated by the expansion of existing business, the acquisition of new customers and the introduction of the truck toll in Austria. During the first half of 2004, Villeroy&Boch, Magna Steyr and SCA Hygiene Products contributed significantly to new business. In the context of eastwards EU expansion, Quehenberger extended its portfolio by appropriate logistics services in the new EU countries and opened a new warehouse in Prague, among other activities.

Twice a week, the Quehenberger subsidiary Logochem moves a full trainload of urea from Linz to Castellanza in Italy for the second largest producer of melamine in the world, AMI Agrolinz Melamine International GmbH, using a specially developed combination transport technique (Mobiler). The project was implemented in close cooperation with the Austrian railway (Rail Cargo Austria). During the third quarter, Logochem, which has functioned as Lead Logistic Provider for AMI since 2002, will take over full logistics services for the new AMI plant in Saxony-Anhalt.

Quehenberger is reaping the benefits of a sustained trend towards outsourcing in a variety of branches of business. Quehenberger assumed responsibility for warehousing of used tires and rims in a tire storage facility in Traiskirchen for one of the largest car dealers in Austria. The range of services in this case extends from traditional warehousing to value-added services. Quehenberger also offers its customers consulting services in addition to traditional logistics services. For instance, Quehenberger has assumed safety consulting services as prescribed by the authorities for the Spar Group's sports subsidiary, Hervis, throughout all of Austria's 74 branches. Quehenberger continues to count on moderate business growth for the second half of 2004, enabling the Group to reach its targets.



Südkraft

The Südkraft business unit offers transport logistics for all transport providers, including internal shipping, as well as services in the field of contract logistics and value-added services, and also coordinates activities in Germany and the Benelux countries. This segment managed to successfully assert itself in a difficult market environment during the first half of 2004 by expanding existing customer relations and attracting new customers. Südkraft achieved total sales of EUR 124.4 million in the first half of 2004 as compared to EUR 134.6 million in the prior year period.

The reduction in sales and the improvement in earnings are in large measure the result of the sale of the public transport businesses in Ingolstadt and Munich, including the associated travel agency. The spin-off of public transport businesses is thus complete as of June, 2004.

New business was a large contributor to sales. For instance, Südkraft took over intra-plant transport for five of BMW's Bavarian plants with annual sales of approx. EUR 13 million. Some 80 trucks are being used for over 300 routes a day. Südkraft received a commission from the company ZF Sachs in Schweinfurt to build and operate an empty container treatment installation. Construction work for the project began in May of 2004 with an investment of EUR 2.4 million. Services provided by Südkraft in the new treatment facility will encompass the complete provision of the Schweinfurt production site of ZF Sachs with loading materials. Südkraft's strategy project, started in the first quarter, will be finalized at the beginning of August 2004. Related measures include employee qualifications and IT investment. Despite a weak start to the year, sales and earnings projections have been reached in the interim. Management is optimistic regarding objectives for the second half of the year due in part to an anticipated recovery in the economy.

Delacher

The delacher business unit with its lead company of the same name is responsible for regional activities in Western Austria, Switzerland, France, Hungary, the Netherlands and the countries of Southeast Europe (Turkey, Greece). Its service portfolio includes special logistics solutions for steel, paper and chemicals. Moreover, in Switzerland, delacher offers a comprehensive supply chain with its company Früchtetrans for the transport of fruit and vegetables from the grower to the point of sale.

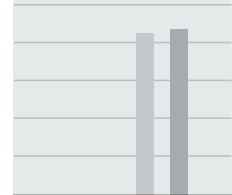
Despite the persistence of difficult economic circumstances, delacher has surpassed budgeted sales and earnings goals for the first half of 2004. Sales rose to EUR 109.2 million from EUR 106.8 million in the equivalent period of the previous year. During the period under review, this business unit was able to attract new customers, consolidate and expand existing customer relations and continue to extend its market-dominating position in a variety of segments. This applies in particular to Turkey, where the market position was strengthened despite the Turkish Lira depreciation. During the first half of the year, a significant expansion of business in the core areas of warehousing and distribution logistics took place in the new EU member countries, Czech Republic and Hungary, as well as in Southern Europe. Sales growth in the countries of Eastern and Southern Europe, as well as in temperature-controlled logistics transport in Switzerland, was especially pleasing. A new logistics site was opened in Saint Louis, France, in order to offer those in the territory adjoining the border better connections for goods flow to the new EU member states. Customs clearance – and associated sales proceeds – ceased as of the first of May, 2004, as a result of eastward EU expansion.

Better utilization of warehousing and logistics, as well as new business activities such as value-added services, compensated these sales losses to a great extent. In addition, savings and synergy potential was exploited, the value creation chain optimized and the range of services expanded as a result of improved intra-Group networking. One example of this is the joint use of infrastructures (office, warehouse) by the delacher and Quehenberger business units in Hungary. Delacher is confident of its ability to continue to achieve corporate objectives in the second half of 2004.

delacher+co LOGISTICS GROUP

Sales (in € million)

2003	106.8
2004	109.2



Employees

2003	9,908
2004	9,248



HUMAN RESOURCES

On June 30, 2004, the Thiel Logistik Group had 9,248 employees (excluding discontinued operations). Employee numbers decreased by 660 in the first half of the year compared to December 31, 2003. During the period under review, the number of full-time employees was reduced from 9,309 to 8,823 in the continuing operations. The reductions primarily result from the sale of the public transport businesses and a few activities of lesser significance that occurred as part of the restructuring process and the associated divestments.

Human resource management

The Thiel Group brings the demands of competition in line with the needs of employees by means of comprehensive and effective human resource management. Given the existing employee structure in the Group and the strategic objective of a sustained rise in profitability, human resource strategy currently focuses on professional performance management. Thiel Logistik has taken the first steps towards the development of an all-inclusive performance management system by introducing a Group-wide system of agreed objectives for all management levels and implementing a modern, performance-related system of remuneration.

During the first half of 2004, further steps were taken in the form of a draft approach to competence management and the implementation of an employee promotion program. These measures, and indeed the entire orientation of our human resource tasks, are founded on the full consciousness that we will be in a position to meet our challenges only if our employees are committed and motivated. It is due to their drive that the necessary changes will be implemented and they are therefore a key cornerstone of our Company's success.

OUTLOOK

The Thiel Logistik Group will continue to grow organically in terms of sales, sustained equally by new client business and the expansion of business for existing customers. We expect substantially higher figures in both sales and operating earnings in the third quarter, our strongest season.

Financial Position as of June 30, 2004

1. RESULTS OF OPERATIONS

Encouraging trend of operating results

The positive trend in business performance at Group level continued in the first half of 2004. Thiel Group increased its sales from EUR 807.5 million to EUR 859.5 million in the first six months of the year. The acquisition of new clients and expansion of existing client relationships led to organic growth of 2.3% in the first half of 2004. The initial consolidation of Overbruck was carried out in April 2003, and Overbruck has been included in the current fiscal year since January.

Thiel Group's gross margin is subject to seasonal fluctuations. The strong margins in the first and third quarters are in contrast to the weaker margins in the second and fourth quarters. The gross margin was raised from 6.6 percent to 7.2 percent year-on-year during the first half of 2004. There was also good progress on operating expenses, with a further reduction. Operating expenses were EUR 51.0 million in the first half of 2004 compared to EUR 56.2 million in the prior year period. Although special factors arose in the second quarter of 2004, general and administrative costs were held constant at EUR 43.6 million compared to EUR 43.4 million in the first half of 2003. Other operating income (expense) of EUR 8.8 million includes, among other items, the sale of non-current assets from the public transport businesses in Ingolstadt and Munich.

Thiel Group's business segments generated income of EUR 17.7 million (prior year period: EUR 8.9 million before restructuring costs and impairments), an advance of EUR 8.8 million year-on-year. After taking account of holding expenses of EUR 4.6 million and a charge of EUR 2.4 million for amortization of capitalized customer contracts, Group operating income totaled EUR 10.7 million. Negative operating income of EUR 53.4 million was reported in the first half of 2003. The restructuring of the Group was completed in the fourth quarter of 2003. Accordingly, no restructuring costs were incurred in the first half of 2004, whereas these costs came to EUR 13.4 million in the first half of 2003.

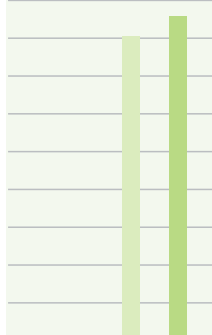
Significant improvement of financial result

The financial result improved from EUR -11.2 million in the first half of 2003 to EUR -7.8 million. This reflects the repayment of bank borrowings in the second quarter of 2004. The first half of 2003 was heavily affected by impairments of investments.

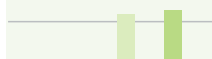
Positive trend for final settlement of discontinued operations

After a net tax result of EUR -1.2 million (prior year period: EUR 1.2 million) and the result from discontinued operations of EUR -0.4 million (prior year period: EUR -40.3 million), a positive result before minority interests of EUR 1.3 million (prior year period: EUR -103.7 million) was reported. The positive trend in the result from discontinued operations indicates that the Group's refocusing on its core businesses is complete, and the exit from those businesses that are to be shut down or sold off in the coming months should not mean any significant expenses being incurred in fiscal year 2004.

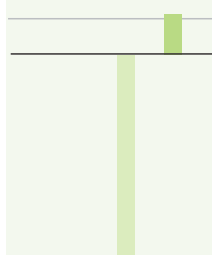
Sales (in € million)	
2003	807.5
2004	859.5



Gross margin (in percent)	
2003	6.6
2004	7.2



EBIT (in € million)	
2003	-53.4
2004	10.7

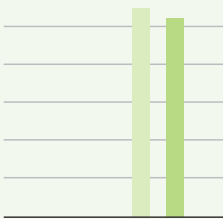


Assets

Property, plant and equipment, net

(in € million)

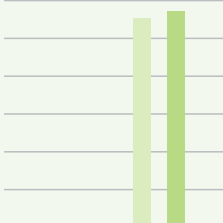
2003	277.7
2004	264.5



Goodwill

(in € million)

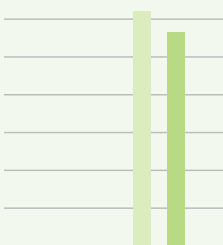
2003	288.1
2004	288.7



Intangible Assets

(in € million)

2003	31.4
2004	28.7



In the first half of 2004, Thiel Group recorded an almost balanced result, posting a net loss of EUR 0.4 million. Compared to the same period a year ago (net loss of EUR 103.9 million), this marks a clear turnaround in the amount of EUR 103.5 million. Viewed on a quarterly basis, net income of EUR 0.6 million was generated in the second quarter of 2004.

2. BALANCE SHEET

Compared with the reporting date of December 31, 2003, total assets fell by EUR 4.5 million to EUR 994.0 million from EUR 998.5 million in 2003. The capital increase in April 2004 had an extending impact on the balance sheet, while the repayment of borrowings and net proceeds from the divestment program had a contracting impact. The public transport businesses in Ingolstadt and Munich, BTL Group and the IT sector of Microlog Group were sold in the first half of 2004.

Assets changed through working capital management and divestments

At EUR 233.3 million, trade accounts receivable declined by EUR 5.2 million (2003: EUR 238.5 million). The Group's goal is to continue to exploit additional liquidity potential in working capital management in the coming periods. Prepaid expenses and other current assets include receivables in connection with the sale of the public transport businesses. This position increased from EUR 33.2 million to EUR 45.9 million as of June 30, 2004, a rise of EUR 12.7 million. The assets held for sale amounting to EUR 0.9 million (EUR 4.9 million in 2003) declined by EUR 4.0 million due to the sale of property by the lead company Quehenberger. Assets of discontinued businesses held for sale fell from EUR 26.3 million as of December 31, 2003 to EUR 7.6 million as of June 30, 2004. This reflects the sale of BTL Group, the IT sector of Microlog Group and payments received in connection with the sale of businesses.

In the first half of 2004, property, plant and equipment decreased from EUR 277.7 million to EUR 264.5 million. The sale of the Südkraft lead company's public transport assets led to a decline of about EUR 10 million in property, plant and equipment. At Group level, asset additions came to EUR 12.9 million, compared with asset disposals of EUR 13.5 million and depreciation of EUR 15.5 million. The most significant investment in the first half of 2004 was the new Vossheide location for Thiel Furniture.

Long-term deferred taxes include deferred taxes on the costs of the capital increase. Compared with the reporting date of December 31, 2003, long-term deferred taxes rose by EUR 2.9 million, from EUR 21.6 million to EUR 24.5 million.

Intangible assets fell by EUR 2.7 million in the first six months of 2004, from EUR 31.4 million to EUR 28.7 million. Asset additions came to EUR 2.3 million, as against amortization of EUR 4.8 million. There were no significant disposals of intangible assets in the first half of 2004. Other assets increased by EUR 2.2 million, from EUR 7.1 million as of December 31, 2003 to EUR 9.3 million as of June 30, 2004.

Repayment of borrowings

The repayment of short-term borrowings led to a substantial improvement in the ratio of short-term to long-term borrowings in the second quarter 2004. Short-term borrowings declined by EUR 58.0 million, from EUR 157.0 million as of December 31, 2003 to EUR 99.0 million as of June 30, 2004.

Trade accounts payable fell particularly in the lead companies Birkart and Overbruck. At Group level, trade accounts payable decreased by EUR 7.3 million, from EUR 155.9 million as of December 31, 2003 to EUR 148.6 million as of June 30, 2004. Thiel Group improved results resulted in a EUR 2.6 million increase in accrued income taxes, from EUR 12.0 million to EUR 14.6 million.

The positive sales performance in the first half of 2004 also led to a higher tax burden. This increase in accrued expenses, other liabilities and deferred income was offset by the repayment of a purchase price installment of EUR 10 million for Overbruck. Accrued expenses, other liabilities and deferred income declined to EUR 105.0 million in the first half of 2004, compared with EUR 111.0 million as of the reporting date of December 31, 2003.

The reduction of EUR 18.8 million in liabilities of discontinued businesses held for sale, from EUR 26.8 million to EUR 8.0 million, was primarily due to the sale of BTL Group and the IT sector of Microlog Group. Long-term debt decreased by EUR 9.4 million, from EUR 107.9 million to EUR 98.5 million, on account of loan repayments in line with agreements.

Improved equity to debt ratio on the liabilities side

The capital increase carried out in April 2004 led to a significant improvement in the ratio of equity to debt. Gross financial liabilities (borrowings and lease obligations) fell to EUR 249.7 million as of June 30, 2004, compared with EUR 318.5 million as of December 31, 2003. Less cash and cash equivalents and securities portfolios, net financial liabilities came to EUR 172.5 million (EUR 263.0 million as of December 31, 2003). Other non-current liabilities declined by EUR 2.4 million, from EUR 11.3 million to EUR 8.9 million in the first half of 2004. Minority interests rose by EUR 1.7 million, from EUR 2.2 million to EUR 3.9 million, due to result allocations and changes in shareholdings.

The issuing of 25,724,997 shares under the capital increase raised subscribed capital by EUR 32.1 million, from EUR 107.2 million as of December 31, 2003 to EUR 139.3 million. The costs of the capital increase and the related deferred taxes were charged against the increase in the additional paid-in capital. As a result of the capital increase, the additional paid-in capital was raised by EUR 64.4 million, from EUR 258.8 million to EUR 323.2 million. The overall effect of the capital increase of EUR 96.5 million increased the equity ratio to 37.6% as of June 30, 2004.

The net loss of EUR 0.4 million reduced retained earnings and other reserves from EUR -87.6 million to EUR -88.0 million. The sharp decline in accumulated other comprehensive income, which was down EUR 1.9 million, from EUR 1.4 million to EUR -0.5 million was due to the foreign currency effect from the divestment of BTL Group and the IT sector of Microlog Group.

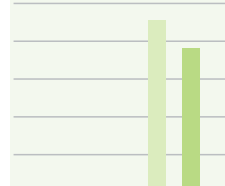
Liabilities

Current liabilities

(in € million)

2003	470.8
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2004	383.3
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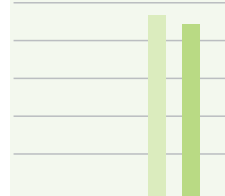


Non-current liabilities

(in € million)

2003	245.7
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2004	232.7
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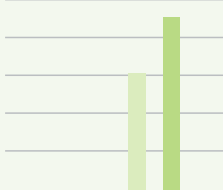
3. STATEMENTS OF CASH FLOWS

The cash flow statement shows the sources and uses of funds for the periods under review in 2003 and 2004 and is therefore of key significance in assessing the financial position of the Thiel Group. Cash funds reviewed in the cash flow statement are equivalent to the balance sheet item cash and cash equivalents. Net changes in cash from discontinued activities is represented as a separate line item in the cash flow statement.

Operating Cash Flow

Cash Inflow (in € million)

2003	15.7
2004	23.2



Cash flow from operating activities improved strongly in 2004

Net cash provided by operating activities in the first half of 2004 amounted to EUR 23.2 million (prior year period: EUR 15.7 million). Based on a loss for the period of EUR 0.4 million, the reconciliation of net cash provided by operating activities shows scheduled depreciation and amortization of EUR 20.3 million (EUR 21.5 million).

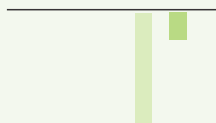
The first half of 2003 was strongly influenced by special factors. Impairment of long-lived assets of EUR 3.3 million, impairment of goodwill of EUR 34.1 million and impairment of other investments of EUR 4.5 million were recorded. In the first half of 2004, the non-cash items in connection with the disposal of non-current assets of EUR -5.4 million (prior year period: EUR -0.4 million) includes the disposal of non-current assets from the public transport businesses.

The change in deferred taxes which did not impact cash resulted in an adjustment of EUR -2.6 million (prior year period: EUR -5.8 million) as part of the reconciliation of net income to net cash provided by operating activities. The reconciliation position "Other, net", amounting to EUR 2.3 million, includes minority interests in current income (loss). During the same period in 2003, EUR 1.0 million was reported under line item "Other, net".

Investing activities

Cash Outflow (in € million)

2003	-72.3
2004	-18.3



In the first half of the year, the working capital management resulted in an operating cash effect of EUR 7.2 million (EUR 19.9 million for the first half of 2003). Changes in retirement and other employee-related obligations increased cash flow from operating activities by EUR 1.4 million (prior year period: EUR 1.3 million).

Selective use of investments

Net changes in cash used in investing activities amounted to EUR -18.3 million in the first half of 2004 (prior year period: EUR -72.3 million).

Thanks to profitability-oriented investment management, capital expenditures in the first six months of 2004 were reduced to EUR 14.5 million (prior year period: EUR 19.3 million). Capital additions in 2004 were EUR 12.9 million for property, plant and equipment and EUR 2.3 million for intangible assets. There were substantial investments in Thiel Furniture and the lead company Quehenberger.

Thiel Group's divestment program was largely completed in the first half of 2004. In the first half of 2004 proceeds from the disposal of non-current assets totaled EUR 5.5 million. This figure includes proceeds from the sale of property by the lead company Quehenberger. Proceeds from the sale of the public transport businesses will be reflected in the cash flow from investing activities in the second half of 2004.

Repayment of a purchase price installment due for Overbruck led to payments of EUR 10.0 million for the acquisition of subsidiaries (prior year period: EUR 69.6 million).

Capital increase and repayment of borrowings

Net changes in cash provided by financing activities amounted to EUR 22.3 million (prior year period: EUR 18.6 million).

The reduction in short-term borrowings of EUR 57.8 million as a result of repayments led to a substantial improvement in the ratio of short-term to long-term borrowings. In the first half of 2003 short-term borrowings for financing acquisitions increased by EUR 35.6 million. Repayments led to a decline of EUR 9.4 million in long-term borrowings (prior-year period: EUR 10.1 million). Debt arising from finance leases also declined by EUR 2.9 million (EUR 7.2 million) as a result of repayments.

The capital increase resulted in liquidity-related proceeds of EUR 94.9 million from the issue.

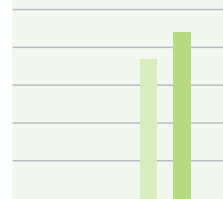
The line item net cash used in discontinued operations contains all those corporate divisions that were assessed as to be discontinued operations according to US GAAP criteria in the current reporting period. The proceeds from the sale of the corporate divisions during the first half of 2004 are also included in this line of the cash flow statement. Cash outflows from discontinued operations amounted to EUR 5.5 million in the first half of 2004 (prior year period: EUR 6.4 million).

As of June 30, 2004, Thiel Group reported total cash and cash equivalents of EUR 73.2 million (prior year period: EUR 65.6 million).

Financing activities

Cash Inflow (in Mio. €)

2003	18.6
2004	22.3



(€ in thousands except per share amounts)

	January 01 - June 30 2004	January 01 - June 30 2003	April 01 - June 30 2004	April 01 - June 30 2003
Net sales	859,533	807,524	427,642	417,904
Cost of sales	(797,837)	(753,978)	(398,488)	(390,461)
Gross margin	61,696	53,546	29,154	27,443
Operating expenses				
Selling costs	(16,155)	(15,929)	(8,259)	(8,516)
General and administrative costs	(43,591)	(43,424)	(21,742)	(23,778)
Other operating income (expense), net	8,761	3,192	6,459	1,378
Total operating expenses	(50,985)	(56,161)	(23,542)	(30,916)
Operating income before restructuring and impairment	10,711	(2,615)	5,612	(3,473)
Restructuring costs	-	(13,415)	-	(11,646)
Impairment of long-lived assets	-	(3,276)	-	(3,276)
Impairment of goodwill	-	(34,067)	-	(34,067)
Operating income	10,711	(53,373)	5,612	(52,462)
Interest expense, net	(7,389)	(7,397)	(3,508)	(3,374)
Other financial income (expense), net	(458)	(4,075)	(423)	(4,446)
Equity in earnings of associated companies	69	252	67	710
Income (Loss) from continuing operations before income taxes	2,933	(64,593)	1,748	(59,572)
Income taxes	(1,233)	1,205	(365)	1,181
Income (Loss) from continuing operations	1,700	(63,388)	1,383	(58,391)
Income (Loss) from discontinued operations, net of tax	(393)	(40,286)	(9)	(32,265)
Income (Loss) before minority interest	1,307	(103,674)	1,374	(90,656)
Minority interest	(1,672)	(186)	(802)	(312)
Net income (Net loss)	(365)	(103,860)	572	(90,968)
Earnings per share (in €) – basic and fully diluted				
Income (Loss) from continuing operations	0.02	(0.74)	0.01	(0.68)
Income (Loss) from discontinued operations, net of tax	0.00	(0.47)	0.00	(0.38)
Net income (Net loss)	0.00	(1.21)	0.01	(1.06)
Weighted average number of shares outstanding				
Basic and fully diluted	96,158,948	85,749,990	107,710,353	85,749,990

Consolidated Statements of Cash Flows Thiel Logistik AG 2004

(€ in thousands except per share amounts)

January 01 - June 30,	2004	2003
Cash flows from operating activities		
Net (loss) income	(365)	(103,860)
Adjustments to reconcile net (loss) income to net cash used in operating activities		
Income (Loss) from discontinued operations	393	40,286
Depreciation and amortization	20,305	21,460
Impairment of long-lived assets	-	3,276
Impairment of goodwill	-	34,067
Impairment of other investments	-	4,500
Non-cash items in connection with disposal of non-current asset	(5,396)	(374)
Deferred income taxes	(2,606)	(5,786)
Other, net	2,281	969
Changes in operating assets and liabilities		
Decrease (Increase) in trade accounts receivable and other assets	7,368	6,721
Decrease (Increase) in inventory	215	734
Increase (Decrease) in trade accounts payable and other liabilities	(371)	12,472
Change in retirement and other employee-related obligations	1,388	1,272
Net cash provided by operating activities	23,212	15,737
Cash flows from investing activities		
Capital expenditures	(14,544)	(19,319)
Proceeds from disposal of non-current assets	5,539	8,469
Purchase of trading securities	-	(25)
Proceeds from sale of trading securities	400	1,492
Change in other loans granted	358	6,683
Payments for acquisitions of subsidiaries, net of cash acquired	(10,010)	(69,598)
Net cash used in investing activities	(18,257)	(72,298)
Cash flows from financing activities		
Proceeds from short-term borrowings	12,491	49,674
Repayment of short-term borrowings	(70,333)	(14,094)
Proceeds from long-term borrowings	4,300	-
Repayment of long-term borrowings	(13,700)	(10,111)
Repayment in finance lease obligations	(2,851)	(7,151)
Other financing activities	(2,513)	247
Proceeds from issuance of common stock, net	94,910	-
Net cash provided by financing activities	22,304	18,565
Net cash used in discontinued operations	(5,480)	(6,391)
Effects of exchange rate changes on cash	431	(1,601)
(Decrease) Increase in cash and cash equivalents	22,210	(45,988)
Cash and cash equivalents at beginning of year	51,012	111,565
(Decrease) Increase	22,210	(45,988)
Cash and cash equivalents at end of period	73,222	65,577

(€ in thousands except per share amounts)

ASSETS	June 30, 2004	Dec. 31, 2003	June 30, 2003
Current assets			
Cash and cash equivalents	73,222	51,012	65,577
Trading securities at fair value	2	402	288
Trade accounts receivable, net of allowances	233,264	238,531	252,969
Accounts receivable due from associated companies	796	1,252	296
Inventories	5,362	5,577	7,451
Deferred income taxes	2,812	2,638	3,320
Prepaid expenses and other current assets	45,928	33,195	35,430
Assets held for sale	945	4,897	10,018
Assets of discontinued businesses held for sale	7,608	26,252	56,677
Total current assets	369,939	363,756	432,026
Non-current assets			
Property, plant and equipment, net	264,473	277,705	276,204
Investments in associated companies	1,308	1,315	3,766
Other investments	3,098	3,522	10,788
Securities available for sale at fair value	3,687	3,668	3,804
Securities, held to maturity	370	370	381
Deferred income taxes	24,486	21,586	32,844
Intangible assets	28,688	31,391	35,737
Other assets	9,282	7,102	8,855
Goodwill	288,688	288,087	286,167
Total non-current assets	624,080	634,746	658,546
Total assets	994,019	998,502	1,090,572

Consolidated Balance Sheets Thiel Logistik AG 2004

(€ in thousands except per share amounts)

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2004	Dec. 31, 2003	June 30, 2003
Current liabilities			
Short-term borrowings and current portion of long-term debt	99,026	157,036	150,295
Trade accounts payable	148,604	155,889	153,903
Accounts payable due to associated companies	917	939	3,011
Lease obligations, short-term portion	6,385	6,494	5,782
Accrued income taxes	14,550	11,993	11,899
Deferred income taxes	745	687	1,497
Accrued expenses, other liabilities and deferred income	105,093	110,985	135,604
Liabilities of discontinued businesses held for sale	7,981	26,789	28,017
Total current liabilities	383,301	470,812	490,008
Non-current liabilities			
Long-term debt	98,528	107,927	115,335
Lease obligations	45,794	47,031	44,488
Retirement and other employee-related obligations	49,843	48,456	47,505
Deferred income taxes	29,688	30,993	34,993
Other non-current liabilities	8,888	11,295	21,462
Total non-current liabilities	232,741	245,702	263,783
Minority interest	3,949	2,235	4,269
Shareholders' equity			
Ordinary shares – voting, no-par value	139,344	107,187	107,187
Additional paid-in capital	323,184	258,806	258,806
Retained earnings and other reserves	(87,970)	(87,605)	(35,258)
Accumulated other comprehensive income	(530)	1,365	1,777
Shareholders' equity	374,028	279,753	332,512
Total liabilities and shareholders' equity	994,019	998,502	1,090,572

(€ in thousands except per share amounts)

	Ordinary shares – voting, no-par value	Additional paid-in capital	Retained earnings and other reserves	Accumulated other comprehensive income	Total
December 31, 2002 (restated)	107,187	258,806	68,602	4,293	438,888
Comprehensive loss					
Net loss			(103,860)		(103,860)
Other comprehensive loss, net of tax					
Unrealized gains on securities available for sale				1,265	
Loss on cash flow hedges				(400)	
Foreign currency translation adjustment				(3,381)	
Other comprehensive loss, net of tax					(2,516)
Total comprehensive loss					(106,376)
June 30, 2003 (restated)	107,187	258,806	(35,258)	1,777	332,512
Comprehensive loss					
Net loss			(52,347)		(52,347)
Other comprehensive loss, net of tax					
Unrealized losses on securities available for sale				(122)	
Gain on cash flow hedges				457	
Foreign currency translation adjustment				(747)	
Other comprehensive loss, net of tax					(412)
Total comprehensive loss					(52,759)
December 31, 2003	107,187	258,806	(87,605)	1,365	279,753
Increase in share capital	32,157	64,378			96,535
Comprehensive loss					
Net loss			(365)		(365)
Other comprehensive loss, net of tax					
Unrealized gains on securities available for sale				19	
Gain on cash flow hedges				129	
Foreign currency translation adjustment				(2,043)	
Other comprehensive loss, net of tax					(1,895)
Total comprehensive loss					(2,260)
June 30, 2004	139,344	323,184	(87,970)	(530)	374,028

Consolidated Financial Statements for the Period ended June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include all accounts of the Company and all assets, liabilities and results of operations of its subsidiaries, some of which have a minority interest. All significant intercompany accounts and transactions have been eliminated. The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). As of January 1, 2005, Thiel Group will disclose its consolidated financial statements according to the International Financial Reporting Standards (IFRS).

Scope of consolidation

As of June 30, 2004, Thiel Group comprises 160 fully consolidated foreign and domestic subsidiaries.

Use of Estimates

Preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Management believes that estimates are reasonable.

Foreign Currency Translation

The functional currency of the Company's operations is the Euro.

The assets and liabilities of the Group's operations having a functional currency other than the Euro are translated into Euro using the exchange rate in effect at the reporting date and revenues and expenses are translated at the average rate during the reported period. Exchange gains or losses on translation of the Company's net equity investment in these operations are deferred as a separate component of shareholders' equity.

Gains and losses arising from transactions denominated in currencies other than the Euro are reflected in the income statement.

Revenue Recognition

Thiel Group generates sales from its core business segments Industry Solutions, Air & Ocean and Regional Logistics Services by providing end-to-end logistics and service solutions for industry and commerce. Sales are recognized net of applicable provisions for discounts and allowances, when realized or realizable and earned. This is usually the case when there is clear evidence of an agreement, the risk of ownership has been transferred or the service has been rendered, the price has been agreed upon, and there is adequate assurance that collection will be made.

Income Taxes

The Group provides for income taxes using the liability method which requires that deferred tax assets and liabilities be recognized for the expected future tax consequences of temporary differences arising between the bases of assets and liabilities for financial reporting and income tax purposes. Currently enacted tax rates are used to determine deferred income tax.

(€ in thousands except per share amounts)

Under this method, the Group is required to record deferred income taxes on the revaluation of certain non-current assets and, in relation with an acquisition, on the difference between the fair values of the net assets acquired and their tax base. Valuation allowances on deferred tax assets are provided where management believes it is more likely than not that the Group will not realize such amounts.

Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks with an original maturity of three months or less.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost being determined substantially by weighted average method.

Assets Held for Sale

The Group adopts SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 establishes a single accounting model for the impairment or disposal of long-lived assets, including discontinued operations. Major changes include additional criteria for long-lived assets to qualify as "held for sale" and the requirement that long-lived assets to be disposed of other than by sale be classified as held and used until the disposal transaction occurs. In the Consolidated Balance Sheet as of June 30, 2004 individual assets were classified as "held for sale" and disclosed in balance sheet line item "Assets held for sale".

In the course of restructuring the operations of Thiel Group, the new management has decided to dispose of a number of businesses not deemed relevant in the pursuit of the new corporate strategy.

In the Consolidated Balance Sheets as of June 30, 2004, and as of all prior periods presented assets and liabilities of businesses to be discontinued have been reclassified as assets and liabilities of discontinued businesses held for sale. In the Consolidated Statements of Income for the period ended June 30, 2004, as well as for all prior periods presented profits and losses attributable to businesses to be discontinued have been segregated from continuing operations and reflected as discontinued operations, net of tax. The effect of net cash provided by discontinued operations has been separately disclosed in the Consolidated Statements of Cash Flows for the period ended June 30, 2004, as well as for all prior periods presented. Reference is made to note 7.

Investments

Significant investments in which the Company has 20 percent to 50 percent of the voting rights and the ability to exercise significant influence over operating and financial policies ("associated companies") are accounted for using the equity method.

Property, Plant and Equipment and Intangible Assets

Property, plant and equipment is stated at historical cost less accumulated depreciation. Additions and improvements which add to the life of the related asset or improve its utility to the Group are capitalized, whereas maintenance and repairs are expensed as incurred. Depreciation is provided using the straight-line method over estimated useful lives ranging from 10 to 50 years for plant and buildings and 5 to 25 years for machinery, fixtures and equipment.

Acquired intangible assets are recognized and amortized over their estimated useful lives ranging from 3 to 10 years.

Leasing

The Group leases certain fixed assets. All leases that meet certain specified criteria representing situations where the substantial risks and rewards of ownership have been transferred to the Group are accounted for as capital leases. Capital leases are recorded at the lower of the fair market value of the leased asset or the net present value of the future rental payments at the inception of the lease. Capitalized lease assets and related leasehold improvements, if any, are amortized over the economic life of the asset or its lease term, as the case may be. All other leases are accounted for as operating leases.

Impairment Evaluation of Long-Lived Assets

The Group adopts SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which addresses financial accounting and reporting for the impairment and disposal of long-lived assets, and SFAS No. 142, "Goodwill and Other Intangible Assets," with respect to the impairment.

The Group reviews the carrying value of its long-lived assets, including fixed assets, investments, goodwill, and intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Recoverability of long-lived assets, excluding goodwill, is assessed by a comparison of the carrying amount of the asset (or the group of assets, including the asset in question, that represents the lowest level of separately-identifiable cash flows) to the total estimated undiscounted cash flows expected to be generated by the asset or group. If the estimated future net undiscounted cash flows are less than the carrying amount of the asset or group, the asset or group is considered impaired and expense is recognized equal to the amount required to reduce the carrying amount of the asset to its then fair value. Fair value is determined by discounting the cash flows expected to be generated by the asset, when the quoted market prices are not available for the long-lived assets. Based on the Company's review of its investments for the six-months period ended June 30, 2004 no adjustments were required to the carrying value of long-lived assets.

SFAS No. 142 prohibits the amortization of goodwill and indefinite life intangible assets. Instead, goodwill and indefinite life intangible assets will be tested for impairment at least annually and on an interim basis when an event occurs or circumstances change between annual tests that would more-likely-than-not result in impairment. Under SFAS No. 142, goodwill is assessed for impairment by using the fair value based method. The Group determines fair value by utilizing discounted cash flows. The fair value test required by SFAS No. 142 for goodwill and indefinite lived intangible assets includes a two-step approach. Under the first step, companies must compare the fair value of a "reporting unit" to its carrying value. A reporting unit is the level at which goodwill impairment is measured and it is defined as an operating segment or one level below it if certain conditions are met. If the fair value of the reporting unit is less than its carrying value, goodwill is impaired and companies must proceed with step two. Under step two, the amount of goodwill impairment is measured by the amount that the reporting unit's goodwill carrying value exceeds the "implied" fair value of goodwill. The implied fair value of goodwill can only be determined by deducting the fair value of all tangible and intangible net assets (including unrecognized intangible assets) of the reporting unit from the fair value of the reporting unit (as determined in Step 1). In this step, companies must allocate the fair value of the reporting unit to all of the reporting unit's assets and liabilities (a hypothetical purchase price allocation).

SFAS No. 142 requires companies to perform the impairment test at least annually. The regular impairment test is performed by Thiel Group as of September 30 of each fiscal year.

Exit or Disposal Activities

In June 2002, the FASB issued SFAS 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS 146 requires entities to recognize costs associated with exit or disposal activities only when liabilities for these costs are incurred (subsequent to a commitment to a plan) rather than at the date of a commitment to an exit or disposal plan. The provisions of SFAS 146 are to be applied prospectively to exit and disposal activities initiated after December 31, 2002.

The provisions of SFAS 146 have been applied to the accounting for restructuring costs. Reference is made to note 6.

Derivative Financial Instruments

The Group adopts Statement of Financial Accounting Standard No. 133 (SFAS 133), "Accounting for Derivative Instruments and Hedging Activities", subsequently amended by SFAS 138, which requires that all derivative instruments be reported on the balance sheet at fair values and establishes criteria for designation and effectiveness of hedging relationship.

Derivative products are used for non-trading purposes including the management of foreign currency exposure and interest rate positions. Hedges of fair value exposure are entered into in order to hedge the fair value of a recognized asset or liability or a firm commitment. The Group enters into hedges of cash flow exposure in order to hedge a forecasted transaction or the variability of cash flows to be paid related to a recognized liability. Changes in derivative fair values that are designated as fair value hedges are recognized in earnings as offsets to the change in fair value of related hedged assets, liabilities and firm commitments. Changes in the derivative fair values that are designated as cash flow hedges are deferred and recorded as a component of accumulated other comprehensive income until the hedged transactions occur and are recognized in earnings. Derivatives that are executed for risk management purposes but not designated as hedges under SFAS 133 and SFAS 138 are recorded at their market value and changes in fair value recognized in current earnings.

Stock-Based Compensation

The Group accounts for employee stock options in accordance with Accounting Principles Board Opinion No. 25 (APB 25), "Accounting for Stock Issued to Employees" and, accordingly, does not recognize compensation expense for its stock-based compensations to employees in the Consolidated Financial Statements as stock options were granted at exercise prices exceeding the respective share prices at the day of grant.

Earnings per Share (EPS)

Basic and diluted earnings per share (EPS) are based on the weighted average number of registered shares outstanding.

2. RESTATEMENTS AND RECLASSIFICATIONS

Restatements due to correction of an error in prior periods

Retroactive corrections in the valuation of capital lease contracts resulted in restatements of the Consolidated Statement of Income for the period ending June 30, 2003, of the Consolidated Statement of Cash Flows and the Consolidated Balance Sheet as of June 30, 2003.

Reclassifications

The accounting of discontinued operations resulted in reclassifications in the Consolidated Statement of Income for the period ending June 30, 2003, as well as in the Consolidated Statement of Cash Flows and the Consolidated Balance Sheet as of June 30, 2003. Reference is made to note 7.

3. PRO FORMA DISCLOSURES

Under the assumption that all material business acquisitions completed during the six-months period ended June 30, 2003 had occurred on January 1, 2003, the Group's pro forma consolidated sales would have been 846,141 Euro for the six-months period ended June 30, 2003. Pro forma consolidated operating loss would have been (52,702) Euro for the six-months period ended June 30, 2003. Pro forma consolidated net loss of the Group would have amounted to (102,729) Euro for the six-months period ended June 30, 2003.

Pro forma basic and diluted loss per share for the six-months period ended June 30, 2003 would have amounted to (1.20) Euro.

4. SEGMENT REPORTING

Segmentation

The segment reporting structure of Thiel Group comprises:

Industry Solutions

Thiel Group provides logistics services for specific industry sectors in which it has developed particular specialist knowledge and expertise. In this business segment Thiel Group offers comprehensive logistics services in particular to the automotive, fashion, media and furniture industries. The lead companies for this business segment are: Microlog Logistics AG ("Microlog") for Thiel Automotive; Birkart Globistics GmbH & Co. Logistik und Service KG ("Birkart Globistics") for Thiel FashionLifestyle; Overbruck Spedition GmbH ("Overbruck") for Thiel Media and LOG Beteiligungs GmbH ("LOG") for Thiel Furniture. In addition, Thiel FreshNet is Thiel Group's potential business unit within this segment.

Air & Ocean

In this business segment, the Group bundles its air and sea transport activities. Services in this business segment are aimed at complementing Thiel Group's regional transport networks as well as services offered in Industry Solutions and Regional Logistics Services. Through its business segment Air & Ocean, Thiel Group is active in the area of intercontinental logistics services, specializing in air and sea transport services but also offering contract logistics services. The Group's lead company in this business segment and the lead coordinator for non-European activities is Birkart Globistics.

Regional Logistics Services

Thiel Group's subsidiaries bundled in this business segment provide logistics services on a regional basis. Logistics services offered range from transport services to complex contract logistics, including supply chain management focusing on Central and Eastern Europe. Thiel Group's designated lead companies in this business segment are: delacher Logistics AG & Co. KG for Delacher, Quehenberger Logistik AG & Co. KG for Quehenberger and SÜDKRAFT Süddeutsche Kraftwagen-Speditions-GmbH for Südkraft. They have local roots and traditional client relationships in their respective regions making them particularly sensitive to their customers' needs.

Segment information

Management evaluates individual segment performance based on segment results before amortization of customer contracts, restructuring and impairment charges, interest and other financial income (expense), and income taxes. Segment assets are composed of total assets excluding long-term investments. Intersegment transactions are measured at arm's length.

The table below sets forth segment information for the six-months periods ended June 30, 2004 and 2003. To facilitate comparison, the data for the six-months period ended June 30, 2003 have been restated in line with the new reporting structure.

	Industry Solutions	Air & Ocean	Regional Logistics Services	Total reportable segments
Period ended June 30, 2004				
External segment sales	301,031	142,120	415,754	858,905
Intersegment sales	6,754	2,796	3,647	13,197
Total segment sales	307,785	144,916	419,401	872,102
Segment result	3,846	2,182	11,644	17,672
Depreciation and amortization	7,230	724	8,798	16,752
Additions to long-lived assets	10,027	275	3,901	14,203
Segment assets	410,122	111,740	470,449	992,311
Period ended June 30, 2003				
External segment sales	286,737	127,250	392,820	806,807
Intersegment sales	7,210	6,273	8,306	21,789
Total segment sales	293,947	133,523	401,126	828,596
Segment result	3,889	(1,304)	6,345	8,930
Depreciation and amortization	7,399	1,028	9,936	18,363
Additions to long-lived assets	6,753	572	8,628	15,953
Segment assets	425,051	100,295	488,422	1,013,768

Additions to long-lived assets comprise additions to property, plant and equipment and intangible assets excluding goodwill and include amounts capitalized due to lease contracts classified as capital leases.

The reconciliation from total external segment sales to consolidated net sales for the six-months periods ended June 30, 2004 and 2003 is as follows:

Period ended June 30,	2004	2003
Total external segment sales	858,905	806,807
+ Other corporate revenues	628	717
Consolidated net sales	859,533	807,524

(€ in thousands except per share amounts)

The reconciliation from total reportable segment results to income from continuing operations before income taxes for the the six-months periods ended June 30, 2004 and 2003 is as follows:

Period ended June 30,	2004	2003
Total reportable segment results	17,672	8,930
- Amortization of capitalized customer contracts	(2,362)	(1,651)
- Depreciation and amortization of unallocated long-lived assets	(1,191)	(1,446)
- General corporate result before depreciation and amortization	(3,408)	(8,448)
Operating income (loss) before restructuring and impairment	10,711	(2,615)
- Restructuring costs	-	(34,067)
- Impairment of long-lived assets	-	(3,276)
- Impairment of goodwill	-	(13,415)
Operating income (loss)	10,711	(53,373)
- Financial result	(7,847)	(11,472)
+ Equity in earnings of associated companies	69	252
Income from continuing operations before income taxes	2,933	(64,593)

The item "General corporate result before depreciation and amortization" comprises general corporate expenses of holding companies not directly attributable to the individual segments.

As of fiscal year 2004, general corporate expenses have been allocated to the Group's lead companies according to the input involved. As of June 30, 2004 these allocated general corporate expenses amounted to 3,333 Euro. Thereof, 1,233 Euro have been allocated to the business segment Industry Solutions, 500 Euro to the business segment Air & Ocean and 1,600 Euro to the business segment Regional Logistics Services.

The item "Financial result" comprises income statement line items "Interest expense, net" and "Other financial income (loss), net".

The reconciliation from total segment assets to total consolidated assets as of June 30, 2004 and 2003 is as follows:

June 30,	2004	2003
Total reportable segment assets	992,311	1,013,768
+ Unallocated amounts	152,464	265,127
- Intersegment eliminations	(150,756)	(188,323)
Total consolidated assets	994,019	1,090,572

The item "Unallocated amounts" comprises investments, total assets of discontinued operations as well as assets of holding companies not directly attributable to segments.

Geographic information

The table below summarizes geographic information on net sales for the six-months periods ended June 30, 2004 and 2003:

Period ended June 30,	2004	2003
Germany	418,478	400,302
Austria	234,704	210,792
Asia	45,165	38,187
Switzerland	39,407	40,806
All other countries	121,779	117,437
Total Net Sales	859,533	807,524

The table below sets forth geographic information on long-lived assets as of June 30, 2004 and 2003:

June 30,	2004	2003
Germany	151,763	169,969
Austria	66,060	70,724
Asia	2,170	2,717
Switzerland	29,992	25,516
All other countries	43,176	43,015
Total Long-lived Assets	293,161	311,941

Long-lived assets comprise property, plant and equipment as well as intangible assets excluding goodwill.

Other Information

Revenues from major customers account for less than 5 percent per major customer.

(€ in thousands except per share amounts)

5. INCOME STATEMENT COMPONENTS

Other operating income (expense)

The other operating income (expense) in the six-months period ended June 30, 2004 amounts to 8,761 Euro (3,192 Euro in the six-months period ended June 30, 2003). This includes foreign exchange gains, gains from sale of non-current assets, gains from insurance contribution, income from reversal of provisions and the sale of the long-lived assets of the public transport businesses (ÖPNV) in Ingolstadt and Munich. Due to the fulfillment of the suspensive contractual conditions the sale of the ÖPNV effects the results of the second quarter 2004. The transaction costs for the sale of the ÖPNV are included in general and administrative costs.

6. RESTRUCTURING COSTS

In order to improve the transparency of its operating results, Thiel Group has decided to choose another format for the presentation of its Consolidated Statements of Income. All one-time expenses of the current period not attributable to operating activities have been disclosed under income statement line item "Restructuring costs".

During the six-months period ended June 30, 2003, restructuring costs mainly comprise one-time termination benefits paid or to be paid to employees with 4,201 Euro, consulting fees regarding the elaboration and implementation of the new corporate strategy with 2,424 Euro, losses incurred from disposals of long-lived assets related to divesture programs with 1,662 Euro as well as other expenses incurred in the course of the restructuring of the operations of Thiel Group with 5,128 Euro.

The restructuring process of Thiel Group was completed in the fiscal year 2003, therefore no restructuring costs are recorded in the six-months period ended June 30, 2004.

7. DISCONTINUED OPERATIONS

In the course of the reorientation of Thiel Group, the new management has decided to dispose of a number of businesses not deemed relevant in the pursuit of the new corporate strategy. Businesses classified as discontinued operations as of June 30, 2004, concern small and medium sized service providers in the logistics sector.

The healthcare business, the shareholdings in diagnosis-software specialist Dorner and Thiel Technical Logistics and Services GmbH have been sold in fiscal year ended December 31, 2003. Effective January 1, 2004, the Group's subsidiary BTL Logistics AG, Muri, Switzerland has been sold to Swiss Post. The IT-business of Microlog Group has been sold as of June 30, 2004. All other discontinued businesses are expected to be disposed of or closed within the next twelve months.

Due to the ongoing restructuring process it is likely that further businesses not deemed relevant in the pursuit of the new corporate strategy will be sold or classified as held for sale in future periods.

In the Consolidated Balance Sheets as of June 30, 2004, and as of all prior periods presented assets and liabilities of businesses to be discontinued have been reclassified as assets and liabilities of discontinued businesses held for sale. In the Consolidated Statements of Income for the six-months period ended June 30, 2004, as well as for all prior periods presented profits and losses attributable to businesses to be discontinued have been segregated from continuing operations and reflected as discontinued operations, net of tax. The effect of net cash provided by discontinued operations has been separately disclosed in the Consolidated Statements of Cash Flows for the six-months period ended June 30, 2004, as well as for all prior periods presented.

Assets and liabilities from discontinued businesses held for sale as of June 30, 2004 and 2003, are as follows:

	June 30, 2004	Dec. 31, 2003
Assets of discontinued businesses held for sale		
Trade accounts receivable, net of allowances	1,557	9,673
Inventories	9	298
Prepaid expenses and other current assets	4,032	7,576
Property, plant and equipment, net	1,981	8,435
Deferred tax assets, long-term	2	-
Intangible assets	19	211
Other assets	8	59
Total assets of discontinued businesses held for sale	7,608	26,252
Liabilities of discontinued businesses held for sale		
Short-term borrowings and current portion of long-term debt	1,747	3,233
Trade accounts payable	1,606	7,965
Lease obligations, short-term portion	-	472
Accrued income taxes	1,254	1,011
Deferred income taxes	2	2
Accrued expenses, other liabilities and deferred income	1,442	7,869
Long-term debt	1,930	4,257
Lease obligations	-	1,088
Retirement and other employee-related obligations	-	90
Deferred income taxes, long-term	-	776
Other non-current liabilities	-	26
Total liabilities of discontinued businesses held for sale	7,981	26,789

The following amounts related to businesses to be discontinued have been segregated from continuing operations and reflected as discontinued operations for the six-months period ended June 30, 2004 and 2003:

January 1 - June 30,	2004	2003
Net sales	4,065	50,179
Income (loss) from discontinued operations before income taxes	(442)	(39,060)
Income taxes	49	(1,226)
Income (loss) from discontinued operations, net of tax	(393)	(40,286)

(€ in thousands except per share amounts)

The following amounts related to businesses to be discontinued have been segregated from continuing operations and reflected as discontinued operations for the three-months period April 1 - June 30, 2004 and 2003:

April 1 - June 30,	2004	2003
Net sales	2,295	25,975
Income (loss) from discontinued operations before income taxes	(49)	(30,962)
Income taxes	40	(1,303)
Income (loss) from discontinued operations, net of tax	(9)	(32,265)

The loss from discontinued operations before income taxes in the six-months period ended June 30, 2003 and the three-months period April 1 - June 30, 2003 include impairment losses of goodwill relating to discontinued operations of 17,520 Euro.

8. SHAREHOLDERS' EQUITY

Ordinary Shares

As of June 30, 2004 the Company had 111,474,987 ordinary shares, voting without nominal value, issued and outstanding, representing common stock amounting to 139,344 Euro. Each share represents a calculated par value of 1.25 Euro.

According to the articles of association of Thiel Logistik AG as of June 30, 2004, the Board of Directors is authorized through to March 14, 2006, to increase capital stock up to a total amount of 48,525,013 shares, representing authorized stock of 60,656 Euro. Issuance is partly limited to specific purposes.

Capital increase

The Executive Board of Thiel Logistik AG decided on April 20, 2004 to carry out the capital increase from authorized capital with subscription rights. The rights issue, managed by Deutsche Bank, resulted in an increase in the number of shares by 25,724,997 to 111,474,987. The share capital of Thiel Logistik AG increased from 107,187 to 139,344 Euro, additional paid-in capital increased from 258,806 to 323,184 Euro.

9. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

In determining net cash provided by operating activities net income (loss) of the period is adjusted by deducting income (loss) from discontinued operations. Net cash used in discontinued operations is disclosed as a single line item in the Consolidated Statements of Cash Flows.

During the six-months period ended June 30, 2004, change in short-term borrowings including the short-term portion of long-term debt resulted in a net decrease amounting to 57,842 Euro. Repayments in the 2nd quarter of fiscal year 2004 reduced the long-term loans by 9,400 Euro.

In the six-months period ended June 30, 2004, the Group paid interest amounting to 7,677 Euro and income taxes amounting to 3,109 Euro.

Grevenmacher/Luxembourg, August 2004

The Board of Directors

Berndt-Michael Winter, Chairman | Dr. Antonius Wagner, Deputy Chairman | Prof. Werner Delfmann | Dr. Klaus Eierhoff, executive member | Dr. Yves Prussen

The Executive Board

Dr. Klaus Eierhoff, CEO | Martin Löffler, CFO | Stefan Delacher, CMO

FINANCIAL CALENDAR	November 11, 2004	Publication of Nine Months Report 2004
	March 10, 2005	Press Conference 2005
	April 13, 2005	General Shareholders Meeting
	May 11, 2005	Publication of Quarterly Report 1/2005
	August 11, 2005	Publication of Half-Year Report 2005
	November 10, 2005	Publication of Nine Months Report 2005

CONTACT

Thiel Logistik AG
ZIR Potaschberg
5, an de Laengten
L-6776 Grevenmacher
Luxembourg
Phone +352/71 96 90-13 51
Fax +352/71 96 90-13 59

email ir-info@thiel-logistik.com
presse-kontakt@thiel-logistik.com

Internet www.thiel-logistik.com

WKN 931705
ISIN Code LU 0106198319

IMPRINT

Published by Thiel Logistik AG, Grevenmacher, Luxembourg
Publication credits: Investor Relations

Disclaimer

This Half-Year Report contains forward-looking statements which are associated with risks and uncertainties. The actual development, the results and the time frame pertaining to the business of Thiel Logistik AG may differ significantly from the development, the results and the time frame as presented in this Half-Year Report. This Half-Year Report does not constitute an offer or an invitation to purchase or sell securities and shall not be relied upon as a basis of information in this connection.

Thiel Logistik AG

ZIR Potaschberg
5, an de Laengten
L-6776 Grevenmacher
Luxembourg

Phone +352/71 96 90-13 51
Fax +352/71 96 90-13 59

ir-info@thiel-logistik.com
presse-kontakt@thiel-logistik.com
www.thiel-logistik.com

WKN 931705
ISIN Code LU 0106198319

