

Name



THIEL

Logistics+Services

Industry

L O G I S T I C S

Date

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HALF-YEAR REPORT

X



Key Figures January 01, - June 30, 2005

according to the International Financial Reporting Standards (IFRS)

	<i>in thousand €</i>	2005	2004	<i>Change in %</i>
Group Net Sales				
Industry Solutions		296,454	301,031	-1.5
Thiel Automotive		101,383	105,856	-4.2
Thiel FashionLifestyle		104,898	106,489	-1.5
Thiel Media		60,586	59,243	2.3
Thiel Furniture		24,301	24,784	-1.9
Other		5,286	4,659	13.5
Air & Ocean		159,483	142,120	12.2
Regional Logistics Services		427,462	404,337	5.7
Quehenberger		207,888	182,214	14.1
Südkraft		105,739	112,948	-6.4
Delacher		113,835	109,175	4.3
Holdings		109	629	-82.7
Total Net Sales		883,508	848,117	4.2
Segment results				
Industry Solutions		532	1,975	-73.1
Air & Ocean		4,273	2,319	84.3
Regional Logistics Services		11,151	14,116	-21.0
Holdings		-4,455	-4,927	-9.6
Consolidation		-1,565	24	N/A
Other financial income (expenses), net		357	-389	N/A
Earnings before interest and taxes (EBIT)		10,293	13,118	-21.5
Net result		-6,605	1,222	N/A
Attributable to Equity holders of the company ¹		-8,219	-450	1,726.4
Attributable to Minority shareholders		1,614	1,672	-3.5
Earnings per Share in Euro		-0.07	0.00	N/A
Operating Cashflow		5,310	25,326	-79.0
Capital expenditure		-10,018	-14,500	-30.9
Free Cash flow		2,408	18,481	-87.0
Depreciation and amortization		-18,465	-20,194	-8.6
EBITDA		28,758	33,312	-13.7
Net financial debt		158,776	145,227*	9.3
Shareholders' equity (incl. minority interest)		373,070	377,842*	-1.3
Number of Employees		8,891	8,912*	-0.2

¹ comparable with the former term "Net income (loss)"
*as of December 31, 2004

Content

Management Report	02
The Company at a Glance	02
Report on the Stock	08
Financial Position	10
Consolidated Financial Statements	16
Consolidated Statement of Income	19
Consolidated Balance Sheet	20
Consolidated Statement of Cash Flows	22
Consolidated Statement of Changes in Shareholders' Equity	23
Notes to Consolidated Financial Statements	24
1. Summary of Significant Accounting Policies	24
2. First-Time Adoption of International Financial Reporting Standards (IFRS)	29
3. Business Combinations	31
4. Segment Reporting	31
5. Other Income (Expenses), net	36
6. Income (Loss) from Discontinued Operations	37
7. Property, Plant and Equipment and Intangible Assets	37
8. Assets and Liabilities of Discontinued Operations	38
9. Shareholders' Equity	38
10. Supplemental Disclosures of Cash Flow Information	39
11. Subsequent Events	39
Financial Calendar	Cover
Imprint	Cover

The Company at a Glance

Continuing weak economic growth

After a slight pickup in the economy at the end of 2004, overall economic conditions continued to deteriorate in the first half of 2005. While a minor increase in real gross domestic product in Germany was recorded in the first quarter, analysts were expecting a slowdown in economic growth for the second quarter, primarily due to continued weak domestic demand. This development was confirmed by the ifo business climate index and a purchasing managers' index, both of which recorded poorer levels in May, the lowest in fact since August 2003. The ifo business climate index recovered in June. Positive impetus was provided by exports, mainly on the back of demand from Central and Eastern European states for capital goods. Expectations continue to be for substantial growth in this region and in China.

The growth in the world economy likewise declined noticeably in the reporting period, not least of all as a result of a heavy increase in energy prices – especially crude oil. Although the dynamic in the US-American economy has lost some of its momentum, it is still more robust than in Europe, where the pace of growth remains low compared to the rest of the world. Overall, there was a moderate slowdown in economic growth in the euro region in the first half of the year. Economic analysts rated the business climate in Germany, Portugal, Italy and the Netherlands as worst.

Whereas the logistics industry assessed its business situation in the first quarter as normal to good from the seasonal point of view, the SCI logistics barometer showed the mood deteriorating in the second quarter. On an annualized basis, freight companies in particular are not expecting the situation to significantly improve. By contrast, contract logistics are becoming increasingly important. The process of consolidation is moving ahead in the packaged goods sector. Persistent strong growth in Asia has seen the demand for intercontinental air and ocean cargo transport continuing to rise.

Management change at Thiel Logistik AG

As of June 30, 2005, Dr. Klaus Eierhoff has resigned from his post as Chairman of the Executive Board and from his position as member of the Board of Directors, by mutual agreement with the Board of Directors. The Chairman of the Board of Directors, Berndt-Michael Winter, has consequently taken over running the work of the Executive Board until a new CEO is appointed. CFO Martin Löffler left the company on July 31, 2005. Board of Directors member Dr. Antonius Wagner is handling the duties of the CFO until further notice. In accordance with Luxembourg law, the company's businesses will be run until the appointment of new Board members by the Board of Directors and by the Executive Board member Stefan Delacher, whose contract was extended until 2010. In full agreement between the Executive Board, the Board of Directors and the majority shareholder, the company will continue to pursue and implement the strategy that was adopted two years ago.

Company performance stable – Solid organic growth

The company's performance in the first half of the year was stable overall. The Thiel Group generated sales of 883.5 million euros, and therefore 4.2 percent more than in the same period in 2004 (848.1 million euros). Pleasing in this respect was organic growth of 5.1 percent (adjusted for currency effects and the effects of acquisitions and

divestments). In the second quarter sales grew by as much as 7.5 percent. The Air & Ocean and Quehenberger business units accounted for a major share of this growth in sales.

Gross margin improved – Quality of operating income improved

In the first half year gross profit increased to 70.2 million euros from the 64.5 million euros in the same period of the previous year, and thus the gross margin improved from 7.6 to 7.9 percent. At 10.3 million euros, the result before interest and income taxes (EBIT) is less than that of the previous year's 13.1 million euros. The main reason for this is a decline in the result in the Thiel Furniture business unit. The result in the Thiel Automotive unit stabilized. Business performance was positive in the remaining six business units. The EBIT margin in the first half of 2005 came to 1.2 percent (first half year 2004: 1.5 %).

Negative net result – Losses from discontinued operations

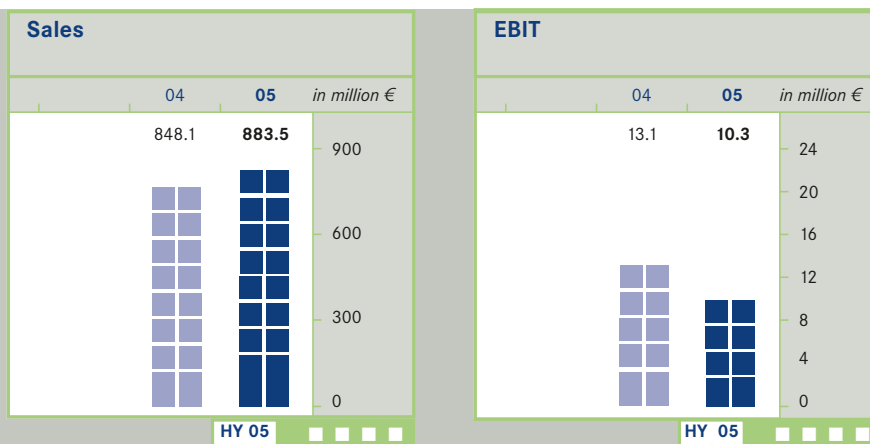
After interest (-8.8 million euros), income taxes (-4.0 million euros) and discontinued operations (-4.0 million euros), the Group is posting a negative net result after minorities of -8.2 million euros for the first six months of 2005 (first half year 2004: -0.5 million euros). The figures also reflect the fact that the Group has continued to focus on the core business and has separated from AF Logistik and Spedition GmbH. Because effective cash management structures were implemented and the gross financial debt was reduced, the company succeeded in holding the interest expense to the previous year's level, despite the high interest rate corporate bond.

Positive operating cash flow – Positive free cash flow

Overall, the Thiel Group generated a positive operating cash flow of 5.3 million euros in the first half of 2005 (first half year 2004: 25.3 million euros). The operating cash flow was impacted by a one-off payment of 8.5 million euros in the first quarter as settlement for pension provisions. Compared to the first quarter cash flow improved in the second quarter by 10.8 million euros. The free cash flow came to 2.4 million euros (first half year 2004: 18.5 million euros).

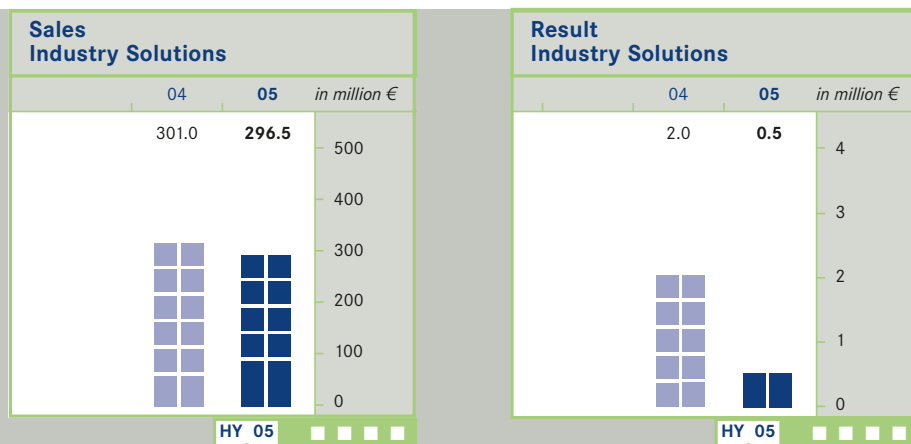
Investments

The acquisition of the majority holding in the Slovakian logistics provider Proxar accounted for a major portion of the total 15.0 million euros in investments in the first half year, as did parts of the introduction of freight forwarding software.



Varying business performance at the industry solutions

The four Industry Solutions, Thiel Automotive, Thiel FashionLifestyle, Thiel Media and Thiel Furniture, develop complete solutions for the logistics needs of different industry sectors, providing custom-made services tailored to specific customer requirements. In the first half of the year the Group generated sales of 296.5 million euros in this business segment. Industry Solutions were thus just slightly under the previous year's level of 301.0 million euros. The result came to 0.5 million euros (first half year 2004: 2.0 million euros). This decline is due to a drastic reduction in the result at Thiel Furniture, caused by start-up difficulties at a new furniture distribution center.



The **Thiel Automotive** business unit with its lead company Microlog posted sales of 101.4 million euros in the reporting period, below the same period sales in the previous year of 105.9 million euros therefore. Automotive industry logistics are characterized by very high customer demands and ever tougher price competition. This led to a loss in orders at Thiel Automotive, which could not be fully offset by new customer business nor through business expansion. Moreover, a French subsidiary caused a significant negative impact on the result. Positive earnings effects in the reporting period came from managing the BMW Dynamic Center in Dingolfing, and from an outsourcing project with the automotive supplier Pierburg. Thiel Automotive has been handling in-house logistics for the latter at the Thionville site (France) since March. The aim is to extend the service to other Pierburg sites. A pilot project likewise began in April 2005 for same-day delivery of spare parts for another German automotive manufacturer. Closer networking to the Südskraft business unit will enable the sector know-how in the automotive industry to be linked even more effectively with the expertise in freight forwarding.

The warehouse at the Heppenheim site is still being utilized only to a very slight extent after a customer contract expired at the end of June. Almost all of the employees have been laid off.

Despite a difficult market environment, with declining production and a drop in sales caused by the general slowdown in consumer spending, **Thiel FashionLifestyle** succeeded in maintaining the level of sales, asserting its market leadership in Germany and Austria and expanding its position in southeast Europe at the same time. Sales in the

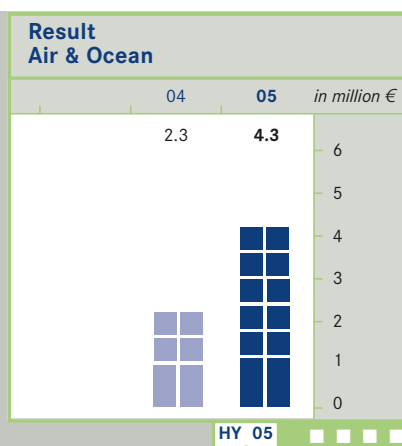
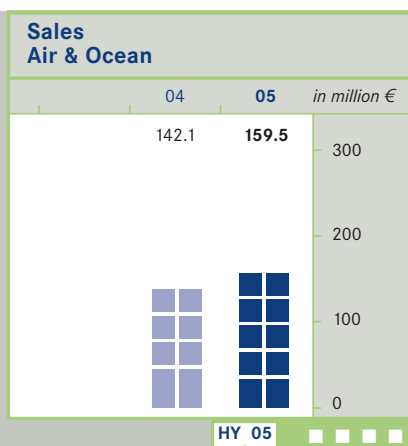
first half of 2005 came to 104.9 million euros (first half year 2004: 106.5 million euros). However, efficient cost management meant that the earnings situation was significantly improved over the prior year. In addition to expanding the existing customers business, such as Esprit, S. Oliver and Hugo Boss, and gaining new customers, the focus was on expanding the export business. Substantially higher volumes were achieved, particularly to Spain and the new EU accession countries.

In a continuing tough market situation with declining domestic demand and exports rising only slightly, the **Thiel Furniture** business unit generated sales of 24.3 million euros, coming in just below the previous year's level of 24.8 million euros therefore. Growth came in particular from cross-border traffic and from the warehouse expansion in the Polish town of Ilawa, while the German market was characterized by sales declines. Start-up difficulties with logistics at the new furniture distribution center at Lemgo-Vossheide led to one-off additional costs in the first half-year and an increase in the deployment of staff, resulting in a drastic decline in the result. In the second quarter a range of special measures raised the logistics performance of the warehouse to a satisfactory level again. Further measures have been instigated, designed to stabilize the services and improve productivity. A cost-cutting program has been agreed with the works council.

For many years now, the press logistics market has been facing declines in print runs and volume losses, manifested in lower tonnages. In line with this situation, Overbruck, the lead company of the **Thiel Media** business unit, has adjusted the range of services it offers and is increasingly putting more emphasis on value added services. This strategy enabled it to assert its market leadership in the reporting period, to increase sales over the previous year by 2.3 percent to 60.6 million euros (first half year 2004: 59.2 million euros) and to gain new customers. The press network was used, for example, for the first time to supply trade with fan and merchandise items for the world football association FIFA as part of the Confederations Cup 2005. To improve logistics processes, a new organizational structure was implemented in the second half of the year and the East European operations pooled.

Air & Ocean business segment posts significant sales growth and increased result

The international air and ocean cargo operations in the Group are combined in the Air & Ocean business segment under the lead company Birkart Globistics.



In the first half of the year, this business unit enjoyed a very positive performance, with sales of 159.5 million euros. This corresponds to an increase in sales of 12.2 percent compared to sales in the same period the previous year of 142.1 million euros. The result also increased considerably, up from 2.3 million euros to 4.3 million euros, due to the growth dynamic in Europe in traffic from and to Asia. Business with Asia grew at an above average rate in the reporting period, with further new customers gained and existing business significantly expanded.

Moreover, the network continued to be expanded, and companies set up in Italy and Dubai. A joint venture was also founded in South Africa in addition to the long-established company there. Further new sites are planned in the target regions of Asia, Europe and South America.

Growth at the Regional Logistics Service Providers in Central and Eastern Europe

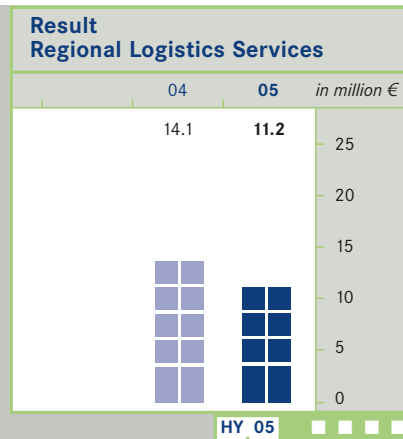
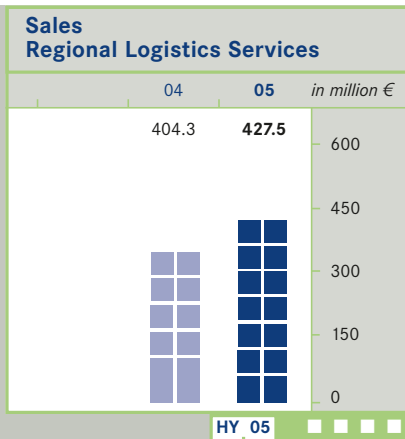
The Thiel Group's Regional Logistics Service Providers focus on providing logistics services for leading customers from their core markets, supporting their international operations at the same time. The Quehenberger, Südkraft and delacher business units each offer a comprehensive range of services.

In the first half-year, the Group increased its sales in this business segment to 427.5 million euros, compared to 404.3 million euros in the previous year's period. The result declined from 14.1 million euros in the first half of 2004 to 11.2 million euros in the reporting period, primarily due to the disposal in the Südkraft unit of the public transport business the year before.

Growth at **Quehenberger** continued unabated, with the unit posting sales that had increased to 207.9 million euros compared to 182.2 million euros in the first half of 2004. Growth came equally from existing and new customer business, with the business unit profiting in particular from strong economic growth in Eastern Europe, where new branch offices were opened in Bulgaria and Russia. The acquisition of the successful Slovakian freight forwarding company Proxar expanded the network of Thiel Logistik in Central and Eastern Europe. In order to provide customers with an even better shipment tracking service across Europe, Quehenberger invested in state-of-the-art IT solutions such as the supply chain event management system, which enables the entire logistics chain to be actively monitored. This will cut costs and increase transportation security.

The **Südkraft** business unit generated sales of 105.7 million euros in the first half-year. Changes and the realignment of the business unit in 2004 mean no meaningful comparison can be made with the previous year. For instance, the public transport businesses in Munich and Ingolstadt were sold in 2004 in line with the concentration on core competencies. Following an even tougher first quarter, Südkraft was able to significantly improve the performance of its business and its result in the second quarter of 2005. It accomplished this by expanding its business and gaining new customer business, particularly in the automotive industry and in the tank and silo transportation segment.

Despite a tough economic environment in its home markets, the **delacher** business unit posted sales of 113.8 million euros in the reporting period compared to 109.2 million euros in the previous year's period. The solid growth was primarily the result of transportation to and from the Central and Eastern European states and from the expansion of



business with refrigerated transport (fruit, vegetables) to Switzerland. Investment was made in the Krems site so that customers could be offered an even broader range of integrated logistics for road, rail and ocean cargo routes. In addition to outstanding road and rail infrastructure connections, Krems offers a transport link from the North Sea to the Black Sea via the Rhein-Main-Danube canal. An additional 3,000 square meters of warehousing space has been available at the Krems site since January.

Number of employees remained constant

Employee numbers remained constant compared to December 31, 2004, and to the first quarter of 2005. Whereas there were 8,912 employees at the Thiel Group as of December 31, 2004, there were 8,891 employees as of June 30, 2005. This corresponds to 8,419 employees (December 31, 2004: 8,490) on a full-time basis. One key focus of human resource work was implementing measures to reorganize the Südkraft, Thiel Automotive and Thiel Furniture units. This included negotiations to optimize various collective wage and works council agreements, some of which have already been successfully completed as a result of the constructive contribution of all parties.

Outlook

At the end of July the activities of Südkraft and Thiel Automotive were placed under a single management with the aim of developing models of collaboration between both business units. Thiel Logistik expects a unified market approach to lead to significant growth momentum as a result of pooling its automotive and contract logistics expertise, the accompanying exploitation of market and cost synergies and the improvement in the product portfolio for its customers. This move corresponds to developments in the contract logistics market, where there is an increased demand for complex logistics packages, in particular combined warehousing and transport concepts along with the corresponding add-on services.

Overall, for the second half of the year the management of the Thiel Group expects the operating result to increase over the first half-year, as happened in the previous year.

In view of the insufficient capacity utilization at the Heppenheim warehouse, a wide range of sales activities have been initiated aimed at regaining capacity utilization. The management is confident this will result in a positive conclusion. However, if contrary to expectations utilization cannot be achieved within the next few months, or if the terms

are unfavorable, then a substantial impairment to the book value of 24.7 million euros will be advisable, the exact extent of which will depend on the usage situation at the particular time.

There may be a need to adjust the value of goodwill in the Thiel Automotive unit due to the loss of several major orders. Here, the premature termination of a logistics services contract with FAG Kugelfischer that had several more years to run has been contested due to the absence of good grounds for the cancellation. Settlement talks to avoid a legal dispute are underway. The company is aiming to achieve a final assessment of goodwill in the Thiel Automotive unit by the September 30, 2005, reporting date.

Report on the Stock

The Thiel Logistik AG stock performed better than the MDAX comparator index until February 2005. While the market as a whole exhibited more of a sideways movement, the Thiel Logistik AG stock pulled 20 percent and more ahead of the MDAX at times, particularly at the end of January/beginning of February 2005.

The announcement of the 2004 business figures on March 10, 2005, marked the end of the positive stock performance. The stock price fell, and, after keeping pace for a brief period, performed poorer than the MDAX.

Analysts responded to the reduction of the EBIT target for 2005 on April 8 by downgrading the stock. Furthermore, the Deutsche Börse decided to make changes to the MDAX on June 3, 2005. Thiel Logistik AG is now listed on the SDAX.

As of June 30, the downtrend that began in March was still underway, and the stock closed at the end of the reporting period at 3.05 euros.

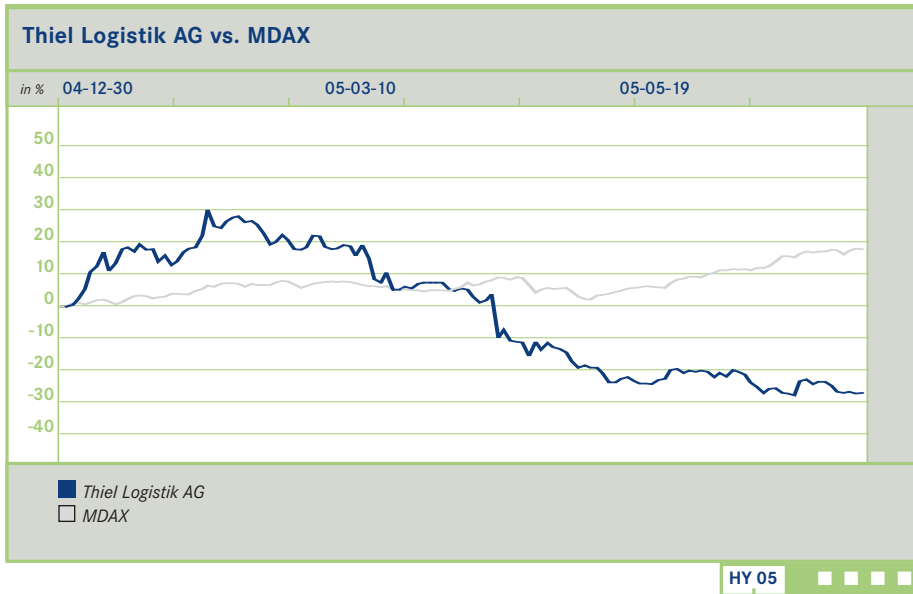
36.1 million Thiel Logistik AG shares were traded on all the German stock markets during the first half-year 2005. This equated to sales of 146.8 million euros. The average volume per trading day came to 280,120 shares, on average sales of 1.14 million euros.

Shareholder's structure

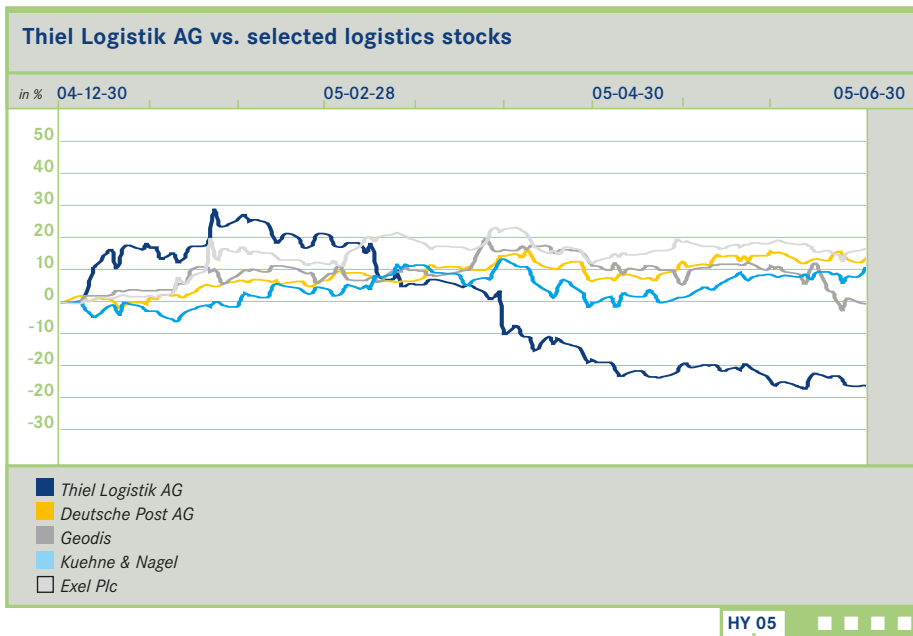
As of June 30, 2005, DELTON AG, the principal shareholder, holds a 50.26 percent stake in the capital of Thiel Logistik AG, making the free float unchanged at 49.74 percent.

Stefan Delacher, Member of the Executive Board, continues to hold 8,000 Thiel Logistik stock options. The members of the Board of Directors have neither Thiel Logistik shares nor options.

Stock Price Performance



Comparative Performance



Financial Position Half-Year 2005

The presented Consolidated Financial Statements were drawn up according to the accounting rules of the International Financial Reporting Standards (IFRS). A detailed overview of IFRS accounting in the Thiel Group is included in the Notes to the Consolidated Financial Statements under point 2 „First-Time adoption of International Financial Reporting Standards (IFRS)“.

Key figures of the Consolidated Statement of Income

<i>in thousand €</i>	January 1, - June 30,	2005	2004	Change
Net Sales		883,508	848,117	4.2%
Cost of sales		-813,320	-783,610	3.8%
Gross profit		70,188	64,507	8.8%
Operating expenses		-60,252	-51,000	18.1%
Other income (expenses)		357	-389	N/A
Earnings before interest and taxes (EBIT)		10,293	13,118	-21.5%
Net interest		-8,842	-8,607	2.7%
Income taxes		-4,017	-1,298	209.5%
Income from continuing operations		-2,566	3,213	N/A
Income from discontinued operations		-4,039	-1,991	102.9%
Net result		-6,605	1,222	N/A
Attributable to:				
Equity holders of the company		-8,219	-450	1,726.4%
Minority interest		1,614	1,672	-3.5%
Depreciation and amortization		-18,465	-20,194	-8.6%
EBITDA		28,758	33,312	-13.7%
Operating lease expenses		-33,527	-34,413	-2.6%
EBITDAR ¹⁾		62,285	67,725	-8.0%
Gross Margin		7.9%	7.6%	4.4%
EBIT-Margin		1.2%	1.5%	-24.7%
EBITDA-Margin		3.3%	3.9%	-17.1%
EBITDAR-Margin		7.0%	8.0%	-11.7%
EBITDA/Net interest		3.25	3.87	-16.0%

¹⁾ EBITDA before operating lease expenses

Sales Analysis

Sales growth	<i>in %</i>
Total sales growth	4.2
by currencies	-0.1
by acquisitions/ divestments	1.0
Organic growth	5.1

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Net Sales

In the first half of 2005 the Thiel Group generated sales of 883.5 million euros, an increase of 4.2 % over the 848.1 million euros of the same period in 2004. There is a strong organic sales growth of 5.1 % in the first six months of 2005 after these sales are adjusted for the currency effects and the effects from acquisitions/ divestments. On June 1, 2005, the Slovakian company Proxar (Quehenberger business unit) was included in the scope of consolidation for the first time.

Result

A gross profit of 70.2 million euros was generated in the reporting period of 2005, an increase of 8.8 % over the previous year's figure of 64.5 million euros. The gross margin in the first six months of the current fiscal year came to 7.9 % (2004: 7.6 %). Despite the pressure on margins in the Furniture business unit because of start-up losses for a new furniture distribution center in Vossheide a slight margin improvement could be achieved compared with the prior year's margin.

Operating expenses of 60.3 million euros were incurred in the first half of 2005, while those of the same period of the prior year came to 51.0 million euros. In 2004 the first half year operating expenses include the positive effect from the disposal of the public transport businesses (ÖPNV) in Ingolstadt and Munich. The 2005 operating expenses include depreciation and amortization of 18.5 million euros (2004: 20.2 million euros). Other financial income (expense) of 0.4 million euros (2004: -0.4 million euros) includes results from investments, securities and other financial instruments.

Owing to the earning declines in the Furniture business unit, the 10.3 million euro result before interest and income taxes (EBIT) was 21.5 % below the level of the previous year. The EBIT margin came to 1.2 % (2004: 1.5 %) in the first half of 2005.

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 13.7 %, from 33.3 million euros in the previous year's period to 28.8 million euros, which results in an EBITDA margin of 3.3 %. When the consolidated result is adjusted for the operating lease expenses, an EBITDAR of 62.3 million euros was generated in the first six months of 2005 (2004: 67.7 million euros).

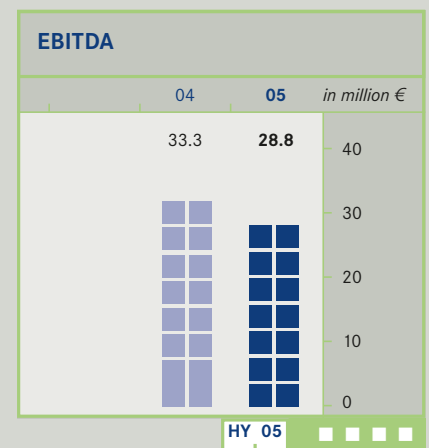
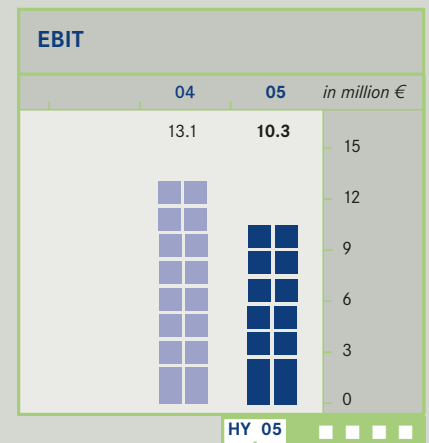
The Group's net interest result was -8.8 million euros, remaining at previous year's level (2004: -8.6 million euros). The ratio of the EBITDA to net interest came to 3.25 in the first half year (2004: 3.87).

In the current reporting period the income tax expense increased from 1.3 million euros to 4.0 million euros.

The result from discontinued operations includes significant redundancy payments at freight companies in Luxembourg and amounted to -4.0 million euros in the first six months of 2005 (2004: -2.0 million euros).

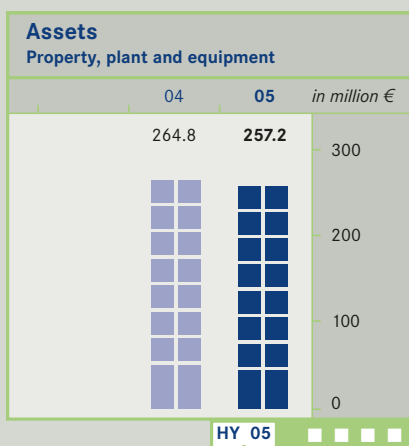
The new rules of the International Financial Reporting Standards (IFRS) have been applied when stating the net result for current periods. In line with this approach, the statement of income ends with the net result before minorities. This net result is stated separately and allocated to the equity holders of the company (comparable to the previous use of the term "Net Income") and to the minority shareholders.

In the current reporting period, -8.2 million euros of the negative result of -6.6 million euros (2004: 1.2 million euros) was apportioned to the equity holders of the Thiel Group (2004: -0.5 million euros) and 1.6 million euros to the minority shareholders (2004: 1.7 million euros).



Assets and Equity Structure

<i>in thousand €</i>	June 30, 2005	Dec. 31, 2004	Change
Assets			
Cash and Cash equivalents	65,632	87,369	-24.9%
Trade accounts receivable	236,652	205,348	15.2%
Prepaid expenses and other current assets	43,802	32,424	35.1%
Assets of discontinued operations	6,231	11,738	-46.9%
Property, plant and equipment	257,196	264,758	-2.9%
Intangible assets	24,993	23,632	5.8%
Goodwill	283,568	284,629	-0.4%
Other long-term assets	40,838	41,313	-1.1%
Total Assets	958,912	951,211	0.8%
Liabilities and Shareholders' Equity			
Short-term bank borrowings	14,642	19,834	-26.2%
Trade accounts payable	191,336	165,362	15.7%
Other short-term liabilities	69,766	74,816	-6.7%
Other short-term provisions	28,502	28,804	-1.0%
Liabilities of discontinued operations	8,466	7,699	10.0%
Long-term bank borrowings	32,839	34,789	-5.6%
Bonds payable	125,354	125,043	0.2%
Other long-term liabilities	73,574	76,648	-4.0%
Other long-term provisions	41,363	40,374	2.4%
Shareholders' equity (including minority interest)	373,070	377,842	-1.3%
Total Liabilities and Shareholders' Equity	958,912	951,211	0.8%
Key figures to Balance Sheet			
Equity ratio	38.9%	39.7%	-0.8%
Gross financial debt	224,408	232,596	-3.5%
Net financial debt	158,776	145,227	9.3%



Total assets increased by 0.8 % to 958.9 million euros (2004: 951.2 million euros) compared to the reporting date of December 31, 2004. Cash and cash equivalents decreased from 87.4 million euros as of December 31, 2004 to 65.6 million euros as of June 30, 2005. The 31.4 million euro increase in trade accounts receivable, up from 205.3 million euros to 236.7 million euros, reflects increased sales volumes in June.

Prepaid expenses and other current assets increased by 11.4 million euros from 32.4 million euros to 43.8 million euros. The sale of the AF Logistik und Speditionen GmbH company led to an increase in other receivables, while the prepaid expenses increased in the first half year as a result of accruing for rental and insurance contracts. Payments received from the sale of companies and pushing the sale / liquidation of existing discontinued operations resulted in a 46.9 % decrease in the assets of discontinued operations from 11.7 million euros as at December 31, 2004 to 6.2 million euros as of the reporting date for the period under review.

Property, plant and equipment decreased by 2.9 % to 257.2 million euros (2004: 264.8 million euros). Asset additions in the Thiel Group in the first half of 2005 came to 9.3 million euros, while asset disposals came to 2.2 million euros and depreciation to 14.2 million euros.

Intangible assets increased by 1.4 million euros in the reporting period, from 23.6 million euros to 25.0 million euros. Asset additions of 4.9 million euros include the allocation of the purchase price for the Proxar company to capitalized customer contracts of 2.5 million euros. Amortization of intangible assets came to 4.3 million euros.

Goodwill decreased from 284.6 million euros to 283.6 million euros. The 3.2 million euros increase in goodwill due to the acquisition of the Proxar company is offset by the sale of the AF Logistik und Speditionen GmbH company.

Other long-term assets decreased from 41.3 million euros as of December 31, 2004, to 40.8 million euros, a 1.1 % decline.

Due to repayments short-term bank borrowings fell by 5.2 million euros, from 19.8 million euros to 14.6 million euros. As a result of the increase in business volumes trade accounts payable rose during the current reporting period by 25.9 million euros to 191.3 million euros (2004: 165.4 million euros).

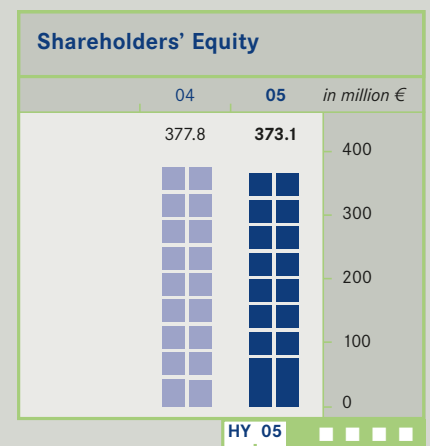
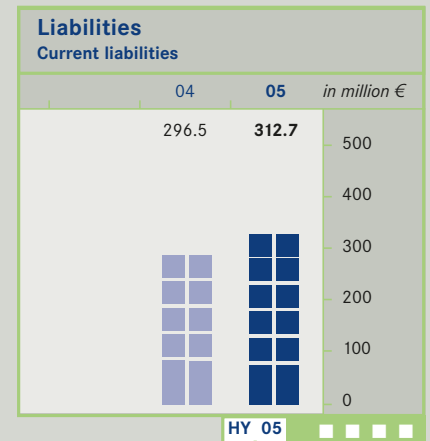
Other short-term liabilities decreased in the past six months by 5.0 million euros to 69.8 million euros (2004: 74.8 million euros). Whereas pension obligations in the Birkart KG lead company were settled, liabilities from vacation and Christmas bonus money were built up. Other short-term provisions amounting to 28.5 million euros as of June 30, 2005, remained virtually the same. Liabilities from discontinued operations increased by 0.8 million euros, from 7.7 million euros to 8.5 million euros.

Due to repayments long-term bank borrowings fell from 34.8 million euros to 32.8 million euros. In addition to the bond volume of 130.0 million euros, the bond issue costs, which are to be deferred over the term of the bond, are also stated in the liabilities from bonds payable.

The other long-term liabilities decreased from 76.6 million euros to 73.6 million euros. The other long-term provisions increased by 2.4 %, from 40.4 million euros as of December 31, 2004 to 41.4 million euros.

In accordance with IFRS provisions, shareholder's equity also includes the share of the minority interests, and at 373.1 million euros was 1.3 % below the December 31, 2004, comparison figure of 377.8 million euros. The equity ratio of the Thiel Group was 38.9 % as of June 30, 2005.

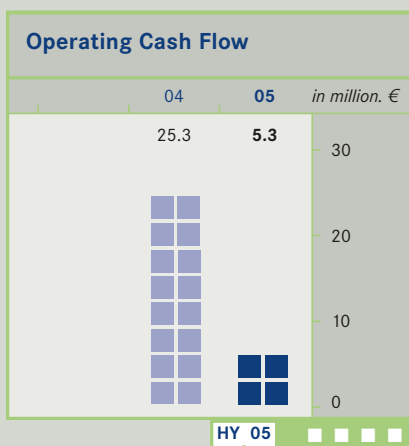
Due to the reduction in cash and cash equivalents, net financial debt increased by 13.6 million euros in the current reporting period, from 145.2 million euros to 158.8 million euros. Gross financial debt improved by 3.5 % from 232.6 million euros to 224.4 million euros.



Cash Flow

in thousand €	January 1, - June 30,	2005	2004	Change
Net result		-6,605	1,222	N/A
Income from discontinued operations		4,039	1,991	102.9 %
Depreciation and amortization		18,465	20,194	-8.6 %
Changes in working capital		-3,059	7,719	N/A
Other reconciliations		-7,530	-5,800	29.8 %
Operating Cash Flow		5,310	25,326	-79.0 %
Capital expenditures		-10,018	-14,500	-30.9 %
Divestments		3,694	5,495	-32.8 %
Acquisitions of subsidiaries		-4,987	-10,005	-50.2 %
Other changes in Cashflow from investing activities		-1,851	758	N/A
Cash Flow from investing activities		-13,162	-18,252	-27.9 %
Changes in bank borrowings		-8,154	-67,293	-87.9 %
Issuance of corporate bond		-1,430	–	N/A
Issuance of common stock		-	94,910	N/A
Other changes in Cash flow from financing activities		-4,421	-5,364	-17.6 %
Cash Flow from financing activities		-14,005	22,253	N/A
Net cash used in discontinued operations		-327	-7,548	-95.7 %
Effects of exchange rate changes on cash		447	431	3.7 %
Changes in Cash and cash equivalents		-21,737	22,210	N/A
Cash and cash equivalents at end of period		65,632	73,222	-10.4 %
Free Cash Flow ¹⁾		2,408	18,481	-87.0 %

1) Free Cash Flow = Operating Cash Flow - Capital Expenditures + Interest Payments



Based on a result for the period of -6.6 million euros (2004: 1.2 million euros), the reconciliation to the operating cash flow shows a result of 4.0 million euros for the discontinued operations (2004: 2.0 million euros) and amortization of 18.5 million euros (2004: 20.2 million euros). The other reconciliation items include the settlement of pension obligations at the Birkart KG lead company in the sum of -8.5 million euros.

Against the background of the successes achieved from working capital management in financial year 2004, the increased sales volumes in June were particularly responsible for a negative cash effect from working capital in the current reporting period of 3.1 million euros.

In summary, the Thiel Group generated a positive operating cash flow of 5.3 million euros (2004: 25.3 million euros). Including capital expenditures of 10.0 million euros (2004: 14.5 million euros) and adjusted for interest payments of 7.1 million euros (2004: 7.7 million euros), a positive free cash flow of 2.4 million euros was generated.

Disposals of long-lived assets resulted in a cash inflow from divestments of 3.7 million euros in the first half of 2005 (2004: 5.5 million euros). Investment purchases led to a cash outflow of 5.0 million euros. This includes the acquisition of the Slovakian company Proxar.

The other changes in cash flow from investing activities of -1.9 million euros (2004: 0.8 million euros) include changes in loans and securities granted.

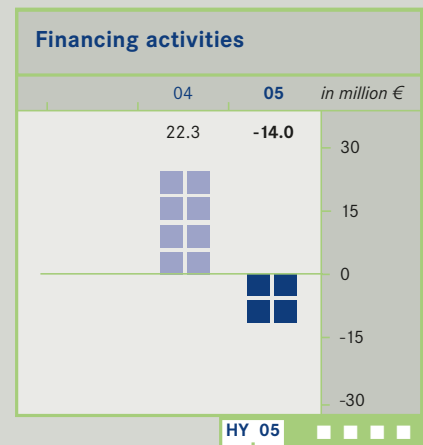
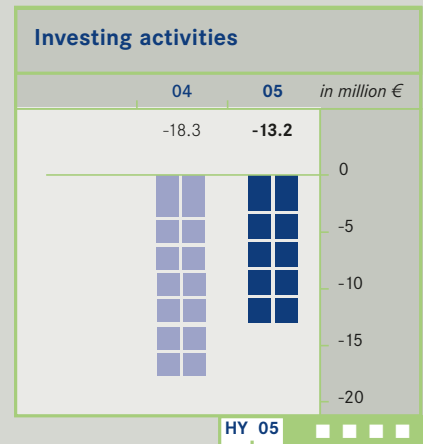
In the first half of 2005 bank borrowings of 8.2 million euros were repaid. Settlement of costs from the issue of the corporate bond resulted in a cash outflow of 1.4 million euros.

The other changes in cash flow from financing activities of -4.4 million euros (2004: -5.4 million euros) include changes in finance lease obligations. The cash flow in the first half of 2004 was characterized by the capital increase in April with a cash inflow of 94.9 million euros.

Net cash used in discontinued operations came to -0.3 million euros in the current reporting period, significantly down on the previous year's level of -7.5 million euros.

Effects of exchange rate changes on cash occur in the Thiel Group, especially from businesses in the Swiss franc, Polish zloty, Hong Kong dollar and Hungarian forint currencies. This produced an effect on the cash position of 0.4 million euros (2004: 0.4 million euros) in the first half of 2005.

As of June 30, 2005 the Thiel Group reported 65.6 million euros available in cash and cash equivalents (2004: 73.2 million euros).



Name



THIEL

Logistics+Services

Industry

LOGISTICS

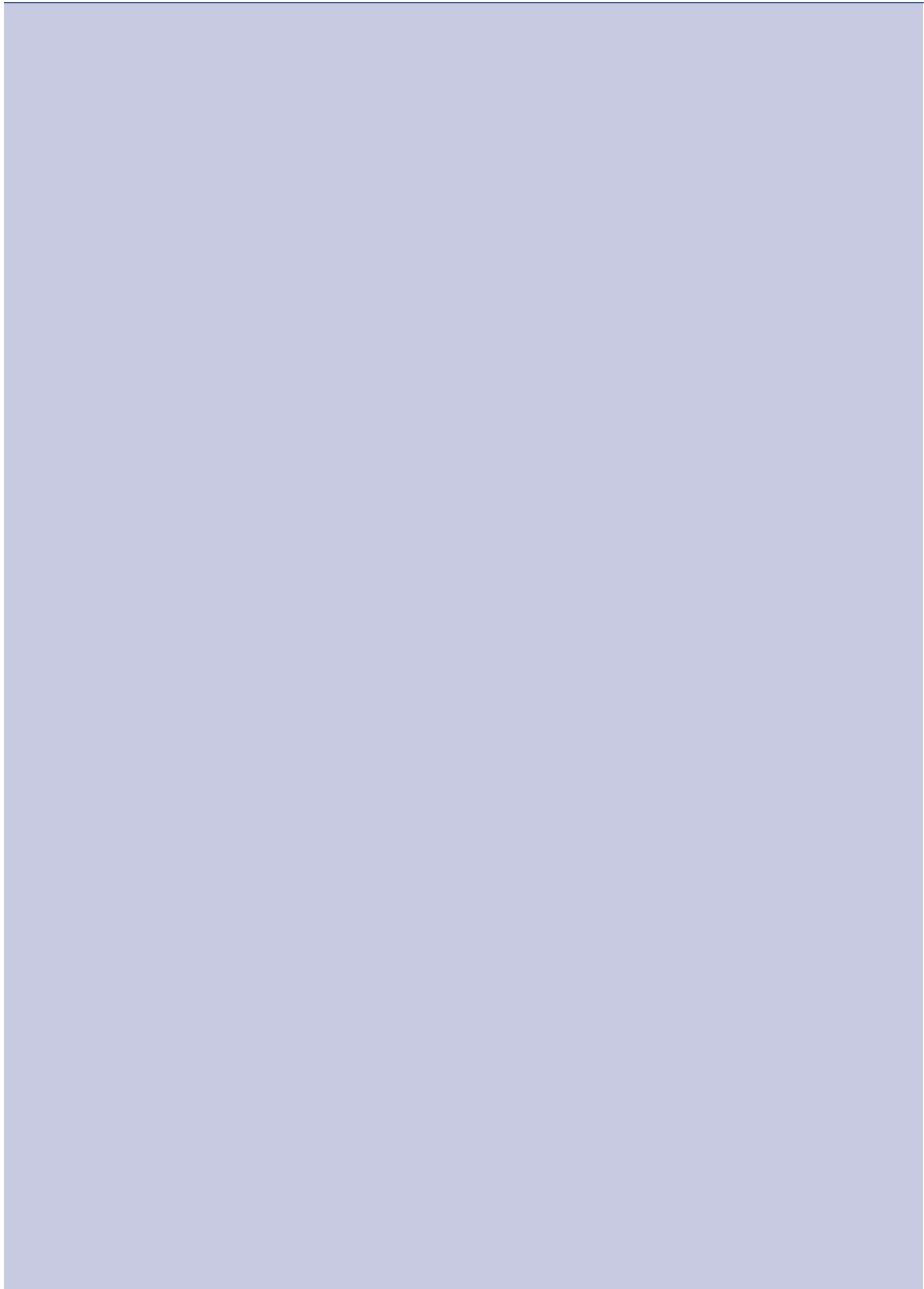
Date

June 30, 2005

CONSOLIDATED FINANCIAL STATEMENTS

Content

Consolidated Statement of Income	19
Consolidated Balance Sheet	20
Consolidated Statement of Cash Flows	22
Consolidated Statement of Changes in Shareholders' Equity	23
Notes to the Consolidated Financial Statements	24
1. Summary of Significant Accounting Policies	24
2. First-Time Adoption of International Financial Reporting Standards (IFRS)	29
3. Business Combinations	31
4. Segment Reporting	31
5. Other Income (Expenses), net	36
6. Income (Loss) from Discontinued Operations	37
7. Property, Plant and Equipment and Intangible Assets	37
8. Assets and Liabilities of Discontinued Operations	38
9. Shareholders' Equity	38
10. Supplemental Disclosures of Cash Flow Information	39
11. Subsequent Events	39



Consolidated Statement of Income

in EUR thousands except per share amounts

	January 1, - June 30, 2005	January 1, - June 30, 2004	April 1, - June 30, 2005	April 1, - June 30, 2004
Net sales	883,508	848,117	452,500	422,266
Cost of sales	(813,320)	(783,610)	(416,773)	(391,583)
Gross profit	70,188	64,507	35,727	30,683
Selling costs	(17,724)	(16,164)	(8,754)	(8,423)
General and administrative costs	(46,928)	(43,383)	(24,362)	(21,634)
Other income (expenses), net	4,757	8,158	1,781	6,051
Earnings before impairment, interest and taxes	10,293	13,118	4,392	6,677
Impairment of long-lived assets	-	-	-	-
Earnings before interest and taxes (EBIT)	10,293	13,118	4,392	6,677
Interest expenses, net	(8,842)	(8,607)	(4,407)	(4,116)
Income (Loss) from continuing operations before income taxes	1,451	4,511	(15)	2,561
Income taxes	(4,017)	(1,298)	(2,059)	(425)
Income (Loss) from continuing operations	(2,566)	3,213	(2,074)	2,136
Income (Loss) from discontinued operations, net of tax	(4,039)	(1,991)	(3,195)	(804)
Net result	(6,605)	1,222	(5,269)	1,332
Attributable to:				
Equity holders of the Company	(8,219)	(450)	(6,252)	530
Minority interest	1,614	1,672	983	802

	January 1, - June 30, 2005	January 1, - June 30, 2004	April 1, - June 30, 2005	April 1, - June 30, 2004
Earnings per share (in EUR) - basic and fully diluted:				
Income (Loss) from continuing operations	(0.02)	0.03	(0.02)	0.02
Income (Loss) from discontinued operations, net of tax	(0.04)	(0.02)	(0.03)	(0.01)
Net result attributable to the equity holders of the company	(0.07)	(0.00)	(0.06)	0.00
Weighted average number of shares outstanding	111,474,987	96,158,948	111,474,987	107,710,353

Consolidated Balance Sheet

in EUR thousands

	June 30, 2005	Dec. 31, 2004
ASSETS		
Current Assets		
Cash and cash equivalents	65,632	87,369
Trade accounts receivable	236,652	205,348
Inventories	9,092	7,220
Prepaid expenses and other current assets	33,781	24,271
Assets held for sale	929	933
Assets of discontinued operations	6,231	11,738
Total current assets	352,317	336,879
Non-current assets		
Property, plant and equipment	257,196	264,758
Intangible assets	24,993	23,632
Goodwill	283,568	284,629
Investments in associated companies	322	385
Investments in affiliated, not consolidated companies and other investments	3,595	3,188
Securities, available-for-sale	3,677	3,738
Securities, held-to-maturity	370	370
Deferred income taxes	24,085	25,634
Other non-current assets	8,789	7,998
Total non-current assets	606,595	614,332
Total assets	958,912	951,211

■ ■ LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2005	Dec. 31, 2004
Current liabilities		
Short-term bank borrowings and current portion of long-term debt	14,642	19,834
Trade accounts payable	191,336	165,362
Lease obligations, short-term	6,842	6,747
Tax provisions	15,849	14,513
Other short-term liabilities	62,924	68,069
Other short-term provisions	12,653	14,291
Liabilities of discontinued operations	8,466	7,699
Total current liabilities	312,712	296,515
Non-current liabilities		
Long-term bank borrowings	32,839	34,789
Bonds payable	125,354	125,043
Lease obligations, long-term	44,731	46,183
Retirement and other employee-related obligations	39,507	38,919
Deferred income taxes	24,418	25,397
Other long-term liabilities	4,425	5,068
Other long-term provisions	1,856	1,455
Total non-current liabilities	273,130	276,854
Shareholders' equity		
Capital and reserves attributable to the Company's equity holders		
Ordinary shares - voting, no-par value	139,344	139,344
Additional paid-in capital	204,899	323,184
Retained earnings and other reserves	21,914	(88,152)
Translation reserve	371	(1,024)
Fair value reserve	464	238
Total Group equity	366,992	373,590
Minority interest	6,078	4,252
Shareholders' equity	373,070	377,842
Total liabilities and shareholders' equity	958,912	951,211

Consolidated Statement of Cash Flows

in EUR thousands

	January 1, - June 30,	2005	2004
Cash Flows from operating activities			
Net result		(6,605)	1,222
Adjustments to reconcile net result to net cash used in operating activities			
Income (Loss) from discontinued operations		4,039	1,991
Depreciation and amortization		18,465	20,194
Impairment of long-lived assets		-	-
Non-cash items in connection with disposal of non-current assets		(1,165)	(5,393)
Deferred income taxes		(200)	(2,541)
Other, net		1,748	811
Change in retirement and other employee-related obligations		(7,913)	1,323
Changes in working capital			
Decrease (Increase) in trade accounts receivable and other assets		(26,125)	6,840
Decrease (Increase) in inventory		(1,871)	217
Increase (Decrease) in trade accounts payable and other liabilities		24,937	662
Net cash provided by operating activities		5,310	25,326
Cash Flows from investing activities			
Capital expenditures		(10,018)	(14,500)
Proceeds from disposal of non-current assets		3,694	5,495
Proceeds from sale of available-for-sale securities		253	-
Proceeds from sale of trading securities		-	400
Change in other loans granted		(2,104)	358
Payments for acquisitions of subsidiaries, net of cash acquired		(4,987)	(10,005)
Net cash used in investing activities		(13,162)	(18,252)
Cash Flows from financing activities			
Proceeds from short-term bank borrowings		-	12,440
Repayment of short-term bank borrowings		(6,204)	(70,333)
Proceeds from long-term bank borrowings		-	4,300
Repayment of long-term bank borrowings		(1,950)	(13,700)
Repayment in finance lease obligations		(3,835)	(2,851)
Other financing activities		(586)	(2,513)
Proceeds from issuance of corporate bond, net		(1,430)	-
Proceeds from issuance of common stock, net		-	94,910
Net cash provided by (used in) financing activities		(14,005)	22,253
Net cash used in discontinued operations		(327)	(7,548)
Effects of exchange rate changes on cash		447	431
Increase (Decrease) in cash and cash equivalents		(21,737)	22,210
Cash and cash equivalents at beginning of year		87,369	51,012
Increase (Decrease)		(21,737)	22,210
Cash and cash equivalents at end of period		65,632	73,222

Consolidated Statement of Changes in Shareholders' Equity

in EUR thousands

	Ordinary shares - voting, no-par value	Additional paid-in capital	Retained earnings and other reserves	Translation reserve	Fair value reserve	Total Group equity	Minority interest	Total Share- holders' equity
January 1, 2004	107,187	258,806	(89,035)	1,897	(465)	278,390	2,327	280,717
Capital increase	32,157	64,378				96,535		96,535
Net result			(450)			(450)	1,672	1,222
Neutral effects from minority interest							43	43
Results, not included in net result, net of tax								
Translation reserve				(2,043)		(2,043)		(2,043)
Fair value reserve					148	148		148
Total result						(2,345)	1,715	(630)
June 30, 2004	139,344	323,184	(89,485)	(146)	(317)	372,580	4,042	376,622
Net result			1,333			1,333	2,636	3,969
Neutral effects from minority interest							(2,426)	(2,426)
Results, not included in net result, net of tax								
Translation reserve				(878)		(878)		(878)
Fair value reserve					555	555		555
Total result						1,010	210	1,220
December 31, 2004	139,344	323,184	(88,152)	(1,024)	238	373,590	4,252	377,842
Settlement of additional paid-in capital with balance sheet loss		(118,285)	118,285					
Net result			(8,219)			(8,219)	1,614	(6,605)
Neutral effects from minority interest							212	212
Results, not included in net result, net of tax								
Translation reserve				1,395		1,395		1,395
Fair value reserve					226	226		226
Total result						(6,598)	1,826	(4,772)
June 30, 2005	139,344	204,899	21,914	371	464	366,992	6,078	373,070

Notes to Consolidated Financial Statements as of June 30, 2005

1. Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements include all accounts of Thiel Logistik AG 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 the International Financial Reporting Standards (IFRS). Reference is made to note 2, "First-Time Adoption of International Financial Reporting Standards (IFRS)".

Consolidation Methods

The Consolidated Financial Statements include all material companies in which Thiel Logistik AG has legal or effective control. Significant investments in which the Company has 20 per cent to 50 per cent 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 according to IAS 28, "Accounting for Investments in Associates". All other investments are recorded at acquisition cost.

Scope of consolidation

In addition to Thiel Logistik AG as the parent company, the scope of fully consolidated companies includes five domestic and 145 foreign companies as of June 30, 2005 (as of December 31, 2004: five domestic and 144 foreign companies).

The consolidated entities have developed as follows:

<input type="checkbox"/> <input type="checkbox"/>	Dec. 31, 2004	Additions	Disposals	June 30, 2005
Luxembourg	5	-	-	5
Abroad	144	5	(4)	145
Total	149	5	(4)	150

The companies Proxar Slovakia Internationale Spedition a.s., Slovakia and Birkart Globistics S.R.L., Italy were first consolidated as of June 1, 2005. Due to materiality reasons, three former not consolidated companies have been consolidated for the first time in 2005. Four companies are no longer included in the Group reporting. Thereof three companies have been merged with other companies included in the Consolidated Financial Statements, one company was dissolved. Nine companies were accounted for under the equity method (as of December 31, 2004: eleven). Thirty-eight subsidiaries (previous year: 42) either dormant or generating a negligible volume of business are not included. Their influence on the Group's assets, liabilities, financial position and earnings is immaterial.

Use of Estimates

The 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.

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.

The following table shows the development of the exchange rates of the major currencies used in the Consolidated Financial Statements:

Currencies	Average rate during		Exchange rate as at	
	January 1, – June 30, 2005	January 1, – June 30, 2004	June 30, 2005	Dezember 31, 2004
1 EUR =				
Swiss Franc CHF	1.5463	1.5535	1.5499	1.5440
Polish Zloty PLN	4.0783	4.7352	4.0388	4.0740
Hong Kong Dollar HKD	10.0173	9.5579	9.4076	10.5794
Hungarian Forint HUF	247.3604	256.1927	247.2400	245.6300
Britisch Pound GBP	0.6861	0.6736	0.6742	0.7088
US Dollar USD	1.2855	1.2274	1.2092	1.3604

Revenue Recognition

Thiel Logistik Group generates sales from its core business areas 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 according to IFRS. This is usually the case when there is clear evidence of an agreement, the risks and rewards of ownership of the goods have 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 are 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. Changes in tax rates which have been substantively enacted at balance sheet date, have been taken into consideration.

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. Risks resulting from slow-moving items and from the obsolescence or reduced utility of inventories, as well as uncompleted contracts that involve impending losses are allowed for by writing them down to their net realizable values.

Assets Held for Sale and Discontinued Operations

IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", states the classification, measurement and presentation requirements that apply to all non-current assets held for sale. A non-current asset is classified as "held for sale", if the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and if its sale is highly probable. In addition, IFRS 5 adopts the concept of "discontinued operations", which defines a disposal group as a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. These "assets held for sale" and the assets and liabilities of a disposal group classified as held for sale shall be presented separately in the balance sheet.

As of June 30, 2005, individual assets have been classified as "held for sale" and disclosed in balance sheet line item "Assets held for sale".

In the Consolidated Balance Sheets as of June 30, 2005 and December 31, 2004, assets and liabilities of businesses to be discontinued have been reflected in the balance sheet line items "Assets of discontinued operations" and "Liabilities of discontinued operations". In the Consolidated Statements of Income for the periods ended June 30, 2005 and 2004, profits and losses attributable to businesses to be discontinued have been segregated from continuing operations and reflected in the line item "Income (Loss) from 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 periods ended June 30, 2005 and 2004. Reference is made to note 5, "Income (Loss) from Discontinued Operations", and to note 7, "Assets and Liabilities of Discontinued Operations".

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 20 years for machinery, fixtures and equipment. Acquired intangible assets are recognized and amortized over their estimated useful lives ranging from 3 to 10 years.

Impairment Evaluation of Property, Plant and Equipment and Intangible Assets

Thiel Logistik Group adopts IAS 36, "Impairment of Assets". Non-current assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. If the reason for the previously recognized impairment loss no longer exists, the impairment is reversed up to the level of its rolled-forward depreciated or amortized cost.

Impairment Evaluation of Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. IFRS 3, "Business Combinations", prohibits the amortization of goodwill. Instead, goodwill is tested 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, in accordance with IAS 36, "Impairment of Assets".

For the purpose of impairment testing, goodwill is allocated to cash-generating units defined by the company. The fair value of this cash-generating unit is compared to its carrying value. A cash-generating unit is the level at which goodwill impairment is measured. If the fair value of the cash-generating unit is less than its carrying value, goodwill allocated to this cash-generating unit is impaired. If the reason for the previously recognized impairment loss no longer exists, a reversal of the impairment is not allowed.

The regular impairment test is performed by Thiel Logistik Group as of September 30 of each fiscal year. The Group did not recognize any impairment loss as a result of performing the required annual impairment test based on the values as of September 30, 2004.

Securities

Debt and equity securities that have readily determinable fair values are classified and accounted for in one of three categories: trading, held-to-maturity or available-for-sale. Trading securities are recorded at fair value with movements in fair value included in the income statement. Investments in held-to-maturity securities are measured at amortized costs. Available-for-sale securities are recorded at fair value. Movements in fair value are excluded from earnings and recorded net of tax in a fair value reserve as a separate component of shareholders' equity. Management determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such classifications at each balance sheet date.

Derivative Financial Instruments

Thiel Logistik Group adopts IAS 39, "Financial Instruments". This standard requires that all derivative instruments are to be reported on the balance sheet at fair values and establishes criteria for designation and effectiveness of hedging relationships.

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 the variability of cash flows to be paid related to a recognized interest-bearing 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 in a fair value reserve as a separate component of shareholders' equity. They are recognized in earnings at the moment when the hedged transactions occur. Derivatives that are entered into for risk management purposes, but which do not meet the criteria of IAS 39, are recorded at their market values with changes in fair values recognized in current earnings.

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.

Provisions

The Group adopts IAS 37, "Provisions, Contingent Liabilities and Contingent Assets". Provisions are recognized when the Group has an obligation to a third party, an outflow of resources is probable and a reliable estimate can be made of the amount of the obligation. Measurement is computed on the basis of fully attributable costs. Long-term provisions with a remaining period of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the balance sheet date.

Retirement and Other Employee-Related Obligations

Provisions for retirement and other employee-related obligations are accounted for using the projected unit credit method in accordance with IAS 19, "Employee Benefits". Under this method, not only obligations relating to known vested benefits at the reporting date are recognized, but also the effect of future increases in pensions and salaries. This involves taking account of various input factors which are evaluated on a prudent basis. The provision is derived from an independent actuarial valuation which takes into account the relevant biometric factors.

Earnings per Share (EPS)

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

2. First-Time Adoption of International Financial Reporting Standards (IFRS)

Since January 1, 2005, Thiel Logistik Group publishes its Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS).

In order to present two years of full comparative information Thiel Logistik Group prepared its Opening IFRS Consolidated Balance Sheet as of January 1, 2004 (= date of transition to IFRS). The Company applied IFRS 1, "First-Time Adoption of International Financial Reporting Standards", in order to prepare its Opening IFRS Consolidated Balance Sheet as of January 1, 2004 (based on its US GAAP Consolidated Financial Statements reported as of December 31, 2003).

Adjustments and/ or reclassifications to the Opening IFRS Consolidated Balance Sheet in comparison to the US GAAP Consolidated Balance Sheet as of the transition date are published in the Annual Report 2004. Adjustments and/ or reclassifications in the IFRS Consolidated Financial Statements processed during fiscal year 2004, in comparison to the US GAAP Consolidated Financial Statements as of December 31, 2004 were also published in the Annual Report 2004. Reference is made to note 39, "First-Time Adoption of International Financial Reporting Standards (IFRS)", of the Annual Report 2004.

The IFRS Consolidated Statement of Income for the period January 1, to June 30, 2004 has been adjusted for the effects resulting from the deferral of gains on sale and lease-back transactions under US GAAP (IAS 17, "Leases"). Interest expenses for defined benefit obligations included in earnings before interest and taxes (EBIT) have been reclassified to income statement line item "Interest expenses, net", in preparing the IFRS Consolidated Statement of Income (IAS 19, "Employee Benefits").

Furthermore, short-term as well as long-term provisions and liabilities were separated in the IFRS Consolidated Balance Sheet. The position „accumulated other comprehensive income“ has been divided into a translation reserve and a fair value reserve within shareholders' equity.

3. Business Combinations

In line with the pursued growth strategy in Eastern Europe the business unit Quehenberger acquired a 66 % stake in the slovakian company Proxar Slovakia Internationale Spedition a.s. („Proxar“). Of the total consideration given for the acquisition an amount of TEUR 2,516 was allocated to a customer contract due to a long-term service contract over 4.6 years. As of the acquisition date goodwill amounted to TEUR 3,206.

The consolidated financial statements as of June 30, 2005, include the results of operations of the company Proxar for the period June 1, 2005, through June 30, 2005.

4. Segment Reporting

Primary reporting format – Segments by business segments

According to the internal organisation structure of Thiel Logistik AG, the primary segment reporting is geared to the business segments. The Thiel Group comprises the following business segments:

Industry Solutions

Thiel Logistik Group provides logistics services for specific industry sectors in which it has developed particular specialist knowledge and expertise. In this business segment, Thiel Logistik 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.

Air & Ocean

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

Regional Logistics Services

Thiel Logistik 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 Logistik 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.

The tables below set forth segment information of the business segments for the periods ended June 30, 2005 and 2004:

	Industry Solutions	Air & Ocean	Regional Logistics Services	Holdings	Consolidation	Group
Period ended June 30, 2005						
Net sales						
External sales	296,454	159,483	427,462	109	-	883,508
Intersegment sales	7,697	2,550	5,326	-	(15,573)	-
Total net sales	304,151	162,033	432,788	109	(15,573)	883,508
Result						
Segment result	532	4,273	11,151	(4,455)	(1,565)	9,936
Other financial income (expenses)						357
Earnings before interest, taxes and impairment						10,293
Impairment of long-lived assets						-
Earnings before interest and taxes (EBIT)						10,293
Interest expenses, net						(8,842)
Income (Loss) from continuing operations before income taxes						1,451
Income taxes						(4,017)
Income (Loss) from discontinued operations, net of tax						(4,039)
Net result						(6,605)
<i>Included in segment result are:</i>						
Depreciation and amortization	(8,584)	(766)	(7,940)	(1,175)	-	(18,465)
<i>thereof amortization of customer contracts</i>	<i>(1,749)</i>	<i>-</i>	<i>(46)</i>	<i>-</i>	<i>-</i>	<i>(1,795)</i>
Balance Sheet						
Segment assets	316,790	91,141	421,794	27,198	(8,913)	848,010
Unallocated assets						110,902
Total consolidated assets						958,912
Segment liabilities	111,412	56,845	142,810	8,729	(8,913)	310,883
Unallocated liabilities						274,959
Total consolidated liabilities						585,842
<i>Included in segment assets are:</i>						
Capital additions	3,352	888	5,756	1,670	-	11,666

	Industry Solutions	Air & Ocean	Regional Logistics Services	Holdings	Consolidation	Group
Period ended June 30, 2004						
Net sales						
External sales	301,031	142,120	404,337	629	-	848,117
Intersegment sales	6,754	2,796	3,771	-	(13,321)	-
Total net sales	307,785	144,916	408,108	629	(13,321)	848,117
Result						
Segment result	1,975	2,319	14,116	(4,927)	24	13,507
Other financial income (expenses)						(389)
Earnings before interest, taxes and impairment						13,118
Impairment of long-lived assets						-
Earnings before interest and taxes (EBIT)						13,118
Interest expenses, net						(8,607)
Income (Loss) from continuing operations before income taxes						4,511
Income taxes						(1,298)
Income (Loss) from discontinued operations, net of tax						(1,991)
Net result						1,222
<i>Included in segment result are:</i>						
Depreciation and amortization	(9,592)	(724)	(8,686)	(1,192)	-	(20,194)
<i>thereof amortization of customer contracts</i>	<i>(2,362)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(2,362)</i>
Balance Sheet						
Segment assets	330,712	90,551	422,781	23,128	(8,903)	858,269
Unallocated assets						131,124
Total consolidated assets						989,393
Segment liabilities	116,313	52,236	125,339	16,143	(8,903)	301,128
Unallocated liabilities						311,645
Total consolidated liabilities						612,773
<i>Included in segment assets are:</i>						
Capital additions	10,027	275	3,858	952	-	15,112

Disclosures on the segment amounts by business segment

The information by business segments are reported after consolidation of the intersegment transactions. The transactions between the business segments have been eliminated in the column "consolidation". Transaction between the segments are measured at arm's length.

Segment revenues and expenses: The result of each segment is measured by management based on the earnings before other financial income (expenses), interest expenses as well as income taxes.

Unallocated amounts: General corporate expenses of the holding companies not directly attributable to the individual segments, are reported in the column "Holdings". Other financial income and expenses not included in the determination of segment result, such as dividend income, gains and losses on sale of investments and securities, are reported as a separate item in the reconciliation of the segment result to the consolidated result.

Segment assets: Segment assets include non-current assets (without financial assets) and current assets (without income tax assets, cash, securities and assets of discontinued operations). Goodwill has been allocated to the segments and is included in the segment assets.

Segment liabilities: Segment liabilities comprise short-term and long-term, non-interest-bearing provisions and liabilities (without income tax liabilities and liabilities of discontinued operations).

Capital additions comprise additions to property, plant and equipment and intangible assets excluding goodwill, and additions from capitalization of finance lease contracts.

Depreciation and amortization comprise property, plant and equipment as well as intangible assets, which are directly attributable to the business segments (including amortization of capitalized customer contracts).

Secondary reporting format – Segments by regions

The three business segments of Thiel Group are subdivided into six geographical main regions. The business segment Industry Solutions operates predominantly in the geographical segments Germany, Austria, Eastern Europe as well as in other regions. Air & Ocean operates in all regions. The business segment Regional Logistics Services operates primarily in Germany, Austria, Switzerland and Eastern Europe.

The table below summarizes the net sales from external customers by region for the six-month periods ended June 30, 2005 and 2004:

■ ■	January 1, - June 30,	2005		2004	
Germany	418,143	47.3%	414,882	48.9%	
Austria	250,601	28.4%	234,704	27.7%	
Asia	51,569	5.8%	45,165	5.3%	
Switzerland	42,086	4.8%	39,407	4.7%	
Eastern Europe	40,365	4.6%	31,777	3.7%	
Others	80,744	9.1%	82,182	9.7%	
Total	883,508	100.0%	848,117	100.0%	

The table below sets forth geographic information on segment assets as of June 30, 2005 and 2004:

■ ■	June 30,	2005		2004	
Germany	251,870	44.6%	278,693	48.6%	
Austria	128,197	22.7%	129,694	22.6%	
Asia	20,778	3.7%	18,579	3.2%	
Switzerland	46,387	8.2%	46,261	8.1%	
Eastern Europe	48,443	8.6%	33,684	5.9%	
Other	68,767	12.2%	66,725	11.6%	
Total segment assets	564,442	100.0%	573,636	100.0%	
Goodwill	283,568		284,633		
Other unallocated assets	110,902		131,124		
Total consolidated assets	958,912		989,393		

In the six-month periods ended June 30, 2005 und 2004, capital additions were made in the following regions:

■ ■	January 1, - June 30,	2005		2004	
Germany	2,315	19.9%	9,374	62.0%	
Austria	4,879	41.8%	1,754	11.6%	
Asia	408	3.5%	148	1.0%	
Switzerland	351	3.0%	891	5.9%	
Eastern Europe	360	3.1%	1,213	8.0%	
Others	3,353	28.7%	1,732	11.5%	
Total capital additions	11,666	100.0%	15,112	100.0%	

The table below sets forth geographic information on fixed assets as of June 30, 2005 and 2004:

■ ■	June 30,	2005		2004	
Germany	138,077	49.0%	150,882	51.7%	
Austria	66,548	23.6%	66,060	22.6%	
Asia	2,226	0.8%	2,170	0.7%	
Switzerland	27,474	9.7%	29,992	10.3%	
Eastern Europe	25,518	9.0%	20,112	6.9%	
Others	22,346	7.9%	22,762	7.8%	
Total fixed assets	282,189	100.0%	291,978	100.0%	

Disclosures on the segment amounts by region

The allocation of net sales has been carried out according to the location of the assets. Only net sales from external customers have been reported.

The segment assets are reported by location of the assets. Segment assets include non-current assets (without financial assets and goodwill) and current assets (without income tax assets, cash, securities and assets of discontinued operations).

Fixed assets are also reported by location of the concerned assets and comprise property, plant and equipment and intangibles assets excluding goodwill. Capital additions comprise additions to property, plant and equipment and intangible assets excluding goodwill and additions from capitalization of finance lease contracts.

Other information

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

5. Other Income (Expenses), net

<input type="checkbox"/> <input type="checkbox"/>	January 1, - June 30,	2005	2004
	Gain from disposal of long-lived assets	882	5,609
	Foreign exchange gain	2,897	3,459
	Insurance revenue	257	857
	Income from reversal of provisions	2,159	1,569
	Miscellaneous operating income	1,238	523
	Other operating income	7,433	12,017

<input type="checkbox"/> <input type="checkbox"/>	January 1, - June 30,	2005	2004
	Loss from disposal of long-lived assets	(292)	(210)
	Foreign exchange loss	(2,178)	(2,520)
	Miscellaneous operating expenses	(563)	(740)
	Other operating expenses	(3,033)	(3,470)

<input type="checkbox"/> <input type="checkbox"/>	January 1, - June 30,	2005	2004
	Other operating income (expenses), net	4,400	8,547
	Other financial income (expenses), net	357	(389)
	Total other income (expenses), net	4,757	8,158

6. Income (Loss) from Discontinued Operations

Businesses classified as discontinued operations as of June 30, 2005, concern small and medium sized service providers in the logistics sector within Central Europe and Asia.

The following amounts related to businesses to be discontinued have been segregated from continuing operations and reflected as discontinued operations for the six-month periods ended June 30, 2005 and 2004:

	January 1, - June 30,	2005	2004
Net Sales		8,154	15,481
Income (Loss) from discontinued operations, before tax		(4,039)	(2,161)
Income taxes		-	170
Income (Loss) from discontinued operations, net of tax		(4,039)	(1,991)

7. Property, Plant and Equipment and Intangible Assets

	Acquisition cost	Accumulated amortization/ depreciation	Net book value	
			June 30, 2005	Dec. 31, 2004
Land and buildings	245,590	64,437	181,153	181,018
Machinery and equipment	56,119	30,009	26,110	27,283
Tools, fixtures, furniture, office equipment	83,049	60,846	22,203	24,144
Fleet of cars	77,773	53,034	24,739	29,098
Construction in progress	3,170	179	2,991	3,215
Property, plant and equipment	465,701	208,505	257,196	264,758
Concessions, licences, copyrights	3,696	1,736	1,960	2,018
Customer contracts	26,731	11,820	14,911	14,150
Software	33,719	25,597	8,122	7,464
Intangible Assets	64,146	39,153	24,993	23,632

Impairment Evaluation of Long-Lived Assets

With the expiry of a customer contract at the end of June, intensive work will continue at the Heppenheim site to acquire follow-up orders. The Group management has initiated numerous sales activities to accomplish this, and is confident of achieving a positive conclusion. If capacity utilization cannot be increased within the next few months, or if the terms are unfavourable, then a substantial impairment to the book value of 24.7 million euros will be advisable, the exact extent of which will depend on the usage situation at the particular time. There may be a need to adjust the value of goodwill in the Thiel Automotive unit due to the loss of several major orders. Here, the premature termination of a logistics services contract with FAG Kugelfischer that had several more years to run has been contested due to the absence of good grounds for the cancellation. Settlement talks to avoid a legal dispute are underway. The company is aiming to achieve a final assessment of goodwill in the Thiel Automotive unit by the September 30, 2005, reporting date.

8. Assets and Liabilities of Discontinued Operations

Assets and liabilities from discontinued operations as of June 30, 2005 and December 31, 2004, are as follows:

	June 30, 2005	Dec. 31, 2004
Trade accounts receivable	2,095	2,851
Inventories	-	20
Prepaid expenses and other current assets	3,611	5,906
Property, plant and equipment	460	549
Intangible assets	35	313
Investments in affiliated companies, not consolidated	26	26
Other non-current assets	4	2,073
Total assets of discontinued operations	6,231	11,738

	June 30, 2005	Dec. 31, 2004
Short-term bank borrowings and current portion of long-term debt	111	35
Trade accounts payable	2,868	2,065
Lease obligations, short-term	44	45
Tax provisions	357	539
Accrued expenses, other liabilities and deferred income	3,337	2,790
Lease obligations, long-term	80	89
Retirement and other employee-related obligations	1,588	1,718
Other long-term liabilities	81	418
Total liabilities of discontinued operations	8,466	7,699

9. Shareholders' Equity

Ordinary shares

As of June 30, 2005, the Company had 111,474,987 ordinary shares, voting without nominal value, issued and outstanding, representing common stock amounting to TEUR 139,344. Each share represents a calculated par value of EUR 1.25.

According to the articles of association of Thiel Logistik AG 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 TEUR 60,656. Issuance is partly limited to specific purposes.

Settlement of the additional paid-in capital with balance sheet loss

The Annual General Meeting of Thiel Logistik AG approved on April 13, 2005 the settlement of the loss in the local balance sheet of Thiel Logistik AG, prepared in accordance with accounting rules under Luxembourg GAAP, in the amount of TEUR 118,285 with the free additional paid-in capital. This settlement was disclosed in the Consolidated Balance Sheet of Thiel Logistik AG as of June 30, 2005.

10. Supplemental Disclosures of Cashflow Information

The Consolidated Statement of Cash Flows is classified into cash flows from operating, investing and financing activities. Net cash used in discontinued operations is disclosed as a single item.

The cash inflow from operating activities includes the following items:

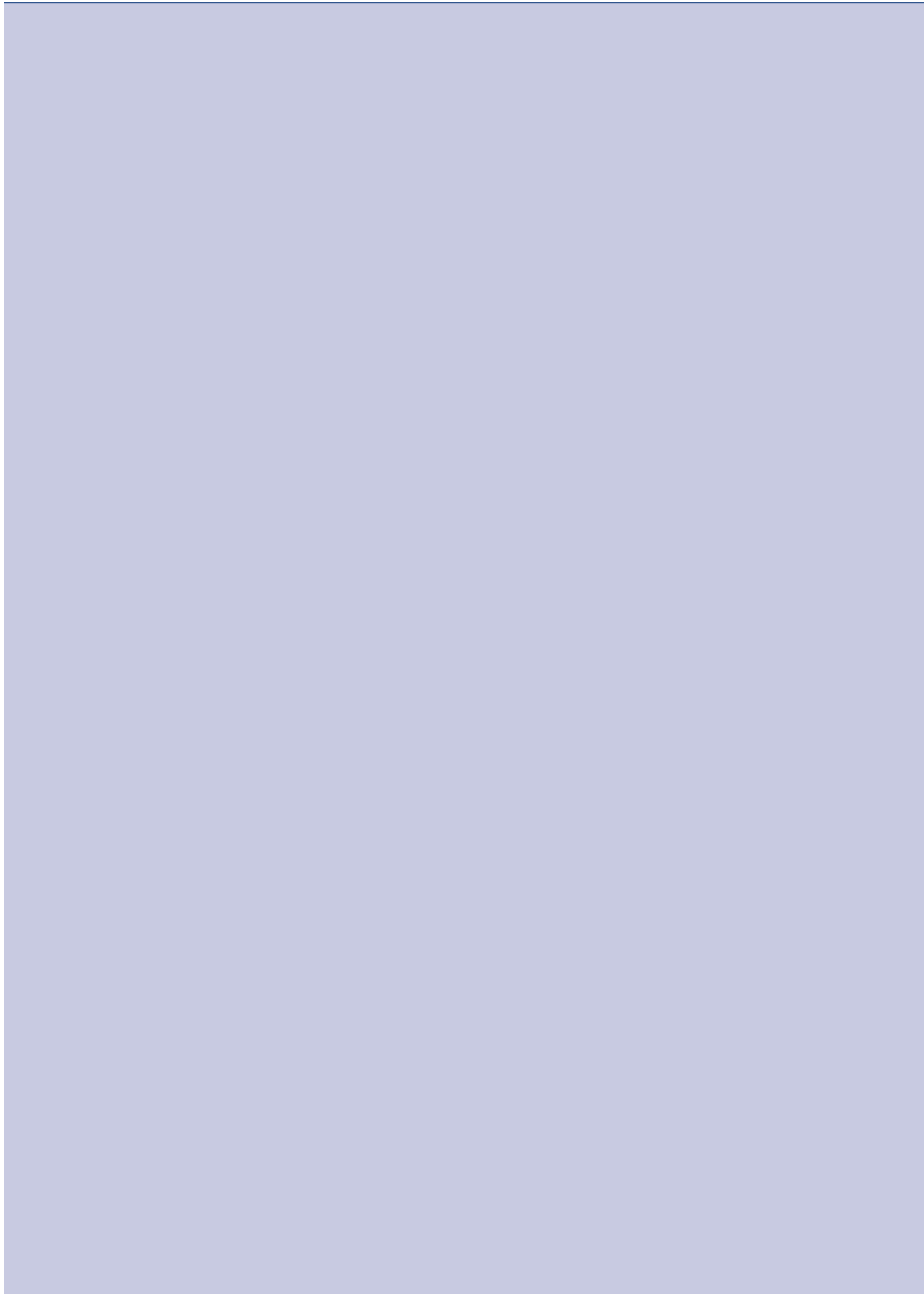
■ ■	January 1, - June 30,	2005	2004
Interest payments		7,116	7,655
Income tax payments		3,656	3,134

The cash flow from operating activities reflects the cash outflow of TEUR 8,523 for the compensation of pension obligations at Birkart. In the first half year of 2005 interest on bonds were paid in the amount of TEUR 5,257.

11. Subsequent events

Executive Board

Martin Löffler, CFO of Thiel Logistik AG, Grevenmacher (Luxembourg), has resigned from his position, effective July 31, 2005.



Grevenmacher/Luxemburg, August 2005

Board of Directors

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

The Executive Board

Stefan Delacher

Financial Calendar

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April 12, 2006 Annual General Meeting

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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.

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